SECURITIES AND EXCHANGE COMMISSION
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Company Information

SEC Registration No.: 0000043370
Company Name: F&J PRINCE HOLDINGS CORP.
Industry Classification: C11990
Company Type: Stock Corporation

Document Information

Document ID: OST10814202583657831
Document Type: Quarterly Report
Document Code: SEC_Form_17-Q
Period Covered: June 30, 2025
Submission Type: Original Filing
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

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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	8892-7133 · 8892-7137
Contact Person	Company Telephone Numbers

12	31		06	15
Month	Day		Month	Day
Fiscal Year			Annual Meeting	

SEC FORM 17-Q
(As of JUNE 30, 2025)

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.1(1) (A) (ii) THEREUNDER

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

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **30 June 2025**

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

4. *F & J Prince Holdings Corporation*
   Exact name of registrant as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

7. **5th Floor, BDO Towers Paseo**
   8741 Paseo de Roxas, Makati City **1226**
   Address of principal office Postal Code

8. **(632) 8892-7133**
   Registrant's telephone number, including area code

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

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

11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes [✓] No [ ]

If yes, state the name of such Stock Exchange and class/es of securities listed therein:

Philippine Stock Exchange Common Shares, Class “A” and “B”

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and RSA Rule 17(2)-(b) thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes [✓] No [ ]

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

Yes [✓] No [ ]

PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

The following financial statements, presented in a comparative format, are submitted:

(1) Unaudited Consolidated Interim Balance Sheet as of 30 June 2025 and Audited Consolidated Balance Sheet as of 31 December 2024 as Annex “A”;

(2) Unaudited Consolidated Interim Statement of Income and Summary of General and Administrative Expenses for the six (6) month period ending 30 June 2025 and the six (6) month period ending 30 June 2024 as Annex “B”;

(3) Unaudited Consolidated Interim Statement of Income and Summary of General and Administrative Expense for the three (3) month period from April 01 – June 30, 2025 and for the three (3) month period from April 01 – June 30, 2024 as Annex “C”;

(4) Unaudited Consolidated Interim Statement of Changes in Stockholders’ Equity for the six (6) month periods ending 30 June 2025 and 30 June 2024 and Audited Consolidated Statement of Changes in Stockholders’ Equity for the year ending 31 December 2024 as Annex “D”;

(5) Unaudited Consolidated Interim Cash Flow Statement for the six (6) month period ending 30 June 2025 and the six (6) month period ending 30 June 2024 as Annex “E”;

(6) Interim Consolidated Cash Flow Statement for the three (3) month period from April 1 - June 30, 2025 and April 1 – June 2024 as Annex “F”; and

(7) Consolidated Balance Sheet as of 30 June 2025 and December 31, 2024 with vertical and horizontal percentage analysis as Annex “G”.

ITEM 2. MANAGEMENTS DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

(1) Management's Discussion and Analysis

The Registrant's consolidated revenue in 2024 increased to ₱189.4 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.

(a) Operating Results and Financial Condition for the Second Quarter of 2025

(i) There are no known trends, demands, events or uncertainties that would have a material effect on the Issuer's liquidity.

(ii) There are no known or anticipated events that would trigger direct or contingent financial obligation that is material to the Company including any default or acceleration of any obligation.

(iii) There are no material off-balance sheet transaction, arrangements, obligations (including contingent obligations) and other relationship of the Company with unconsolidated entities or other persons created during second quarter of 2025 or in prior periods.

(iv) There are no material commitments for capital expenditures, by the Company or its majority owned subsidiary and equity in net earnings of associates.

(v) There are no trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable impact on net revenues/income from continuing operations except for possible unrealized or realized foreign exchange gains from the dollar denominated investments of the Company and its majority owned subsidiary and unrealized gains on trading securities and equity in net earnings of associates. These are generally recognized in the year-end Audited Financial Statements except for realized foreign exchange gain which are reported in the period realized.

