COVER SHEET

4 3 3 7 0

SEC Registration Number

F & J PRINCE HOLDINGS CORPORATION

(Company's Full Name)

5TH FLR BDO TOWERS PASEO 8741 PASEO DE ROXAS MAKATI

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

Atty. Anne Jaycelle C. Sacramento

Contact Person

88927133 · 88927137

Company Telephone Numbers

1 2	3 1
Month	Day

Fiscal Year

0 4	1 2
Month	Day

Annual Meeting

SEC FORM 17-A, AS AMENDED
(As of 31 December 2024)

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

Form Type

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total Number of Stockholders

Domestic

Foreign

File Number

LCU

Document I.D.

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

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

1. For the Fiscal Year Ended **31 December 2024**

2. SEC Identification Number **43370**   3. BIR Tax Identification No. **000-829-097**

4. Exact Name of Issuer as specified in its Charter *F & J Prince Holdings Corporation*

5. **Philippines**
   Province, Country or Other Jurisdiction of Incorporation or Organization

6. (SEC Use Only)
   Industry Classification Code:

7. **5th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati**   **1226**
   Address of Principal Office   Postal Code

8. **(+632) 8892-7133**
   Issuer's Telephone Number, including Area Code

9. **N/A**
   Former Name, Former Address and Former Fiscal Year, If changed since last Report

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

TITLE OF EACH CLASS	NUMBER OF SHARES OF COMMON STOCK OUTSTANDING AND AMOUNT OF DEBT OUTSTANDING
Class "A" Common	**292,610,118**
Class "B" Common	**189,217,535**

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

    Yes [✓]   No [ ]

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

Philippine Stock Exchange **Common Shares, Classes "A" and "B**

12. Check whether the issuer:

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

Yes [✓] No [ ]

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

Yes [✓] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. *

The market value of stocks held by non-affiliates of the Corporation, based on closing prices as of 27 December 2024 the last trading day when the Class "A" shares were traded in 2024, was Two Pesos and Fifty Centavos, Philippine Currency (₱2.50) per share for Class "A" shares, with an aggregate market value of Seven Hundred Thirty One Million Five Hundred Twenty Five Thousand Two Hundred Ninety Five Pesos, Philippine Currency (₱731,525,295.00), and One Peso and Ninety One Centavos, Philippine Currency (₱1.91) per share for Class "B" shares, as of December 27, 2024 the last trading day when the Class "B" shares were traded in 2024, with an aggregate market value of Three Hundred Sixty One Million, Four Hundred Five Thousand, Four Hundred Ninety One Pesos and Eighty Five Centavos, Philippine Currency (₱361,405,491.85).

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

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

Yes [✓] No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

No documents are incorporated by reference.

PART I – BUSINESS AND GENERAL INFORMATION

ITEM I. BUSINESS

A. BUSINESS DEVELOPMENT

1. Business Development of the Registrant

The Registrant was incorporated and registered with the Securities and Exchange Commission (SEC) on 18 February 1971 to engage primarily in the business of mining, including mineral and oil exploration. Its shares were registered and listed with the SEC in 1979 and thereafter listed and traded at the Manila Stock Exchange. Presently, its shares are listed with the Philippine Stock Exchange (PSE).

On 28 July 1997, the Registrant's primary purpose was changed to that of a holding company. At present, the Registrant holds a 94.37% majority interest in Magellan Capital Holdings Corporation (MCHC).

In addition, the Registrant owns 30% of Pointwest Technologies Corporation (PTC), a software servicing and development company. The Registrant also owns 35% of Business Process Outsourcing International, Inc. (BPOI), a provider of accounting-based business process outsourcing (BPO) services to a large number of clients.

From its incorporation to present, the Registrant has not been subject to any bankruptcy, receivership or similar proceedings. There has been no material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets other than in the ordinary course of business and other than the sale by MCHC of its shares in one of its subsidiaries to J.G. Summit Holdings, Inc.

2. Business Development of the Registrant's Subsidiaries

Magellan Capital Holdings Corporation (MCHC) is a corporation which was incorporated and registered with the SEC on 06 November 1990. The Registrant owns a 94.37% majority interest in MCHC. MCHC's primary purpose is to engage in the business of identifying, developing and implementing infrastructure and industrial projects. On December 7, 2006, the Registrant acquired the shares of MCHC owned by PSEG Philippines Holdings LLC, which represented a 27.67% total equity stake in MCHC. As a result of this transaction, the Registrant increased its ownership stake in MCHC from 66.67% to 94.37%. Because the shares were acquired at a substantial discount to book value, the Registrant booked a gain of ₱201.3 Million representing excess of fair value of net assets acquired over cost in 2006.

MCHC owns 100% of the shares of the following companies:

NAME OF COMPANY	DATE OF INCORPORATION	PRIMARY PURPOSE
Pinamucan Industrial Estates, Inc.	05 May 1993	Real Estate Holding and Development
Malabrigo Corporation	31 August 1993	Mining
Magellan Capital Trading, Inc.	07 January 1991	Trading
Magellan Capital Realty Development Corporation	14 November 1990	Realty

From its incorporation to the present, none of the Registrant's above-named subsidiaries have been subject to any bankruptcy, receivership or similar proceedings. There has also been no material reclassification, merger, consolidation, or purchase or sale of a significant amount of their assets other than in the ordinary course of business.

3. Business of Registrant

Description of Registrant

The Registrant is a holding company. At present, it owns almost 95% of its subsidiary, MCHC, which is currently invested in real estate assets and in bond and stock investments and in shares of its subsidiaries. Most of the Registrant's indirect operating subsidiaries, i.e. MCHC's subsidiaries, are in development of infrastructure projects, as well as landholding and development. The Registrant also owns 30% of PTC, a software servicing development company, and 35% of BPOI, which it acquired in 2004 and 2005, respectively.

Percentage of Consolidated Total Revenues

Breakdown of Revenues for the year 2024

	CONSOLIDATED TOTAL REVENUES	PERCENTAGE BREAKDOWN
Equity in Net Earnings (Losses) of Associates	₱ 32,372,222	14.7%
Interest Income	16,102,321	7.3%
Gain on Disposal of AFS, FVPL and HTM Financial Assets	53,757,403	24.5%
Rent	27,290,478	12.4%
Dividend Income	1,919,618	0.9%
Fair Value Gain (Loss) on Financial Assets of FVPL	22,013,948	10.0%
Other Income	31,400,915	14.3%
Gains (Losses) on Disposal of Financial Assets at FVOCI	(3,317,350)	(1.5%)
Foreign Exchange Gains	34,323,870	15.6%
Total	**₱ 219,537,918**	**100.00%**

Breakdown of Revenues for the year 2023

	CONSOLIDATED TOTAL REVENUES	PERCENTAGE BREAKDOWN
Equity in Net Earnings (Losses) of Associates	₱ 45,346,405	24.1%
Interest Income	18,547,435	9.8%
Gain on Disposal of AFS, FVPL and HTM Financial Assets	(319,149)	(0.2%)
Rent	22,122,711	11.7%
Dividend Income	4,226,083	2.2%
Fair Value Gain (Loss) on Financial Assets of FVPL	94,321,443	50.0%
Other Income	285,658	0.2%
Gains (Losses) on Disposal of Financial Assets at FVOCI	(23,888,151)	(12.7%)
Foreign Exchange Gains	3,101,182	1.6%
Total	**₱ 188,513,417**	**100.00%**

The Registrant's consolidated revenue in 2024 increased to ₱219.5 million from ₱188.5 million in 2023. Equity in net earnings of associates decreased from ₱45.3 million in 2023 to ₱32.3 million in 2024. Rent increased from ₱22.1 million in 2023 to ₱27.3 million in 2024. Fair Value Gain on Financial Assets at FVPL was ₱22.0 million in 2024 compared to ₱94.3 million in 2023. Dividend income decreased to ₱1.9 million in 2024 from ₱4.2 million in 2023. Fair value gains on disposal of Financial Assets at FVOCI was a loss of ₱3.3 million in 2024 compared to a loss of ₱23.8 million in 2023. Net FX gain was ₱34.3 million in 2024 compared to a gain of P3.1 million in 2023.

B. MANPOWER MANAGEMENT OF REGISTRANT

The Registrant has three (3) full-time employees, one (1) each for accounting, clerical, and administrative and two (2) consultants, not including the employees and consultants retained by the Registrant's subsidiary and affiliates. The Registrant's employees are not subject to any Collective Bargaining Agreements (CBA), nor are they involved in or have threatened to strike for the past three (3) years. Aside from the mandatory 13th month pay and additional 14th month pay and service incentive leaves (vacation and sick) benefits and retirement benefits mandated by Republic Act No. 7641, there are no other benefits that are granted by the Registrant to its employees. The Registrant does not anticipate the need to hire additional employees within the ensuing twelve (12) months.

C. BUSINESS AND PRINCIPAL PRODUCTS AND SERVICES OF MCHC AND OTHER SUBSIDIARIES

Currently, MCHC, the Registrant's subsidiary, has direct holdings in real estate and stock and bond investments. It also owns shares in subsidiaries and affiliates engaged in development of infrastructure projects and in real estate investment and development.

1. Power Generation Project Companies

As a result of the crippling power shortages in the 1980s, the Philippine government launched its program to encourage private sector participation in the power industry through the enactment of Executive Order No. 215 (EO 215). Under EO 215, independent power producers (IPPs) may participate in bulk generation to serve the requirements of the National Power Corporation (NPC), electric cooperatives, private utilities and other customers. It was against this background that MCHC's power generation project companies, Magellan Utilities Development Corporation (MUDC), Magellan Cogeneration, Inc. (MCI), and Mactan Power Corporation (MPC), were organized, on the basis of Build-Own-and-Operate (BOO) schemes pursuant to Republic Act No. 6957, as amended by Republic Act No. 7718. The MPC project was sold by MCHC in 1997 right before the onset of the Asian economic crisis. The MCI project was completed and sold in 1998.

MUDC, which was established to develop an approximately 320MW power plant in Pinamucan, Batangas is 43%-owned by MCHC. The other major shareholder in MUDC is GPU Power Philippines, Inc. (GPU Power), with a 40% equity interest. GPU Power is a subsidiary of GPU Corporation (GPU), the former parent company of Manila Electric Company (MERALCO). GPU was a U.S.-based energy holding company with about US$11 Billion in assets that operates utilities and power plants in New Jersey and Pennsylvania, U.S.A. GPU was then acquired by First Energy Corporation of Ohio, which has decided to withdraw from the project and has done so by liquidating GPU Power.

MUDC initially had a 25-year power sales contract with MERALCO, under which MUDC was to supply power to MERALCO from its 300 MW coal-fired power plant to be constructed in Pinamucan, Batangas. Under a Memorandum of Agreement executed in December 1998, the parties agreed to execute a power purchase agreement, whereby MERALCO would purchase the power generated from MUDC's 320 MW power plant, which was to be fuelled primarily by natural gas. The said power purchase agreement has not yet been finalized.

As a result of the project's uncertain prospects, the Registrant's auditor recommended, and the management had agreed, that provision be made for all project development expenditures and pre-operating expenses by MUDC in line with current accounting standards. MUDC has decided not to proceed with its power project due to MERALCO's unwillingness to enter into a revised Power Purchase Agreement and due to the withdrawal of its foreign partner, GPU. In addition, MCHC has almost fully provided for its receivables due from MUDC. In 2008, in the Registrant's Consolidated Financial Statements, receivables due to MCHC's subsidiary, Pinamucan Industrial Estates, Inc., were also fully provisioned. Thus, the Registrant's remaining exposure to the MUDC project is minimal at the end of 2020.

2. Real Estate Holding and Development Companies

Until July 2011, MCHC owned 100% interest in Batangas Agro-Industrial Development Corporation (BAID).

BAID has the following wholly-owned subsidiaries, which, together with BAID, own 50 hectares of land fronting Batangas Bay in Pinamucan, Batangas:

a. Fruit of the East, Inc.;
b. United Philippines Oil Trading, Inc.;
c. Hometel Integrated Management Corporation;
d. King Leader Philippines, Inc.;
e. Samar Commodities & Industrial Corporation; and
f. Tropical Aqua Resources, Inc.

In July 2011, MCHC sold all its shares in BAID to J.G. Summit Holdings, Inc. for a total consideration of ₱1.04 billion.

3. Principal Products and Services of Pointwest Technologies Corporation (PTC)

PTC is a global service company offering outsourced IT services from the Philippines. It is led by an experienced management team that helped pioneer offshore outsourcing in the Philippines. The Registrant is a founding shareholder of PTC and owns 30% of its equity. Among others, PTC offers software servicing, maintenance, testing, and development to various clients mostly in the United States. It started operations in 2003 and had built up to a staffing level of over Six Hundred (600) IT Professionals and Support Staff. But recent restructuring due to loss of two major accounts has reduced staffing level to about 500. PTC's consolidated net income in 2024 reached ₱99.8 Million and revenues of ₱932.2 Million.

4. Principal Products and Services of Business Process Outsourcing International, Inc. (BPOI)

BPOI is a provider of finance and accounting services, such as payroll services, internal audit, payables processing, and other accounting-based services. It has a total of over 300 employees servicing many of the large multinationals operating in the country. BPOI was spun off from the BPO department of SGV & Co., the biggest auditing firm in the Philippines. The Registrant is a major shareholder of BPOI with a

35% ownership stake. BPOI reported a net income of ₱2.0 Million in 2024 on revenue of ₱442.9 Million.

5. Competition

PTC and BPOI face competition from other providers of software and business process outsourcing services both in the country and abroad. Outsourcing is a competitive industry and being competitive requires ability to provide quality and reliable service and ability to control costs so that operating margins are maintained at viable levels.

6. Transactions with and/or Dependence on Related Parties

The Registrant's subsidiary, MCHC and certain of MCHC's subsidiaries and affiliates as well as Registrant's affiliate, BPOI, have transactions with each other, such as rental contracts and intercompany loans. These transactions are on arms-length basis and, in the case of partially owned affiliates, are subject to approval of unrelated shareholders of these affiliates. In the case of rental contracts, the rental rates charged are similar to those charged to outside parties leasing similar properties.

7. Patents, Trademarks, Copyrights, Etc.

There are no patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts and the like, owned by or pertaining to the Registrant and its subsidiary, MCHC.

8. Costs and Effects of Compliance with Environmental Laws

Since MUDC has decided not to pursue its power project, there is no anticipated need to comply with any environmental regulations. The other affiliates which are involved in the outsourcing industry which mainly involve the use of computer and other office equipment are expected to have negligible environmental impact.

C. RISK OF THE BUSINESSES OF THE REGISTRANT AND ITS SUBSIDIARIES

1. Pointwest Technologies Corporation (PTC)

PTC would face the normal risks faced by an IT services company serving mostly foreign clients. These risks include: 1) the risk that PTC may not find or retain clients; 2) some contracts are on non-recurring basis and may not be renewed; 3) risk of contract dispute in case of customer dissatisfaction with the services provided; 4) risk of non-collection of receivables due to contract dispute or to financial problems of customers; 5) high staff turnover which may affect service quality; 6) ability to recruit and retain qualified IT professionals; and (7) change in foreign exchange rates that may affect the operating margin of its businesses.

2. Business Process Outsourcing International, Inc. (BPOI)

BPOI would face the normal risks faced by a BPO company which are very similar to the risks faced by an IT services outsourcing company such as PTC. BPOI currently services only domestic clients but intends to develop its foreign business. The risks BPOI takes include: 1) the risk that BPOI may not find or retain clients; 2) some contracts are on non-recurring basis and may not be renewed; 3) risk of contract dispute in case of customer dissatisfaction with the services provided; 4) risk of non-collection of receivables due to contract dispute or to financial problems of customers; 5) high staff turnover which may affect service quality; and 6) ability to recruit and retain qualified accounting and finance professionals.

3. Portfolio Investments

The Registrant and its subsidiaries and affiliates also invest their excess cash in bonds, stocks and short-term placements. These involve government securities as well as corporate bond and stock investments which face the normal commercial risks such as price declines, payment defaults and foreign exchange risks in the case of foreign currency denominated investments.

4. Other Interests

MCHC also has a 100% interest in a mining company, Malabrigo Corporation (Malabrigo). Malabrigo has a paid-up capital of ₱10,000,000.00 and limestone mining claims in Batangas, which are not considered significant in potential. It has also invested as a partner in a shopping center project in the United States.

There are no patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts and the like owned by or pertaining to the Registrant and its subsidiary, MCHC. Also, no substantial expenditure has been made for research and development activities for the past three (3) years.

ITEM II. PROPERTIES

A. EQUITY INTERESTS

The Registrant's investment in MCHC consists of shares of common stock with aggregate issued value representing approximately 94.37% of the outstanding shares of MCHC.

MCHC owns 70,458 shares of common stock, representing approximately 43% of the outstanding capital stock of MUDC. MUDC was set up to develop a 320 MW power plant project in Pinamucan, Batangas, which has now been aborted. MCHC's exposure to MUDC has been fully provided for in the Consolidated Financial Statements.

MCHC has equity interests in Pinamucan Industrial Estates, Inc. (100%-owned) and Malabrigo (100%-owned). MCHC also owns 100% of Magellan Capital Trading Corporation and Magellan Capital Realty Development Corporation, two (2) inactive shell companies.

The Registrant owns common shares in PTC, which represent a 30% ownership interest in the company, as well as in BPOI, which represent a 35% ownership interest in the said company.

B. REAL ESTATE

The Registrant has no real estate holdings except through its subsidiary, MCHC.

1. Condominium Units

MCHC owns five (5) office condominium units which comprise the entire 5th Floor of the BDO Towers Paseo, located at 8741 Paseo de Roxas, Makati City, including five (5) appurtenant parking units, *per* a Deed of Sale executed on 26 April 2000. Three (3) of the 5 units are being leased out and two (2) units are used as the corporate offices of the Registrant and its subsidiaries. MCHC also owns an office condominium unit on the 25th Floor and 2 condominium units on the 16th Floor of the BDO Towers Valero in Makati City (acquired in December 2014), as well as ten (10) parking slots, which are being leased out at prevailing commercial rates. MCHC has also acquired 3 residential condominium units in Two Roxas Triangle Tower, a luxury condominium development at Ayala Land, and one (1) residential condominium unit in Arya in Bonifacio Global City, Taguig City, which is also currently leased out.

2. Office Properties

MCHC, the Registrant's wholly-owned subsidiary, has its corporate offices to one (1) of its condominium units located at the 5th Floor of BDO Towers Paseo in Makati City. The Registrant, as principal shareholder of MCHC, has been allocated office space by MCHC. MCHC has also leased out the four (4) remaining units. One of the units has been leased by BPOI since 16 February 2009. Two (2) of the units have been leased by BPOI and PTC, while the 2 remaining units are leased out to other lessees.

3. Land/Property Ownership

MCHC has acquired a 985 square meter lot in Bonifacio Global City, Taguig City, which it plans to develop into an office building for lease. Architectural plans and necessary permits for the building are currently being prepared and applied for. However, construction of the building has been put on hold indefinitely due to a weak office leasing market. As of 31 December 2024, the above land and properties are not subject to any mortgages, liens or encumbrances.

ITEM 3. LEGAL PROCEEDINGS

For the past six (6) years up to the present, there have been no proceedings involving, and to the best of knowledge, threatened proceedings against the Registrant. As of 31 December 2024, none of the current directors, or nominees for election as director, executive officer, underwriter, or control person of the Registrant, have been involved in, or the subject of, any bankruptcy petition, conviction by final judgment, or is the subject of any order judgment or decree, or involved in any violation of a securities of commodities law.

However, with respect to its subsidiaries, following is a summary of pending and/or recently concluded litigation involving them:

1. ***"Rolando M. Zosa v. Magellan Capital Holdings Corporation and Magellan Capital Management Corporation"***, Civil Case No. CEB-18619, Regional Trial Court of Cebu City, Branch 58; *"Magellan Capital Management Corporation and Magellan Capital Holdings Corporation v. Rolando M. Zosa, et al."* G.R. No. 129916, Supreme Court; *Ad Hoc Arbitration with an Arbitral Tribunal composed of Justice Florentino P. Feliciano, as Chairman and Attys. Ramon R. Torralba and Enrique I. Quiason as members; Regional Trial Court, Branch 139,* SP Proc. No. M-6259 and SP Proc. No. 6264; Court of Appeals, CA GR. SP-144096; CA GR SP NO. 144162.

This is a case for damages instituted in May 1996, wherein complainant Zosa sought to enforce his purported rights under his Employment Agreement with defendants and claims entitlement to the following reliefs, *to wit*:

(1) actual damages in the amount of ₱10,000,000.00;
(2) attorney's fees in the amount of ₱300,000.00; and
(3) expenses of litigation in the amount of ₱150,000.00.

Defendants sought dismissal of the case, invoking the provision on arbitration in the Employment Agreement. In a Decision dated 18 July 1997, the trial court declared invalid the arbitration clause providing for the manner by which the arbitrators will be chosen and substituted the provisions of the Arbitration Law therefore. The Supreme Court, on 26 March 2001, affirmed the trial court's decision, which became final and executory. Arbitrators were appointed, one by Zosa, on the one hand, and the other, jointly appointed by MCHC and MCMC, and a third, jointly chosen by the two arbitrators.

Sometime in November 2004, the Arbitral Tribunal was finally constituted composed of Justice Florentino P. Feliciano as Chairman and Attys. Ramon R. Torralba and Enrique I. Quiason as members.

On 14 March 2005, the parties submitted to the Tribunal their Confirmation of Agreement to Submit to Arbitration. The Complainant has submitted its Statement of Claims & Memorials. The respondents have submitted their Statement of Defenses and are scheduled to submit their Counter-Memorials on 02 May 2004.

On 02 August 2005, the Memoranda of the parties were submitted and the case was submitted for resolution.

On 06 March 2005, the Tribunal rendered its decision directing MCHC and MCMC to solidarily pay Zosa his claim for severance pay, with interest, but disallowed Zosa's claims for attorney's fees and moral and exemplary damages and costs of suit.

On 12 April 2006, MCHC filed with the Regional Trial Court of Makati City, a verified petition with prayer for the issuance of an Order to Vacate the Arbitral Award, dated 06 March 2006, pursuant to Sections 22 to 29 of Republic Act (R.A.) No. 876, otherwise known as "**The Arbitration Law**," and the relevant provisions of R.A. No. 9825, otherwise known as the "**Alternative Dispute Resolution Act of 2004**." Likewise, Zosa filed his Application for Confirmation of Award on 12 April 2006. The two cases were consolidated and raffled to Branch 139 of the Regional Trial Court of Makati as Sp. Proc. No. M-6259 and M-6264. On 17 March 2009, a hearing was held whereby the Court directed all the parties to submit their respective Memoranda. In compliance with the aforesaid order, MCHC submitted its Memoranda on 17 May 2009. The case was thereafter submitted for resolution on 29 January 2013.

On 29 June 2015, the Court rendered its decision confirming the arbitral award directing MCHC solidarily with MCMC to pay Zosa's severance compensation in the amount of ₱14,669,691.43. MCHC filed its Motion for Reconsideration on 23 July 2015, which was denied in an Order dated 7 January 2016. On 9 February 2016, MCHC filed with the Court of Appeals its Petition for Review of the Decision of the Regional Trial Court. MCMC likewise filed its appeal with the said appellate court. On August, 2019, the Court of Appeals denied the Petition for Review. MCHC filed a Motion for Reconsideration on 16 September 2019 assailing the Court of Appeals decision. The Motion for Reconsideration was denied by the Court of Appeals in its Resolution dated 22 September 2020.

MCHC has decided not to pursue the appeal. MCMC, however, went up to the Supreme Court on appeal.

In view of MCHC's full settlement and satisfaction of the sums in the Arbitral Award, the Regional Trial Court of Makati City issued an Order dated 12 July 2022 confirming such full settlement and satisfaction, and thereby releasing MCHC from any other legal liabilities in the said case.

2. ***"People of the Philippines vs. Ariel Balatbat"***, Criminal Case No. 115515, Regional Trial Court of Pasig City, Branch 155. MCHC, through its authorized officer, filed a complaint against Ariel Balatbat for qualified theft relating to several unauthorized withdrawals and anomalous transactions involving company funds in the total amount of ₱41,021.50 (converted to US$1,000.00). On 29 October 2004, the Court rendered its decision finding the accused guilty beyond reasonable doubt of the crime of qualified theft under Article 310 of the Revised Penal Code, and imposed the corresponding penalty of imprisonment of ten (10) years minimum to a maximum of fourteen (14) years. The Decision of the Regional Trial Court was appealed to the Court of Appeals. In a Decision rendered in February 2018, the Court of Appeals reversed the conviction of the accused. MCHC, for humanitarian reasons, and the fact that the accused had already spent some time in incarceration, decided not to appeal the aforesaid Decision of the Court of Appeals.

3. ***"People of the Philippines vs. Ariel Balatbat"***, Criminal Case No. 114955, Regional Trial Court of Pasig City, Branch 151. MUDC, through its authorized officer, filed a complaint against Ariel Balatbat for qualified theft relating to several unauthorized withdrawals and anomalous transactions involving company funds in the total amount of ₱121,500.00 (equivalent to

US$3,000.00), US$4,000.00, and US$1,020.00. Said amounts were never recovered or accounted for.

A warrant of arrest was issued by the Regional Trial Court, and bail was set for ₱40,000.00. The accused was arrested and subsequently arraigned. Three (3) witnesses have been presented - two (2) from the bank and one (1) from MUDC.

On 28 February 2005, the Prosecution filed its Formal Offer of Evidence. Defense rested its case on 4 December 2006. On 22 January 2007, the Prosecution presented its rebuttal evidence. The Memorandum for the Prosecution having been subsequently filed, the case was submitted for decision.

On 29 April 2013, the Regional Trial Court rendered its decision finding the accused guilty of the crime of qualified theft and sentenced the accused to *reclusion perpetua*. It also ordered the restitution to MUDC of the amount of $4,000.00 or its peso equivalent ₱105,720.00 Pesos. However, the court found no liability for the amount of $3,000.00 withdrawn, it appearing that same was credited to private complainant.

On appeal, the Court of Appeals, in a Decision dated 28 February 2017, reversed and set aside the Decision of the Regional Trial Court. MCHC, for humanitarian reasons, and the fact that the accused had already spent some time in incarceration, decided not to appeal the aforesaid Decision of the Court of Appeals.

4. ***"Magellan Capital Holdings Corporation vs. Spouses Mario and Preciosa Roño"***, Civil Case No. 066, Regional Trial Court, Taguig City, Branch 153; Civil Case No. 066, Regional Trial Court, Taguig City, Branch 271. This is a case filed in 2016 for Injunction, with application for Temporary Restraining Order (TRO) and Writ of Injunction, against Spouses Mario and Preciosa Roño, the Taguig Register of Deeds, the Securities and Exchange Commission (SEC), and Bureau of Internal Revenue – Taguig District, to prevent the use of falsified documents, including a falsified Deed of Sale, falsified General Information Sheet (GIS) and falsified certificate of title, to transfer MCHC's property in Bonifacio Global City (BGC), Taguig City, in favor of the Spouses Roño. This is in relation to the attempt by certain individuals to cause the transfer of title over MCHC's 985 square meter lot at BGC in their favor using falsified and spurious documents.

   The Regional Trial Court granted the preliminary injunction on 24 August 2016, pending resolution on the grant of a permanent injunction.

In an Order dated 3 July 2017, the Regional Trial Court referred the case for mediation proceedings. On 15 March 2018, the Court deemed as submitted for resolution the Motion to declare defendants in default.

On 01 June 2018, the Regional Trial Court issued an Order granting the Motion to declare defendants in default, and ordered the presentation of evidence by MCHC *ex-parte*. However, upon motion for reconsideration by the defendants, the judge of Regional Trial Court – Branch 153 inhibited herself from hearing the cases and the case was re-raffled to Branch 271.

On 04 March 2020, the parties executed a Compromise Agreement whereby Spouses Roño agreed to pay the sum of Ten Million Pesos (₱10,000,000.00) to settle the case. Spouses Roño has fully been complied with the terms of the Compromise Agreement in February 2021.

In view of such compliance, the parties filed a Motion to Dismiss on 23 February 2021, which was subsequently granted by the Regional Trial Court. Subsequently, a Certificate of Finality is issued by the Regional Trial Court on 18 April 2023.

5. ***"Magellan Capital Holdings Corporation represented by Mr. Robert Y. Cokeng vs. Spouses Mario and Preciosa Roño et al."***, XV-16-INQ-16F-00541, Office of the City Prosecutor of Taguig; *"People of the Philippines vs. Marion S. Roño,"* Criminal Case No. 17-28768, Metropolitan Trial Court of Taguig City, Branch 115; *"People of the Philippines vs. Mario S. Roño,"* Criminal Case No. 17-28769, Metropolitan Trial Court of Taguig City, Branch 115; *"People of the Philippines vs. Mario S. Roño and Preciosa Roño,"* Criminal Case No. 17-28771, Metropolitan Trial Court of Taguig City, Branch 115; *"People of the Philippines vs. Mario Roño and Preciosa Roño,"* Criminal Case No. 17-28770, Metropolitan Trial Court of Taguig City, Branch 116. These criminal cases for Falsification under Article 171 in relation to Article 172 of the Revised Penal Code were filed against the named individuals in connection with Civil Case No. 066. The Prosecutor in XV-16-INQ-16F-00541, found probable cause against the respondents and the corresponding Information was filed with the Metropolitan Trial Court. A Warrant of Arrest against the respondents was issued on 10 February 2017 and Arraignment was scheduled on 23 March 2017.

On 12 May 2017, the Metropolitan Trial Court dismissed the accused's Omnibus Motion (1) to Quash for failure to state an offense (2) issue Bill of Particulars and (3) suspend proceedings in view of the pendency of accused's Petition for Review with the Department of Justice (DOJ) and (4) Suspend Arraignment. Arraignment was scheduled to be held on 15 May 2017. In an Order dated 22 May 2017, the Regional Trial Court reset the arraignment to

14 August 2017. On 2 June 2017, the DOJ dismissed the Petition for Review filed by the accused Spouses Roño. The accused were subsequently arraigned on 14 August 2017. Thereafter, the parties were referred to mediation and Judicial Dispute Resolution. No settlement was reached.

The case was re-raffled to Branch 74 of the Metropolitan Trial Court of Taguig City, and was scheduled for Preliminary Conference on 27 February 2019. The hearing dates for presentation of prosecution evidence were scheduled on 11 April, 9 May, 13 June, 29 July, 29 August, 23 September, 21 October, 18 November and 12 December 2019, all at 8:30 a.m.

On 04 March 2020, the parties executed a Compromise Agreement whereby the Accused agreed to pay the sum of Ten Million Pesos (P10,000,000.00) to settle the case. In an Order dated 5 March 2020, the Court approved the Compromise Agreement dated 4 March 2020 and provisionally dismissed the criminal cases. Spouses Roño has fully been complied with the terms of the Compromise Agreement in February 2021.

6. ***"Magellan Capital Holdings Corporation, represented by Mr. Robert Y. Cokeng vs. Spouses Mario and Preciosa Roño, Pedro S. Villaflor, John Doe and Jane Doe,"*** IS No. XV-13-INV-16-J-02050, Office of the City Prosecutor of Pasay City, Department of Justice. In relation to the aforementioned cases, this case was filed against the respondents for violation of Article 172 in relation Article 171 of the Revised Penal Code (Use of Falsified documents). The falsified documents were used to open an account in Maybank, Villamor Base branch, Pasay City. In a Resolution dated 05 January 2017, the City Prosecutor dismissed MCHC's complaint. A Motion for Reconsideration was filed by the MCHC, which was subsequently denied in a Resolution dated 29 November 2017.

7. ***"Magellan Capital Holdings Corporation vs. Spouses Mario and Preciosa Roño, IS No. XV-03-INV-16J-10508,"*** Office of the City Prosecutor of Quezon City, Department of Justice. In relation to the aforementioned cases, this case was filed against the respondents for violation of Article 172 in relation to Article 171 (2) of the Revised Penal Code. The falsified documents appear as having been executed and notarized in Quezon City. In a Resolution dated 19 March 2018, which was received on 18 April 2018, the City Prosecutor dismissed the complaint against respondents. MCHC filed its Motion for Reconsideration of the aforesaid Resolution on 03 May 2018. On 23 August 2019, the City Prosecutor denied the Motion for Reconsideration of MCHC.

MCHC filed its Petition for Review with the DOJ. In the meantime, the parties entered into a Compromise Agreement dated 04 March 2020, the conditions of which have been fully been complied with by Spouses Roño in February

2021. Such full compliance was subsequently used by MCHC as basis for filing of a Motion to Dismiss the Petition in March 2021.

Meanwhile, on 30 June 2021, the DOJ issued a Resolution partially granting the Petition for Review. Particularly, the dismissal of the complaint as to Preciosa Roño was affirmed, but as regards Mario Roño, the City Prosecutor of Quezon City was directed to file the appropriate informations for violations of Article 172 in relation to Article 171 (2) of the Revised Penal Code against him. However, in view of the Compromise Settlement, MCHC no longer participated in any of the proceedings in connection with the said case.

8. ***"Robert Y. Cokeng (for and in behalf of Magellan Capital Holdings Corporation) vs. Maybank Philippines, Inc. Dato Dr. Tan Tat Wai, Herminio M. Famatigan Jr., Jonathan P. Ong, Jose A. Morales III and Milandro C. Urbano,"*** OSI-AC-No. 2016-032, Bangko Sentral ng Pilipinas, Office of the Special Investigation; *"Robert Y. Cokeng (for and in behalf of Magellan Capital Holdings Corporation) v. Metropolitan Bank and Trust Company, Fabian S. Dee, Alfredo V. Ty, Arthur Ty, Francis Cua, Trixia C. Tan, Joyce P. Pareno and Grance C. Buenavista,"* OSI-AC No. 2016-029, Bangko Sentral ng Pilipinas, Office of Special Investigation. These cases were filed with the Bangko Sentral ng Pilipinas (BSP) against two banks, Maybank and Metro Bank, in connection with their participation in the aforementioned cases. In OSI-AC-No.2016-032, the BSP, in a Resolution dated 21 November 2016, referred the case against Maybank to the Financial Consumer Protection Department (FCPD), Supervision and Examination Sector of the BSP. In a letter dated 02 February 2017, the FCPD informed MCHC that it in turn referred the matter to the attention of BSP departments exercising supervisory authority over banks. The Office of Special Investigation, in the meantime, continued to hear the administrative complaint against the respondents Dato Dr Tan Tat Wai, Herminio Famatigan, Jonathan P. Ong, et al. In a Resolution dated 03 October 2017, the BSP Office of Special Investigation dismissed the administrative complaint against the said respondents. A Motion for Partial Reconsideration was subsequently filed by MCHC, which was denied in a Resolution dated 09 January 2017.

   With respect to OSI-AC No. 2016-029, the BSP Office of Special Investigation, in a Resolution dated 20 March 2018, dismissed the administrative complaint filed by MCHC against Metro Bank and its Board of Directors.

9. ***"Uny Pacific Manufacturing Corporation vs. Maybank Philippines, Inc. and Magellan Capital Holdings Corporation,"*** Civil Case No. 503, Regional Trial Court of Taguig, Branch 70. This case was filed by Uny Pacific Manufacturing Corporation against the defendants for the recovery of the Fifty

Million Pesos (₱50,000,000.00) it deposited with Maybank for the alleged purchase of MCHC's property in BGC, Taguig City.

The case was referred to Mediation. However, due to physical closure of government offices during the community quarantines, no actual mediation conferences were held, and the mediator referred the case back to the Regional Trial Court. Subsequently, in an Order dated 22 October 2021, the Regional Trial Court referred the parties to Judicial Dispute Resolution ("**JDR**"). The JDR likewise failed. Hence, trial ensued. In the meantime, Uny Pacific and MCHC had negotiated for the settlement of the case. A Settlement Agreement was entered into on 19 July 2023 between Uny Pacific and MCHC, wherein Uny Pacific agreed to pay MCHC the amount of Two Hundred Thousand Pesos (₱200,000.00), and both parties agreed to hold each other free from any and all liabilities relating to and/or arising from the case.

On 25 July 2023, a Joint Motion to Dismiss based on the aforementioned Settlement Agreement. In an Order dated 19 September 2023, the Regional Trial Court granted the Motion to Dismiss, with prejudice.

ITEM 4. <u>SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS</u>

For the period October to December 2024, there were no matters submitted to a vote by security holders of the Registrant.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

A. MARKET INFORMATION

The shares of the Registrant are listed with the Philippine Stock Exchange.

The high and low prices for each quarter within the last two (2) fiscal years and first quarter of 2025 are as follows:

QUARTER; YEAR	CLASS "A"		CLASS "B"	
	High	Low	High	Low
1st Quarter, 2023	2.10	2.00	-	-
2nd Quarter, 2023	2.91	1.96	-	-
3rd Quarter, 2023	2.85	1.52	1.55	1.40
4th Quarter, 2023	1.62	1.56	1.56	1.56
1st Quarter, 2024	2.34	1.69	-	-
2nd Quarter, 2024	2.62	2.00	2.98	1.58
3rd Quarter, 2024	2.57	2.01	2.30	2.29
4th Quarter, 2024	2.54	1.61	2.53	1.76
1st Quarter, 2025	2.20	2.01	1.91	1.91

B. HOLDERS

Number of Shareholders

As of 31 December 2024, the registrant had Four Hundred Seventy-Three (473) stockholders of record, as follows: Class "A" shares – Four Hundred Thirty (430) holders; Class "B" shares – Forty-Three (43) holders; and Class "A" and "B" – Six (6).

The top twenty (20) stockholders of common equity of the Registrant as of 31 December 2024 are as follows:

TOP TWENTY (20) STOCKHOLDERS AS OF 31 DECEMBER 2024

NAME OF STOCKHOLDER	NUMBER OF SHARES	PERCENTAGE OWNERSHIP
1. Essential Holdings Limited	139,778,670	29.62%
2. PCD Nominee Corporation (A & B)	68,299,452	14.47%

3.	Pinamucan Industrial Estates, Inc.	47,268,493	10.01%
4.	Magellan Capital Holdings Corporation	47,143,022	9.99%
5.	Consolidated Tobacco Industries of the Phils., Inc.	43,052,023	9.12%
6.	Vructi Holdings Corporation	34,633,628	7.34%
7.	Center Industrial and Investment, Inc.	23,991,000	5.08%
8.	PHESCO, Incorporated	15,463,419	3.28%
9.	Johnson Tan Gui Yee	15,371,747	3.26%
10.	Estate of Robert Y. Cokeng	13,693,072	2.90%
11.	Victorian Development Corporation	12,085,427	2.56%
12.	Brixton Investment Corporation	2,815,000	0.60%
13.	Francisco Y. Cokeng, Jr.	2,160,000	0.46%
14.	Johnson U. Co	1,100,000	0.23%
15.	Betty C. Dy	1,100,000	0.23%
16.	Homer U. Cokeng, Jr.	1,100,000	0.23%
17.	Rosalinda C. Tang	1,080,000	0.23%
18.	Metro Agro-Industrial Supply Corporation	793,977	0.17%
19.	Ruffy James Tiangco	555,000	0.12%
20.	Raizel T. Kwok	500,000	0.11%

C. DIVIDENDS

Dividends amounting to a total of ₱0.15 per share were declared and paid out in 2024.

Under the Registrant's By-laws, there are no restrictions in the declaration of dividends other than what is prescribed in the Revised Corporation Code, namely, that these shall be declared only from surplus profit and no stock dividend shall be issued without the approval of stockholders representing not less than two-thirds of all stock outstanding and entitled to vote at a general or special meeting called for the purpose.

D. RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES, INCLUDING RECENT ISSUANCE OF SECURITIES CONSTITUTING AN EXEMPT TRANSACTION

The Registrant has not sold any securities within the past three (3) years, which were not registered under the Securities Regulation Code, including sales of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities and new securities resulting from the modification of outstanding securities.

E. WARRANTS

There are no warrants outstanding as of the end of December 2024.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

A. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Registrant's consolidated revenue in 2024 increased to ₱189.40 million from ₱188.5 million in 2023. Equity in net earnings of associates decreased from ₱45.3 million in 2023 to ₱32.3 million in 2024. Rent increased from ₱22.1 million in 2023 to ₱27.3 million in 2024. Fair Value Gain on Financial Assets at FVPL was ₱22.0 million in 2024 compared to ₱94.3 million in 2023. Dividend income decreased to ₱1.9 million in 2024 from ₱4.2 million in 2023. Fair value gains on disposal of Financial Assets at FVOCI was a loss of ₱3.3 million in 2024 compared to a loss of ₱23.8 million in 2023. Net FX gain was ₱34.3 million in 2024 compared to a gain of P3.1 million in 2023. Dividend income decreased to ₱1.9 million in 2024 from ₱4.2 million in 2023.

Total consolidated expenses of the Registrant decreased to ₱80.8 million in 2024 compared to ₱131.50 million in 2023.

As a result of the above, total consolidated income before tax in 2024 totaled ₱102.6 million compared to ₱56.9 million in 2023. After provision for income tax, total consolidated net income after tax totaled ₱94.2 million in 2024 compared to ₱63.7 million in 2023.

Net income attributable to non-controlling interest, namely minority shareholders of Magellan Capital Holdings Corporation, totaled to a gain of ₱0.6 million in 2024 compared to a gain of ₱1.4 million in 2023.

Net income attributable to equity holders of the Registrant totaled ₱93.6 million in 2024 compared to ₱62.2 million in 2023.

The Registrant's financial position is very strong as it has substantial cash resources available to undertake its planned projects. As of December 31, 2024, the Registrant's consolidated cash and cash equivalent totaled ₱597.4 million compared to ₱429.9 million as of December 31, 2023. The Registrant and its subsidiary are debt free with total consolidated liabilities of ₱42.4 million at year-end 2024 compared to ₱65.8 million at year-end 2023. Total equity amounted to ₱1.80 billion as of the end of 2024 compared to ₱1.81 billion at the end of 2023.

The Registrant and its subsidiary and affiliates are substantially debt free except for MUDC which has loans and advances from its principal shareholders. The Registrant and its subsidiaries have more than enough cash resources to meet any expected requirements in the next twelve months. Total current assets totaled ₱760.9 million at year-end 2024 compared to ₱810.3 million at year-end 2023. Other than the normal fluctuation of the Peso exchange rate as well as the effect of the normal market fluctuations on the value of stock and bond holdings owned by the Registrant and its subsidiary, the Registrant is not aware of any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in its liquidity increasing or decreasing in any material way. Likewise, the Registrant does not know of any trends, events or uncertainties that have or that are reasonably expected to have a material favorable or unfavorable impact on the revenues or income from continuing operations.

Top Five (5) Key Performance Indicators

The top five (5) performance indicators for the Registrant are as follows:

(1) Revenue Generation
(2) Change in Net Income
(3) Earnings per Share
(4) Current Ratio
(5) Book Value per Share

1. Revenue Generation

Revenue in the last two fiscal years is summarized below along with vertical percentage analysis:

(₱000)	YEAR 2024	PER-CENTAGE	YEAR 2023	PER-CENTAGE	Net Difference	PER-CENTAGE
Equity in net earnings of associates	₱ 32,372	17.1%	₱ 45,346	24.1%	₱ (12,974)	(28.6%)
Interest Income	16,102	8.5%	18,547	9.8%	(2,445)	(13.2%)
Rent	27,291	14.4%	22,123	11.8%	5,168	23.4%
Dividend Income	1,920	1%	4,226	2.2%	(2,306)	(54.6%)
Fair Value Gains (Losses) on Financial Assets at FVPL	22,014	11.6%	94,321	50.0%	(72,307)	(76.7%)
Gain (Losses) on Disposal of AFS, HTM and FVPL Investments	53,757	28.4%	-	-	53,757	100%
Gain (Loss) on Disposal of Property and Equipment	357	.2%	563	.3%	(206)	(36.6%)
Net FX Gain	34,324	18.1%	3,101	1.6%	31,223	1007%
Others	1,271	.7%	296	0.2%	985	344.4%
Total from continuing operation	₱ 189,408	100.0%	₱ 188,513	100.0%	₱ 895	.5%

Equity in Net Earnings of Associates decreased from ₱45.3 million in 2023 to ₱32.3 million in 2024. Interest income decreased to ₱16.1 million in 2024 from ₱18.5 million in 2023. Rental income increased from ₱22.1 million in 2023 to ₱27.3 million 2024. The result is an increase in revenue to ₱189.4 million in 2024 from ₱188.5 million in 2023.

2. Change in Net Income

The summary income statements for the last three fiscal years are shown below with vertical percentage analysis.

(000)	YEARS ENDED DECEMBER 31					
	2024	PERCENTAGE	2023	PERCENTAGE	2022	PERCENTAGE
Revenue	₱ 189,408	100%	₱ 188,513	100%	₱ 164,413	100%
Expenses	80,800	42.7%	131,527	69.8%	138,684	84.3%
Net Income Before Tax	108,608	57.7%	56,986	30.2%	25,729	15.6%
Tax	14,443	7.6%	(6,725)	(3.6%)	6,022	3.6%
Total Net Income	**₱ 94,165**	**49.7%**	**₱ 63,711**	**33.8%**	**₱ 19,707**	**12.0%**
Attributable to Stockholders of Registrant	93,566	49.4%	62,262	33.0%	20,333	12.4%
Non-Controlling Interest	559	0.3%	1,448	0.8%	(626)	(0.4%)

As the above shows, net income increased to ₱94.2 million in 2024 from ₱63.7 million in 2023. The net income attributable to stockholders of the Registrant in 2023 is ₱62.2 million while ₱1.4 million was attributable to non-controlling interests. The net income attributable to stockholders of the Registrant in 2024 is ₱93.5 million while ₱0.6 million was attributable to non-controlling interests.

3. Earnings per Share

The earnings per share in 2024 amounted to ₱0.25 per share compared to earnings per share of ₱0.16 in 2023 and ₱0.05 in 2022. The earnings per share are adjusted to reflect the shares held by the Registrant's subsidiaries which are classified as treasury shares in the Consolidated Financial Statements.

4. Current Ratio

Current Ratio (current assets divided by current liabilities) which measures the liquidity position of the Registrant was 27.1x at December 31, 2024 compared to 20.6x at the end of 2023. The Registrant's liquidity position is very strong and gives it substantial resources to pursue its projects.

5. Book Value per Share

The Registrant's book value per share (excluding treasury shares owned by subsidiaries of the Registrant) was ₱4.77x per share at the end of 2024 from ₱4.86 per share at the end of 2023 and ₱4.80 at year-end 2022.

Any known trends or any known demands, commitments, events or uncertainties

The Registrant and its subsidiary and affiliates are substantially debt-free, except for MUDC, which has loans and advances from its principal shareholders. The Registrant and its subsidiaries have more than enough cash resources to meet any expected requirements during the next twelve (12) months. Consolidated cash and cash equivalents totaled ₱597.4 million at year end 2024 compared to ₱429.9 million at year end 2023. Other than the normal fluctuations of the Philippine Peso to the U.S. Dollar, the Registrant is unaware of any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in its liquidity increasing or decreasing in any material way. Likewise, the Registrant does not know of any trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the revenues or income from continuing operations.

Any events that will trigger direct or contingent financial obligation

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

All material off-balance sheet transactions, arrangements, obligations

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

B. OPERATIONS AND FINANCIAL CONDITION FOR THE LAST THREE (3) FISCAL YEARS

The following is a detailed discussion of the Registrant's operations and financial condition for the past three (3) fiscal years.

Exhibit "2" shows the audited consolidated balance sheet as of December 31, 2024 and December 31, 2023 and audited consolidated income statements for the years 2022 and 2021. The accounts are discussed below in more detail.

1. Operating Results

Revenues. In the year ended 31 December 2024, total consolidated revenues totaled ₱189.4 million compared to ₱188.5 million in 2023 and ₱164.4 million in 2022.

Expenses. Total consolidated operating expenses increased to ₱80.8 million in 2024 from the ₱131.5 million in 2023.

Net Income Before Tax. As a result of the movement in revenues and expenses discussed in the preceding sections, net income before tax totaled ₱108.6 million in 2024 compared to ₱56.9 million in 2023 and ₱25.7 million in 2022.

Provision For Income Tax. In 2024, there was an income tax of ₱14.4 million compared to negative ₱6.7 million in 2023 and ₱6.0 million in 2022.

Net Income After Tax. The Registrant had a consolidated net income after tax of ₱94.2 million in 2024, from net income after tax of ₱63.7 million in 2022 and ₱19.7 million in 2022.

2. Balance Sheet Accounts

The following comparative financial analysis is based on audited consolidated balance sheets as of December 31, 2024 and December 31, 2023 shown in Exhibit "2". Exhibit "4" shows the vertical percentage analysis of balance sheet accounts as of December 31, 2024 and December 31, 2023. The movements in the various accounts are discussed below:

3. Assets

Current Assets. Total current assets at year-end 2024 totaled ₱760.9 million compared to ₱810.3 million at year-end 2023. Cash and cash equivalents decreased to ₱597.4 million at year end 2024 from ₱429.9 million at year end 2023. Financial assets at Fair Value through Profit or Loss (FVPL) decreased to ₱112.7 million at year-end 2024 from ₱342.1 million at year-end 2023. Prepayments and other assets increased to ₱29.9 million at year-end 2024 from ₱35.4 million at year-end 2023.

Non-Current Assets. Total non-current assets at year-end 2024 totaled ₱1,086 million versus ₱1,074 million at year-end 2023.

Total Assets. As a result of the movement in the accounts described above, total consolidated assets of the Registrant at year-end 2024 totaled ₱1,847 million compared to ₱1,885 million at year-end 2023.

4. Liabilities and Equity

Current Liabilities. Current liabilities decreased to ₱28 million at year-end 2024 from ₱39.2 million at year-end 2023.

Non-Current Liabilities. Non-current liabilities decreased to ₱14.3 million at year-end 2024 from ₱26.6 million at year-end 2023 due mainly to deferred Tax Liabilities.

Stockholder's Equity. Total Stockholder's Equity Attributable to Equity Holders of the Registrant decreased to ₱1,742.6 million at year-end 2024 from ₱1,753.6 million at year end 2023. Equity attributable to minority shareholders of MCHC totaled ₱62.7 million at year end 2024 compared to ₱65.8 million at year-end 2023. As a result, total stockholders' equity at year-end 2024 stood at ₱1,847.8 million compared to ₱1,885.3 million at year-end 2023.

INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

(1) External Audit Fees and Services

a) *Audit and Audit- Related Fees for the Last Three Fiscal Years*

	2024	2023	2022
Registrant	₱ 585,000	₱ 550,000	₱ 475,000
MCHC	481,600	448,000	448,000
Subsidiaries of MCHC	157,920	192,640	302,400
MUDC	56,000	56,000	26,415

b) *Tax Fees*: None
c) *All Other Fees*: None
d) Audit Committee has approved the audit fees

ITEM 7. <u>FINANCIAL STATEMENTS</u>

The Statement of Management's Responsibility is attached as Exhibit "1" hereof. The Audited Consolidated Financial Statements as of 31 December 2024 are attached as Exhibit "2" hereof.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no disagreements with the Registrant's accountants, past or present, on accounting and financial disclosures. In 1997, Sycip Gorres Velayo & Co. replaced Velandria, Dimagiba & Co. In 2000, Vicente E. Reyes and Associates, now known as Reyes, Galang, King & Company, replaced Sycip Gorres Velayo & Co. as the external auditor of some of the wholly owned subsidiaries of Magellan Capital Holdings Corporation as well as Magellan Utilities Development Corporation. In 2020, KPMG – R.G. Manabat & Co. replaced Sycip Gorres Velayo & Co. as the external auditor for F&J Prince Holdings Corporation and Magellan Capital Holdings Corporation. In 2021, Mendoza Querido & Co. was appointed as the external auditor for F&J Prince Holdings Corporation and Magellan Capital Holdings Corporation. In 2022, Mendoza Querido & Co. was re-appointed as the external auditors for F&J Prince Holdings Corporation and Magellan Capital Holdings Corporation.

In 2023, Reyes Tacandong & Co. was appointed as the external auditors for F&J Prince Holdings Corporation and Magellan Capital Holdings Corporation. Reyes Tacandong & Co was re-appointed as the external auditors for F&J Prince Holdings Corporation and Magellan Capital Holdings Corporation for fiscal year 2024.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

A. DIRECTORS AND EXECUTIVE OFFICERS

The following are the directors and executive officers of the Registrant, with the past and present positions held by them in the Registrant's subsidiaries and other companies for the past five (5) years:

JOHNSON TAN GUI YEE, 77 years old, Filipino citizen.
Chairman of the Board

Re-elected on 11 July 2024 to a one-year term.

Chairman, Armak Tape Corporation; *President & Chief Executive Officer*, Armak Holdings and Development, Inc.; *President*, Yarnton Traders Corporation; *Chairman*, Magellan Capital Holdings Corporation.

B.S. Chemical Engineering and B.S. Mathematics

MARK RYAN K. COKENG, 39 years old, Filipino citizen.
President

Re-elected on 11 July 2024 to a one-year term.

President, F&J Prince Holdings Corporation, Magellan Capital Holdings Corporation and Magellan Capital Corporation; *Vice Chairman*, IPADS Developers, Inc., All Suites, Inc., and All IPADS, Inc.; *Vice Chairman and Regular Member of the Executive Committee*, Pointwest Technologies Corporation and Pointwest Innovations Corporation; *Director and Treasurer,* Business Process Outsourcing International, Inc.

Bachelor of Arts in Economics and Statistics, Boston University.

JOHNSON U. CO, 72 years old, Filipino citizen.
Vice-President for Administration and Director

Re-elected on 11 July 2024 to a one-year term. Director since 1996.

President, Pinamucan Industrial Estates, Inc.; *Vice-President for Administration and Director*, Magellan Capital Holdings Corporation; *Treasurer*, Magellan Utilities Development Corporation and Malabrigo Corporation; *Director*, Pinamucan Power Corporation; *Chairman and Director*, Consolidated Tobacco Industries of the Philippines, Inc. and Center Industrial & Investment, Inc.; *Director,* Pointwest Technologies Corporation.

B.S. Mechanical Engineering, University of Sto. Tomas.

MARY K. COKENG, 73 years old, Filipino citizen.
Treasurer and Director

Re-elected on 11 July 2024 to a one-year term. Director since 2008.

Director, Essential Holdings, Limited; *Director*, Magellan Capital Holdings Corporation.

Bachelor of Arts, Management, University of Sto. Tomas

KATRINA MARIE K. COKENG, 44 years old, Filipino citizen.
Assistant Treasurer and Director

Re-elected on 11 July 2024 to a one-year term. Director since 28 September 2021.

Co-Founder and Chief Executive Officer, XEN Technologies PTE. LTD., Singapore; *Director and Assistant Treasurer*, F&J Prince Holdings Corporation; *Director*, Magellan Capital Holdings Corporation; *Director and Alternate Member of the Executive Committee*, Pointwest Technologies Corporation.

MIT Sloan Executive Education: Blockchain Technologies
Master in Business Administration, Harvard Business School
Bachelor of Arts in Economics and Psychology, *Summa Cum Laude*, Phi Betta Kappa, Smith College

CHARLIE K. CHUA, 61 years old, Filipino citizen.
Independent Director

Re-elected on 11 July 2024 to a one-year term.

Vice President, Highland Tractor Parts, Inc; *President,* CKL Marketing & Dev't. Corp.

B.S. Mechanical Engineering, University of the Philippines; Master of Science, Mechanical Engineering, University of California, Berkley.

JOHNNY O. COBANKIAT, 74 years old, Filipino citizen.
Director

Re-elected on 11 July 2024 to a one-year term. Director since 2008.

President, Ace Hardware Phils., Cobankiat Hardware, Inc. and Milwaukee Builders Center, Inc.; *Executive Vice President*, Hardware Workshop; *Vice Chairman*, R. Nubla Securities.

B.S. Accounting, De La Salle University.

FRANCIS LEE CHUA, 73 years old, Filipino citizen.
Director

Re-elected on 11 July 2024 to a one-year term. Director since 2001.

General Manager, Sunny Multi Products and Land Management Inc., Midori Carpet; *Corporate Secretary*, Sunflare Horizon International, Inc.

B.S. Management, Ateneo University.

PETER L. KAWSEK, JR., 67 years old, Filipino citizen
Independent Director

Re-elected on 11 July 2024 to a one-year term.

President, Apo International Marketing Corporation; Bekter Ventures Inc., PNZ Marketing Inc., and PNZ Packers, Inc.; *Vice President*, Kawsek Inc.

Bachelor of Science in Business, De La Salle University.

RUFINO B. TIANGCO, 75 years old, Filipino citizen.
Director

Re-elected on 11 July 2024 to a one-year term. Director since 1997.

Chairman of the Board, R.A.V. Fishing Corporation, Marala Vitas Central Terminal & Shipyard Corp.; *President*, Vructi Holdings Corporation; Trufsons Holdings Corporation, Vructi Holdings Corporation; *Director*, Magellan Capital Holdings Corporation and Magellan Utilities Development Corporation.

B.S. Mechanical Engineering, University of Sto. Tomas.

RYAN WESLEY T. YAPKIANWEE, 42 years old, Filipino citizen
Director

Elected on 11 July 2024 to a one-year term.

President and CEO, Tubig Pilipinas Group, Inc.; *Director*, Repower Energy Development Corporation (REDC); *Independent Director*, W Group Inc.

B.S. Civil Engineering, Sub-specialization in Structural Engineering, De La Salle University

ANNE JAYCELLE C. SACRAMENTO, 37 years old, Filipino citizen
Legal Counsel, Corporate Secretary and Compliance Officer

Appointed as Acting Corporate Secretary on 12 April 2024, and as Corporate Secretary on 11 July 2024. Appointed as Compliance Officer on 19 February 2025.

Legal Counsel, Corporate Secretary and Compliance Officer, F & J Prince Holdings Corporation; Magellan Capital Holdings Corporation and its subsidiaries, Magellan Utilities Development Corporation, and Pinamucan Industrial Estates Inc.; *Special Counsel*, Exiomo Law Chambers – Attorneys.

B.S. Business Administration, University of the Philippines, *Cum Laude*
Juris Doctor, University of the Philippines

Term of Office

The directors of the Registrant were elected during the annual stockholders' meeting held on 11 July 2024. The directors have a one (1) year term of office.

The Independent Directors

The independent directors of the Registrant are Charlie K. Chua and Peter L. Kawsek, Jr.

B. SIGNIFICANT EMPLOYEES

There are no other persons other than the Registrant's executive officers who are expected to make a significant contribution to its business.

C. FAMILY RELATIONSHIPS

Mark Ryan K. Cokeng is the son of (+) Robert Y. Cokeng and Mary K. Cokeng. Johnson U. Co is the cousin of (+) of Robert Y. Cokeng. Katrina Marie K. Cokeng is the daughter of (+) Robert Y. Cokeng and Mary K. Cokeng.

Messrs. (+) Robert Y. Cokeng and Johnson U. Co are first cousins. Mary K. Cokeng is the spouse of Robert Y. Cokeng.

ITEM 10. EXECUTIVE COMPENSATION

A. GENERAL

None of the directors and executive officers of the Registrant are paid any compensation as such. Among its officers, only Messrs. Johnson U. Co, and Mark Ryan K. Cokeng, as well as Attys. Fina Bernadette D.C. Tantuico and Anne Jaycelle C. Sacramento, are paid professional fees and compensation by the Registrant or its affiliates, MCHC and PIEI, respectively. Directors are not paid any compensation by the Registrant other than a *per diem* of Five Thousand Pesos (₱5,000.00) per attendance of Board Meeting.

B. SUMMARY COMPENSATION TABLE

Summary Compensation Table
Annual Compensation

NAME & PRINCIPAL POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION*
Mark Ryan K. Cokeng, President	2025	-	-	₱11,000,000.00
Johnson U. Co, Vice-President-Administration	2025	-	-	
Mary K. Cokeng, Treasurer	2025	-	-	
Katrina Marie K. Cokeng, Asst. Treasurer	2025	-	-	
Fina Bernadette D.C. Tantuico, Legal Counsel	2025	-	-	
Anne Jaycelle C. Sacramento, Corporate Sec	2025	-	-	
All Other Officers & Directors	2025	310,000.00	-	

NAME & PRINCIPAL POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION*
Mark Ryan K. Cokeng, President	2024	-	-	₱11,384,300.00
Johnson U. Co, Vice-President-Administration	2024	-	-	
Mary K. Cokeng, Treasurer	2024	-	-	
Katrina Marie K. Cokeng, Asst. Treasurer	2024	-	-	
Fina Bernadette D.C. Tantuico, Legal Counsel	2024	-	-	
All Other Officers & Directors	2024	310,000.00	-	

NAME & PRINCIPAL POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION*
Mark Ryan K. Cokeng, President	2023	-	-	₱11,384,100.00
Johnson U. Co, Vice-President-Administration	2023	-	-	
Mary K. Cokeng, Treasurer	2023	-	-	
Fina Bernadette D.C. Tantuico, Corporate Sec	2023	-	-	
All Other Officers & Directors	2023	310,000.00	-	

* The amount given represents the professional fees and compensation paid by the affiliates of Registrant.

*** Other directors and executive officers of the Registrant are not paid any compensation as such.

C. COMPENSATION OF DIRECTORS

Directors receive a *per diem*[1] of ₱5000 *per* attendance at Board Meetings and no other compensation as such.[2]

[1] On 12 February 2002, the SEC approved the Amendment to the Registrant's By-Laws, specifically Article III, Section 6 on Compensation of Directors. The cap of Pesos (₱500.00) has been removed. Each director may now receive a reasonable per diem, as may be fixed by the Board of Directors, for attendance at board meetings.

[2] Pursuant to the Amended By-Laws, Registrant's Board of Directors approved and adopted on 28 February 2002 a resolution fixing the per diem at ₱5000 per attendance at Board Meetings.

D. EMPLOYMENT CONTRACTS, TERMINATION OF EMPLOYMENT, AND CHANGE-IN-CONTROL ARRANGEMENTS

There are no employment contracts nor any compensatory plan or arrangements with the Executive Officers of the Registrant.