(vi) The Company did not realize any non-operating income in the second quarter of 2025 or in the second quarter of 2024 aside from unrealized gain on trading securities, gain on disposal of AFS/HTM investments and net realized and unrealized foreign exchange gains.

The following is a detailed discussion of the Registrant's operations and financial condition during the second quarter of 2025 and second quarter of 2024.

Operating Results

Breakdown of Revenue for the Three-Month Periods Ending June 30, 2025 and June 30, 2024 with Vertical and Horizontal Percentage Analysis is shown below:

P(000)	Second Quarter 2025	Vertical percentage analysis	Second Quarter 2024	Vertical Percentage analysis	Increase (Decrease) Amount	Increase (Decrease) Percentage
INTEREST INCOME FROM BANKS	PHP 3,349	4.5%	PHP 594	0.8%	2,755	464%
FROM SECURITIES	PHP 484	0.6%	PHP 1,659	2.3%	(1,175)	(70.8%)
TOTAL	PHP 3,834	5.1%	PHP 2,253	3.1%	1,581	70.2%
UNREALIZED GAIN ON TRADING SECURITIES	PHP 3,124	4.2%	PHP 30,206	41.2%	(27,082)	(89.7%)
REALIZED GAIN ON REDEMPTION OF AFS /HTM INVESTMENTS	-	-	-	-	-	-
DIVIDEND INCOME	PHP 823	1.1%	PHP 320	0.4%	503	157.2%
RENT INCOME	PHP 7,670	10.3%	PHP 7,026	9.6%	644	9.2%
REALIZED GAIN ON DISPOSAL OF FVOCI	PHP 59,114	79.3%	PHP 17,303	23.6%	41,811	241.6%
UNREALIZED FX GAIN	-	-	PHP 16,216	22.1%	(16,216)	(100%)
REALIZED FX GAIN	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL:	PHP 74,567	100%	PHP 73,324	100%	1,243	1.7%

Revenues. Consolidated revenues, during the 3-month period ended June 30, 2025 increased by 1.7% to ₱74.5 million compared to ₱73.3 million during the same 3-month period in 2024 as shown in Annex "C". The higher revenue was due mainly to higher realized gain on disposal of FVOCI.

Expenses. Consolidated expenses in the second quarter of 2025 totaled ₱38.7 million compared to ₱14.5 million in the second quarter of 2024.

Operating Income. Due to the factors discussed above, consolidated operating income in the second quarter of 2025 totaled ₱35.9 million compared to the consolidated operating income of ₱58.9 million in the second quarter of 2024.

Net Income. Net income totaled ₱35.9 million during the second quarter of 2025 compared to net income of ₱58.9 million in the second quarter of 2024. This is due to the substantial increase in expenses.

BALANCE SHEET ACCOUNTS

Annex "G" shows the Vertical and Horizontal Percentage Analysis of Balance Sheet Account for June 30, 2025 compared to December 31, 2024.

Assets

Current Assets. Consolidated current assets as of June 30, 2025 totaled ₱747.9 million compared to ₱760.9 million as of December 31, 2024. The decrease was due to lower cash and cash equivalents.

Investments in Associates. This account which consists of investment in Pointwest Technologies Corporation and BPO International, Inc. remained at the same level at year-end 2024 and at June 30, 2025 at ₱465.6 million as equity in net earnings of associates are not taken up until year end.

Financial Assets at FVOCI – Net of Current Portion. This account which consists mostly of medium-term bonds and listed equities increased from ₱268.1 million at year-end 2024 to ₱270.0 million at June 30, 2025.

Property and Equipment. This account totaled ₱3.4 million as of June 30, 2025 compared to ₱3.7 million as of December 31, 2024.

Investment in Property. This Account totaled ₱325.5 million at June 30, 2025 compared to ₱329.6 million at year end 2024 due to depreciation allowance provided in the second half of 2025.