E. WARRANTS AND OPTIONS OUTSTANDING: RE-PRICING

There are no existing warrants outstanding. One detachable Subscription Warrant was issued for each share subscribed under the share offering in 2002. Warrants for 723,727 "A" shares and 71,198 "B" shares were exercised. All the remaining warrants that were not exercised have expired as of May 2008. There are no options or warrants currently outstanding.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

A. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AS OF 31 DECEMBER 2024

The record or beneficial owners of 5% or more of the outstanding shares of the Registrant are as follows:

TITLE OF CLASS	NAME, ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NUMBER OF SHARES HELD	PER-CENTAGE
Common B	Essential Holdings Limited 11/F, Belgian House, 77-79 Gloucester Road, Hongkong	Same as Record Owner Estate of Robert Y. Cokeng Mary K. Cokeng *Managing Director*	Foreign	139,728,670 Record & Beneficial	29.62%
Common A	PCD Nominee Corporation 37th Floor Tower I, The Enterprise, 6766 Ayala Avenue Makati City *Stockholder*	None of the beneficial owners own Five (5%) Percent or more of the outstanding capital stock of the Corporation	Filipino	57,200,871	14.86%
Common A & B	Pinamucan Industrial Estates, Inc. 5th Floor, BDO Towers Paseo, 8741 Paseo de	Same as Record Owner	Filipino	47,268,493	10.01%

	Roxas, Makati City	Mark Ryan K. Cokeng Chairman		Record & Beneficial	
Common A	Magellan Capital Holdings Corporation 5th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City	Same as Record Owner Mark Ryan K. Cokeng President	Filipino	47,143,022 Record & Beneficial	9.99%
Common A	Consolidated Tobacco Industries of the Philippines, Inc. CTIP Compound, Ortigas Avenue Ext., Rosario, Pasig City	Same as Record Owner Mark Ryan K. Cokeng President	Filipino	43,052,023 Record & Beneficial	9.12%
Common A	Vructi Holdings Corporation 52 Narra Avenue, Forbes Park Makati City	Same as Record Owner Rufino B. Tiangco President	Filipino	34,633,628 Record & Beneficial	7.34%

Mr. Mark Ryan K. Cokeng, the President of the Registrant, is the controlling stockholder of Essential Holdings Limited (EHL).

Mr. Mark Ryan K. Cokeng is also the Chairman of Pinamucan Industrial Estates, Inc. (PIEI), and has been granted voting power over the shares of stock of PIEI by the Board of Directors of PIEI in the Registrant.

Mr. Mark Ryan K. Cokeng is President of Magellan Capital Holdings Corporation (MCHC) and has voting power over the shares of stock of MCHC in the Registrant.

Mr. Mark Ryan K. Cokeng is the President of Consolidated Tobacco Industries of the Philippines, Inc. (CTIP), a corporation principally owned and controlled by the Cokeng and Co families. Mr. Mark Ryan K. Cokeng has voting power over the shares of stock of CTIP in the Registrant.

Mr. Rufino B. Tiangco, a director of the Registrant, is the controlling stockholder of Vructi Holdings Corporation. As such, Mr. Rufino B. Tiangco has been granted the voting power over the shares of Vructi Holdings Corporation in the Registrant.

B. SECURITY OWNERSHIP OF MANAGEMENT

As of 31 December 2024, the Directors, Executive Officers and Nominees of the Corporation are the beneficial owners of the following number of shares:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT OF OWNERSHIP
Common A	Katrina Marie K. Cokeng	10,000	Filipino	0.002%
Common A	Johnson U. Co	1,100,000	Filipino	0.22%
Common A	Mark Ryan K. Cokeng	10,000	Filipino	0.002%
Common A	Johnson Tan Gui Yee	15,371,747	Filipino	3.19%
Common A	Mary K. Cokeng	1,000	Filipino	0.0002%
Common A	Johnny O. Cobankiat	7,227,076	Filipino	1.50%
Common A & B	Rufino B. Tiangco	128,000	Filipino	0.03%
Common A	Francis L. Chua	100,000	Filipino	0.02%
Common A	Charlie K. Chua	5,000	Filipino	0.001%
Common A	Peter L. Kawsek, Jr.	1,000	Filipino	0.0002%
Common A	Ryan Wesley T. Yapkianwee	10,000	Filipino	0.002%
Total		**23,963,823**		**4.9674%**

TITLE OF CLASS	NAME OF DIRECTOR/EXECUTIVE OFFICER/BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT OF OWNERSHIP
Common A & B	All Directors & Executive Officers	43,646,466	Filipino	4.97%

C. VOTING TRUST HOLDERS OF 5% OR MORE OF THE OUTSTANDING SHARES

There are no voting trust holders of 5% or more of the outstanding shares of the Registrant.

D. CHANGES IN CONTROL

There are no arrangements that may result in a change in control of the Registrant.

ITEM 12. CERTAIN RELATIONSHIPS & RELATED TRANSACTIONS

There were no transactions with any related parties other than normal business transactions such as rental agreements between affiliates on the basis of arms length negotiations. These rental rates are in line with rental rates for similar properties and were negotiated with non-majority owned affiliates where other shareholders provide checks and balances.

There were no transactions with any entities controlled or owned by former managers of the registrant or its subsidiaries and affiliates.

PART IV – CORPORATE GOVERNANCE

ITEM 13. ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report for the year 2024 will be submitted on or before 30 May 2025.

PART V – EXHIBITS AND SCHEDULES

EXHIBITS AND REPORTS ON SEC FORM 17-C

A. EXHIBITS

EXHIBIT NO.	DOCUMENT
1	Statement of Managements' Responsibility
2	Audited Consolidated Financial Statements as of 31 December 2024 and 2023
3	Breakdown of various accounts Schedules A-G
4	Consolidated Balance Sheet as of 31 December 2024 and 31 December 2023 with vertical percentage analysis
5	Breakdown of Receivables-Others Schedule "I" Breakdown of Accounts Payable and Accrued Expenses-Schedule "2"
6	Organizational Chart of Subsidiaries and Associates

B. REPORTS ON SEC FORM 17-C

For the period January to December 2024, the following matters were duly reported to the SEC and PSE under SEC Form 17-C, *to wit*:

DATE	MATTERS DISCLOSED
12 April, 2024 Regular Board Meeting	<u>**Date of Annual Stockholders' Meeting**</u> **"RESOLVED,** that the Corporation's Annual Stockholders' Meeting be held on July 11, 2024 (Thursday) at 2.30PM both in person in Makati City, and remotely via zoom. **"RESOLVED, FURTHER,** that MARK RYAN K. COKENG, the President of the Corporation, be hereby, as he is hereby, authorized to represent the Corporation as well as to sign, execute and deliver any and all as may be necessary to be executed in implementation of the foregoing."
11 July, 2024 Annual Stockholders' Meeting	<u>**Election of Officers**</u> The Chairman announced that the table was open for nominations to the Board of Directors for the coming year. This announcement was followed by the nomination and election of the following members of the Board of Directors and who would act as such until their successors have been duly elected and qualified: [in alphabetical order] CHARLIE K. CHUA FRANCIS L. CHUA JOHNSON U. CO

	JOHNNY O. COBANKIAT KATRINA MARIE K. COKENG MARK RYAN K. COKENG MARY K. COKENG PETER L. KAWSEK, JR. JOHNSON TAN GUI YEE RUFINO B. TIANGCO RYAN WESLEY T. YAPKIANWEE Messrs. Charlie K. Chua and Peter L. Kawsek, Jr. were re-elected as the independent directors of the Corporation, as required by law. **Approval of the Amendments to the Articles of Incorporation** "**RESOLVED,** that the Corporation be hereby, as it is hereby, authorized and empowered to change the principal office address of the Corporation to reflect the updated name of the building from **Citibank Center Building** to **BDO Paseo Towers**, and accordingly, to amend the Third Article of its Articles of Incorporation, as follows: 'THIRD: That the place where the principal office of the corporation is to be established or located is at Units 3 & 4, 5th Floor, ***BDO Towers Paseo***, 8741 Paseo de Roxas Street, Salcedo Village, Makati City. *(As amended on 11 July 2024)'* "**RESOLVED, FURTHER**, that the Corporation be hereby, as it is hereby, authorized and empowered to change its corporate existence to **perpetual,** in accordance with the Revised Corporation Code, and accordingly, to amend the Fourth Article of its Articles of Incorporation, as follows: 'FOURTH: ***That the corporation shall have perpetual existence.*** *(As amended on 11 July 2024)'* **Approval of the Amendments to the By-Laws** "**RESOLVED,** that the Corporation be hereby, as it is hereby, authorized and empowered to change the date of the annual meeting of the stockholders of the Corporation, and accordingly, to amend paragraph 1 of Article II of the By-Laws, as follows: '1. THE ANNUAL MEETING of the stockholders of this company shall be held in the principal office of the company, or

	such other place as the Board of Directors may designate, on ***the 15th of June*** of each year at 4:00 P.M, ***unless the Board of Directors fixes a different date and time, which in no case shall not be later than the last working day of July.*** *(As amended on 11 July 2024)'* **"RESOLVED, FURTHER**, that the Corporation be hereby, as it is hereby, authorized and empowered to update the provisions of the By-Laws to make them consistent with the applicable provisions of the Revised Corporation Code, and accordingly, to amend the paragraph 5 of Article I, paragraph 3 of Article II, and paragraph 4 Article III of the By-Laws, as follows: **ARTICLE I** '5. LOST CERTIFICATES may be replaced whenever any person claiming a certificate of stock to be lost or destroyed shall make an affidavit to that fact and shall advertise the same in such manner as the Board of Directors may require, and shall give the company a bond of indemnity in the form and with the sureties satisfactory to the Board in such sum as the Board shall deem reasonably necessary. The new certificate shall be plainly marked as a duplicate certificate and shall otherwise be of the same tenor as the one alleged to be lost or destroyed. In this connection, the ***applicable provisions of the Corporation Law of the Philippines shall be observed.*** *(As amended on 11 July 2024)'* **ARTICLE II** '3. ***NOTICE OF MEETINGS - Except as otherwise provided by law, written or printed notices of all annual and special meetings of stockholders, stating the place and time of the meeting, and, if necessary, the general***

		nature of the business to be considered, shall be transmitted by personal delivery, mail, electronic mail, telegraph, or cable to a stockholder of record entitled to vote thereat at his last known address, by the Secretary of the Corporation, at least ten (10) days before the date of the meeting, if an annual meeting, or at least five (5) days before the date of the meeting, if a special meeting. No failure or irregularity of notice of any regular meeting shall invalidate such meeting or any proceeding thereat, and no failure or irregularity of notice of any special meeting at which all the stockholders are present and voting without protest, shall invalidate such meeting or any proceeding thereat. *(As amended on 11 July 2024)'* **ARTICLE III** '***4. NOTICE OF MEETINGS - Except as otherwise provided by law, written or printed notices of all meetings of the Board of Directors, stating the place and time of the meeting, and, if necessary, the general nature of the business to be considered, shall be transmitted by personal delivery, mail, or electronic mail, at his last known address, by the Secretary of the Corporation, at least five (5) days before the date of the meeting, if a regular meeting, or at least one (1) day before the date of the meeting, if a special meeting. Notice of a meeting may be waived by any director and his presence at the meeting shall be deemed a waiver of any failure, defect or irregularity of the notice.*** *(As amended on 11 July 2024)'*

11 July, 2024 Organizational Board Meeting	**<u>Election of Officers</u>** The Chairman announced that in accordance with the Revised Corporation Code and the By-Laws of the Corporation, the new corporate officers should now be elected by the Board, and that the officers to be elected were a Chairman, a President, a Vice-President, a Treasurer, a Corporate Secretary, and such other officers as the Board may designate and elect. The President then declared that the table was open for nominations to the aforesaid offices, beginning from the office of the Chairman of the Board. This announcement was followed by the nomination and unanimous election of the following persons to the positions indicated opposite their respective names: JOHNSON TAN GUI YEE - Chairman MARK RYAN K. COKENG- President JOHNSON U. CO - VP for Administration MARY K. COKENG - Treasurer KATRINA MARIE K. COKENG - Assistant Treasurer ANNE JAYCELLE C. SACRAMENTO - Corporate Secretary **<u>Election of Different Committees</u>** The members of the different committees were re-elected as follows: **<u>Audit Committee</u>** Peter L. Kawsek, Jr. - Chairman/Independent Director Mark Ryan K. Cokeng Johnson Tan Gui Yee Rufino B. Tiangco Johnson U. Co **<u>Nomination Committee</u>** Charlie K. Chua - Chairman/Independent Director Mark Ryan K. Cokeng Rufino B. Tiangco Johnson Tan Gui Yee Francis L. Chua **<u>Compensation Committee</u>** Mark Ryan K. Cokeng - Chairman Johnson U. Co Rufino B. Tiangco Charlie K. Chua - Independent Director Mary K. Cokeng

	<u>Approval of the Amendments to the Articles of Incorporation</u> **"RESOLVED,** that the Corporation be hereby, as it is hereby, authorized and empowered to change the principal office address of the Corporation to reflect the updated name of the building from **Citibank Center Building** to **BDO Paseo Towers**, and accordingly, to amend the Third Article of its Articles of Incorporation, as follows: 'THIRD: That the place where the principal office of the corporation is to be established or located is at Units 3 & 4, 5th Floor, ***<u>BDO Towers Paseo</u>***, 8741 Paseo de Roxas Street, Salcedo Village, Makati City. *(As amended on 11 July 2024)'* **"RESOLVED, FURTHER**, that the Corporation be hereby, as it is hereby, authorized and empowered to change its corporate existence to **perpetual,** in accordance with the Revised Corporation Code, and accordingly, to amend the Fourth Article of its Articles of Incorporation, as follows: 'FOURTH: ***<u>That the corporation shall have perpetual existence.</u>*** *(As amended on 11 July 2024)'* **<u>Approval of the Amendments to the By-Laws</u>** **"RESOLVED,** that the Corporation be hereby, as it is hereby, authorized and empowered to change the date of the annual meeting of the stockholders of the Corporation, and accordingly, to amend paragraph 1 of Article II of the By-Laws, as follows: '1. THE ANNUAL MEETING of the stockholders of this company shall be held in the principal office of the company, or such other place as the Board of Directors may designate, on ***<u>the 15th of June</u>*** of each year at 4:00 P.M.***<u>, unless the Board of Directors fixes a different date and time, which in no case shall not be later than the last working day of July.</u>*** *(As amended on 11 July 2024)'* **"RESOLVED, FURTHER**, that the Corporation be hereby, as it is hereby, authorized and empowered to update the provisions of the By-Laws to

make them consistent with the applicable provisions of the Revised Corporation Code, and accordingly, to amend the paragraph 5 of Article I, paragraph 3 of Article II, and paragraph 4 Article III of the By-Laws, as follows:

ARTICLE I

'5. LOST CERTIFICATES may be replaced whenever any person claiming a certificate of stock to be lost or destroyed shall make an affidavit to that fact and shall advertise the same in such manner as the Board of Directors may require, and shall give the company a bond of indemnity in the form and with the sureties satisfactory to the Board in such sum as the Board shall deem reasonably necessary. The new certificate shall be plainly marked as a duplicate certificate and shall otherwise be of the same tenor as the one alleged to be lost or destroyed. In this connection, the ***applicable provisions of the Corporation Law of the Philippines shall be observed.*** *(As amended on 11 July 2024)'*

ARTICLE II

'3. ***NOTICE OF MEETINGS - Except as otherwise provided by law, written or printed notices of all annual and special meetings of stockholders, stating the place and time of the meeting, and, if necessary, the general nature of the business to be considered, shall be transmitted by personal delivery, mail, electronic mail, telegraph, or cable to a stockholder of record entitled to vote thereat at his last known address, by the Secretary of the Corporation, at least ten (10) days before the date of the meeting, if an annual meeting, or at least five (5) days***

	before the date of the meeting, if a special meeting. No failure or irregularity of notice of any regular meeting shall invalidate such meeting or any proceeding thereat, and no failure or irregularity of notice of any special meeting at which all the stockholders are present and voting without protest, shall invalidate such meeting or any proceeding thereat. *(As amended on 11 July 2024)'* **ARTICLE III** '***4. NOTICE OF MEETINGS - Except as otherwise provided by law, written or printed notices of all meetings of the Board of Directors, stating the place and time of the meeting, and, if necessary, the general nature of the business to be considered, shall be transmitted by personal delivery, mail, or electronic mail, at his last known address, by the Secretary of the Corporation, at least five (5) days before the date of the meeting, if a regular meeting, or at least one (1) day before the date of the meeting, if a special meeting. Notice of a meeting may be waived by any director and his presence at the meeting shall be deemed a waiver of any failure, defect or irregularity of the notice.*** *(As amended on 11 July 2024)'* **Declaration of Cash Dividends** **"RESOLVED,** that the Corporation hereby declare out of its unrestricted retained earnings a cash dividend of a total of Fifteen Centavos (PhP 0.15) per share, payable to all stockholders of record as of 26 April 2024, in two (2) tranches, the specific dates of which shall be determined by the President of the Corporation, but in no case shall be later than end of calendar year 2024."

27 Aug, 2024 Special Board Meeting	<u>**Payment Date of Cash Dividends**</u> "**RESOLVED**, that the Corporation hereby declare out of its unrestricted retained earnings a cash dividend in an aggregate amount of Fifteen Centavos (PhP 0.15) per share, payable as follows: a. Ten Centavos (P0.10) per share, to stockholders of record as of August 23, 2024 (the "**Record Date**"), payable on or before September 18, 2024; and b. Five Centavos (P0.10) per share, to stockholders of record as of October 7, 2024 (the "**Record Date**"), payable on or before October 30, 2024."

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this Annual Report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on ____________________.

I & J Prince Holdings Corporation
Issuer

Pursuant to Section 17 of the Code, this Annual Report has been signed by the following persons in the capacities and on the dates indicated.

By:

JOHNSON TAN GUI YEE *Chairman of the Board*	**MARK RYAN K. COKENG** *President*
MARY K. COKENG *Treasurer*	**(ATTY.) ANNE JAYCELLE C. SACRAMENTO** *Corporate Secretary / Compliance Officer*

APR 3 0 2025

SUBSCRIBED AND SWORN to before me this ____________________, affiants exhibiting to me their Identification Cards, as follows:

NAMES	IDENTIFICATION CARDS	DATE OF ISSUE	PLACE OF ISSUE
Johnson Tan Gui Yee	OSCA No. 27715	December 15, 2008	Makati City, NCR
Mark Ryan K. Cokeng	Driver's License No. X01-09-003590	January 15, 2024	Quezon City, NCR
Mary K. Cokeng	OSCA No. 54916	January 6, 2012	Makati City, NCR
Anne Jaycelle C. Sacramento	Integrated Bar of the Philippines (IBP) ID#63548 issued by IBP		

NOTARY PUBLIC

Doc. No. 72;
Page No. 16;
Book No. 45;
Series of 2025.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 496534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

SECRETARY'S CERTIFICATE

I, **ANNE JAYCELLE C. SACRAMENTO**, Filipino, of legal age, with business address at the 5th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City, after being duly sworn to in accordance with law, hereby depose and state that:

1. I am the duly elected Corporate Secretary of **F & J PRINCE HOLDINGS CORPORATION** (the "**Corporation**"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office and place of business at the 5th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City;

2. I hereby certify that at the Special Meeting of the Board of Directors of the Corporation held on 27 March 2025, at which a quorum was present and acting throughout, the following resolution was unanimously approved:

   "**RESOLVED**, that the Corporation authorizes the issuance and filing of the Consolidated Financial Statements and for this purpose, the President/CEO, Mark Ryan K. Cokeng, is hereby appointed and designated to sign the Annual Report pursuant to Section 17 of the Securities and Regulation Code of Management Responsibility in lieu of the Chairman of the Board, Johnson Tan Gui Yee."

3. The above quoted resolution officially forms part of the records of the Corporation, have not been superseded, repealed, amended nor modified, and remain in full force and effect, and this certification herein is true and correct.

APR 2 4 2025

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of ____________ 2025 at Makati City.

Ann Jaycelle C. Sacramento

(ATTY.) ANNE JAYCELLE C. SACRAMENTO
Corporate Secretary

APR 2 4 2025

SUBSCRIBED AND SWORN to before me this _____ day of __________ 2025, in __________ City, affiant exhibiting to me her Integrated Bar of the Philippines ID No. 63548 issued by IBP.

NOTARY PUBLIC

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

Doc. No. 476;
Page No. 97;
Book No. 12;
Series of 2025

My Docs>FJP>2025 Files>Sec Cert>

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **F& J Prince Holdings Corporation and its subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the statements attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein and for such internal control as management determines is necessary to enable the preparation of 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 or Trustees is responsible for overseeing the Company's financial reporting process.

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

Reyes Tacandong and Company, the independent auditors appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:

Mark Ryan Cokeng
President/ CEO

Mary K. Cokeng
Treasurer/Chief Financial Officer

APR 07 2025

SUBSCRIBED AND SWORN to before me this _______ day of _______, 2025, affiants exhibiting to me their Driver's License/ National IDs, as follows:

Names	Competent Evidence of Identity	Date Issued	Place of Issue
Mark Ryan Cokeng	X01-09-003590	23 January 2024	Quezon City
Mary K. Cokeng	2632-8401-5647-6912	10 October 2022	NCR

NOTARY PUBLIC

Doc.No. 330;
Page No. 67;
Book No. 12;
Series of 2025

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

Exhibit 2

Audited Consolidated Financial Statements as of

December 31, 2024 and December 31, 2023

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0 0 0 0 0 0 4 3 3 7 0

COMPANY NAME

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

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

5TH FLOOR, BDO TOWERS PASEO, 8741 PASEO DE ROXAS, MAKATI CITY

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
fjp@fjprince.com	8892-7133 / 8892-7137	0960-452-3903

No. of Stockholders	Annual Meeting (Month / Day)	Calendar Year (Month / Day)
473	04/12	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Anne Jaycelle C. Sacramento	acsfjprince@gmail.com	8-892-7133/37	0917-5552425

CONTACT PERSON'S ADDRESS

5th Floor BDO Towers Paseo, 8741 Paseo de Roxas, Makati City

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

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

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
F & J Prince Holdings Corporation and Subsidiaries
5th Floor, BDO Towers Paseo
8741 Paseo de Roxas, Makati City

Opinion

We have audited the accompanying consolidated financial statements of F & J Prince Holdings Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements as at and for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Classification and Valuation of Investment Securities</u>
The Group has investment securities aggregating ₱380.8 million as at December 31, 2024 which comprises 20.6% of the total consolidated assets. Moreover, management exercises judgment in classifying the financial instruments and the consolidated financial statements is highly sensitive to the fair value and other changes in the carrying amount of the underlying financial instruments.

We have assessed the propriety of the recognition, classification and measurement, as well as management's assessment of impairment of these investment securities. Our audit procedures included, among others, (a) understanding of the financial asset management and recording process; (b) verifying the existence of these investment securities by obtaining confirmations from custodians and examination of the underlying documents; (c) evaluating the propriety of the classification of the investment securities; and (d) testing the reasonableness of recognized changes in fair values, impairment and other significant movements in the carrying amount of financial assets. We also checked the adequacy of the Group's disclosures pertaining to the investment securities as presented in Note 5 to the consolidated financial statements.

Accounting for Significant Investments in Associates

The Group owns 35.0%, 30.0% and 33.3% of the Business Process International Inc. (BPO), Pointwest Technologies Corporation (PTC), and WCC Ventures, Inc. (WCC), respectively, as at December 31, 2024. These investments in associates are accounted for under the equity method. As at December 31, 2024, the investments in associates amounted to ₱465.6 million and the Group's equity in net earnings and share in other comprehensive income of associates for the year then ended amounted to ₱29.6 million. The accounting for these investments is significant to our audit because of the substantial amount of the Group's investments in associates and its share in net income and other comprehensive losses of the associates. Moreover, the audit of these associates is being handled by another auditor.

We assessed the propriety of the recognition, classification, and measurement of the Group's investments in associates. This included reviewing the financial information and audited financial statements of the associates, evaluating the Group's share in net income and other comprehensive income, and testing material transactions that may significantly impact the Group's share in results. We also reviewed the audit documentation and reports of the component auditors, assessed the sufficiency of their procedures, and considered their competence and independence to determine the extent of reliance on their work. Where necessary, we performed additional procedures on the associates' accounting records to validate the balances and transactions relevant to the Group. We also checked the adequacy of the Group's disclosures pertaining to the investments in associates as presented in Note 9 to the consolidated financial statements.

Other Matter

The consolidated financial statements of the Group as at and for the year ended December 31, 2022 were audited by another auditor whose report thereon dated April 26, 2023 expressed an unmodified opinion.

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Grace M. Albunian.

REYES TACANDONG & CO.

Grace M. Albunian

GRACE M. ALBUNIAN
Partner
CPA Certificate No. 0144364
Tax Identification No. 410-858-879-000
BOA Accreditation No. 4782/P-024; Valid until June 6, 2026
BIR Accreditation No. 08-005144-018-2025
Valid until January 7, 2028
PTR No. 10467118
Issued January 2, 2025, Makati City

March 27, 2025
Makati City, Metro Manila

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4	**₱597,418,197**	₱429,988,652
Investment securities	5	**112,755,674**	342,093,269
Receivables	6	**20,631,669**	2,511,035
Due from related parties	18	**233,949**	260,408
Other current assets	7	**29,884,366**	35,465,269
Total Current Assets		**760,923,855**	810,318,633
Noncurrent Assets			
Investment securities - noncurrent	5	**268,084,982**	368,079,894
Investments in associates	9	**465,638,892**	302,233,819
Investment properties	11	**329,598,443**	345,811,010
Property and equipment	10	**3,732,108**	3,275,980
Investments in rights issue subscription	5	**–**	30,129,600
Convertible notes receivables	8	**–**	5,612,000
Other noncurrent assets	12	**19,844,229**	19,844,229
Total Noncurrent Assets		**1,086,898,654**	1,074,986,532
		₱1,847,822,509	₱1,885,305,165
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	13	**₱17,561,241**	₱12,130,731
Dividends payable	25	**8,005,989**	27,105,445
Income tax payable		**2,477,104**	–
Total Current Liabilities		**28,044,334**	39,236,176
Noncurrent Liabilities			
Retirement liability	15	**10,895,498**	10,391,366
Net deferred tax liabilities	16	**3,455,009**	15,656,356
Noncurrent portion of deposits payable		**20,000**	580,000
Total Noncurrent Liabilities		**14,370,507**	26,627,722
Total Liabilities		**42,414,841**	65,863,898
Equity			
Common stock	17	**481,827,653**	481,827,653
Additional paid-in capital		**144,759,977**	144,759,977
Treasury stock - at cost	17	**(102,094,826)**	(102,094,826)
Other equity reserves		**52,450,114**	116,153,110
Retained earnings	17	**1,165,721,230**	1,112,967,423
Equity Attributable to Equity Holders of the Parent Company		**1,742,664,148**	1,753,613,337
Noncontrolling Interests		**62,743,520**	65,827,930
Total Equity		**1,805,407,668**	1,819,441,267
		₱1,847,822,509	₱1,885,305,165

See accompanying Notes to Consolidated Financial Statements.

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(With Comparative Figures for 2022)

	Note	2024	2023	2022
INCOME				
Gain on disposal of:				
Financial assets at fair value through profit or loss (FVPL)	5	**₱53,757,403**	₱–	₱5,679,671
Property and equipment	10	**357,143**	562,500	–
Foreign exchange gains		**34,323,870**	3,101,182	74,517,075
Share in net income of associates	9	**32,372,222**	45,346,405	26,211,341
Rent	21	**27,290,478**	22,122,711	23,946,752
Fair value gains on financial assets at FVPL	5	**22,013,948**	94,321,443	13,742,456
Interest income	4	**16,102,321**	18,547,435	14,588,814
Dividend income	5	**1,919,618**	4,226,083	5,670,253
Other income		**1,271,314**	285,658	56,790
		189,408,317	188,513,417	164,413,152
OPERATING EXPENSES	14	**72,433,952**	65,812,927	65,016,932
OTHER CHARGES				
Fair value losses on financial assets at FVPL	5	**5,049,142**	41,506,504	46,765,288
Loss on disposal of:				
Financial assets at fair value through other comprehensive income (FVOCI)	5	**3,317,350**	23,888,151	2,286,877
Financial assets at FVPL	5	**–**	319,149	–
Legal claims	21	**–**	–	24,615,173
		8,366,492	65,713,804	73,667,338
INCOME BEFORE INCOME TAX		**108,607,873**	56,986,686	25,728,882
PROVISION FOR (BENEFIT FROM) INCOME TAX	16			
Current		**12,436,724**	3,142,371	1,947,554
Deferred		**2,005,844**	(9,867,265)	4,074,713
		14,442,568	(6,724,894)	6,022,267
NET INCOME		**₱94,165,305**	₱63,711,580	₱19,706,615
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**₱93,566,249**	₱62,262,774	₱20,333,318
Noncontrolling interests		**599,056**	1,448,806	(626,703)
		₱94,165,305	₱63,711,580	₱19,706,615
Basic/Diluted Earnings per Common Share	19	**₱0.25**	₱0.16	₱0.05

See accompanying Notes to Consolidated Financial Statements.

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(With Comparative Figures for 2022)

	Note	2024	2023	2022
NET INCOME		**₱94,165,305**	₱63,711,580	₱19,706,615
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified to profit or loss in subsequent periods:				
Cumulative translation adjustment	9	**8,130,612**	1,991,340	17,608,355
Net unrealized gains (losses) on fair value changes of financial assets at FVOCI, net of tax	5	**2,343,394**	18,603,680	(34,226,388)
Items that will not be reclassified to profit or loss in subsequent periods:				
Net unrealized losses on fair value changes of financial assets at FVOCI, net of tax	5	**(71,252,258)**	(2,713,267)	(3,376,855)
Share in other comprehensive income (losses) of associates	9	**(2,741,681)**	(3,733,637)	2,474,577
Remeasurement gains (losses) on retirement liability, net of tax	15	**526,470**	7,106,530	(411,814)
		(62,993,463)	21,254,646	(17,932,125)
TOTAL COMPREHENSIVE INCOME		**₱31,171,842**	₱84,966,226	₱1,774,490
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**₱33,841,713**	₱86,784,985	₱3,572,240
Noncontrolling interests		**(2,669,871)**	(1,818,759)	(1,797,750)
		₱31,171,842	₱84,966,226	₱1,774,490

See accompanying Notes to Consolidated Financial Statements.

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(With Comparative Figures for 2022)

	Note	2024	2023	2022
CAPITAL STOCK	17	₱481,827,653	₱481,827,653	₱481,827,653
ADDITIONAL PAID-IN CAPITAL		144,759,977	144,759,977	144,759,977
TREASURY STOCK - at cost	17	(102,094,826)	(102,094,826)	(102,094,826)
OTHER EQUITY RESERVES				
Cumulative Unrealized Gains (Losses) on Fair Value Changes of Financial Asset at FVOCI				
Balance at beginning of year		2,713,251	(16,798,687)	19,655,689
Net unrealized gains (losses)	5	(66,212,922)	19,511,938	(36,454,376)
Reclass to retained earnings	5	(3,379,404)	–	–
Balance at end of year		(66,879,075)	2,713,251	(16,798,687)
Cumulative Remeasurement Gains (Losses) on Retirement Liability				
Balance at beginning of year		7,368,008	615,438	1,005,072
Remeasurement gains (losses)	15	500,399	6,752,570	(389,634)
Balance at end of year		7,868,407	7,368,008	615,438
Share in Other Comprehensive Income of Associates				
Balance at beginning of year		106,071,851	107,814,148	87,731,216
Share in other comprehensive income (loss)	9	5,388,931	(1,742,297)	20,082,932
Balance at end of year		111,460,782	106,071,851	107,814,148
		52,450,114	116,153,110	91,630,899
RETAINED EARNINGS	17			
Balance at beginning of year		1,112,967,423	1,135,349,885	1,172,570,596
Net income		93,566,249	62,262,774	20,333,318
Dividends declared		(57,554,029)	(84,645,236)	(57,554,028)
Other adjustment		19,600,000	–	–
Reclass from other comprehensive income		(2,858,413)	–	–
Balance at end of year		1,165,721,230	1,112,967,423	1,135,349,886
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY		1,742,664,148	1,753,613,337	1,751,473,589
NONCONTROLLING INTERESTS				
Balance at beginning of year		65,827,930	70,462,232	73,909,285
Net unrealized valuation on fair value changes of financial assets at FVOCI		(2,695,942)	(3,621,525)	(1,148,867)
Dividends declared by the subsidiary		(1,013,595)	(2,815,543)	(1,649,303)
Net income (loss)		599,056	1,448,806	(626,703)
Remeasurement gains (loss) on retirement liability		26,071	353,960	(22,180)
Balance at end of year		62,743,520	65,827,930	70,462,232
		₱1,805,407,668	₱1,819,441,267	₱1,821,935,821

See accompanying Notes to Consolidated Financial Statements.

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(With Comparative Figures for 2022)

	Note	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱108,607,873	₱56,986,686	₱25,728,882
Adjustments for:				
Losses (gains) on disposal of:				
Financial assets at FVPL	5	(53,757,403)	319,149	(5,679,671)
Financial assets at FVOCI	5	3,317,350	23,888,151	2,286,877
Property and equipment	10	(357,143)	(562,500)	–
Provision for impairment:				
Convertible notes receivables	14	5,612,000	–	–
Investment securities	5	477,020	–	–
Due from related parties	18	237,702	–	–
Receivables	6	59,068	–	–
Net foreign exchange losses (gains)		(34,323,870)	16,238,246	(56,973,100)
Share in net income of associates	9	(32,372,222)	(45,346,405)	(26,211,341)
Depreciation and amortization	10	17,946,865	17,804,385	17,472,709
Fair value losses (gains) on financial assets at FVPL	5	(16,964,806)	(52,814,939)	33,022,832
Interest income	4	(16,102,321)	(18,547,435)	(14,588,814)
Dividend income		(1,919,618)	(4,226,083)	(5,670,253)
Retirement benefits	15	1,206,092	2,070,563	1,505,974
Write-off of receivable	6	–	–	86,873
Operating loss before working capital changes		(18,333,413)	(4,190,182)	(29,019,032)
Decrease (increase) in:				
Receivables		417,309	119,655	609,481
Financial assets at FVPL	5	299,582,785	(50,810,666)	(35,047,845)
Other current assets		5,580,902	(878,027)	1,811,731
Increase (decrease) in:				
Trade and other payables		5,387,653	(522,002)	918,939
Deposits payable		(560,000)	2,878,451	(988,813)
Net cash generated from (used for) operations		292,075,236	(53,402,771)	(61,715,539)
Interest received		16,708,998	20,715,386	12,833,366
Income taxes paid		(9,959,620)	(3,552,959)	(2,517,368)
Dividends received		1,919,618	13,423,346	5,670,253
Provision for legal obligation		–	–	(5,000,000)
Net cash provided by (used in) operating activities		300,744,232	(22,816,998)	(50,729,288)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Investments in associates	9	(182,000,000)	–	–
Financial assets at FVOCI	5	(12,767,695)	(86,170,689)	(57,719,216)
Property and equipment	10	(1,836,081)	(164,641)	(1,317,938)
Investment properties	11	(354,345)	(3,002,197)	(1,433,127)
Investments in rights issue subscription	5	–	(16,301,050)	(1,133,400)
Dividends received from an associate	9	37,211,460	8,987,648	32,494,215
Proceeds from disposal of:				
Financial assets at FVOCI		77,471,957	169,927,430	23,849,839
Property and equipment	10	400,000	562,500	–
Decrease (increase) in:				
Due from related parties		26,459	5,423,381	11,827,565
Other noncurrent assets		–	(16,987,143)	26,259,048
Convertible notes receivables		–	–	(5,659,800)
Net cash provided by (used in) investing activities		(81,848,245)	62,275,239	27,167,186

(Forward)

		Years Ended December 31		
	Note	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	25	**(₱57,053,485)**	(₱64,503,831)	(₱57,012,397)
Dividends to noncontrolling interests		**(1,013,595)**	(2,815,543)	(1,649,303)
Decrease in due to related parties		**–**	(260,408)	–
Net cash used in financing activities		**(58,067,080)**	(67,579,782)	(58,661,700)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**6,600,638**	(9,587,080)	43,406,424
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**167,429,545**	(37,708,621)	(38,817,378)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**429,988,652**	467,697,273	506,514,651
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**₱597,418,197**	₱429,988,652	₱467,697,273

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(With Comparative Information for 2022)

1. General Information

Corporate Information

F & J Prince Holdings Corporation (the "Parent") was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on February 18, 1971. Its primary purpose is to purchase, subscribe for 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, including, but not limited to, land, building, condominium units, shares of stock, bonds, debentures, notes, evidence of indebtedness, and other securities, contracts or obligations of any corporation, and associations, domestic or foreign.

The Parent Company is a public company under Section 17.2 of the Revised Securities Regulation Code and its shares of stock are listed in and traded through the Philippine Stock Exchange, Inc. (PSE).

The registered office address of the Parent Company is at 5th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City.

The subsidiaries as at December 31, 2024, 2023 (and 2022) are as follows:

	Percentage of Ownership
Direct Ownership -	
Magellan Capital Holdings Corporation (MCHC)*	95%
Indirect Ownership:	
Pinamucan Industrial Estates, Inc. (PIEI)	95%
Malabrigo Corporation (MC)	95%
Magellan Capital Realty Development Corporation (MCRDC)**	95%
Magellan Capital Trading Corporation (MCTC)**	95%

**Intermediate parent company*

***Non-operational since incorporation*

The Parent Company and its subsidiaries are collectively referred herein as "the Group." All the subsidiaries are incorporated in the Philippines.

MCHC

MCHC is a holding company involved in investing real and personal properties of every kind, including, but not limited to, land, buildings, condominium units, shares of stock, bonds, and other securities of any corporation or association, domestic or foreign. MCHC was registered with the SEC on November 6, 1990. MCHC has investments in subsidiaries, mainly PIEI, MC, MCRDC and MCTC.

PIEI

PIEI was organized primarily as a real estate developer and was registered with the SEC on May 5, 1993.

MC
MC was organized primarily to purchase, operate, maintain and sell coal mines and their products and by-products. MC was registered with the SEC on August 31, 1993.

MCRDC
MCRDC was organized to purchase, hold, sell, exchange or otherwise dispose of shares of stock, bonds, and other similar instruments of any corporation. MCRDC was registered with the SEC on November 14, 1990 and has been non-operational since incorporation.

MCTC
MCTC was organized to conduct and carry on the business of buying, selling, distributing and marketing at wholesale and retail all kinds of goods, commodities, wares and merchandise. MCTC was registered with the SEC on January 7, 1991 and has been non-operational since incorporation.

Approval of the Consolidated Financial Statements
The consolidated financial statements as at and for the years ended December 31, 2024 and 2023 (with comparative figures for 2022) were approved and authorized for issuance by the Audit Committee and Board of Directors (BOD) on March 27, 2025 as recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS), and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

Measurement Bases
The consolidated financial statements are presented in Philippine Peso (Peso), the Group's functional and presentation currency. All amounts are stated in absolute values, unless otherwise indicated.

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

- financial assets at fair value through profit or loss (FVPL);
- financial assets at fair value through other comprehensive income (FVOCI); and
- retirement liability which is measured based on the present value of defined benefit obligation

Historical cost is generally based on the fair value of the consideration given in exchange of assets and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes to financial statements:

- Note 5, *Financial Assets at FVPL*
- Note 5, *Financial Assets at FVOCI*
- Note 11, *Investment Properties*
- Note 23, *Fair Value of Financial Instruments*

Adoption of Amendments to PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following relevant amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.

- Amendments to PAS 7, *Statement of Cash Flows,* and PFRS 7, *Financial Instruments: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS Accounting Standards did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the notes to consolidated financial statements, as applicable.

Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

Relevant amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2025:

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:

  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.

  - Amendments to PFRS 10, *Consolidated Financial Statements - Determination of a 'de facto agent'* – The amendments remove inconsistencies by clarifying that an entity must use judgment to determine whether other parties are acting as de facto agents. Earlier application is permitted.

  - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term 'cost method' with 'at cost' following the deletion of the definition of 'cost method'. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027:

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures* – This standard specifies reduced disclosure requirements that eligible subsidiaries are permitted to apply, instead of the disclosure requirements in other PFRS Accounting Standards. An entity is eligible to apply PFRS 19 when it does not have public accountability and its parent prepares consolidated financial statements available for public use that complies with PFRS disclosure requirements. Earlier application is permitted.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

The adoption of the foregoing amendments to PFRS Accounting Standards did have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current or noncurrent classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is classified as current when it is:

- Expected to be settled in its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within 12 months after the reporting period; or,
- There is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classifications.

The Group classifies all other liabilities as noncurrent.

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

Basis of Consolidation
The consolidated financial statements include the accounts of the Parent Company, its subsidiaries.

Subsidiaries. Subsidiaries are entities controlled by the Parent Company. Control is achieved when the Parent Company is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

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

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interest (NCI), even if this results in the NCI interests having a deficit balance.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

NCI represents the portion of net results and net assets not held by the Parent Company. These are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements of income and consolidated statements of comprehensive income. NCI represent the equity interest not held by the Parent Company.

If the Parent Company loses control over a subsidiary, it derecognizes the assets including goodwill, liabilities and NCI in the subsidiary. The Parent Company recognizes the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the consolidated statements of comprehensive income.

Business Combination. Business combinations are accounted for using the acquisition method except for business combinations under common control in which an accounting similar to pooling of interest method is used.

Under the acquisition method, the cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9, *Financial Instruments,* is measured at fair value with the changes in fair value recognized in profit or loss in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill. Goodwill acquired in a business combination is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed).

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGUs), or group of cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or group of units. Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Impairment of Goodwill. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the CGU or group of CGUs, to which the goodwill relates. When the recoverable amount of the CGU or group of CGUs is less than the carrying amount, an impairment loss is recognized. Impairment loss with respect to goodwill cannot be reversed in future periods.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

Initial Recognition. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at FVPL, includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transactions price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and, (c) financial assets at FVOCI. The classification of a financial asset largely depends on its contractual cash flow characteristics and the Group's business model for managing them.

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

Equity securities that have been designated to be measured at FVOCI may not be reclassified to a different category.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2024 and 2023, the Company does not have financial liabilities at FVPL.

Financial Assets at FVPL. Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if these are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are measured at fair value at each reporting date, with any fair value gains or losses recognized in profit or loss to the extent these are not part of a designated hedging relationship.

Classified under this category are the Group's investments in listed equity securities presented under "Financial assets at FVPL" account.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

Classified under this category are the Group's cash and cash equivalents, receivables, due from related parties and convertible notes receivables.

Financial Assets at FVOCI - Debt Instruments. The Group measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI measured at FVOCI, interest income, foreign exchange translation and impairment losses or reversals are recognized in the consolidated statements of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss.

Classified under this category are the Group's investments in debt securities such as quoted bonds presented under "Financial assets at fair value through other comprehensive income (FVOCI)" account.

Financial Assets at FVOCI - Equity Instruments. On initial recognition, equity securities which are not held for trading may be irrevocably designated as a financial asset to be measured at FVOCI.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized valuation gains or losses recognized in other comprehensive income and are accumulated under "Other equity reserves" account in the equity section of the consolidated statements of financial position. These fair value changes are not reclassified to profit or loss in subsequent periods. On disposal of these equity securities, any cumulative unrealized valuation gains or losses will be reclassified to retained earnings.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in other comprehensive income and presented in the equity section of the consolidated statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent years. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are not reclassified from equity to profit or loss.

Classified under this category are the Group's investments in equity securities presented under "Financial assets at fair value through other comprehensive income (FVOCI)" account.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

Classified under this category are the Group's accounts and other payables (excluding statutory payables), dividends payable and deposits payable.

Impairment of Financial Assets at Amortized Cost

The Group records an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group measures loss allowances at an amount equivalent to the 12-month ECL for financial assets on which credit risk has not increased significantly since initial recognition or that are determined to have low credit risk at reporting date. Otherwise, impairment loss will be based on lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Receivables. The Group has applied the simplified approach in measuring the ECL on trade receivables. Simplified approach requires that ECL should always be based on the lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Other Financial Instruments Measured at Amortized Cost. For these financial assets, the Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;

- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Group has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Assets and Liabilities
Financial assets and liabilities are offset, and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;

- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

<u>Other Current Assets</u>
Other current assets mainly include input value-added tax (VAT), deferred input VAT, creditable withholding tax (CWT) and prepaid expenses.

VAT. Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of tax included.

The net amount of VAT recoverable from the tax authority is included as part of "Other current assets" account in the consolidated statements of financial position.

Deferred Input VAT. Deferred VAT represents input VAT on purchases of applicable services that are still outstanding at financial reporting date and unclaimed amount of input VAT on capital goods, which are claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter. Deferred input VAT that are expected to be claimed against output VAT for more than 12 months after the reporting year are classified as other noncurrent assets. Otherwise, these are classified as part of current assets.

In accordance with Section 35 of Republic Act (RA) No. 10963, otherwise known as the *"Tax Reform for Acceleration or Inclusion,"* the amortization of the input VAT should only be allowed until December 31, 2021 after which taxpayers with unutilized input VAT on capital goods purchased or imported should be allowed to apply the same as scheduled until fully utilized. Accordingly, all input tax on purchases of capital goods starting January 1, 2022 should already be allowed upon purchase/ payment and no longer be deferred based on Revenue Memorandum Circular No. 21-2022.

CWT. CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation.

Prepaid Expenses. Prepaid expenses are expenses paid in advance and recorded as asset before these are utilized. Prepaid expenses are apportioned over the period covered by the payment and charged to appropriate expense accounts in profit or loss when incurred. Prepaid expenses that are expected to be realized for no more than 12 months after the financial reporting year are classified as current assets. Otherwise, these are classified as noncurrent assets.

Investments in Associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Group's investments in associates are accounted for under the equity method.

Under the equity method, the investments in associates are initially recognized at cost, and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss of the associates after the date of acquisition. The Group's share of the associates' profit or loss is recognized in the consolidated statements of income. Distributions received from associates reduce the carrying amount of the investment.

Any change in OCI of those investees is presented as part of the consolidated statements of comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associate. If the Group's shares of losses of an associate equal or exceeds its interest in the associate, the Group shall discontinue recognizing its share of further losses.

The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associates since the acquisition date. Goodwill relating to the associates is included in the carrying amount of the investment and is not tested for impairment individually.

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

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investments in its associates. At each reporting date, the Group determines whether there is objective evidence that the investments in associates are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognize the loss in the consolidated statements of income.

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

The Group has equity interest in the following associates as at December 31, 2024, 2023 and 2022:

	Country of Incorporation	Percentage of Ownership
Magellan Utilities Development Corporation (MUDC)	Philippines	43%
Pointwest Technologies Corporation (PTC)	Philippines	30%
Business Process Outsourcing International (BPO)	Philippines	35%
WCC Ventures, Inc. (WCC)*	Philippines	33%
Melrose Park Investments, L. P. (MPI)	United States of America	7.813%

**New investment in 2024.*

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The initial cost of property and equipment consists of its purchase price, including import duties, nonrefundable taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Each part of the property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the depreciable assets.

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

Asset Type	Number of Years
Condominium	25
Condominium improvements	10 or useful life, whichever is shorter
Transportation Equipment	10
Office furniture, fixtures and equipment	5

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Investment Properties

Investment properties, comprising a parcel of land and condominium units, are held either to earn rental income or for capital appreciation or both. Investment property pertaining to land is measured at cost, including transaction costs less any accumulated impairment in value.

Investment property pertaining to condominium units is carried at cost less any accumulated depreciation and amortization and any impairment in value. Depreciation and amortization are computed using straight-line method over the estimated useful life of 25 years.

The estimated useful lives and method of depreciation and amortization are reviewed and adjusted, if appropriate, at each reporting year to ensure that the year and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of investment properties.

Investment properties are derecognized when either these have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

A transfer is made to investment property when there is a change in use, evidenced by the ending of owner-occupation and commencement of an operating lease to another party. A transfer is made from investment property when there is a change in use, evidenced by the commencement of owner-occupation or commencement of development of the Group with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

Impairment of Nonfinancial Assets

Nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Equity

Capital Stock and Additional Paid-in Capital. Capital stock is measured at par value for all shares issued. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Incremental costs directly attributable to the issue of new capital stock are recognized as a deduction, net of tax, from the equity.

Treasury Shares. Parent Company's shares which are held by a subsidiary are treated similar to treasury shares and recognized and deducted from equity at cost. No gain or loss is recognized in the consolidated statements of comprehensive income on the purchase, sale, issue, or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in other reserves.

Other Equity Reserves. Other equity reserves primarily comprise of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS Accounting Standards. Other equity reserves of the Group mainly pertain to cumulative unrealized valuation losses of financial assets at FVOCI, cumulative share in other comprehensive income of associates and cumulative remeasurement gains of retirement benefits.

Retained Earnings. Retained earnings represent the cumulative balance of net income or loss, dividend distributions, effects of the changes in accounting policy and other capital adjustments. Dividends declared to the Group's stockholders are deducted from equity in the year in which the dividends are approved by the BOD. Dividends that are approved after the reporting year are disclosed as an event after the reporting year.

Revenue Recognition
Revenue is recognized when control over a product or service is transferred to the customer, or the customer has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties.

The Group has generally concluded that it is the principal in its revenue arrangements. The following specific recognition criteria must also be met before revenue from contracts with customers is recognized.

Revenue outside the Scope of PFRS 15

Dividend Income. Revenue is recognized when the Group's right to receive the payment is established, which is generally upon the approval of the investee's BOD.

Interest Income. Revenue is recognized as the interest accrues taking into account the effective yield on the asset.

Other Income. Revenue is recognized when earned.

Expense Recognition
Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when goods are received by and services are rendered to the Group or when the expenses are incurred.

Leases
At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. The Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

The Group as a Lessor. Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which these are earned.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Group has an unfunded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits is determined using the projected unit credit method, which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs and interest expense in profit or loss.

Remeasurements comprising actuarial gains and losses are recognized immediately in other comprehensive income in the year in which these arise. These are not reclassified to profit or loss in subsequent years.

The retirement liability recognized by the Company is the present value of the retirement obligation which is determined by discounting the estimated future cash outflows using risk-free interest rate of government bonds that have terms to maturity approximating the terms of the related retirement and other long-term benefits liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Foreign Currency Denominated Transactions

Transactions denominated in foreign currencies are initially recorded in Peso using the exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency using the rate of exchange prevailing at the reporting date. Foreign exchange differences between the rate at transaction date and settlement date or reporting date are credited to or charged against profit or loss. Nonmonetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the dates of initial transactions.

Exchange rate differences arising from the translation or settlement of monetary items at rates different from those at which these were initially recorded during the period are recognized in the profit or loss in the period these arise.

Income Taxes

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

Deferred Tax. Deferred tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except for:

- When it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits (excess of minimum corporate income taxes or MCIT over regular corporate income taxes or RCIT) and unused tax losses (net operating loss carryover or NOLCO), only if it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity as other comprehensive income.

Offsetting. Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Group plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Related Parties and Transactions

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

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the total assets, or ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the total assets. Details of transactions entered into by the Group with related parties are reviewed in accordance with its related party transactions policy.

Earnings per Share

Basic earnings per share is computed by dividing net income for the year attributable to common equity holders of the Group, after recognition of the dividend requirement of preferred shares, as applicable, by the weighted average number of issued and outstanding common shares during the year, after giving retroactive effect to any stock dividends declared during the year.

Diluted earnings per share is computed by dividing net income for the year attributable to common equity holders of the Group by the weighted average number of issued and outstanding common shares during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an anti-dilutive effect on earnings per share.

As the Group has no dilutive potential common shares outstanding, basic and diluted earnings per share are stated at the same amount.

Segment Reporting

Operating segments are components of the Group: (a) that engage in business activities from which they may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the Group); (b) whose operating results are regularly reviewed by the Group's senior management, its chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

For purposes of management reporting, the Group's operating businesses are organized and managed separately based on the nature of the business segment, with each business representing a strategic business segment.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Group's financial position at reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

Comparatives
When necessary, comparative figures have been reclassified to conform to the changes in the presentation of the current year.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards requires management to exercise judgment, make estimates and use assumptions that affect amounts of assets, liabilities, income and expenses reported in the consolidated financial statements.

The judgment, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. While management believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

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

Determining Significant Influence over an Investee Company. The Group considers its investments in PTC and BPO as investments in associates. The Group concluded that given its 30% and 35% ownership interest in PTC and BPO, respectively, it has significant influence over the operating and financial policies of these associates, with considerations of the following factors:

- Representation on the BOD;
- Participation in policy-making processes, including participation in decisions about dividends and other distributions; and
- Material transactions between the investor and investee.

Also, the Group considers its investment in MPI, a limited partnership, with an interest of 7.813% as investment in an associate. An ownership interest greater than 3-5% in limited partnerships is presumed to provide the Group with the ability to influence the operating and financial policies of MPI.

Classifying the Financial Instruments. The Group exercises judgments in classifying a financial instrument, or its component parts, upon initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

In addition, the Group classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether market transactions take place with sufficient frequency and volume.

Contractual Cash Flows Assessment. For each financial asset, the Group assesses the contractual terms to identify whether the instrument is consistent with the concept of 'sole payment of principal and interest' (SPPI).

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Investments in a financial asset that are convertible into equity instruments of the issuer are analyzed for classification in its entirety. A convertible financial asset does not meet the SPPI criterion when its interest rate does not reflect the consideration for the time value of money and the credit risk of the issuer. This is not the case when the issuer's shares are used to settle the instrument with a variable number of shares being issued that are equal in value to the unpaid principal and interest of the financial asset.

The Group's convertible notes receivables met the SPPI criterion (see Note 8).

Evaluating the Business Model in Managing Financial Instruments. The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and

- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Determining the Classification of Properties. Management determines the classification of a property whether investment properties or property and equipment depending on its use and purpose.

The property is classified as follows:

- Investment properties comprise of land and condominium units which are not occupied substantially for use by, or in the operations of, the Group, not for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

- Property and equipment comprise of owner-occupied properties.

The change of the use of properties will trigger a change in classification and accounting of the properties.

Determining the Classification of Lease Arrangements. The Group, as a lessor, has existing property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and benefits of ownership of those leased properties as the Group considers, among others, the lease term as compared with the estimated useful life of the property. As such, the lease agreements are accounted for as operating leases.

Estimates and Assumptions

Determining the Fair Values of Financial Instruments. The Group carries and discloses certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgments. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., quoted prices, interest rates and foreign exchange rates), the amount of changes in fair value would differ if the Group utilized a different valuation methodology.

Where the fair value of certain financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. The judgments include of liquidity and model inputs such as liquidity risk, credit risk and considerations volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Details of the fair values of the Group's financial instruments are presented in Note 23.

Estimating the Provision for Expected Credit Losses. The Group uses the general approach to calculate expected credit losses for receivables and amounts due from related parties. The Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECL at each reporting date.

Details of the Group's receivables and allowance for expected credit losses are disclosed in Note 6.

Estimating the Impairment of Debt Securities Classified as Financial Assets at FVOCI. The Group assesses the counterparty's ability to comply with the contractual obligations to pay out principal and interest. Further, the Group assesses whether the credit risk on those financial instruments has increased significantly since initial recognition.

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

The Group's debt instrument in FVOCI comprise solely of top investment grade bonds that are graded by top credit rating agencies and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the top credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Details of the carrying value of debt securities classified as financial assets at FVOCI are disclosed in Note 5.

Assessing the Impairment of Investment in Associates. The Group performs an impairment review on its investments in associates whenever an impairment indicator exists. This requires an estimation of the value in use of the investments. Estimating the value in use requires the Group to make an estimate of the expected future cash flows of the investments and to make use of a suitable discount rate to calculate the present value of those future cash flows.

The Group has a 43% interest in MUDC. As at December 31, 2024 and 2023, MUDC has been non-operational since its incorporation. However, it has obtained the necessary requirements for the signing of a supply agreement with a public utility firm and a purchase agreement with certain oil companies. As at December 31, 2024 and 2023, MUDC has project development costs of ₱207.1 million. The recoverability of these assets and the ultimate success of MUDC's future operations are dependent upon the signing of these agreements. The foregoing conditions indicate the existence of a material uncertainty which may cast significant doubt on MUDC's ability to continue as a going concern and the recoverability of the Group's significant investment in MUDC.

Details of the carrying amount of investments in associates are disclosed in Note 9.

Estimating the Useful Lives of Investment Properties and Property and Equipment. The Group reviews annually the estimated useful lives of investment properties and property and equipment based on expected assets' utilization and market demands. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation of investment properties and property and equipment.

There was no change in the estimated useful lives of investment properties and property and equipment in 2024 and 2023 (and 2022).

Details of the carrying amount of depreciable property and equipment and investment properties are disclosed in Notes 10 and 11.

Estimating the Impairment of Other Nonfinancial Assets. The Group determines whether other current assets, property and equipment, investment properties are impaired whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;

- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and

- Significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

Recoverable amount of an asset is the higher of is its fair value less costs to sell or value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the Group's expected mining operations. The estimated cash flows are discounted using pretax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Based on management assessment, there are no impairment indicators on the Group's nonfinancial assets. Accordingly, no impairment loss was recognized in 2024 and 2023 (and 2022). The carrying amounts of nonfinancial assets are disclosed in the following notes to financial statements:

- Note 7, *Other Current Assets*
- *Note 9, Investments in Associates*
- Note 10, *Property and Equipment*
- Note 11, *Investment Properties*

Estimating the Recognition of Deferred Tax Assets. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group did not recognize deferred tax assets on allowance for impairment losses on due from related parties and allowance for impairment losses on investment in an associate as management believes that sufficient future taxable income will not be available to allow all or part of the deferred tax assets to be utilized.

Details of deferred tax assets are disclosed in Note 16.

4. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand and in banks	**₱101,013,590**	₱81,317,262
Short-term placements	**496,404,607**	348,671,390
	₱597,418,197	₱429,988,652

Cash in banks earns interest at the respective bank deposit rates. Short-term placements are fixed rate time deposits denominated in United States Dollar (USD) and Philippine Peso, made for varying periods of up to three months or less subject to roll-over requirements depending on the immediate cash requirements of the Group, and earn interest at the respective bank rates ranging from 2.50% to 4.50% in 2024 and 2023 (0.625% to 3.25% in 2022).

Composition of interest income are as follows:

	Note	**2024**	2023	2022
Cash and cash equivalents		**₱11,405,387**	₱12,713,079	₱4,622,903
Financial assets at FVOCI	5	**4,696,934**	5,834,356	9,965,911
		₱16,102,321	₱18,547,435	₱14,588,814

5. Investment Securities

This account consists of:

	2024	2023
Current:		
Financial assets at FVPL	**₱112,755,674**	₱341,616,249
Financial assets at FVOCI	–	477,020
Noncurrent -		
Financial assets at FVOCI	**268,084,982**	368,079,894
	₱380,840,656	₱710,173,163

Financial Assets at FVPL

Financial assets at FVPL consist of listed securities which are traded in the Philippine Stock Exchange (PSE), New York Stock Exchange (NYSE) and Hong Kong Stock Exchange (HKEx). Fair values of listed equity securities are based on quoted market prices in the PSE, NYSE and HKEx.

Movements of the Group's investments in financial assets at FVPL are as follows:

	2024	2023
Balances at beginning of year	**₱341,616,249**	₱238,309,793
Additions	**243,292,928**	80,608,440
Disposals	**(489,118,309)**	(30,116,923)
Changes in fair values during the year	**16,964,806**	52,814,939
Balances at end of year	**₱112,755,674**	₱341,616,249

Movements of cumulative unrealized gain on fair value changes are as follows:

	2024	2023
Balances at beginning of year	**₱88,365,436**	₱35,550,497
Changes in fair values during the year	**16,964,806**	52,814,939
Impact of disposals	**(65,768,454)**	–
Balances at end of year	**₱39,561,788**	₱88,365,436

Dividend income earned on investments in financial assets at FVPL amounted to ₱1.9 million and ₱4.1 million in 2024 and in 2023, respectively (₱4.9 million in 2022) presented as "Dividend income" account in the consolidated statements of income.

The Group recognized gains (losses) on disposal of financial asset at FVPL amounting to ₱53.8 million and (₱319,149) in 2024 and 2023 (gains of ₱5.7 million in 2022).

Financial Assets at FVOCI

Composition of financial assets at FVOCI are as follows:

	2024	2023
Debt securities	**₱45,547,228**	₱72,800,106
Equity securities	**222,537,754**	295,756,808
	₱268,084,982	₱368,556,914

Movements in financial assets at FVOCI financial assets are as follows:

	2024	2023
Beginning balances	**₱368,556,914**	₱462,820,756
Disposals	**(48,881,105)**	(193,815,581)
Additions	**12,562,609**	86,170,689
Changes recognized in profit or loss	**(676,139)**	2,290,467
Movements in net unrealized valuation losses	**(63,477,297)**	11,090,583
	268,084,982	368,556,914
Current portion	**–**	(477,020)
Noncurrent portion	**₱268,084,982**	₱368,079,894

Debt Securities
Investments in debt securities are denominated in various foreign currencies and are stated at fair value based on quoted prices. The debt securities bear fixed interest rates ranging from 5.375% to 8.125% and 4.625% to 8.125% in 2024 and 2023, respectively (4.75% to 6.625% in 2022). Maturity dates of the investments range from 2024 to 2030. Interests on investments are received and settled semi-annually in its denominated currency.

The Group has an investment in government issued debt security that is a peso-denominated, fixed-income Philippine Treasury Note with an effective interest of 8.125%.

Interest earned on debt securities classified as financial assets at FVOCI amounted to ₱4.7 million and ₱5.8 million in 2024 and 2023, respectively (₱10.0 million in 2022), presented as "Interest income" account in the consolidated statements of income (see Note 4).

Allowance for expected credit losses on debt securities amounted to ₱2.6 million and ₱2.1 million as at December 31, 2024 and 2023, respectively.

Equity Securities
Investments in equity securities carried at fair value consist of investments in quoted and unquoted shares of stock which the Group has neither control nor significant influence. The fair market values of the listed shares are determined by reference to published quotations in an active market as at December 31, 2024 and 2023. For unlisted shares of stock that do not have readily available market values, the Group uses valuation for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Dividend income earned on equity securities classified as financial assets at FVOCI amounted to ₱161,050 and ₱172,798 in 2024 and 2023, respectively (₱889,724 in 2022).

Movements in the cumulative unrealized gains (losses) on fair value changes of financial assets at FVOCI are as follows:

	2024	2023
Beginning balances	**₱2,713,251**	(₱16,798,687)
Movements in fair value before tax	**(65,356,722)**	21,762,883
Tax effect	**(856,200)**	(2,250,945)
Reclassification to retained earnings	**(3,379,404)**	–
	(₱66,879,075)	₱2,713,251

Net unrealized valuation losses on financial assets at FVOCI attributable to equity holders of the Group amounted to ₱68.7 million in 2024 and ₱4.5 million in 2023 (₱16.8 million in 2022).