Other Non-Current Assets. This account increased to ₱33.9 million as of June 30, 2025 compared to ₱19.8 million as of December 31, 2024.

Total Assets. As a result of the foregoing, total assets decreased to ₱1,846.3 million as of June 30, 2025 from ₱1,847.8 million as of December 31, 2024.

Liabilities and Equity

Current Liabilities. Current liabilities increased from ₱28.0 million as of December 31, 2024 to ₱28.1 million as of June 30, 2025.

Non-Current Liabilities. Non-current liabilities which consist mostly of retirement benefit obligation, deposits payable and deferred tax liabilities remain at ₱14.3 million as of June 30, 2025, the same level as at year-end 2024.

Stockholder's Equity. Total stockholder's equity decreased to ₱1,846.3 million as of June 30, 2025 from ₱1,847.8 million at year-end 2024. Total equity attributable to stockholders of the company totaled ₱1,803.9 million at June 30, 2025 from ₱1,805.4 million at December 31, 2024. Minority interest which represents the share of minority shareholders of Magellan Capital Holdings Corporation was ₱62.5 million at June 30, 2025 compared to P62.7 million at year-end 2024.

(a) Top Performance Indicators

The top five (5) performance indicators for the Company and its Subsidiary are as follows:

1) Change in revenues
2) Change in net income
3) Earnings per share
4) Current ratio
5) Book Value per share

Change in Revenues. Consolidated revenues in the second quarter of 2025 and 2024 are shown in Annex "C" and presented below in summary form:

(P 000)	2nd Quarter 2025	Percentage (%)	2nd Quarter 2024	Percentage (%)
Interest Income	₱ 3,834	5.1%	₱ 2,253	3.1%
Lease Rental Income	7,670	10.3%	7,026	9.6%
Dividend Income	823	1.1%	320	0.4%
Unrealized Gain on Trading Securities	3,124	4.2%	30,206	41.2%
Realized Gain on FVPL	59,114	79.3%	-	-
Realized Gain on Disposal of FVOCI Assets	-	-	17,303	23.6%
Unrealized FX Gain	-	-	16,216	22.1%
Realized FX Gain	-	-	-	-
Total Income	**₱ 74,567**	**100.00%**	**₱ 73,324**	**100.00%**

Total revenue increased in the second quarter of 2025 to ₱74.6 million from ₱73.3 million in the second quarter of 2024.

Change in Net Income. The income statement in the second quarter of 2025 and 2024 are shown in Annex "C" and summarized below:

(P 000)	2nd Quarter 2025	Percentage (%)	2nd Quarter 2024	Percentage (%)
Revenues	₱ 74,567	100%	₱ 73,324	100%
Expenses	38,685	52%	14,474	20%
Net Income (Loss)	35,882	48%	58,850	80%
Attributable to:				
- Minority Interest	1,794	2%	2,942	5%
- Stockholders of Company	₱ 34,088	45.7%	₱ 55,908	95%

The company realized a net income of ₱35.9 million attributable to stockholders of the company in the second quarter of 2025, compared to a net income of ₱58.8 million attributable to stockholders of the company in the second quarter of 2024 due to the factors discussed in the preceding pages.

Earnings per Share. Earnings per share attributable to shareholders of the Company during the second quarter of 2024 was ₱0.147 per share compared to net income per share of ₱0.090 in the second quarter of 2025.

Current Ratio. Current ratio as of June 30, 2025 was 26 compared to 27 as of December 31, 2024.

Book Value Per Share. Book value per share as of June 30, 2025 was ₱4.79 per share compared to ₱4.80 per share as of December 31, 2024.