The Group disposed certain financial assets at FVOCI and recognized a loss from disposal amounting to ₱3.3 million in 2024 and ₱23.9 million in 2023 (₱2.3 million in 2022).

Investments in Rights Issue Subscription
The Group entered into an agreement with Xen Technologies Pte. Ltd. ("Xen"), a FinTech company domiciled in Singapore, to invest in rights issue subscription amounting to ₱30.1 million or USD 1.1 million as at December 31, 2024 and 2023. These rights issue subscriptions grant the Group certain preferential rights in Xen, including right to receive dividends, and are convertible into Xen's ordinary shares subject to certain conditions as stated in the contract agreement.

Xen is currently not operating. Accordingly, the Group's investments in Xen Tech have been provided with full allowance for impairment losses.

6. Receivables

This account consists of:

	2024	2023
Rent receivable	**₱372,346**	₱547,629
Accrued interest and dividends receivable	**21,261,908**	2,723,965
Others	**63,483**	246,441
	21,697,737	3,518,035
Less: allowance for expected credit losses	**1,066,068**	1,007,000
	₱20,631,669	₱2,511,035

Accrued interest pertains to interest earned on investments in short-term placements and debt securities classified as financial assets at FVOCI that are expected to be collected within one year.

In 2022, receivables were directly written-off amounting to ₱86,873.

7. Other Current Assets

This account consists of:

	2024	2023
Input VAT	**₱24,202,044**	₱26,576,509
Deposits on contracts	**3,103,771**	3,103,771
Prepaid expenses	**1,668,818**	1,091,419
CWT	**258,914**	3,128,921
Prepaid income tax	**148,492**	1,084,401
Deferred input VAT	**116,938**	85,618
Others	**385,389**	394,630
	₱29,884,366	₱35,465,269

8. Convertible Notes Receivables

The Group entered into an agreement with Xen, whereby the Group issued convertible promissory notes (the "Notes"). A total amount of US$100,000 or ₱5.7 million and US$1,050,000 or ₱9.7 million was collected for the years ended December 31, 2022 and 2021, respectively. The Notes bear interest at 8% per annum and all unpaid interest and principal, to the extent not already converted, are due and payable upon the request of the Group on or before the maturity date.

The Notes are convertible upon the occurrence of the following events:

- Conversion upon a qualified financing which is an equity financing of at least US$1,500,000;
- If a liquidation event occurs before maturity date, the Notes, together with all unpaid interest accrued, will automatically convert to shares on the date of the liquidation event; or
- Operational conversion at the maturity date.

The carrying amount of the Notes amounted to nil due to impairment and ₱5.6 million as at December 31, 2024 and 2023, respectively. Interest income earned amounted to nil in 2024, 2023 and 2022.

9. Investments in Associates

The Group has equity interest in the following associates as of December 31:

	2024	2023
PTC	**₱164,479,980**	₱184,631,671
WCC	**182,000,000**	–
BPO	**112,987,991**	113,135,613
MUDC	**94,830,129**	94,830,129
MPI	**6,170,921**	4,466,535
	560,469,021	397,063,948
Less: allowance for impairment losses	**94,830,129**	94,830,129
	₱465,638,892	₱302,233,819

Movements in this account are as follows:

	2024	2023
Acquisition cost	**₱205,189,635**	₱205,189,635
Additions	**182,000,000**	–
Total	**387,189,635**	205,189,635
Accumulated equity in net earnings:		
Balance at beginning of year	**191,874,313**	157,257,853
Share in net income of associates	**32,372,222**	45,346,405
Share in other comprehensive loss	**(2,741,681)**	(3,733,637)
Share in dividends declared	**(56,356,080)**	(8,987,648)
Cumulative translation adjustment	**8,130,612**	1,991,340
Balance at end of year	**173,279,386**	191,874,313
	560,469,021	397,063,948
Allowance for impairment losses	**(94,830,129)**	(94,830,129)
	₱465,638,892	₱302,233,819

PTC

PTC is a global service company outsourcing information technology services from the Philippines. Among others, it offers software servicing, maintenance, testing and development to various clients, mostly in the US.

The summarized financial information of PTC is as follows ('000):

	2024	2023
Total assets	**₱790,439**	₱827,583
Total liabilities	**253,845**	259,218
Equity	**536,593**	568,365
Net income	**99,840**	102,957
OCI	**(6,260)**	(12,445)
Group's share in net income	**30,213**	30,887
Group's share in OCI	**(1,878)**	(3,734)

BPO

BPO is a provider of accounting and finance related services such as payroll, internal audit, payables processing and others. It is involved in outsourcing business process services in the Philippines, servicing many of the multinational and large corporations operating in the country.

The summarized financial information of BPO is as follows ('000):

	2024	2023
Total assets	**₱415,466**	₱390,517
Total liabilities	**155,320**	130,797
Equity	**260,146**	259,720
Net income	**12,700**	41,312
OCI	**(1,832)**	–
Group's share in net income	**4,445**	14,459
Group's share in OCI	**(641)**	–

MUDC

The Group has a 43% interest in MUDC. As at December 31, 2024 and 2023, MUDC has been non-operational since its incorporation. However, it has obtained the necessary requirements for the signing of a supply agreement with a public utility firm and a purchase agreement with certain oil companies. As at December 31, 2024 and 2023, MUDC has project development costs of ₱207.1 million. The recoverability of these assets and the ultimate success of MUDC's future operations are dependent upon the signing of these agreements. The foregoing conditions indicate the existence of a material uncertainty which may cast significant doubt on MUDC's ability to continue as a going concern and the recoverability of the Group's significant investment in MUDC.

The Group has investment in MUDC amounting to ₱94.8 million as at December 31, 2024 and 2023 and advances to MUDC amounting to ₱188.5 million in December 31, 2024 and 2023 (see Note 18). The Group has assessed that its investment and outstanding advances to MUDC are impaired since management believes that it will no longer recover such investment and advances. Accordingly, a full provision of impairment loss has been recognized. Management is not required to infuse more capital to MUDC and that losses are limited to the invested additional advances as at December 31, 2024 and 2023.

MPI

On June 5, 2007, the Group invested in a limited partnership with MPI, located at 904-184 West North Avenue, Melrose Park (Cook Country), Illinois, with principal office address at 9595 Wilshire Blvd., Suite 501, Beverly Hills, CA 90212. The partnership engages in owning, holding, selling, assigning transferring, operating, leasing, mortgaging, pledging and otherwise dealing with the property and any interests in the property.

The Group invested $250,000 to acquire a 7.813% limited share with Winston Investment Group, LLC, a Delaware limited liability company, being the General Partner.

The summarized financial information of MPI is as follows ('000):

	2024	2023
Total assets	₱537,920	₱11,450
Total liabilities	438,176	7,332
Equity	99,743	4,118
Net income	21,815	3,027
Group's share in net income	1,704	321

WCC

The Group has a 33% interest in WCC, an investment company with principal office address located in Ilang-ilang Street, Tabang, Guiguinto, Bulacan, Region III (Central Luzon), 3015. WCC was incorporated in December 2023 to invest in, purchase, or otherwise acquire and own, hold, sell, and assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness and other securities or obligations of any corporations, associations, domestic or foreign. As at December 31, 2024, the Group's investment in WCC amounted to ₱182.0 million. WCC's main asset pertains to investment in shares of stock amounting to ₱540.0 million.

10. Property and Equipment

Movements and composition of the Group's property and equipment are as follows:

	2024				
	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Cost:					
Beginning balances	₱20,755,943	₱10,050,133	₱3,663,171	₱3,088,944	₱37,558,191
Disposals	–	–	(1,459,821)	–	(1,459,821)
Additions	–	–	1,655,291	180,790	1,836,081
Ending balances	20,755,943	10,050,133	3,858,641	3,269,734	37,934,451
Accumulated depreciation:					
Beginning balances	19,303,336	9,136,125	2,978,282	2,864,468	34,282,211
Disposals	–	–	(1,459,821)	–	(1,459,821)
Depreciation	830,237	259,045	189,732	100,939	1,379,953
Ending balances	20,133,573	9,395,170	1,708,193	2,965,407	34,202,343
Net Book Values	₱622,370	₱654,963	₱2,150,448	₱304,327	₱3,732,108

	2023				
	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Cost:					
Beginning balances	₱20,755,943	₱9,935,133	₱7,234,510	₱3,039,303	₱40,964,889
Disposals	–	–	(3,571,339)	–	(3,571,339)
Additions	–	115,000		49,641	164,641
Ending balances	20,755,943	10,050,133	3,663,171	3,088,944	37,558,191
Accumulated depreciation:					
Beginning balances	18,473,099	8,825,613	6,235,104	2,788,983	36,322,799
Disposals	–	–	(3,571,339)	–	(3,571,339)
Depreciation	830,237	310,512	314,517	75,485	1,530,751
Ending balances	19,303,336	9,136,125	2,978,282	2,864,468	34,282,211
Net Book Values	₱1,452,607	₱914,008	₱684,889	₱224,476	₱3,275,980

The Group recognized gain on disposal of property and equipment amounting to ₱357,143 (net of output VAT amounting to ₱42,857) and ₱562,500 in 2024 and 2023, respectively. Management believes that there is no indication that impairment loss has occurred on its property and equipment.

Fully depreciated property and equipment with cost of ₱11.6 million and ₱10.9 million as at December 31, 2024 and 2023, respectively, are still being used by the Group.

Depreciation and amortization are as follows:

	2024	2023	2022
Property and equipment	**₱1,379,953**	₱1,530,751	₱1,438,792
Investment properties	**16,566,912**	16,273,634	16,033,917
	₱17,946,865	₱17,804,385	₱17,472,709

11. Investment Properties

Movements and composition of the Group's investment properties are as follows:

	2024		
	Land	**Condominium and Improvements**	**Total**
Cost:			
Beginning balances	**₱46,319,625**	**₱400,190,325**	**₱446,509,950**
Additions	**–**	**354,345**	**354,345**
Ending balances	**46,319,625**	**400,544,670**	**446,864,295**
Accumulated depreciation:			
Beginning balances	**–**	**100,698,940**	**100,698,940**
Depreciation and amortization	**–**	**16,566,912**	**16,566,912**
Ending balances	**–**	**117,265,852**	**117,265,852**
Net Book Values	**₱46,319,625**	**₱283,278,818**	**₱329,598,443**

	2023		
	Land	Condominium and Improvements	Total
Cost:			
Beginning balances	₱46,319,625	₱397,188,128	₱443,507,753
Additions	–	3,002,197	3,002,197
Ending balances	46,319,625	400,190,325	446,509,950
Accumulated depreciation:			
Beginning balances	–	84,425,306	84,425,306
Depreciation and amortization	–	16,273,634	16,273,634
Ending balances	–	100,698,940	100,698,940
Net Book Values	₱46,319,625	₱299,491,385	₱345,811,010

Condominium units are being leased to third parties and other related parties as office space. The investment properties generated rent income amounting to ₱27.3 million and ₱22.1 million in 2024 and 2023, respectively (₱23.9 million in 2022) (see Note 21). Direct operating expenses arising from investment properties that generated rent income include depreciation and condominium dues which amounted to ₱23.6 million in 2024 and ₱24.4 million in 2023 (₱21.2 million in 2022).

The assessed fair value of the investment properties amounted to ₱2,072.6 million in 2024 and 2023 (₱1,688.5 million in 2022). The fair values of the investment properties in 2024 and 2023 are based on valuations performed by an accredited independent valuer last January and February 2024. The valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Group applied the Sales Comparison Approach in determining the fair value of the investment properties. This is a comparative approach of valuation that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison.

The appraiser gathers data on actual sales and/or listings, offers, and renewal options, and identifies the similarities and differences in the data, ranks the data according to their relevance, adjusts the sales prices of the comparable to account for the dissimilarities with the unit being appraised, and forms a conclusion as to the most reasonable and probable market value of the subject property.

The elements of comparison include location, physical characteristics, available utilities, zoning, and highest and best use. The most variable elements of comparison are the site's physical characteristics, which include its size and shape, frontage, topography and location. The fair value is estimated under Level 3 inputs.

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

12. Other Noncurrent Assets

This account consists of:

	2024	2023
Deposits for property acquisition	**₱16,967,143**	₱16,967,143
Refundable deposits	**595,780**	595,780
Others	**2,281,306**	2,281,306
	₱19,844,229	₱19,844,229

13. Accounts and Other Payables

This account consists of:

	2024	2023
Deposits payable	₱12,308,930	₱7,667,504
Accrued expenses	910,809	848,609
Statutory payables	2,841,057	3,003,607
Accounts payable	1,500,445	611,011
	₱17,561,241	₱12,130,731

Deposits payable pertain to deposits made by tenants for the lease of portion of the Group's condominium spaces and expected to be refunded to the lessee after the lease term.

Accrued expenses mainly pertain to accrued professional fees payable within next reporting year.

Accounts payable are generally non-interest bearing payables to third party contractors with a credit term of 30 days.

14. Operating Expenses

This account consists of:

	Note	2024	2023	2022
Provision for impairment:				
Convertible notes receivables	8	₱5,612,000	₱–	₱–
Investment securities	5	477,020	–	–
Due from related parties	18	237,702	–	–
Receivables	6	59,067	–	–
Depreciation and amortization	10	17,946,865	17,804,385	17,472,709
Personnel expenses:				
Salaries and allowances		11,840,877	10,791,574	11,688,612
Retirement benefits		1,206,092	2,070,563	1,505,974
Other employee benefits		2,331,757	2,096,108	2,176,467
Bank charges		9,192,434	1,931,186	1,496,114
Condominium dues		7,074,497	8,159,391	5,214,885
Foreign exchange losses		5,580,700	11,964,411	17,543,975
Professional fees		4,428,185	3,686,773	2,742,445
Taxes and licenses		1,556,747	4,767,274	1,267,580
Entertainment, amusement and recreation		499,076	576,589	949,485
Utilities		343,946	466,043	468,597
Outside services		–	101,852	1,222,228
Others		4,046,987	1,396,778	1,267,861
		₱72,433,952	₱65,812,927	₱65,016,932

15. Retirement Liability

The existing regulatory framework, Republic Act (RA) No. 7641, otherwise known as *The Retirement Pay Law,* requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The Group has an unfunded defined benefit pension plan covering substantially all its regular employees. Retirement benefits under the plan are based on a percentage of latest monthly salary and years of credited service.

The table below summarizes the components of retirement benefits expense recognized in the consolidated statements of income, the remeasurement effects recognized in the consolidated statements of comprehensive income and the amounts recognized in the consolidated statements of financial position.

	2024	2023	2022
Balances at beginning of the year	**₱10,391,366**	₱17,796,176	₱15,741,117
Retirement expense recognized in the consolidated statements of income			
Current service cost	**532,741**	888,132	687,637
Interest cost	**673,352**	1,182,431	818,337
	1,206,093	2,070,563	1,505,974
Remeasurements recognized in other comprehensive income			
Actuarial losses (gains) due to:			
Experience adjustments	**(1,015,315)**	(9,612,777)	1,166,810
Changes in financial assumptions	**313,354**	137,404	(617,725)
	(701,961)	(9,475,373)	549,085
Balances at end of year	**₱10,895,498**	₱10,391,366	₱17,796,176

Actuarial gains on retirement benefit obligation attributable to the equity holders of the Group amounted to ₱0.5 million in 2024 and ₱7.1 million in 2023 (₱0.4 million in 2022).

The principal actuarial assumptions used in determining retirement benefit obligation for the Group's retirement plan are as follows:

	2024	2023
Discount rate	**6.00% to 6.20%**	6.20 to 6.50%
Salary increase rate	**5.00%**	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2024 and 2023, assuming if all other assumptions were held constant:

	Effect on Retirement Liability	
	2024	2023
Discount rate		
+100 basis points	**(₱957,232)**	(₱635,730)
-100 basis points	**1,243,939**	780,824
Salary increase rate		
+100 basis points	**₱1,212,195**	₱754,456
-100 basis points	**(942,893)**	(619,679)

The average duration of the retirement benefit obligation as at December 31, 2024 is 12 years.

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

	2024	2023
More than 1 year to 5 years	**₱5,917,014**	₱7,702,864
More than 5 years to 10 years	**2,990,799**	331,442
More than 10 years to 15 years	**1,663,968**	–
More than 15 years to 20 years	**66,674,032**	36,538,616
	₱77,245,813	₱44,572,922

16. Income Taxes

The reconciliation of income tax computed at the statutory income tax rate to provision for income tax shown in the consolidated statements of income is as follows:

	2024	2023	2022
Statutory income tax	**₱42,469,412**	₱26,090,629	₱6,318,662
Tax effect of:			
Dividend income exempt from tax	**(23,370,555)**	(23,439,902)	(209,803)
Nontaxable income	**(9,454,114)**	(7,905,664)	(305,850)
Movements in unrecognized deferred tax assets	**1,793,375**	(1,651,674)	151,261
Nondeductible expenses	**2,099,063**	1,487,883	3,811,227
Tax rate difference on dividend income subjected to final tax	**216,000**	(802,669)	(187,768)
Equity in net losses (earnings) of associates	**(340,877)**	–	–
Tax rate difference on interest income subjected to final tax	**2,681,938**	(503,497)	(421,740)
Application of NOLCO	**(1,435,522)**	–	(3,133,722)
Applied MCIT	**(216,152)**	–	–
	₱14,442,568	(₱6,724,894)	₱6,022,267

The Group's net deferred tax assets (liabilities) as at December 31, 2024 and 2023 are as follows:

	2024	2023
Deferred tax assets:		
Allowance for expected credit losses	₱10,310,009	₱11,918,672
NOLCO	1,143,043	5,757,861
Unrealized valuation losses on financial assets at FVTPL	–	4,108,127
Retirement liability	5,502,595	2,597,842
MCIT	668,892	181,128
	17,624,539	24,563,630
Deferred tax liabilities:		
Unrealized foreign exchange gains	(2,844,012)	(29,483,512)
Unrealized valuation gains on financial assets at FVOCI	(9,592,824)	(10,736,474)
Unrealized valuation losses on financial assets at FVTPL	(5,863,990)	–
Retirement benefit obligation - OCI	(2,778,722)	–
	(21,079,548)	(40,219,986)
	(₱3,455,009)	(₱15,656,356)

Details of unrecognized deferred tax assets are as follows:

	2024	2023
Allowance for impairment losses on:		
Due from related parties	₱42,211,279	₱42,211,279
Investment in an associate	26,204,772	26,204,772
NOLCO	59,087	1,435,522
MCIT	–	216,152
	₱68,475,138	₱70,067,725

As at December 31, 2024, the details of NOLCO which can be claimed as deduction from future taxable income are shown below.

Year Incurred	Beginning Balance	Incurred	Applied	Ending Balance	Valid Until
2024	₱–	₱595,600	₱–	₱595,600	2027
2023	14,946,087	–	(5,742,087)	9,204,000	2026
2022	8,087,376	–	–	8,087,376	2025
	₱23,033,463	₱595,600	(₱5,742,087)	₱17,886,976	

As mandated by Section 4 of Republic Act (RA) No. 11494 or the "Bayanihan to Recover as One Act" and implemented under Revenue Regulations No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

As at December 31, 2024, the details of excess MCIT over RCIT which can be claimed as deduction from income tax due are as follows:

Year Incurred	Beginning Balance	Incurred	Applied	Ending Balance	Valid Until
2024	₱–	₱487,763	₱–	₱487,763	2027
2023	397,280	–	(216,152)	181,128	2026
2022	166,426	–	–	166,426	2025
	₱563,706	₱487,763	(₱216,152)	₱835,317	

Under the Corporate Recovery and Tax Incentives for Enterprises ("CREATE"), the RCIT of domestic corporations was reduced from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. MCIT was changed from 2% to 1% of gross income for a period of three years up to June 30, 2023.

In 2024, the current income tax rates used in preparing the financial statements is 25% RCIT and 2% MCIT. In 2023, the current income tax rates used in preparing the consolidated financial statements is 25% RCIT and 1.5% MCIT.

17. **Equity**

Common Stock
In accordance with SRC Rule 68, Annex 68-D, below is a summary of the Group's track record of registration of securities.

	Number of Shares Registered	Issue/Offer Price	Date of Approval
Common shares	1,000,000,000	₱0.01	December 8, 1982
Common shares	9,000,000,000	0.01	July 28, 1997

The details of the Group's capital stock (number of shares and amounts) as at December 31, 2024, 2023 (2022) are as follows:

Common stock – ₱1 par value	
Class A	
Authorized - 600 million shares	
Issued - 292,610,118 shares	₱292,610,118
Class B	
Authorized - 400 million shares	
Issued - 189,217,535 shares	189,217,535
	₱481,827,653

Class A and B common stockholders enjoy the same rights and privileges, except that Class A shares may be owned by, transferred to and subscribed only by Filipino citizens or corporations, partnerships and associations organized under the laws of the Philippines, of which 60% of the common stock outstanding is owned by citizens of the Philippines. Class B shares may be issued, transferred or sold to any person, corporation, partnership or association regardless of nationality.

The Parent Company has stockholders of 473 and 480 as at December 31, 2024 and 2023, respectively.

Treasury Shares
The Group's treasury shares pertain to shares of the Group acquired or held by its subsidiaries. For consolidation purposes, the costs of these shares are presented under the "Treasury shares" account in the equity section of the consolidated statements of financial position.

As at December 31, 2024 and 2023, the Group's treasury shares amounted to ₱102.1million representing 98,123,387 shares.

Retained Earnings

Retained earnings is restricted to the extent of the acquisition price of the treasury shares amounting to ₱102.1 million as at December 31, 2024 and 2023.

Following are the dividends declared by the Parent Company in 2024 and 2023 (2022):

	Declaration date	Record date	Payment date	Description	Per Share	Total
2024	**August 7, 2024**	**August 27, 2024**	**September 18, 2024**	**Regular**	**₱0.10**	**₱48,182,765**
2024	**August 7, 2024**	**October 7, 2024**	**October 30, 2024**	**Regular**	**0.05**	**24,091,383**
						₱72,274,148
2023	June 27, 2023	July 9, 2023	July 27, 2023	Regular	0.10	₱48,182,765
2023	June 27, 2023	September 9, 2023	September 27, 2023	Regular	0.07	33,727,936
						₱81,910,701
2022	June 27, 2022	July 12, 2022	July 30, 2022	Regular	0.05	₱24,091,383
2022	June 27, 2022	August 19, 2022	September 15, 2022	Regular	0.10	48,182,765
						₱72,274,148

Other adjustment to retained earning arise from intercompany dividends. Dividends declared by the subsidiaries amounting to ₱18.2 million in 2024 and ₱2.8 million in 2023 (₱14.7 million in 2022) were eliminated in the consolidated financial statements.

18. Related Party Transactions and Balances

A summary of outstanding balances and transactions with related parties, net of allowance for impairment loss and presented under "Due from related parties" account, are as follows:

Related Party	Nature	Year	Amount of Transaction	Outstanding Balances
Associates				
BPO	Rental income	**2024**	**₱1,557,182**	**₱–**
		2023	1,551,003	–
	Payroll service expenses	**2024**	**56,632**	**–**
		2023	123,138	–
PTC	Dividends	**2024**	**56,356,080**	**–**
		2023	–	–
Other Related Parties	Advances	**2024**	**162,144**	**233,949**
		2023	14,799	260,408
		2024	**₱58,132,038**	**₱233,949**
		2023	₱1,688,940	₱260,408

a. The Group has an 11-year lease contract with BPO commencing on October 30, 2009 over one of its condominium units as office space with a monthly rental of ₱0.1 million. The lease contract expired on February 15, 2020 and was renewed with the same terms and conditions (see Notes 12 and 21).

The future minimum rental income from BPO as at December 31, 2024 and 2023 are as follows:

	2024	2023
Within one year	**₱194,648**	₱1,136,223
After one year but not more than 5 years	**–**	–
	₱194,648	₱1,136,223

The Group has an existing agreement with BPO to engage in providing payroll processing services to employees of the Group, which shall be payable on demand upon provision of the service and billed based on fixed rate per number of employees.

b. Amounts owed by related parties pertain to reimbursements for expenses paid by the Group.

Outstanding balances are generally collectible on demand, non-interest bearing, unsecured, unimpaired. The outstanding related party transactions are expected to be settled in cash.

Movements of due from related parties, net of expected credit losses, are as follows:

	2024	2023
Due from related parties	**₱189,127,937**	₱188,916,695
Rent receivables	**–**	–
	189,127,937	188,916,695
Allowance for impairment loss	**(188,893,988)**	(188,656,287)
	₱233,949	₱260,408

Allowance for impairment loss is mainly attributable to the advances to MUDC (see Note 9).

Compensation of the key management personnel is as follows:

	2024	2023
Salaries and wages	**₱9,978,188**	₱9,503,036
Other benefits	**1,362,165**	1,297,300
	₱11,340,353	₱10,800,336

Below are the balances and transactions among related parties which are eliminated in the consolidated financial statements as at December 31, 2024 and 2023.

Amounts Owed by	Amounts Owed to	**2024**	2023
Parent Company	MCHC	**₱1,300**	₱4,143
PIEI	Parent Company	**5,299**	–

Dividends Declared by	Dividend Income of	**2024**	2023
MCHC	Parent Company	**₱7,176,603**	₱47,184,457
Parent Company	PIEI	**3,500,000**	8,731,981
Parent Company	MCHC	**16,986,409**	8,133,981

Advances Provided by	Advances Provided to	**2024**	2023
MCHC	Parent Company	**₱–**	₱8,360,829

The transactions pertain to cash advances and dividend declarations of the Group and MCHC in 2024 and 2023.

19. Earnings Per Share

The following table presents information necessary to compute the basic/diluted EPS:

	2024	2023	2022
Net income attributable to equity holders of the parent (a)	**₱93,566,249**	₱62,262,774	₱20,333,318
Weighted average number of ordinary shares outstanding for basic and diluted EPS (b)	**379,732,827**	379,732,827	379,732,827
Basic and diluted earnings per share (a/b)	**₱0.25**	₱0.16	₱0.05

The Group has no potential dilutive instruments issued as at December 31, 2024, 2023 and 2022.

20. Segment Information

The primary purpose of the Group is to invest in real and personal properties, particularly investments securities and investments property. The Group operates mainly in one reportable business segment which is investing and one reportable geographical segment which is the Philippines.

The Group has also other segment which are not operating such as development of power generation, power utility distribution, coal mining and trading.

21. Commitments and Contingencies

Operating Lease Agreements - The Group as a Lessor
The Group leased out a portion of its condominium spaces. The Group recognized rent income amounting to ₱27.3 million in 2024 and ₱22.1 million in 2023 (₱23.9 million in 2022) (see Note 12). The lease agreements have terms of one to three years and can be renewed upon the written agreement of the Group and the lessees.

Deposits payable made by the tenants amounting to ₱12.3 million and ₱8.2 million as at December 31, 2024 and 2023, respectively, will be returned to the lessees after the lease term.

The future minimum rental income are as follows:

	2024	2023
Within one year	**₱23,322,156**	₱11,158,604
After one year but not more than two years	**17,125,422**	2,430,131
	₱40,447,578	₱13,588,735

Other Claims
In 2022, the Group paid a claim arising from a lawsuit filed by a third party amounting to ₱24.6 million. This is presented as "Losses" in the consolidated statements of income.

22. Financial Risk Management Objectives and Policies

Risk Management Structure

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group. It has also the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Group's approach to risk issues in order to make relevant decisions.

Financial Risk Management Objectives and Policies

The principal financial instruments of the Group consist of cash and cash equivalents and investments in equity and debt securities. The main purpose of these financial instruments is to place excess cash in income-earning investments. The Group has various other financial assets and liabilities such as receivables, due from related parties, accounts and other payables and dividends payable which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk (i.e., interest rate risk, foreign currency risk and equity price risk). The Group's management reviews and approves policies for managing each of these risks and they are summarized below. The Group also monitors the market price risk arising from all financial instruments.

The magnitudes of these risks that have arisen over the year are discussed below.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation.

The Group is exposed to credit risk primarily because of its investing and operating activities.

The Group is exposed to credit risk arising from the counterparties (i.e., foreign currency denominated debt instruments, short-term investments, fixed income deposit and receivables) to its financial assets.

Credit Risk Management

In managing credit risk on these investments, capital preservation is paramount. The Group trades only with recognized and creditworthy third parties. For investments in bonds, funds are invested in highly recommended, creditworthy debt instruments that provides satisfactory interest yield and capital appreciation. Investments in equity securities represent investments in companies with good dividend track record, as well as capital appreciation. The investment portfolio mix between debt and equity is reviewed regularly by the Group's President and Treasurer.

With respect to credit risk arising from other financial assets of the Group, which consist of cash and cash equivalents, receivables and due from related parties, the Group's President and Treasurer monitor these financial assets on an ongoing basis with the result that the Group's exposure to impairment losses is not significant.

Credit Risk Exposures

At reporting date, the Group's maximum exposure to credit risk is equal to the carrying amount of cash and cash equivalents, receivables, due from related parties, financial assets at FVTPL and FVOCI recognized in the consolidated statements of financial position. The Group's financial assets are not covered by collateral from counterparties.

Credit Risk Concentration Profile
The Group has no significant concentrations of credit risk.

Credit Quality
As at December 31, 2024 and 2023, the credit qualities per class of financial assets are as follows:

2024	Neither past due nor impaired: High Grade	Standard Grade	Past due but not impaired	Individually impaired	Total
Financial Assets					
At amortized cost					
Cash and cash equivalents*	₱597,401,197	₱–	₱–	₱–	₱597,401,197
Receivables	20,631,669	–	–	1,066,068	21,697,737
Due from related parties	233,949	–	–	188,893,988	189,127,937
Convertible notes receivables	–	–	–	–	–
Financial assets at FVTPL	112,755,674	–	–	–	112,755,674
Financial assets at FVOCI	268,084,982	–	–	1,000,000	269,084,982
	₱999,107,471	₱–	₱–	₱190,960,056	₱1,190,067,527

Excluding cash on hand

2023	Neither past due nor impaired: High Grade	Standard Grade	Past due but not impaired	Individually impaired	Total
Financial Assets					
At amortized cost					
Cash and cash equivalents*	₱429,971,653	₱–	₱–	₱–	₱429,971,653
Receivables	2,511,035	–	–	1,007,000	3,518,035
Due from related parties	260,408	–	–	188,656,287	188,916,695
Convertible notes receivables	–	5,612,000	–	–	5,612,000
Financial assets at FVTPL	341,616,249	–	–	–	341,616,249
Financial assets at FVOCI	368,556,914	–	–	1,000,000	369,556,914
	₱1,142,916,259	₱5,612,000	₱–	₱190,663,287	₱1,339,191,546

Excluding cash on hand

High Grade Financial Assets
High grade financial assets include receivables customers with good payment history. These receivables are considered to be of good quality and expected to be collectible without incurring any credit losses. Other high grade financial assets reflect the investment grade quality of the investments and/or counterparty and realizability is thus assured.

Standard Grade Financial Assets
Receivables from customers who settle their obligations with tolerable delays are classified under standard grade. Other standard grade financial assets are considered moderately realizable.

Past due but not impaired
Pertains to receivables where contractual payments are past due but the Company believes that impairment is not appropriate based on the probability of collection of amounts owed to the Company.

Impairment Assessment

The main considerations for impairment assessment include whether any payments are overdue or if there are any known difficulties in the cash flows of the counterparties. The Group determines allowance for each significant receivable on an individual basis. Among the items that the Group considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are nonmoving receivable, accounts of defaulted companies and accounts from closed companies.

In 2024 and 2023, the Group applies a general approach in calculating ECL. The Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECL at each reporting date.

There has been no significant increase in credit risk in any of the Group's financial assets as at December 31, 2024 and 2023.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when they are due and this is done by primarily investing in highly liquid investments and maintaining a significant amount of cash and cash equivalents and pre-terminable investments in its portfolio.

The following table summarizes the maturity profile of the Group's financial liabilities as of December 31, 2024 and 2023 based on contractual undiscounted cash flows. The table also analyzes the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

2024	On demand	Within 1 year	More than 1 year	Total
Financial Assets				
At amortized cost				
Cash and cash equivalents	₱101,013,590	₱496,404,607	₱–	₱597,418,197
Receivables	–	20,631,669	–	20,631,669
Due from related parties	–	233,949	–	233,949
Convertible notes receivables	–	–	–	–
Financial assets at FVTPL	112,755,674	–	–	112,755,674
Financial assets at FVOCI	–	–	268,084,982	268,084,982
	213,769,264	517,270,225	268,084,982	999,124,471
Financial Liabilities				
Accounts and other payables*	–	14,720,184	–	14,720,184
Dividends payable	–	8,005,989	–	8,005,989
	–	22,726,173	–	22,726,173
	₱213,769,264	₱494,544,052	₱268,084,982	₱976,398,298

**Excluding statutory payables*

2023	On demand	Within 1 year	More than 1 year	Total
Financial Assets				
At amortized cost				
Cash and cash equivalents	₱81,317,262	₱348,671,390	₱–	₱429,988,652
Receivables	–	2,511,035	–	2,511,035
Due from related parties	–	260,408	–	260,408
Convertible notes receivables	–	5,612,000	–	5,612,000
Financial assets at FVTPL	341,616,249	–	–	341,616,249
Financial assets at FVOCI	–	477,020	368,079,894	368,556,914
Investments in rights issue subscription	–	–	30,129,600	30,129,600
	422,933,511	357,531,853	398,209,494	1,178,674,858
Financial Liabilities				
Accounts and other payables*	–	9,004,844	–	9,004,844
Dividends payable	–	27,105,445	–	27,105,445
	–	36,110,289	–	36,110,289
	₱422,933,511	₱321,421,564	₱398,209,494	₱1,142,564,569

**Excluding statutory payables*

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group's activities expose it primarily to the financial risks of changes in interest rates, foreign currency exchange rates and equity prices. There has been no change in the Group's exposure to market risks or the manner in which it manages and measures the risk.

Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group derives majority of its revenue from interest-bearing placements and bonds. Accordingly, the Group is subject to financial risk arising from changes in interest rates. The Group manages interest rate risk by investing mainly on fixed coupon bonds and other investments. By doing so, the Group is assured of future interest revenues from such investments.

Since the Group invests on fixed coupon interest bonds and other investments, the Group is not exposed significantly to cash flow interest rate risk. The following table demonstrates management's best estimate of the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax due to changes in fair values of debt securities:

	2024	2023
Change in interest rate (percentage):		
+10%	**₱4,554,723**	₱7,280,010
-10%	**(4,554,723)**	(7,280,010)

There is no other impact on equity other than those already affecting the income before income tax in profit or loss.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in foreign currencies.

In the normal course of business, the Group enters into transactions denominated in US dollar and other foreign currencies. As a result, the Group is subject to transaction and translation exposures resulting from currency exchange rate fluctuations. The Group regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the current exchange rates so as to minimize the risks related to these foreign-currency-denominated assets.

Information on the Group's foreign-currency-denominated monetary assets and their Philippine peso equivalent as of December 31 are as follows:

		2024		
		Exchange Rate	**Original Currency**	**Peso Equivalent**
Cash	USD	**₱58.014**	**1,005,710**	**₱58,345,274**
Receivables	USD	**58.014**	**6,377**	**369,938**
Financial assets at FVTPL	USD	**58.014**	**1,569,535**	**91,055,003**
	IDR	**0.004**	**791,850,000**	**2,850,660**
Financial assets at FVOCI:				
Debt	USD	**58.014**	**1,000,000**	**58,014,000**
Equity	USD	**58.014**	**4,857,727**	**281,816,174**
				₱492,451,049

		2023		
		Exchange Rate	Original Currency	Peso Equivalent
Cash	USD	₱55.567	1,188,764	₱66,056,048
	HKD	7.112	37,755	268,521
Receivables	USD	55.567	27,729	1,540,815
Financial assets at FVTPL	USD	55.567	4,865,059	270,336,725
	HKD	7.112	4,019,465	28,586,837
	EUR	61.474	185,038	11,374,989
	IDR	0.004	1,368,316,800	4,925,940
Financial assets at FVOCI:				
Debt	USD	55.567	1,600,000	88,907,200
Equity	USD	55.567	4,943,566	274,699,119
				₱746,696,194

The Group has no foreign currency denominated monetary liabilities as at December 31, 2024 and 2023.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates based on past foreign currencies exchange rates and macroeconomic forecasts for 2024 and 2023, with all other variables held constant, of the Group's 2024 and 2023 income before income tax.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for the following percentage change in foreign currency rates:

	2024		2023	
Original Currency	**Strengthened by 5%**	**Weakened by 5%**	Strengthened by 5%	Weakened by 5%
USD	**₱19,927,269**	**(₱19,927,269)**	₱7,825,203	(₱7,825,203)
HKD	**–**	**–**	13,426	(13,426)

There is no other impact on the Group's equity other than those already affecting the consolidated statements of income.

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the values of individual stocks. The equity price risk exposure arises from the Group's financial assets at FVTPL and financial assets at FVOCI. For investments in Philippine equities, majority of funds are invested in equities listed in the PSE.

The Group measures the sensitivity of its equity securities by using PSE, NYSE and HKEx indices fluctuations and its effect to respective share prices.

The following table demonstrates the sensitivity to a reasonably possible change in the equity price based on past price performance and macroeconomic forecast for 2024 and 2023, with all other variables held constant, of the Group's income before income tax and equity:

	2024	2023
Effect on income before income tax:		
Financial assets at FVTPL:		
Change in stock market index		
+10%	**₱11,275,567**	₱34,161,625
-10%	**(11,275,567)**	(34,161,625)
Effect on income equity:		
Investment in equity securities (FVOCI):		
Change in club share prices		
+10%	**₱22,253,775**	₱28,195,296
-10%	**(22,253,775)**	(28,195,296)

23. Fair Value of Financial Instruments

Fair values of financial assets at FVTPL and quoted financial assets at FVOCI are based on price quotations as at December 31, 2024 and 2023.

The following tables show the Group's fair value measurement hierarchy of its financial assets at FVTPL and FVOCI. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

2024	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Financial assets at FVTPL	₱112,755,674	₱112,755,674	₱–	₱–	₱112,755,674
Financial assets at FVOCI					
Quoted debt securities	45,547,228	45,547,228	–	–	45,547,228
Quoted equity securities	6,411,202	6,411,202	–	–	6,411,202
Unquoted equity securities	216,126,552	–	7,475,077	208,651,475	216,126,552
	₱380,840,656	₱164,714,104	₱7,475,077	₱208,651,475	₱380,840,656

2023	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Financial assets at FVTPL	₱341,616,249	₱341,616,249	₱–	₱–	₱341,616,249
Financial assets at FVOCI					
Quoted debt securities	72,800,106	72,800,106	–	–	72,800,106
Quoted equity securities	5,749,744	5,749,744	–	–	5,749,744
Unquoted equity securities	290,007,064	–	11,155,224	278,851,840	290,007,064
Investment in rights issue subscription	30,129,600	–	–	30,129,600	30,129,600
	₱740,302,763	₱420,166,099	₱11,155,224	₱308,981,440	₱740,302,763

As at December 31, 2024, the Group's financial assets include equity securities and investment in rights issue subscription, which are classified under level 2 and 3, respectively.

The fair values of unquoted equity securities have been determined by reference to the share prices of listed entities in similar industries and capital balances of underlying funds. The Group considers the recently transaction price as the deemed fair value as there is no readily available fair value for the investments in unquoted securities. The probabilities of the various estimates within the range are used in management's estimate of fair value for these non-listed equity investments.

Investments in rights issue subscription are valued based on the recently transacted price which is deemed the fair value. The recent transacted price has been concluded to best represent fair value on the basis that there have been no significant changes between the transaction date and the statements of financial position date (see Note 5).

As at December 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements. Also, there were no transfers into and out of Level 3 fair value measurements.

24. Capital Risk Management Objective and Policies

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure, which pertains to its equity, and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, The Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group is not subject to any externally imposed capital requirements.

The total core capital considered by the Group as at December 31, 2024 and 2023 are as follows:

	2024	2023
Common stock	**₱481,827,653**	₱481,827,653
Additional paid in capital	**144,759,977**	144,759,977
Treasury shares	**(102,094,826)**	(102,094,826)
Retained earnings	**1,165,721,230**	1,112,967,423
	₱1,690,214,034	₱1,637,460,227

25. Supplemental Notes to Consolidated Statements of Cash Flows

The following shows the changes in the Group's liabilities arising from its financing activities in 2024 and 2023:

	As at January 1, 2024	**Dividends Paid**	**Dividend Declaration and Other Changes**	**As at December 31, 2024**
Dividends payable	**₱27,105,445**	**(₱57,053,485)**	**₱37,954,029**	**₱8,005,989**

	As at January 1, 2023	Dividends Paid	Dividend Declaration	As at December 31, 2023
Dividends payable	₱6,964,039	(₱64,503,831)	₱84,645,237	₱27,105,445

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

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INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
F & J Prince Holdings Corporation and Subsidiaries
5th Floor, BDO Towers Paseo
8741 Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of F & J Prince Holdings Corporation and Subsidiaries (the Group) as at and for the years ended December 31, 2024 and 2023 and have issued our report thereon dated March 27, 2025. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole.

The following supplementary schedules are the responsibility of the Group's management. These are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 Part II, and are not part of the basic consolidated financial statements:

- Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration as at December 31, 2024
- Schedules required by Annex 68-J as at December 31, 2024
- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2024 and 2023
- Conglomerate Map as at December 31, 2024

The supplementary schedules have been subjected to the audit procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

The Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management.

The financial soundness indicators are not measures of operating performance defined by the Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023.

REYES TACANDONG & CO.

Grace M. Albunian

GRACE M. ALBUNIAN
Partner
CPA Certificate No. 0144364
Tax Identification No. 410-858-879-000
BOA Accreditation No. 4782/P-024; Valid until June 6, 2026
BIR Accreditation No. 08-005144-018-2025
Valid until January 7, 2028
PTR No. 10467118
Issued January 2, 2025, Makati City

March 27, 2025
Makati City, Metro Manila

PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024

F & J PRINCE HOLDINGS CORPORATION

5th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City

		Amount
Unappropriated retained earnings, beginning of reporting period		₱167,379,090
Less: Category B: Items that are directly debited to unappropriated retained earnings		
Dividend declaration during the reporting period		(72,274,148)
Unappropriated retained earnings, as adjusted		95,104,942
Add net income for the current year		74,467,673
Add/Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized foreign exchange gain	(1,612,187)	
Unrealized fair value adjustment (mark-to-market loss) of financial instruments at FVPL	809,197	(802,990)
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		
Cumulative unrealized fair value adjustment (mark-to-market loss) of financial instruments at FVPL	11,403,971	
Unrealized foreign exchange loss	199,133	11,603,105
Total retained earnings, end of the reporting period available for dividend		₱180,372,730

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2024 and 2023

Ratio	Formula	2024	2023
Current Ratio	**Total Current Assets divided by Total Current Liabilities**		
	Total current assets	**₱760,923,855**	₱810,318,633
	Divide by: Total current liabilities	**28,044,334**	39,236,176
	Current Ratio	**27.13**	20.65
Acid Test Ratio	**Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities**		
	Total current assets	**₱760,923,855**	₱810,318,633
	Less: Other current assets	**142,873,989**	377,818,946
	Quick assets	**618,049,866**	432,499,687
	Divide by: Total current liabilities	**28,044,334**	39,236,176
	Acid Test Ratio	**22.04**	11.02
Debt-to-Equity Ratio	**Total Liabilities divided by Total Equity**		
	Total Liabilities	**₱42,414,841**	₱65,863,898
	Total equity	**1,805,407,668**	1,819,441,267
	Debt to Equity Ratio	**0.02**	0.04
Asset-to-Equity Ratio	**Total Assets divided by Total Equity**		
	Total assets	**₱1,847,822,509**	₱1,885,305,165
	Total equity	**1,805,407,668**	1,819,441,267
	Asset to Equity Ratio	**1.02**	1.04
Return on Equity	**Net Income divided by Average Total Equity**		
	Net income	**₱94,165,305**	₱63,711,580
	Average Total Equity	**1,812,424,468**	1,820,688,544
	Return on Equity	**0.05**	0.03

Ratio	Formula	2024	2023
Return on Assets	**Net Income divided by Average Total Assets**		
	Net income	**₱94,165,305**	₱63,711,580
	Average total assets	**1,866,563,837**	1,882,649,514
	Return on Assets	**0.05**	0.03
Solvency Ratio	**Net Income Before Non-Cash Expenses divided by Total Liabilities**		
	Net income	**₱94,165,305**	₱63,711,580
	Add: Non-cash expenses	**17,946,865**	17,804,385
	Net loss before non-cash expenses	**112,112,170**	81,515,965
	Total liabilities	**42,414,841**	65,863,898
	Solvency Ratio	**2.64**	1.24
Net Profit Margin	**Net Income divided by Total Revenue**		
	Net income	**₱94,165,305**	₱63,711,580
	Total revenue	**219,537,917**	164,306,117
	Net profit margin	**0.43**	0.39

F&J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
DECEMBER 31, 2024 AND 2023

	2024	2023
Total Audit Fees	**₱1,070,000**	₱1,000,000
Non-audit services fees:		
Other assurance services	**100,000**	100,000
Tax services	–	–
All other services	–	–
Total Non-audit Fees	**100,000**	100,000
Total Audit and Non-audit Fees	**₱1,170,000**	₱1,100,000

Audit and Non-audit Fees of Other Related Entities

	2024	2023
Audit fees	**₱–**	₱–
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	–
All other services	–	–
Total Audit and Non-audit Fees of Other Related Entities	**₱–**	₱–

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II OF REVISED SRC RULE 68
DECEMBER 31, 2024

Table of Contents

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotations at balance sheet date	Interest received and accrued
Financial assets at fair value through profit or loss				
Aboitiz Equity	3,120	₱107,172	₱107,172	₱–
ABS-CBN Broadcasting	12,000	50,400	50,400	–
AC Energy Corporation	12,234	48,946	48,946	612
Ayala Corporation	4,078	2,442,722	2,442,722	–
Ayala Land	145,781	3,819,462	3,819,462	–
Benguet Corporation	2,109	8,373	8,373	–
Berkshire Hathaway Inc	3,250	85,463,904	85,463,904	–
BUKALAPAK.com	6,334,800	2,850,660	2,850,660	–
Meralco	10,754	5,247,952	5,247,952	219,496
Oriental Petroleum "B"	1,260,888,642	9,330,576	9,330,576	630,444
Petron Corporation	30,939	75,182	75,182	3,094
Philex Mining "A"	335,323	935,551	935,551	–
Philex Petroleum	41,915	120,296	120,296	–
Rockwell Land Corporation	28,616	43,497	43,497	2,913
San Miguel Corporation "A"	12,240	1,052,640	1,052,640	34,566
San Miguel Corporation "B"	12,464	1,071,904	1,071,904	–
Top Frontier Investment Holdings, Inc.	1,370	86,447	86,447	–
	1,267,879,635	₱112,755,684	₱112,755,684	₱891,125

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotations at balance sheet date	Interest received and accrued
Financial assets at fair value through other comprehensive income				
ASLAN Pharmaceuticals ADR Rep	97,335	₱–	₱–	₱–
Australia And Newland Banking Group Ltd	225,000	13,281,580	13,281,580	–
Greenland Global Investment	475,000	5,609,983	5,609,983	–
NBM US Holdings Inc.	200,000	17,432,048	17,432,048	–
Republic of the Philippines	8,000,000	9,223,617	9,223,617	
Ayala Corporation	2,110	2,110	2,110	–
Ayala Land Inc	144,000	9,767	9,767	–
Calata Corporation	560,000	1,159,200	1,159,200	–
Tagaytay Midlands	1	2,800,000	2,800,000	–
Balesin Island Club	1	3,500,000	3,500,000	–
PLDT, Inc.	400	4,000	4,000	–
Global Dividends Fund	100,000	6,411,202	6,411,202	–
MWAM VC Brady SX, LLC	250,000	68,048,515	68,048,515	–
Republic of Venezuela	100,000	–	–	–
XEN 500 Global VII SP	803,000	56,020,236	56,020,236	–
XEN Capital Asia	150,000	2,820,125	2,820,125	–
XEN Digital Global VII SP	1,000,000	79,447,608	79,447,608	–
XEN One Limited	150,000	2,314,991	2,314,991	–
Xen Tech (Convertible Notes)	1,137,899	–	–	–
Xen Tech (Pre-A Equity Round)	200,000	–	–	–
	13,594,746	₱268,084,982	₱268,084,982	₱–

Schedule B. Amounts Receivable from Directors, Officers, Employees, and Principal Stockholders (Other than Related Parties)

Name and designation of debtor	Beginning balances	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Ending balances
Advances to Officers and Employees	₱23,862	₱–	₱–	₱23,862	₱–	₱–	₱–

Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

Name and Designation of debtor	Balance of Beginning of Period	Additions	Amounts Collected	Allowance for Doubtful Accounts	Current	Not Current	Balance at end of period
Magellan Capital Holdings Corporation (MCHC) - Subsidiary	₱–	₱1,300	₱–	₱–	₱–	₱1,300	₱1,300

Schedule F. Capital Stock

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under statements of financial position	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Class "A"	600,000,000	292,610,118	–	56,915,136	22,562,431	–
Class "B"	400,000,000	189,217,535	–	37,496,379	30,392	–
	1,000,000,000	**481,827,653**	–	**94,411,515**	**22,592,823**	–

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023
WITH VERTICAL PERCENTAGE ANALYSIS

EXHIBIT "4"

	AUDITED DEC. 31,2024	VERTICAL PERCENTAGE ANALYSIS DEC. 31,2024	AUDITED DEC. 31,2023	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2023
ASSETS				
Current Assets				
Cash and cash equivalents	597,418,197	32.33%	429,988,652	22.81%
Investment securities	112,755,674	6.11%	342,093,269	18.15%
Due from related parties	233,949	0.01%	260,408	0.01%
Receivables-net	20,631,669	1.12%	2,511,035	0.13%
Other current assets	29,884,366	1.62%	35,465,269	1.88%
Total Current Assets	**760,923,855**	**41.19%**	**810,318,633**	**42.98%**
Noncurrent Assets				
Investments in associates	465,638,892	25.20%	302,233,819	16.03%
Investment securities- non current	268,084,982	14.51%	368,079,894	19.52%
Convertible notes receivable	-	0.00%	5,612,000	0.30%
Property and Equipment-net	3,732,108	0.20%	3,275,980	0.17%
Investment properties	329,598,443	17.83%	345,811,010	18.34%
Investment in rights issue subscription			30,129,600	1.60%
Other Noncurrent Assets	19,844,229	1.07%	19,844,229	1.05%
Total Non-Current Assets	**1,086,898,654**	**58.81%**	**1,074,986,532**	**57.02%**
TOTAL ASSETS	**1,847,822,509**	**100.00%**	**1,885,305,165**	**100.00%**

	AUDITED DEC. 31,2024	VERTICAL PERCENTAGE ANALYSIS DEC. 31,2024	AUDITED DEC. 31,2023	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2023
LIABILITIES & STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts Payable and accrued expenses	17,561,241	0.95%	12,130,731	0.64%
Dividends payable	8,005,989	0.43%	27,105,445	1.44%
Income Tax Payable	2,477,104	0.13%	0	0.00%
Total Current Liabilities	**28,044,334**	**1.52%**	**39,236,176**	**2.08%**
Non-Current Liabilities				
Deferred income tax liabilities-net	3,455,009	0.19%	15,656,356	0.83%
Non-current portion of deposits payable	20,000	0.00%	580,000	0.03%
Retirement benefit obligation	10,895,498	0.59%	10,391,366	0.55%
Total Non-Current Liabilities	**14,370,507**	**0.79%**	**26,627,722**	**1.41%**
Noncurrent Liabilities				
Stockholders' Equity				
Capital stock	481,827,653	26.08%	481,827,653	25.56%
Additional paid in capital	144,759,977	7.83%	144,759,977	7.68%
Treasury shares	-102,094,826	-5.53%	-102,094,826	-5.42%
Other equity reserves	52,450,114	2.84%	116,153,110	6.16%
Retained earnings	1,165,721,230	63.08%	1,112,967,423	59.03%
Total Equity Attributable to Stockholders of the Company	1,742,664,148	94.31%	1,753,613,337	93.01%
Minority Interests	62,743,520	3.40%	65,827,930	3.49%
Total Stockholders' Equity	**1,805,407,668**	**97.70%**	**1,819,441,267**	**96.51%**
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	**1,847,822,509**	**100.00%**	**1,885,305,165**	**100.00%**

EXHIBIT "5"
Schedule 1

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
BREAKDOWN OF RECEIVABLES
AS OF DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
Receivables:			
Receivable from Related Parties:			
Business Process Outsourcing, International	**₱89,044**		5,249,962
Magellan Utilities Development Corporation	**62,399**	**185,732**	127,989
Pointwest Technologies Corporation	**0**		–
Others	**82,506**	**74,676**	45,430
Total Receivables from Related Parties	**₱233,949**	**₱260,408**	₱5,423,381

Interest Receivable	**21,261,908**	**₱2,753,965**	₱4,215,899
Rent Receivables	**372,346**	**547,629**	853,034
Receivable from Philippine Depositary Insurance Corporation (PDIC)	**-**	**-**	–
Others	**63,483**	**246,441**	60,691
Total Receivables from Third Parties	**₱21,697,737**	**₱3,548,035**	**₱5,129,624**

EXHIBIT "5"
Schedule 2

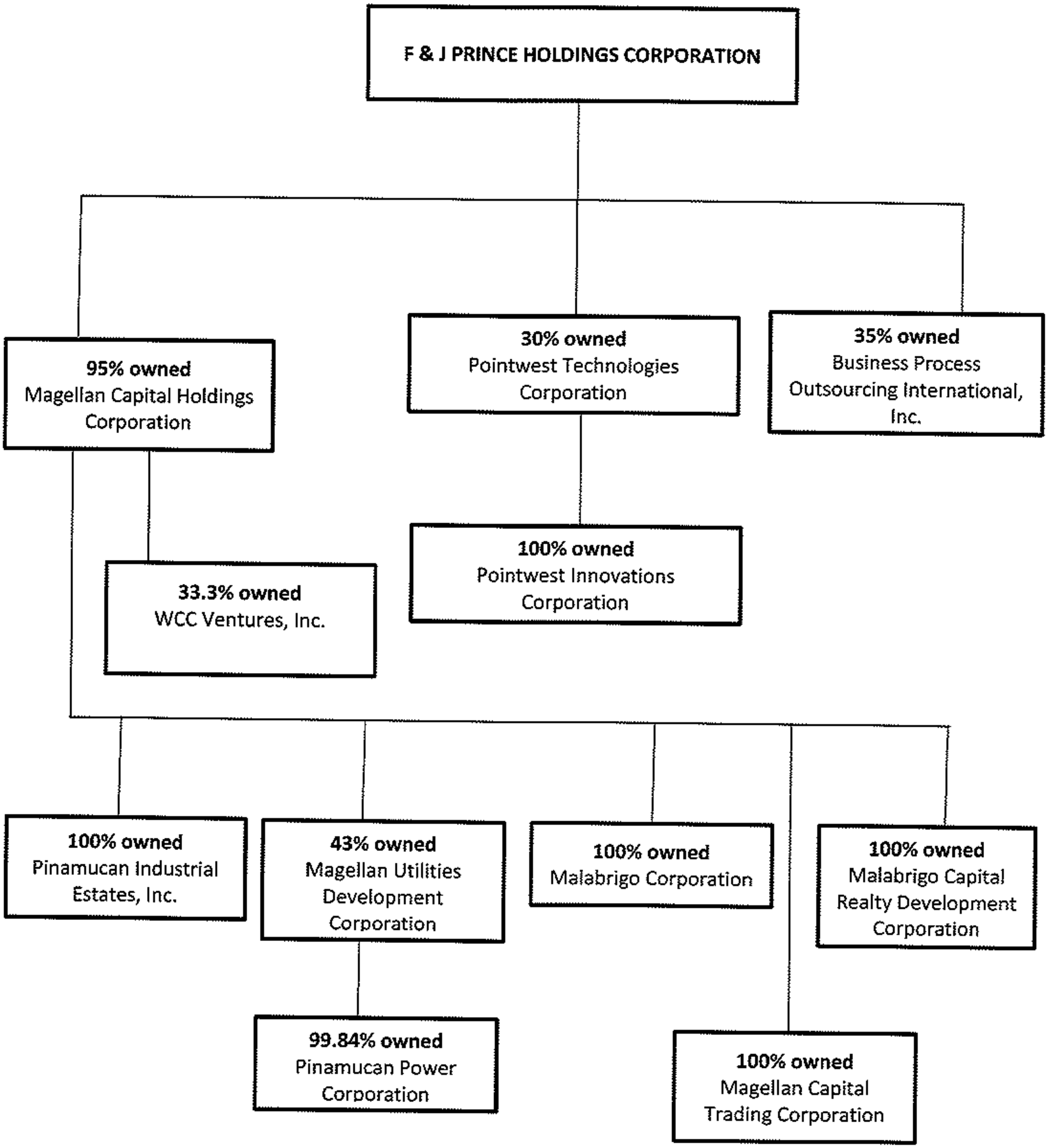
F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
BREAKDOWN OF ACCOUNTS PAYABLE AND ACCRUED EXPENSES
AS OF DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
Accounts payable	**₱1,500,445**	**₱611,011**	1,489,570
Deposit payable	**12,308,930**	**7,667,504**	4,270,053
Government payable	**2,841,057**	**3,003,607**	2,178,874
Deferred rental income	-	-	-
Accrued expenses			
Professional fees (legal and audit fees)	**3,387,913**	**724,329**	1,192,505
Other operating expenses	**0**	**0**	0
Total Accounts Payable and Accrued Expenses	**₱20,038,345**	**₱12,006,451**	₱9,131,002

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

CONGLOMERATE MAP

DECEMBER 31, 2024



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C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	0	0	4	3	3	7	0

C O M P A N Y   N A M E

F & J PRINCE HOLDINGS CORPORATION

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

5TH FLOOR, BDO TOWERS PASEO, 8741 PASEO DE ROXAS, MAKATI CITY

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
AASFS	CRMD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number/s	Mobile Number
fjp@fjprince.com	8892-7133 / 8892-7137	0960-452-3903

No. of Stockholders	Annual Meeting (Month / Day)	Calendar Year (Month / Day)
473	04/12	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Anne Jaycelle C. Sacramento	acsfjprince@gmail.com	8-892-7133/37	0917-5552425

CONTACT PERSON'S ADDRESS

5th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City

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

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **F& J Prince Holdings Corporation** is responsible for the preparation and fair presentation of the financial statements including the statements attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein and for such internal control as management determines is necessary to enable the preparation of 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 or Trustees is responsible for overseeing the Company's financial reporting process.

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

Reyes Tacandong and Company, the independent auditors appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:

Mark Ryan Cokeng
President/ CEO

Mary K. Cokeng
Treasurer/Chief Financial Officer

SUBSCRIBED AND SWORN to before me this ________day of APR 07 2025, 2025, affiants exhibiting to me their Drivers' License/National IDs, as follows:

Names	Competent Evidence of Identity	Date Issued	Place of Issue
Mark Ryan Cokeng	X01-09-003590	23 January 2024	Quezon City
Mary K. Cokeng	2632-8401-5647-6912	10 October 2022	NCR

NOTARY PUBLIC

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

Doc.No. 331;
Page No. 68;
Book No. 72;
Series of 2025

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Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
F & J Prince Holdings Corporation
5th Floor, BDO Towers Paseo
8741 Paseo de Roxas, Makati City

Opinion

We have audited the accompanying separate financial statements of F & J Prince Holdings Corporation (the Company), which comprise the separate statements of financial position as at December 31, 2024 and 2023, and the separate statements of income, separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes to separate financial statements, including summary of material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2024 and 2023, and its separate financial performance and its separate cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

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

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

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

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

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

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

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

REYES TACANDONG & CO.

GRACE M. ALBUNIAN
Partner
CPA Certificate No. 0144364
Tax Identification No. 410-858-879-000
BOA Accreditation No. 4782/P-024; Valid until June 6, 2026
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Issued January 2, 2025, Makati City

March 27, 2025
Makati City, Metro Manila

F & J PRINCE HOLDINGS CORPORATION

SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2024**	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4	**₱62,631,314**	₱77,817,121
Financial assets at fair value through profit or loss (FVTPL)	5	**13,570,515**	14,316,753
Receivables	6	**19,262,307**	325,606
Prepayments and other current assets	7	**3,181,477**	3,536,023
Total Current Assets		**98,645,613**	95,995,503
Noncurrent Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	8	**18,862,905**	54,068,911
Investments in:			
A subsidiary - at cost	9	**537,514,860**	537,514,860
Associates - at cost	10	**98,930,006**	98,930,006
Property and equipment	11	**3,934**	10,616
Net deferred tax assets	13	**9,290,187**	3,341,609
Total Noncurrent Assets		**664,601,892**	693,866,002
		₱763,247,505	₱789,861,505
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other liabilities		**₱615,993**	₱15,574
Dividends payable	14	**8,005,989**	7,505,445
Total Current Liabilities		**8,621,982**	7,521,019
Noncurrent Liability			
Retirement liability	12	**769,295**	695,896
Total Liabilities		**9,391,277**	8,216,915
Equity			
Common stock	14	**481,827,653**	481,827,653
Additional paid-in capital		**144,759,977**	144,759,977
Retained earnings		**149,086,535**	167,379,090
Other comprehensive loss		**(21,817,937)**	(12,322,130)
Total Equity		**753,856,228**	781,644,590
		₱763,247,505	₱789,861,505

See accompanying Notes to Separate Financial Statements.

F & J PRINCE HOLDINGS CORPORATION

SEPARATE STATEMENTS OF INCOME

	Note	**2024**	2023
		Years Ended December 31	
INCOME			
Dividend income	5, 9, 10	**₱74,138,625**	₱57,282,906
Interest income	4	**2,414,289**	4,545,368
Foreign exchange gains		**2,151,588**	388,866
Fair value gains on financial assets at FVTPL	5	**370,994**	3,771,345
Realized gain on disposal of FVTPL	5	**4,782**	82,055
Other income		**–**	5,000
		79,080,278	66,075,540
EXPENSES			
Professional fees		**2,001,538**	809,608
Fair value losses on financial assets at FVTPL	5	**1,180,191**	7,189,289
Personnel expenses:			
Salaries and allowances		**556,622**	530,116
Retirement benefits	12	**80,140**	71,471
Other employee benefits		**68,501**	50,456
Taxes and licenses		**294,572**	286,407
Trainings and seminars		**50,608**	63,404
Annual stockholders' meeting		**44,406**	65,696
Bank charges		**10,340**	342,358
Depreciation	11	**6,682**	6,682
Foreign exchange losses		**2,005**	1,471,810
Loss on disposal of financial assets at FVOCI	8	**–**	12,542,095
Others		**179,014**	171,820
		4,474,619	23,601,212
INCOME BEFORE INCOME TAX		**74,605,659**	42,474,328
PROVISION FOR (BENEFIT FROM) INCOME TAX	13		
Current:			
Regular		**450,239**	–
Final		**418,947**	346,170
Deferred		**(731,200)**	(3,646,554)
		137,986	(3,300,384)
NET INCOME		**₱74,467,673**	₱45,774,712
Basic/Diluted Earnings per Common Share	20	**₱0.15**	₱0.10

See accompanying Notes to Separate Financial Statements.

F & J PRINCE HOLDINGS CORPORATION

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	Note	**Years Ended December 31** **2024**	2023
NET INCOME		**₱74,467,673**	₱45,774,712
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss in subsequent periods:			
Net unrealized fair value losses on financial assets at FVOCI, net of tax	8	**(26,251,919)**	(532,988)
Remeasurement gains on retirement liability, net of tax	12	**5,056**	27,342
Item that will be reclassified to profit or loss in subsequent periods -			
Net unrealized fair value gains (losses) on financial assets at FVOCI, net of tax	8	**(203,447)**	11,297,517
		(26,450,310)	10,791,871
TOTAL COMPREHENSIVE INCOME		**₱48,017,363**	₱56,566,583

See accompanying Notes to Separate Financial Statements.

F & J PRINCE HOLDINGS CORPORATION

SEPARATE STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31 **2024**	2023
CAPITAL STOCK	14		
Balance at beginning and end of year		**₱481,827,653**	₱481,827,653
ADDITIONAL PAID-IN CAPITAL	14		
Balance at beginning and end of year		**144,759,977**	144,759,977
RETAINED EARNINGS			
Balance at beginning of year		**167,379,090**	203,515,079
Net income		**74,467,673**	45,774,712
Dividends declared	14	**(72,274,148)**	(81,910,701)
Reclassification from other comprehensive loss	8	**(20,486,080)**	–
Balance at end of year		**149,086,535**	167,379,090
OTHER COMPREHENSIVE LOSS			
Cumulative Unrealized Changes in Fair Values of Financial Asset at FVOCI	8		
Balance at beginning of year		**(12,880,298)**	(23,644,827)
Net unrealized changes in fair values of financial assets at FVOCI		**(26,455,366)**	10,764,529
Reclassification to retained earnings		**16,954,503**	–
Balance at end of year		**(22,381,161)**	(12,880,298)
Cumulative Remeasurement Gains on Retirement Liability	12		
Balance at beginning of year		**558,168**	530,826
Net remeasurement gains		**5,056**	27,342
Balance at end of year		**563,224**	558,168
		(21,817,937)	(12,322,130)
		₱753,856,228	₱781,644,590

See accompanying Notes to Separate Financial Statements.

F & J PRINCE HOLDINGS CORPORATION

SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	**2024**	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱74,605,659**	₱42,474,328
Adjustments for:			
Dividend income	5, 9, 10	**(74,138,625)**	(57,282,906)
Interest income	4	**(2,414,289)**	(4,545,368)
Net foreign exchange gains		**(2,149,583)**	(4,190,254)
Changes on financial assets at FVTPL:	5		
Unrealized losses		**1,180,191**	7,189,289
Unrealized gains		**(370,994)**	(3,771,345)
Retirement expense	12	**80,140**	71,471
Depreciation	11	**6,682**	6,682
Loss (gain) on disposal of:			
Financial assets at FVTPL	5	**(4,782)**	(82,055)
Financial assets at FVOCI	8	**–**	12,542,095
Operating loss before working capital changes		**(3,205,601)**	(7,588,063)
Decrease (increase) in:			
Receivables		**165,000**	1,117,692
Prepayments and other current assets		**(95,693)**	(100,384)
Increase (decrease) in accrued expenses and other liabilities		**600,419**	(545,655)
Net cash used in operations		**(2,535,875)**	(7,116,410)
Dividends received		**54,994,005**	62,532,868
Interest received		**2,457,208**	5,929,611
Income taxes paid		**(418,947)**	(346,170)
Net cash flows provided by operating activities		**54,496,391**	60,999,899
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to financial assets at FVOCI	8	**(120,335)**	(5,577,035)
Proceeds from disposal of:			
Financial assets at FVTPL	5	**62,158**	1,701,715
Financial assets at FVOCI	8	**–**	43,310,061
Net cash flows provided by (used in) investing activities		**(58,177)**	39,434,741
CASH FLOWS FROM A FINANCING ACTIVITY			
Payment of dividends	21	**(71,773,604)**	(81,369,295)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**2,149,583**	1,223,770
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(15,185,807)**	20,289,115
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**77,817,121**	57,528,006
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱62,631,314**	₱77,817,121

See accompanying Notes to Separate Financial Statements.

F & J PRINCE HOLDINGS CORPORATION

NOTES TO SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. **General Information**

Corporate Information
F & J Prince Holdings Corporation (the "Company") was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on February 18, 1971. Its primary purpose is to purchase, subscribe for or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal properly of every kind and description, including, but not limited to, land, building, condominium units, shares of stock, bonds, debentures, notes, evidence of indebtedness, and other securities, contracts or obligations of any corporation, and associations, domestic or foreign.

The Company is a public company under Section 17.2 of the Revised Securities Regulation Code and its shares of stock are listed in and traded through the Philippine Stock Exchange, Inc. (PSE).

The registered office address of the Company is at 5th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City.

Approval of the Separate Financial Statements
The separate financial statements as at and for the years ended December 31, 2024 and 2023 were approved and authorized for issuance by the Board of Directors (BOD) on March 27, 2025.

2. **Material Accounting Policy Information**

Basis of Preparation and Statement of Compliance
The separate financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

The Company also prepares and issues consolidated financial statements for the same year in accordance with PFRS. In the consolidated financial statements, the subsidiaries undertakings have been fully consolidated. Users of the separate financial statements should read the consolidated financial statements simultaneously in order to obtain full information on the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its subsidiaries. The consolidated financial statements are available for public use and may be obtained at the Company's registered office address and at the SEC.

Measurement Bases
The separate financial statements are presented in Philippine Peso (Peso), the Company's functional and presentation currency. All amounts are rounded to the nearest Peso unless otherwise stated.

The separate financial statements of the Company have been prepared on a historical cost basis, except for financial assets measured at fair value through profit or loss (FVTPL) and financial assets measured at fair value through other comprehensive income (FVOCI).

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses observable market data as far as possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) market prices in active market for identical assets or liabilities.

- Level 2 - valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

Information about the assumptions made in measuring fair values is included in Note 17*, Fair Value Measurement.*

Adoption of Amendments to PFRS Accounting Standards
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the separate financial statements.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instruments: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the separate financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the separate financial statements of the Company. Additional disclosures were included in the separate financial statements, as applicable.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective
Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the separate financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2025 -

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments,* and PFRS 7 - *Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at FVOCI. Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Accounting Standards Volume 11:

    - Amendments to PFRS 7 – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.

    - Amendments to PAS 7 - *Cost Method* – The amendments replace the term ‘cost method’ with ‘at cost’ following the deletion of the definition of ‘cost method’. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1 and sets out the requirements for the presentation and disclosure of information to help ensure that the separate financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the separate statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards is not expected to have any material effect on the separate financial statements of the Company. Additional disclosures will be included in the separate financial statements, as applicable.

Current versus Noncurrent Classification

The Company presents assets and liabilities in the separate statements of financial position based on current or noncurrent classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is classified as current when it is:

- Expected to be settled in its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within 12 months after the reporting period; or,
- There is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classifications.

The Company classifies all other liabilities as noncurrent.

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

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition. The Company recognizes a financial asset or a financial liability in the separate statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

Initial Recognition. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at FVTPL, includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transactions price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Classification of Financial Instruments. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVTPL, (b) financial assets at amortized cost, and (c) financial assets at FVOCI. The classification of a financial asset largely depends on its contractual cash flow characteristics and the Company's business model for managing them.

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

Equity securities that have been designated to be measured at FVOCI may not be reclassified to a different category.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVTPL or financial liabilities at amortized cost.

As at December 31, 2024 and 2023, the Company does not have financial liabilities at FVTPL.

Financial Assets at FVPL. Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if these are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless these are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are measured at fair value at each reporting date, with any fair value gains or losses recognized in profit or loss to the extent these are not part of a designated hedging relationship.

Classified under this category are the Company's investments in listed equity securities.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized, impaired and through amortization process.

Classified under this category are the Company's cash and cash equivalents and receivables.

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from date of placements and that are subject to an insignificant risk of change in value.

Financial Assets at FVOCI - Equity Instruments. On initial recognition, equity instruments that are not held for trading may be irrevocably designated as a financial asset measured at FVOCI.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in other comprehensive income and presented in the equity section of the separate statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent years. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are not reclassified from equity to profit or loss.

Unquoted equity securities are classified under this category.

Financial Assets at FVOCI - Debt Instruments. The Company measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments measured at FVOCI, interest income, foreign exchange translation and impairment losses or reversals are recognized in the profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value changes recognized in other comprehensive income is recycled to profit or loss.

Classified under this category are the Company's quoted debt securities.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

Classified under this category are the Company's accrued expenses and other liabilities (excluding statutory payables) and dividends payable.

Impairment of Financial Assets at Amortized Cost
The Company records an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company measures loss allowances at an amount equivalent to the 12-month ECL for financial assets on which credit risk has not increased significantly since initial recognition or that are determined to have low credit risk at reporting date. Otherwise, impairment loss will be based on lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount is reported in the separate statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the separate statements of financial position.

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Investment in a Subsidiary
A subsidiary is an entity that is controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as obtain benefits from its activities.

Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. That presumption may be overcome in exceptional circumstances if it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the parent owns half or less of the voting power of an entity but it has:

(a) power over more than half of the voting rights by of an agreement with other investors;
(b) power to govern the financial and operating policies of the entity under a statute or an agreement;
(c) power to appoint or remove the majority of the members of the BOD equivalent governing body and control of the entity is by that board or body; or
(d) power to cast the majority of votes at meetings of the BOD or equivalent governing body and control of the entity is by that board or body.

Control can also be achieved by having options or convertible instruments that are currently exercisable or by having an agent with the ability to direct the activities for the benefit of the controlling entity.

The investment in subsidiary is carried in the separate statements of financial position at cost plus post-acquisition changes arising only from additional investments less subsequent withdrawal of shares. The Company recognizes income from the investment only to the extent that the Company receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment. After application of the cost method, the Company determines whether it is necessary to recognize any additional impairment loss with respect to the Company's net investment in the subsidiary.

Investments in Associates
An associate is an entity in which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Company's investments in associates are accounted for under the cost method of accounting.

Under the cost method, the investments in associates are carried in the separate statements of financial position at cost plus post-acquisition changes arising only from additional investments less subsequent withdrawal of shares. The Company recognizes income from the investment only to the extent that the Company receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment. After application of the cost method, the Company determines whether it is necessary to recognize any additional impairment loss with respect to the Company's net investment in the associate. The reporting dates of the associates and the Company are identical and the associates' accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

Impairment of Nonfinancial Assets
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Equity

Capital Stock and Additional Paid-in Capital. The Company has issued capital stock that is classified as equity. Incremental costs directly attributable to the issue of new capital stock are shown in equity as a deduction, net of tax, from the proceeds. Amount of contribution in excess of par value is accounted for as an additional paid-in capital.

Retained Earnings. The amount included in retained earnings includes income attributable to the Company's stockholders and reduced by dividends. Dividends are recognized as a liability and deducted from equity when these are approved by the BOD. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date. Retained earnings may also include effect of changes in accounting policy as may be required by the relevant transitional provisions.

Other Comprehensive Income (Loss). Other comprehensive income (loss) comprises of income and expenses (including items previously presented under the separate statements of changes in equity) that are not recognized in profit or loss for the year. Other comprehensive income (loss) pertains to cumulative unrealized changes in fair values of financial assets at FVOCI and cumulative remeasurement gains on retirement liability.

Dividend Income
Revenue is recognized when the Company's right to receive the payment is established, which is generally when the investee's BOD approves the dividend.

Interest Income
Revenue is recognized as the interest accrues taking into account the effective yield on the asset.

Expense Recognition
Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when goods are received by and services are rendered to the Company or when the expenses are incurred.

Employee Benefits

Short-term Benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Company has unfunded defined benefit retirement plan covering a regular and permanent employee. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The retirement liability recognized by the Company is the present value of the retirement obligation which is determined by discounting the estimated future cash outflows using risk-free interest rate of government bonds that have terms to maturity approximating the terms of the related retirement and other long-term benefits liability.

The Company recognizes service costs, comprising of current service costs and past service costs and interest costs in profit or loss. Interest cost is calculated by applying the discount rate to the retirement liability.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Remeasurements comprising actuarial gains and losses are recognized immediately in other comprehensive income. These are not reclassified to profit or loss on subsequent years.

Actuarial valuations are performed by a qualified actuary and are made with sufficient regularity so that the amounts recognized in the separate financial statements do not differ materially from the amounts that would be determined at the reporting year.

Foreign Currency Denominated Transactions
Transactions denominated in foreign currencies are initially recorded in Peso using the exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency using the rate of exchange prevailing at the reporting date. Foreign exchange differences between the rate at transaction date and settlement date or reporting date are credited to or charged against profit or loss. Nonmonetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the dates of initial transactions.

Income Taxes

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

Deferred Tax. Deferred tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except for:

- When it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits (excess of minimum corporate income taxes or MCIT over regular corporate income taxes or RCIT) and unused tax losses (net operating loss carryover or NOLCO), only if it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity as other comprehensive income.

Offsetting. Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Company plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Value-Added Tax (VAT)
Revenue, expenses and assets are recognized, net of the amount of VAT, except:

- where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority; or

- receivables and payables that are stated with the amount of VAT included.

The net amount of input VAT is included as part of "Prepayments and other current assets" account in the separate statements of financial position.

Related Parties and Transactions

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

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the total assets, or ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the total assets. Details of transactions entered into by the Company with related parties are reviewed in accordance with its related party transactions policy.

Earnings per Share

Basic earnings per share is computed by dividing net income for the year attributable to common equity holders of the Company by the weighted average number of issued and outstanding common shares during the year, after giving retroactive effect to any stock dividends declared during the year.

Diluted earnings per share is computed by dividing net loss for the year attributable to common equity holders of the Company by the weighted average number of issued and outstanding common shares during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an anti-dilutive effect on earnings per share.

As the Company has no dilutive potential common shares outstanding, basic and diluted earnings per share are stated at the same amount.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

Contingencies

Contingent liabilities are not recognized in the separate financial statements. These are disclosed in the notes to separate financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the separate financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Date

Events after the reporting date that provide additional information about the Company's financial position at reporting date (adjusting events) are reflected in the separate financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to separate financial statements when material.

Comparatives
When necessary, comparative figures have been reclassified to conform to the changes in the presentation of the current year.

3. **Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the separate financial statements in accordance with PFRS Accounting Standards requires management to exercise judgment, make estimates and use assumptions that affect amounts of assets, liabilities, income and expenses reported in the separate financial statements. The judgment, estimates and assumptions used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the separate financial statements. While management believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

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

Determination of Significant Influence over Material Investee Companies. The Company considers its investments in Pointwest Technologies Corporation (PTC) and Business Process Outsourcing International, Inc. (BPO) as investments in associates. The Company concluded that given its 30% and 35% ownership interest in PTC and BPO, respectively, it has significant influence over the operating and financial policies of these associates, with considerations of the following factors:

- Representation on the BOD;

- Participation in policy-making processes, including participation in decisions about dividends and other distributions; and

- Material transactions between the investor and investee.

Classification of Financial Instruments. The Company exercises judgments in classifying a financial instrument, or its component parts, upon initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the separate statements of financial position.

In addition, the Company classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether market transactions take place with sufficient frequency and volume.

Contractual Cash Flows Assessment. For each financial asset, the Company assesses the contractual terms to identify whether the instrument is consistent with the concept of 'sole payments of principal and interest'.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Investments in a financial asset that are convertible into equity instruments of the issuer are analyzed for classification in its entirety. A convertible financial asset does not meet the SPPI criterion when its interest rate does not reflect the consideration for the time value of money and the credit risk of the issuer. This is not the case when the issuer's shares are used to settle the instrument with a variable number of shares being issued that are equal in value to the unpaid principal and interest of the financial asset.

Evaluation of Business Model in Managing Financial Instruments. The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Estimates and Assumptions

The estimates and key assumptions concerning the future and other key sources of estimation uncertainty at financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Determination of Fair Values of Financial Instruments. The Company carries and discloses certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgments. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., quoted prices, interest rates and foreign exchange rates), the amount of changes in fair value would differ if the Company utilized a different valuation methodology.

Where the fair value of certain financial assets and financial liabilities recorded in the separate statements of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. The judgments include liquidity and model inputs such as liquidity risk, credit risk and volatility considerations. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Further information about fair values of financial assets and liabilities are disclosed in Note 17.

Estimating Provision for Expected Credit Losses. The Company uses the general approach to calculate expected credit losses for receivables and amounts due from related parties. The Company tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECL at each reporting date.

No provision was recognized in 2024 and 2023. Details of receivables are disclosed in Note 6.

Estimating Impairment of Debt Securities Classified as Financial Assets at FVOCI. The Company assesses the counterparty's ability to comply with the contractual obligations to pay out principal and interest. Further, the Company assesses whether the credit risk on that financial instrument has increased significantly since initial recognition.

The Company's debt instrument in FVOCI comprise solely of top investment grade bonds that are graded by top credit rating agencies and, therefore, are considered to be low credit risk investments. The Company uses the ratings from the top credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company did not recognize impairment loss for debt securities classified as financial assets at FVOCI in 2024 and 2023. Details of debt securities classified as financial assets at FVOCI are disclosed in Note 8.

Estimating Impairment of Investment in Associates. The Company performs an impairment review on its investments in associates whenever an impairment indicator exists. This requires an estimation of the value in use of the investments. Estimating the value in use requires the Company to make an estimate of the expected future cash flows of the investments and to make use of a suitable discount rate to calculate the present value of those future cash flows.

Details of investment in associates are disclosed in Note 10.

Assessing Impairment Losses of Nonfinancial Assets. An impairment review is performed when certain impairment indicators are present. The Company estimates the recoverable amount of nonfinancial assets as the higher of the fair value less costs to sell and value-in-use. Determining the value-in-use of property and equipment and investments in subsidiaries, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the separate financial statements. Future events could cause the Company to conclude that property and equipment and investments in subsidiaries are impaired.

The preparation of estimated future cash flows involves significant judgment and estimations. While the Company believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future impairment charges.

There were no indications that nonfinancial assets may be impaired in 2024 and 2023. Accordingly, no impairment loss was recognized in 2024 and 2023.

The carrying amount of nonfinancial assets are disclosed in the following notes to separate financial statements:

- Note 7, *Prepayments and Other Current Assets*
- Note 9*, Investment in a Subsidiary*
- Note 10, *Investments in Associates*
- Note 11, *Property and Equipment*

Estimating Retirement Liability. The determination of the obligation and cost for retirement benefit is dependent on the selection of certain assumptions determined by management and used by the actuary in calculating such amounts. Those assumptions are described in Note 12 and include, among others, discount rate and salary increase rate. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

Details of retirement liability are disclosed in Note 12.

Assessing Realizability of Deferred Tax Assets. Deferred tax assets are recognized for all temporary differences to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized based on the forecasted timing and amount of future taxable income together with future tax planning strategies.

Details of deferred tax assets are disclosed in Note 13.

4. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand and in banks	**₱23,225,435**	₱22,148,957
Short-term placements	**39,405,879**	55,668,164
	₱62,631,314	₱77,817,121

Cash in banks earns interest at the respective bank deposit rates. Short-term placements are fixed rate time deposits denominated in United States Dollar (USD) and Peso, made for varying periods of up to three months or less subject to roll-over requirements and depending on the immediate cash requirements of the Company. Short-term placements earn interest at the respective bank rates ranging from 2.5% to 4.5% in 2024 and 2023.

Interest income arises from the following sources:

	Note	**2024**	2023
Cash and cash equivalents		**₱1,764,289**	₱2,015,700
Financial assets at FVOCI	8	**650,000**	2,529,668
		₱2,414,289	₱4,545,368

5. Financial Assets at FVTPL

Financial assets at FVTPL consist of listed securities which are traded in the Philippine Stock Exchange (PSE) and Hong Kong Stock Exchange (HKEx). Fair values of listed equity securities are based on quoted market prices in the PSE and HKEx.

Movements in financial assets at FVTPL are as follows:

	2024	2023
Balances at beginning of year	**₱14,316,753**	₱19,354,357
Changes in fair value during the year:		
Unrealized losses	**(1,180,191)**	(7,189,289)
Unrealized gains	**370,994**	3,771,345
Additions	**120,334**	–
Disposals	**(57,375)**	(1,619,660)
Balances at end of year	**₱13,570,515**	₱14,316,753

Dividend income earned on investments in financial assets at FVTPL amounted to ₱796,136 and ₱901,188 in 2024 and 2023, respectively.

In 2024, proceeds from disposal of listed securities amounted to ₱62,158, which resulted to a gain of ₱4,782. In 2023, proceeds from disposal of investments in equity securities amounted to ₱1.5 million, which resulted to gain of ₱82,055.

6. Receivables

This account consists of:

	Note	2024	2023
Dividends receivable	15	**₱19,144,620**	₱–
Accrued interest	8	**115,988**	158,907
Advances to related parties		**101,699**	101,699
Advances to officers and employees		**23,862**	23,862
Deposit on contract		**–**	165,000
		19,386,169	449,468
Allowance for expected credit loss		**(123,862)**	(123,862)
		₱19,262,307	₱325,606

Accrued interest pertains to interest earned on short-term placements and debt securities measured at FVOCI that are expected to be collected within one year.

7. Prepayments and Other Current Assets

This account consists of:

	2024	2023
Input VAT	**₱2,749,070**	₱2,628,617
Prepaid income tax	**431,906**	882,145
Others	**501**	25,261
	₱3,181,477	₱3,536,023

8. Financial Assets at FVOCI

This account consists of:

	2024	2023
Quoted debt securities	**₱9,223,617**	₱9,427,064
Unquoted equity securities	**9,639,288**	44,641,847
	₱18,862,905	₱54,068,911

Movements in the net unrealized valuation losses on financial assets under FVOCI are as follows:

	2024	2023
Balance as at beginning of year	**(₱12,880,298)**	(₱23,644,827)
Changes in fair value	**(26,455,366)**	10,764,529
Reclassification to retained earnings	**16,954,503**	–
Balance as at end of year	**(₱22,381,161)**	(₱12,880,298)

Fair value changes reclassified to retained earnings amounted to ₱20.5 million upon realization.

Debt Securities
Investments in debt securities are denominated in various foreign currencies and are stated at fair value based on quoted prices. Changes in market values are included in the separate statements of comprehensive income. The debt securities bear fixed interest rates ranging from 4.75% to 6.25% in 2023. Maturity dates of the investments range from 2017 to 2029. Interests on investments are received and settled semi-annually in its denominated currency. These are disposed in 2023.

The Company disposed certain financial assets at FVOCI with proceeds of ₱43.3 million resulting to a loss of ₱12.5 million in 2023.

The Company has an investment in government issued debt security that is a peso-denominated, fixed-income Philippine Treasury Note with an effective interest of 8.13% in 2024 and 2023.

Interest income earned on debt securities classified as financial assets at FVOCI amounted to ₱650,000 and ₱2.5 million in 2024 and 2023, respectively (see Note 4). Accrued interest from debt securities amounted to ₱115,988 and ₱101,699 as at December 31, 2024 and 2023, respectively (see Note 6).

Equity Securities
Investments in equity securities carried at fair value consist of investments in quoted and unquoted shares of stock which the Company has neither control nor significant influence. For unlisted shares of stocks that do not have readily available market values, the Company uses valuation for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

9. Investments in a Subsidiary

The Company has a 94.37% interest in the unquoted equity securities of Magellan Capital Holdings Corporation (MCHC), a holding company incorporated in the Philippines involved in investing in real and personal properties of every kind, including, but not limited to, land, building, condominium units, shares of stock, bonds, and other securities of any corporation or association, domestic or foreign. The cost of investment in MCHC amounted to ₱537.5 million as at December 31, 2024 and 2023.

MCHC has investments in the following subsidiaries:

	Country of Incorporation	Percentage of Ownership
Pinamucan Industrial Estates, Inc. (PIEI)	Philippines	100%
Malabrigo Corporation (MC)	Philippines	100%
Magellan Capital Realty Development Corporation (MCRDC)*	Philippines	100%
Magellan Capital Trading Corporation (MCTC)*	Philippines	100%

**Non-operational since incorporation*

The Company recognized dividend income from MCHC amounting to ₱17.0 million and ₱47.2 million in 2024 and 2023, respectively.

PIEI
PIEI was organized primarily as a real estate developer and was registered with the SEC on May 5, 1993.

MC
MC was organized primarily to purchase, operate, maintain and sell coal mines and their products and by-products. MC was registered with the SEC on August 31, 1993.

MCRDC
MCRDC was organized to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances. MCRDC was registered with the SEC on November 14, 1990 and has been non-operational since incorporation.

MCTC
MCTC was organized to conduct and carry on the business of buying, selling, distributing, and marketing at wholesale and retail all kinds of goods, commodities, wares and merchandise. MCTC was registered in the SEC on January 7, 1991 and has been non-operational since incorporation.

10. **Investments in Associates**

The Company has equity interest in the unquoted equity securities of the following associates as at December 31, 2024 and 2023:

	Country of Incorporation	Percentage of Ownership	Cost
Business Process Outsourcing International, Inc	Philippines	35%	₱50,705,006
Pointwest Technologies Corporation	Philippines	30%	48,225,000
			₱98,930,006

BPO
BPO is a provider of accounting and finance related services such as payroll, internal audit, payables processing, among others. It is involved in outsourcing business process services in the Philippines, servicing many of the multinational and large corporations operating in the country.

PTC
PTC is a global service company outsourcing information technology services from the Philippines. Among others, it offers software servicing, maintenance, testing arid development to various clients, mostly in the US.

Dividends
On April 28, 2023, PTC declared and paid cash dividends. Dividend income amounted to ₱9.2 million.

On December 9, 2024, PTC declared and paid cash dividends. Dividend income amounted to ₱56.3 million.

11. **Property and Equipment**

Movements in this account follows:

	2024			
	Transportation Equipment	**Furniture, Fixtures and Equipment**	**Condominium Improvements**	**Total**
Cost				
Balance at beginning and end of year	**₱335,493**	**₱206,414**	**₱248,337**	**₱790,244**
Accumulated Depreciation				
Balance at beginning of year	**335,493**	**195,798**	**248,337**	**779,628**
Depreciation	**–**	**6,682**	**–**	**6,682**
Balance at end of year	**335,493**	**202,480**	**248,337**	**₱786,310**
Carrying Amount	**₱–**	**₱3,934**	**₱–**	**₱3,934**

	2023			
	Transportation Equipment	Furniture, Fixtures and Equipment	Condominium Improvements	Total
Cost				
Balance at beginning and end of year	₱335,493	₱206,414	₱248,337	₱790,244
Accumulated Depreciation				
Balance at beginning of year	335,493	189,116	248,337	772,946
Depreciation	–	6,682	–	6,682
Balance at end of year	335,493	195,798	248,337	779,628
Carrying Amount	₱–	₱10,616	₱–	₱10,616

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the depreciable assets.

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

Asset Type	Number of Years
Transportation equipment	10
Furniture, fixtures and equipment	5
Condominium improvements	10 or useful life, whichever is shorter

In 2024 and 2023, there are no items of property and equipment used as security for loans. Management believes that there is no indication that impairment loss has occurred on its property and equipment.

Cost of fully depreciated property and equipment still in use amounted to ₱759,261 as at December 31, 2024 and 2023.

12. **Retirement Liability**

The existing regulatory framework, Republic Act (RA) No. 7641, *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The Company has an unfunded defined benefit pension plan covering substantially all its regular employees. Retirement benefits under the plan are based on a percentage of latest monthly salary and years of credited service.

Components of retirement benefits expense recognized in the separate statements of income (included in the personnel expenses account) and changes in the present value of unfunded defined benefit obligation are as follows:

	2024	2023
Balances at beginning of year	**₱695,896**	₱660,881
Retirement expense recognized in the profit or loss:		
Net interest cost	**43,146**	34,366
Current service cost	**36,994**	37,105
	80,140	71,471
Remeasurements recognized in other comprehensive income-		
Actuarial gains due to experience adjustments	**(6,741)**	(36,456)
Balance at end of year	**₱769,295**	₱695,896

Movements of cumulative remeasurement gains on retirement liability recognized in other comprehensive income are as follows:

		2024	
	Cumulative Remeasurement Gains	**Deferred Tax**	**Net**
Balance at beginning of year	**₱702,637**	**(₱144,469)**	**₱558,168**
Remeasurement gain	**6,741**	**(1,685)**	**5,056**
Balance at end of year	**₱709,378**	**(₱146,154)**	**₱563,224**

		2023	
	Cumulative Remeasurement Gains	Deferred Tax	Net
Balance at beginning of year	₱666,181	(₱135,355)	₱530,826
Remeasurement gain	36,456	(9,114)	27,342
Balance at end of year	₱702,637	(₱144,469)	₱558,168

The principal actuarial assumptions used in determining retirement benefit obligation for the Company's retirement plan are as follows:

	2024	2023
Discount rate	**6.00%**	6.20%
Salary increase rate	**5.00%**	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation assuming all other assumptions were held constant.

	Effect on Defined Benefit Obligation	
	2024	2023
Discount rate:		
+100 basis points	**(₱1,743)**	(₱1,574)
-100 basis points	**1,765**	1,593

The average duration of the defined benefit obligation is 1 year in 2024 and 2023.

Maturity analysis of the undiscounted benefit payments as at December 31, 2024 amounted to ₱0.8 million.

13. Income Taxes

The reconciliation of accounting and taxable profits based on the statutory income tax rate of 25% are as follows:

	2024	2023
Income tax expense computed at statutory tax rate	**₱18,651,415**	₱10,618,582
Tax effects of:		
Dividend income exempt from tax	**(18,534,656)**	(14,317,720)
Nondeductible loss on fair value changes of financial assets at FVTPL	**202,299**	731,425
Interest income subjected to final tax	**(184,626)**	(335,599)
Other nondeductible expenses	**4,750**	3,529
Nontaxable gain on sale of listed securities	**(1,196)**	–
Dividend income subjected to different rate	**–**	(601)
	₱137,986	(₱3,300,384)

The Company’s net deferred income taxes as of December 31 are as follows:

	2024	2023
Deferred tax assets:		
Unrealized valuation gains on financial assets at FVOCI	**₱7,868,260**	₱2,649,197
NOLCO	**1,083,956**	5,757,861
MCIT	**616,665**	166,426
Retirement liability	**192,323**	173,974
Allowance for expected credit losses	**–**	19,457
	9,761,204	8,766,915
Deferred tax liability -		
Unrealized foreign exchange losses	**471,017**	5,425,306
	₱9,290,187	₱3,341,609

Details of NOLCO which can be claimed as deduction from future taxable income are shown below.

Year Incurred	Beginning Balance	Incurred	Applied	Ending Balance	Valid Until
2023	₱14,946,087	₱–	(₱10,610,263)	₱4,335,824	2026
2022	8,085,357	–	(8,085,357)	–	2025
	₱23,031,444	₱–	(₱18,695,620)	₱4,335,824	

As mandated by Section 4 of Republic Act (RA) No. 11494 or the "Bayanihan to Recover as One Act" and implemented under Revenue Regulations No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

In 2024, the current income tax rates used in preparing the financial statements is 25% RCIT and 2% MCIT. In 2023, the current income tax rates used in preparing the financial statements is 25% RCIT and 1.5% MCIT.

Details of excess MCIT over RCIT which can be claimed as deduction from income tax due are as follows:

Year Incurred	Beginning Balance	Incurred	Ending Balance	Valid Until
2024	₱–	₱450,239	₱450,239	2027
2022	166,426	–	166,426	2025
	₱166,426	₱450,239	₱616,665	

14. **Equity**

Common Stock

In accordance with Annex 69-D of the Revised SRC Rule 68, below is a summary of the Company's track record of registration of securities.

	Number of shares registered	Issue/offer price	Date of approval
Common shares	1,000,000,000	₱0.01	August 12, 1982
Common shares	9,000,000,000	0.01	July 28, 1997

The details of the Company's capital stock in 2024 and 2023 are as follows:

Common stock - ₱1 par value	Amount
Class A:	
Authorized - 600 million shares	
Issued - 292,610,118 shares	₱292,610,118
Class B:	
Authorized - 400 million shares	
Issued - 189,217,535 shares	189,217,535
	₱481,827,653

Class A and B common stockholders enjoy the same rights and privileges, except that Class A shares may be owned by, transferred to and subscribed only by Filipino citizens or corporations. Partnerships and associations organized under the laws of the Philippines, of which 60% of the common stock outstanding is owned by citizens of the Philippines. Class B shares may be issued, transferred or sold to any person, corporation, partnership or association regardless of nationality.

On November 26, 2000, the BOD approved the issuance, out of the authorized common stock, of 192,413,090 shares at ₱1 par value which will be offered through a pre-emptive stock rights issue and detachable stock warrants, as follows:

(a) 96,206,545 shares consisting of 58,377,270 Class A shares and 37,629,267 Class B shares, to be offered in two tranches, the first tranche consisting of 48,103,272 shares of stock and the second tranche consisting of 48,103,273 shares of stock, to which each stockholder may subscribe on a pre-emptive rights basis; and

(b) the balance of 96,206,545 shares to be offered through detachable stock warrants, which shall entitle each stockholder to subscribe to one share of stock for every one share of stock of the same class that such stockholder subscribes to out of this stock rights issue,

The Company's application to list additional 192,413,090 common shares with a par value or ₱1 per share through pre-emptive rights issue and detachable subscription warrants was approved by the PSE on February 27, 2002 and by the SEC on April 27, 2002.

The exercise periods and expiration dates or the Company's subscription warrants are as follows:

	Number of Shares	Exercise Periods	Expiration Dates
First Tranche:			
Class A common shares	29,188,639	June 4, 2002 to	
Class B common shares	18,914,633	June 3, 2007	June 3, 2007
	48,103,272		
Second Tranche:			
Class A common shares	29,188,639	May 9, 2003 to	
Class B common shares	18,914,634	May 8, 2008	May 8, 2008
	48,103,273		
	96,206,545		

Full payment of each subscription under the First Tranche was made within the offer period approved by the PSE and the SEC, and the full payment of each subscription under the second Tranche shall be due and payable one year from the last day of the offer period. With the full subscription of the Pre-Emptive Rights Stock Offering, the Company's outstanding common stock increased to 401,032,728 common shares of stock, consisting of 291,886,391 Class A common shares and 189,146,337 Class B common shares, all with par value of ₱1 per share.

With the complete exercise of all Detachable Stock Warrants, the Company will have an outstanding common stock of 577,239,273 shares, consisting of 350,263,669 Class A common shares and 220,976,604 Class B common shares, all with par value of ₱1 per share. However, as at December 31, 2007, only 723,727 Class A common stock warrants and 71,198 Class B common stock warrants were exercised and 28,464,912 Class A common stock warrants and 18,843,435 Class B common stock warrants expired. As at December 31, 2008, 29,188,639 Class A common stock warrants and 16,914,634 Class B common stock warrants expired due to non-exercise of stock warrants before expiration date. After the expiration of the said warrants, the Company's outstanding common stock amounted to ₱481.8 million with additional paid-in capital of ₱144.8 million. There have been no movements since 2008.

The Company has 473 and 474 stockholders as at December 31, 2024 and 2023, respectively.

Retained Earnings

Following are the regular cash dividends declared and paid by the Company in 2024 and 2023:

	Declaration date	Record date	Payment date	Description	Per Share	Total
2024	**August 7, 2024**	**August 23, 2024**	**September 18, 2024**	**Regular**	**₱0.10**	**₱48,182,765**
2024	**August 7, 2024**	**October 7, 2024**	**October 30, 2024**	**Regular**	**0.05**	**24,091,383**
						₱72,274,148
2023	June 27, 2023	July 9, 2023	July 27, 2023	Regular	₱0.10	₱48,182,765
2023	June 27, 2023	September 9, 2023	September 27, 2023	Regular	0.07	33,727,936
						₱81,910,701

Dividends payable amounted to ₱8.0 million and ₱7.5 million as at December 31, 2024 and 2023, respectively.

15. **Related Party Disclosures**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes individuals owning, directly or indirectly, through one or more intermediaries, control, or are controlled by, or under common control with, the Company; associates; and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

The Company, through its BDO, recognizes that transactions between and among related parties create strategic financial, commercial, and economic benefits to the Company and its stakeholders. In this regard, related party transactions are generally allowed provided that when related party transactions amount to ten percent (10%) or higher of the Company's total assets, it shall be considered as Material Related Party Transactions and shall be subject to arms-length principle and BOD approval.

The Company, in the normal course of business, has provided and/or received advances, services and or goods to and from related parties principally consisting of the following:

		Amount of Transaction		Outstanding Balance	
Related Party	Nature of Transaction	**2024**	2023	**2024**	2023
Subsidiary	Dividends	**₱16,986,409**	₱47,184,455	**₱–**	₱–
Associates	Dividends	**56,356,080**	9,197,263	**19,144,620**	–
				₱19,144,620	₱–
Subsidiary	Advances from	**₱–**	₱–	**₱200**	₱200

Terms and Conditions
Outstanding balances are generally collectible on demand, non-interest bearing, unsecured, and unimpaired.

The related party balances are expected to be settled in cash.

Compensation of Key Management Personnel
Financial and operating decisions are carried out by the key management personnel of MCHC.

16. **Financial Risk Management Objectives and Policies**

Risk Management Structure
The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Company. It has also the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Company's approach to risk issues in order to make relevant decisions.

Financial Risk Management Objectives and Policies

The principal financial instruments of the Company consist of cash and cash equivalents and investments in equity and debt securities. The main purpose of these financial instruments is to place excess cash in income-earning investments. The Company has various other financial assets and liabilities such as receivables, accounts payable and accrued expenses and dividends payable which arise directly from its operations.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk (i.e., interest rate risk, foreign currency risk and equity price risk). The Company's management reviews and approves policies for managing each of these risks and they are summarized below. The Company also monitors the market price risk arising from all financial instruments.

The magnitudes of these risks that have arisen over the year are discussed below.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation.

The Company is exposed to credit risk primarily because of its investing and operating activities. The Company is exposed to credit risk arising from the counterparties (i.e., foreign currency denominated debt instruments, short-term investments, fixed income deposit and receivables) to its financial assets.

Credit Risk Management

In managing credit risk on these investments, capital preservation is paramount. The Company trades only with recognized and creditworthy third parties. For investments in bonds, funds are invested in highly recommended, creditworthy debt instruments that provides satisfactory interest yield and capital appreciation. Investments in equity securities represent investments in companies with good dividend track record, as well as capital appreciation. The investment portfolio mix between debt and equity is reviewed regularly by the Company's President and Treasurer.

With respect to credit risk arising from other financial assets of the Company, which consist of cash and cash equivalents, receivables and due from related parties, the Company's President and Treasurer monitor these financial assets on an ongoing basis with the result that the Company's exposure to impairment losses is not significant.

Credit Risk Exposures

At reporting date, the Company's maximum exposure to credit risk is equal to the carrying amount of cash and cash equivalents, receivables, due from related parties, financial assets at FVTPL and FVOCI financial assets recognized in the separate statements of financial position. The Company's financial assets are not covered by collateral from counterparties.

Credit Risk Concentration Profile

The Company has no significant concentration of credit risk.

Credit Quality

As of December 31, 2024 and 2023, the credit qualities per class of financial assets are as follows:

	2024				
	Neither past due nor impaired				
	High grade	Standard grade	Past due but not impaired	Individually impaired	Total
Financial assets					
At amortized cost					
Cash and cash equivalents*	**₱62,631,314**	**₱–**	**₱–**	**₱–**	**₱62,631,314**
Receivables	**19,262,307**	**–**	**–**	**123,862**	**19,386,169**
Financial assets at FVOCI	**9,223,617**	**–**	**–**	**–**	**9,223,617**
	₱91,117,238	**₱–**	**₱–**	**₱123,862**	**₱91,241,100**

**Excluding cash on hand*

	2023				
	Neither past due nor impaired				
	High grade	Standard grade	Past due but not impaired	Individually impaired	Total
Financial assets					
At amortized cost					
Cash and cash equivalents*	₱77,812,121	₱–	₱–	₱–	₱77,812,121
Receivables	325,606	–	–	123,862	449,468
Financial assets at FVOCI	9,427,064	–	–	–	9,427,064
	₱	₱–	₱–	₱123,862	₱87,688,653

**Excluding cash on hand*

High grade financial assets

High grade receivables pertain to due from related parties and customers with good payment history. These receivables are considered to be of good quality and expected to be collectible without incurring any credit losses. Other high grade financial assets reflect the investment grade quality of the investments and/or counterparty and realizability is thus assured.

Standard grade financial assets

Receivables from customers who settle their obligations with tolerable delays are classified under standard grade. Other standard grade financial assets are considered moderately realizable. There are no standard grade financial assets as of December 31, 2024 and 2023.

Past due but not impaired

Pertains to receivables where contractual payments are past due but the Company believes that impairment is not appropriate based on the probability of collection of amounts owed to the Company.

Impairment Assessment

The main considerations for impairment assessment include whether any payments are overdue or if there are any known difficulties in the cash flows of the counterparties. The Company determines allowance for each significant receivable on an individual basis. Among the items that the Company considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are nonmoving accounts receivable, accounts of defaulted companies and accounts from closed companies.

In 2024 and 2023, the Company applies a general approach in calculating ECL. The Company tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECL at each reporting date.

The Company has the following financial assets that are subject to the expected credit loss model:

- *Cash and cash equivalents*. As of December 31, 2024 and 2023, the ECL relating to the cash and cash equivalents of the Company is minimal as these are deposited in reputable banks which have good bank standing, and is considered to have low credit risk.

- *Receivables.* As of December 31, 2024 and 2023, the ECL relating to receivables of the Company is minimal as these mainly pertain to interest and dividends receivables and have low credit risk.

- *Debt instruments measured at FVOCI*. No additional ECL is recognized in 2024 and 2023. The probability of default and loss given default of each debt instrument were obtained from Bloomberg.

There has been no significant increase in credit risk in any of the Company's financial assets as at December 31, 2024 and 2023.

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Company's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when they are due and this is done by primarily investing in highly liquid investments and maintaining a significant amount of cash and cash equivalents and pre-terminable investments in its portfolio.

The following table summarizes the maturity profile of the Company's financial liabilities as of December 31, 2024 and 2023 based on contractual undiscounted cash flows. The table also analyzes the maturity profile of the Company's financial assets in order to provide a complete view of the Company's contractual commitments. The analysis into relevant maturity Company is based on the remaining period at the end of the reporting period to the contractual maturity dates.

	2024			
	On demand	Within 1 year	More than 1 year	Total
Financial assets				
At amortized cost				
Cash and cash equivalents	**₱23,225,435**	**₱39,405,879**	**₱–**	**₱62,631,314**
Receivables	**23,862**	**19,238,445**	**–**	**19,262,307**
Financial assets at FVTPL	**13,570,515**	**–**	**–**	**13,570,515**
Financial assets at FVOCI	**–**	**–**	**18,862,905**	**18,862,905**
	36,819,812	**58,644,324**	**18,862,905**	**114,327,041**
Financial Liabilities				
Accrued expenses and other liabilities*	**–**	**595,289**	**–**	**595,289**
Dividends payable	**–**	**8,005,989**	**–**	**8,005,989**
	–	**8,601,278**	**–**	**8,601,278**
	₱36,819,812	**₱50,043,046**	**₱18,862,905**	**₱105,725,763**

**Excluding statutory payables.*

	2023			
	On demand	Within 1 year	More than 1 year	Total
Financial assets				
At amortized cost				
Cash and cash equivalents	₱22,148,957	₱55,668,164	₱–	₱77,817,121
Receivables	23,862	136,744	–	160,606
Financial assets at FVTPL	14,316,753	–	–	14,316,753
Financial assets at FVOCI	–	–	54,068,911	54,068,911
	36,489,572	55,804,908	54,068,911	146,363,391
Financial Liabilities				
Accrued expenses and other liabilities*	–	200	–	200
Dividends payable	–	7,505,445	–	7,505,445
	–	7,505,645	–	7,505,645
	₱36,489,572	₱48,299,263	₱54,068,911	₱138,857,746

**Excluding statutory payables.*

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company's activities expose it primarily to the financial risks of changes in interest rates, foreign currency exchange rates and equity prices. There has been no change in the Company's exposure to market risks or the manner in which it manages and measures the risk.

<u>Interest Rate Risk</u>

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Company derives majority of its revenue from interest-bearing placements and bonds. Accordingly, the Company is subject to financial risk arising from changes in interest rates. The Company manages interest rate risk by investing mainly on fixed coupon bonds and other investments. By doing so, the Company is assured of future interest revenues from such investments.

Since the Company invests on fixed coupon interest bonds and other investments, the Company is not exposed significantly to cash flow interest rate risk. The following table demonstrates management's best estimate of the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's income before income tax due to changes in fair values of FVOCI financial assets in debt securities (see Note 8):

	2024	2023
Change in interest rate (in basis points)		
+10%	**₱922,362**	₱4,251,498
-10%	**(922,362)**	(4,251,498)

There is no other impact on equity other than those already affecting the income before income tax in profit or loss.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currencies.

In the normal course of business, the Company enters into transactions denominated in US dollar and other foreign currencies. As a result, the Company is subject to transaction and translation exposures resulting from currency exchange rate fluctuations. The Company regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the current exchange rates so as to minimize the risks related to these foreign-currency-denominated assets.

Information on the Company's foreign currency denominated monetary assets and their Philippine peso equivalent as of 2024 and 2023 are as follows:

		2024			2023		
		Exchange Rate	**Original Currency**	**Peso Equivalent**	Exchange Rate	Original Currency	Peso Equivalent
Cash in banks	USD	**58.0140**	**46,891**	**₱2,720,334**	55.567	322,242	₱17,906,021
Cash in banks	HKD	**7.4684**	**–**	**–**	7.1121	–	–
Cash equivalents	USD	**58.0140**	**496,016**	**28,775,872**	55.567	1,001,821	55,668,188
Financial assets at FVOCI:							
Debt securities	USD	**58.0140**	**–**	**–**	55.567	–	–
Equity securities	USD	**58.0140**	**803,313**	**46,603,400**	55.567	803,516	44,648,974
				₱78,099,606			₱118,223,183

The Company has no foreign currency denominated monetary liabilities as of December 31, 2024 and 2023.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates based on past foreign currencies exchange rates and macroeconomic forecasts for 2024 and 2023, with all other variables held constant, of the Company's 2024 and 2023 income before income tax.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for the following percentage change in foreign currency rates:

	2024		2023	
Original Currency	**Strengthened by 5%**	**Weakened by 5%**	Strengthened by 5%	Weakened by 5%
USD	**₱1,574,811**	**(₱1,574,811)**	₱3,678,707	(₱3,678,707)

There is no other impact on the Company's equity other than those already affecting the separate statements of income.

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the values of individual stocks. The equity price risk exposure arises from the Company's financial assets at FVTPL and investments in equity securities. For investments in Philippine equities, majority of funds are invested in equities listed in the PSE.

The Company measures the sensitivity of its equity securities by using PSE and HKEx indices fluctuations and its effect to respective share prices.

The following table demonstrates the sensitivity to a reasonably possible change in the equity price based on past price performance and macroeconomic forecast for 2024 and 2023, with all other variables held constant, of the Company's income before income tax and equity:

	2024	2023
Effect on income before income tax -		
Financial assets at FVTPL:		
Change in stock market index		
+10%	**₱1,357,052**	₱1,431,675
-10%	**(1,357,052)**	(1,431,675)
Effect on equity -		
Financial assets at FVOCI:		
Change in club share prices		
+10%	**₱963,929**	₱4,464,185
-10%	**(963,929)**	(4,464,185)

There is no other impact on the Company's equity other than those already affecting the income before income tax.

17. Fair Value Measurement

Fair values of financial assets at FVTPL and quoted financial assets at FVOCI are based on price quotations as at December 31, 2024 and 2023.

The following tables show the Company's fair value measurement hierarchy of its financial assets at FVTPL and FVOCI. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	2024				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Financial assets at FVTPL	**₱13,570,515**	**₱13,570,515**	**₱–**	**₱–**	**₱13,570,515**
Financial assets at FVOCI:					
Quoted debt securities	**9,223,617**	**9,223,617**	**–**	**–**	**9,223,617**
Unquoted equity securities	**9,639,288**	**–**	**4,000**	**9,635,288**	**9,639,288**
	₱32,433,420	**₱22,794,132**	**₱4,000**	**₱9,635,288**	**₱32,433,420**

	2023				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Financial assets at FVTPL	₱14,316,753	₱14,316,753	₱–	₱–	₱14,316,753
Financial assets at FVOCI:					
Quoted debt securities	9,427,064	9,427,064	–	–	9,427,064
Unquoted equity securities	44,641,847	–	4,000	44,637,847	44,641,847
	₱68,385,664	₱23,743,817	₱4,000	₱44,637,847	₱68,385,664

As of December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements. Also, there were no transfers into and out of Level 3 fair value measurements.

The Group's financial assets classified within Level 3 of the fair value hierarchy are measured using valuation techniques that incorporate significant unobservable inputs. These primarily include unquoted equity investments and other financial instruments for which observable market data is not available.

The fair value of these instruments is sensitive to changes in key unobservable inputs such as discount rates, forecasted earnings or cash flows, liquidity discounts, price-to-earnings or EBITDA multiples.

The Group has performed a sensitivity analysis on the fair value of Level 3 financial assets by varying the key unobservable inputs within a reasonably possible range. A change in these inputs could result in a materially higher or lower fair value measurement.

18. Segment Information

The primary purpose of the Company is to invest in real and personal properties. The Company operates mainly in one reportable business segment which is investing and one reportable geographical segment which is the Philippines.

19. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure, which pertains to its equity, and makes adjustment to it, in light if changes in economic conditions. To maintain or adjust the capital structure. The Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company is not subject to any externally imposed capital requirements.

The total core capital considered by the Company as of December 31, 2024 and 2023 are as follows:

	2024	2023
Common stock	**₱481,827,653**	₱481,827,653
Additional paid in capital	**144,759,977**	144,759,977
Retained earnings	**149,086,535**	167,379,090
	₱775,674,165	₱793,966,720

20. **Earnings per Share**

The following table presents information necessary to compute the basic/diluted EPS:

	2024	2023
Net income	**₱74,467,673**	₱45,774,712
Weighted average number of common shares outstanding	**481,827,653**	481,827,653
Basic/diluted EPS	**₱0.15**	₱0.10

The Company has no potentially dilutive instruments issued as at December 31, 2024 and 2023.

21. **Supplemental Notes to Separate Statements of Cash Flows**

The following shows the changes in the Company's liabilities arising from its financing activities in 2024 and 2023:

	As at January 1, 2024	**Cash Flows**	**Dividend Declaration**	**As at December 31, 2024**
Dividends payable	**₱7,505,445**	**(₱71,773,604)**	**₱72,274,148**	**₱8,005,989**

	As at January 1, 2023	Cash Flows	Dividend Declaration	As at December 31, 2023
Dividends payable	₱6,964,039	(₱81,369,295)	₱81,910,701	₱7,505,445

**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
F & J Prince Holdings Corporation
5th Floor, BDO Towers Paseo
8741 Paseo de Roxas, Makati City

We have audited the accompanying separate financial statements of F & J Prince Holdings Corporation (the Company), as at and for the years ended December 31, 2024 and 2023, on which we have rendered our report dated March 27,2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has 472 stockholders owning 100 or more shares each.

REYES TACANDONG & CO.

GRACE M. ALBUNIAN
Partner
CPA Certificate No. 0144364
Tax Identification No. 410-858-879-000
BOA Accreditation No. 4782/P-024; Valid until June 6, 2026
BIR Accreditation No. 08-005144-018-2025
Valid until January 7, 2028
PTR No. 10467118
Issued January 2, 2025, Makati City

March 27, 2025
Makati City, Metro Manila

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULE

The Stockholders and the Board of Directors
F & J Prince Holdings Corporation
5th Floor, BDO Towers Paseo
8741 Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing the financial statements of F & J Prince Holdings Corporation (the Company) as at and for the year ended December 31, 2024, and have issued our report thereon dated March 27, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Supplementary Schedule of Retained Earnings Available for Dividend Declaration for the year ended December 31, 2024 is the responsibility of the Company's management. The schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & CO.

Grace M. Albunian

GRACE M. ALBUNIAN
Partner
CPA Certificate No. 0144364
Tax Identification No. 410-858-879-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-018-2022
Valid until January 24, 2025
PTR No. 10072426
Issued January 2, 2024, Makati City

March 27, 2025
Makati City, Metro Manila

F & J PRINCE HOLDINGS CORPORATION

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024

		Amount
Unappropriated retained earnings, beginning of reporting period		₱167,379,090
Less: Category B: Items that are directly debited to unappropriated retained earnings		
Dividend declaration during the reporting period		(72,274,148)
Unappropriated retained earnings, as adjusted		95,104,942
Add net income for the current year		74,467,673
Add/Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized foreign exchange gain	(1,612,187)	
Unrealized fair value adjustment (mark-to-market loss) of financial instruments at FVPL	809,197	(802,990)
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		
Cumulative unrealized fair value adjustment (mark-to-market loss) of financial instruments at FVPL	11,403,971	
Unrealized foreign exchange loss	199,133	11,603,105
Total retained earnings, end of the reporting period available for dividend		₱180,372,730

F & J Prince Holdings Corporation

April 24, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village,
Bel Air, Makati City

Attention : **DIR. OLIVER O. LEONARDO**
Markets and Securities Regulation Department

Subject : **Sustainability Report**

Gentlemen:

In compliance with SEC Memorandum Circular No. 4 on Sustainability Reporting Guidelines for Publicly-Listed Companies, we are submitting herewith our Sustainability Report for 2024.

Thank you.

Very truly yours,

Anne Jaycelle C. Sacramento

(ATTY.) ANNE JAYCELLE C. SACRAMENTO
Corporate Secretary

5/F BDO Towers Paseo, 8741 Paseo de Roxas, Makati City 1226
Tel. Nos. 88927133 • 88927137 • 88929443 • Fax No. 88927127
Email Address: fjphco@gmail.com

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	F&J Prince Holdings Corporation
Location of Headquarters	5/F BDO Towers Paseo, 8741 Paseo de Roxas, Makati City
Location of Operations	5/F BDO Towers Paseo, 8741 Paseo de Roxas, Makati City
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Magellan Capital Holdings Corporation
Business Model, including Primary Activities, Brands, Products, and Services	
Reporting Period	January 1 to December 31
Highest Ranking Person responsible for this report	Atty. Anne Jaycelle C. Sacramento

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
The organization is a holding company with investments in in real estate, information technology and business process outsourcing companies which have experienced strong growth in the last few years. It is committed to invest in companies that will not just make positive returns for stakeholders but will also stimulate and uplift the national and local economy. Its goal is to engage in investment ventures that contribute to nation-building and to continuously support component companies in venturing into expansion initiatives which further improve its economic contribution. One of its investee companies – Pointwest Technologies Corporation – prides itself in being an award-winning all-Filipino IT company.

[1] See GRI 102-46 (2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	76,557,696	
Direct economic value distributed:		
a. Operating costs	3,474,784	
b. Employee wages and benefits	705,263	
c. Payments to suppliers, other operating costs	0	
d. Dividends given to stockholders and interest payments to loan providers	71,773,604	
e. Taxes given to government	294,572	
f. Investments to community (e.g. donations, CSR)	0	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* **As a holding company, its indirect economic impacts primarily occur through its subsidiaries and other related companies and the supply chain which includes both customers and suppliers.**	*(e.g. employees, community, suppliers, government, vulnerable groups)* **Its investee company, Pointwest Technologies Corporation, has about 500 employees. The business of the company generates employment.**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **To sustain the viability of the company's core competence, its investee company, Pointwest Technologies Corporation, continually conducts training programs for its work force.**
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization **As to its investment in IT-related companies** **Any technology-related business is fluid and there is the constant resurgence of newer trends and**	**The employees**	**Management remains keenly aware and monitors identifies risks. It has diversified its clientele and continues to invest in the education of its employees with respect to technological advances and recurring innovations.**

practices. The risk lies in not being able to cope with the constant disruptors that permeate the industry.		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Climate-related risks and opportunities[2]

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities. **The nature of the business is such that there are no climate-related risks and opportunities.**	Disclose the organization's governance around climate-related risks and opportunities. **The nature of the business is such that there are no climate-related risks and opportunities.**	Disclose the organization's governance around climate-related risks and opportunities. **The nature of the business is such that there are no climate-related risks and opportunities.**	Disclose the organization's governance around climate-related risks and opportunities. **The nature of the business is such that there are no climate-related risks and opportunities.**
Recommended Disclosures			
Disclose the organization's governance around climate-related risks and opportunities. **The nature of the business is such that there are no climate-related risks and opportunities.**	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	a) Describe the organization's processes for identifying and assessing climate-related risks	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
Recommended Disclosures	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	b) Describe the organization's processes for managing climate-related risks	b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

[2]Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	No Data	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	No Data	%
Percentage of directors and management that have received anti-corruption training	No Data	%
Percentage of employees that have received anti-corruption training	No Data	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#
Number of incidents in which employees were dismissed or disciplined for corruption	None	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	No Data	GJ
Energy consumption (gasoline)	No Data	GJ
Energy consumption (LPG)	No Data	GJ
Energy consumption (diesel)	No Data	GJ
Energy consumption (electricity)	No Data	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	No Data	GJ
Energy reduction (LPG)	No Data	GJ
Energy reduction (diesel)	No Data	GJ
Energy reduction (electricity)	No Data	kWh
Energy reduction (gasoline)	No Data	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Disclose the organization's governance around climate-related risks and opportunities. **The nature of the business is such that there are no climate-related risks and opportunities.**	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Recommended Disclosures	**Which stakeholders are affected?**	**Management Approach**
Disclose the organization's governance around climate-related risks and opportunities. **The nature of the business is such that there are no climate-related risks and opportunities.**		
Recommended Disclosures	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Water consumption within the organization

Disclosure	**Quantity**	**Units**
Water withdrawal	No Data	Cubic meters
Water consumption	8	Cubic meters
Water recycled and reused	No Data	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**

Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Materials used by the organization

Disclosure	**Quantity**	**Units**
Materials used by weight or volume	No Data	
• renewable	No Data	kg/liters
• non-renewable	No Data	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	No Data	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**

Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No Data	
Habitats protected or restored	No Data	ha
IUCN[3] Red List species and national conservation list species with habitats in areas affected by operations	No Data	

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

[3]International Union for Conservation of Nature

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	No Data	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	No Data	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	No Data	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Air pollutants

Disclosure	Quantity	Units
NO_x	No Data	kg
SO_x	No Data	kg
Persistent organic pollutants (POPs)	No Data	kg
Volatile organic compounds (VOCs)	No Data	kg
Hazardous air pollutants (HAPs)	No Data	kg
Particulate matter (PM)	No Data	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	No Data	kg
Reusable	No Data	kg
Recyclable	No Data	kg
Composted	No Data	kg
Incinerated	No Data	kg
Residuals/Landfilled	No Data	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or*	Not applicable *(e.g. employees, community, suppliers,*	Not applicable *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

linked to impacts through its business relationship)	*government, vulnerable groups)*	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	No data	kg
Total weight of hazardous waste transported	No data	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	No data	Cubic meters
Percent of wastewater recycled	No data	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The company's operations have no direct impact on the environment other than the adherence to measures that protect health and sanitation. *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*Employees* *(e.g. employees, community, suppliers, government, vulnerable groups)*	*Management ensures that measures to safeguard health and safety of its employees are in place.* *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[4]		
a. Number of female employees		#
b. Number of male employees	1	#
Attrition rate[5]		rate
Ratio of lowest paid employee against minimum wage		ratio

[4]Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)
[5]Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y		
PhilHealth	Y		
Pag-ibig	Y		
Parental leaves	N		
Vacation leaves	Y		
Sick leaves	Y		
Medical benefits (aside from PhilHealth)	Y		
Housing assistance (aside from Pag-ibig)	N		
Retirement fund (aside from SSS)	N		
Further education support	N		
Company stock options	N		
Telecommuting	N		
Flexible-working Hours	N		
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	N/A	hours
b. Male employees	N/A	hours
Average training hours provided to employees		
a. Female employees	N/A	hours/employee
b. Male employees	N/A	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Labor-Management Relations

Disclosure	**Quantity**	**Units**
% of employees covered with Collective Bargaining Agreements	N/A	%
Number of consultations conducted with employees concerning employee-related policies	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	0%	%
% of male workers in the workforce	100%	%
Number of employees from indigenous communities and/or vulnerable sector*	N/A	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	N/A	Man-hours
No. of work-related injuries	N/A	#
No. of work-related fatalities	N/A	#
No. of work-related ill-health	N/A	#
No. of safety drills	N/A	#

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What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	None	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	N	

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Identify the opportunity/ies related to material topic of the organization	

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

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Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Employment generation	Metro Manila	N/A	No		N/A

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____________

Certificates	Quantity	Units
FPIC process is still undergoing	No data	#
CP secured	No data	#

What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
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Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		

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What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	No Data	#
No. of complaints addressed	No Data	#

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

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What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	No Data	#
No. of complaints addressed	No Data	#

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

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What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None	#
No. of complaints addressed	None	#
No. of customers, users and account holders whose information is used for secondary purposes	None	#

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

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What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	No Data	#

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UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
No Data			

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*