PART II

OTHER INFORMATION

There is no other information not previously reported in SEC Form 17-C that needs to be reported in this section.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer F & J Prince Holdings Corporation

Principal Executive Officer

Signature and Title **MARK RYAN K. COKENG, President**

Date 14 August 2025

Principal Financial/Accounting Officer/Controller

Signature and Title **MARY K. COKENG, Treasurer**

Date 14 August 2025

My Docs>F&J>2025 Files>SEC Form 17-Q>
2nd Quarter–30 June 30, 2025

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2025 AND DECEMBER 31, 2024

ANNEX "A"
Page 1

ASSETS		UNAUDITED JUNE 30, 2025		AUDITED DEC. 31,2024
Current Assets				
Cash and cash equivalents	P	519,462,873	P	597,418,197
Financial assets at fair value through profit or loss		229,990,503		112,755,674
Convertible note receivable		0		0
Receivables-net :				
Advances to Officers & Employees		0		0
Interest Receivable		2,121,806		2,117,288
Dividends Receivable		0		19,144,620
Receivable from related parties		388,740		233,949
Others		453,021		435,829
Total Receivables		2,963,567		21,931,686
Allowance for impairment losses		1,066,068		1,066,068
Total Receivables-Net		1,897,499		20,865,618
Current portion of HTM investments		0		0
Current portion of AFS financial assets		0		0
Prepaid expenses & other current assets:				
Input Tax		24,762,947		24,318,982
Prepaid Income Tax		1,215,820		148,492
Others		4,771,061		5,416,892
Total Prepaid expenses and other current assets		30,749,828		29,884,366
Total Current Assets	P	782,100,703	P	760,923,855
Non-current Assets				
Convertible notes receivable		0		0
Investments in associates		465,638,892		465,638,892
Investment in rights issue subscription		0		0
Financial assets at FVOCI-net of current portion		269,968,351		268,084,982
Investment in property		321,671,066		329,598,443
Property and Equipment				
Building		20,755,943		20,755,943
Building Improvements		10,050,133		10,050,133
Transportation equipment		3,858,641		3,858,641
Furniture and fixtures		3,345,529		3,269,734
Total		38,010,246		37,934,451
Less: Accumulated depreciation		34,946,012		34,202,343
Net Book Value		3,064,234		3,732,108
Total Property and Equipment		3,064,234		3,732,108
Other non-current assets		33,983,515		19,844,229
Total Non-Current Assets		1,094,236,058		1,086,898,654
TOTAL ASSETS	P	1,876,426,761	P	1,847,822,509

LIABILITIES & STOCKHOLDERS' EQUITY		UNAUDITED JUNE 30, 2025		AUDITED DEC. 31, 2024
Current Liabilities				
Accounts Payable and accrued expenses				
Accounts payable-trade		0		0
Accounts payable-others		483,694		1,500,445
Withholding taxes payable		222,653		420,471
SSS Premium Payable		13,767		28,411
HDMF Premium Payable		3,596		3,596
Philhealth Premium Payable		11,418		11,418
Deposit Payable		10,822,076		12,308,930
Output Vat Payable		2,238,753		2,313,014
Accrued expenses		520,121		974,956
Total Accounts payable and accrued expenses	P	14,316,078	P	17,561,241
Dividends Payable		8,005,989		8,005,989
Income Tax Payable		0		2,477,104
Provision for legal obligation		0		0
Total Current Liabilities	P	22,322,067	P	28,044,334
Non-Current Liabilities				
Deferred tax liabilities		3,455,009		3,455,009
Deposits payable		20,000		20,000
Retirement benefit obligation		10,895,498		10,895,498
Total Non-Current Liabilities		14,370,507		14,370,507
Stockholders' Equity				
Capital 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)
Unrealized gain on financial assets at FVOCI		(64,995,706)		(66,879,075)
Actuarial loss on retirement benefit obligation		7,868,407		7,868,407
Accumulated share in other comprehensive income of associates		111,460,782		111,460,782
Retained earnings		1,196,762,903		1,165,721,230
Total Equity Attributable to Stockholders of the Company		1,775,589,190		1,742,664,148
Minority Interest		64,144,997		62,743,520
Total Stockholders' Equity		1,839,734,187		1,805,407,668
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	P	1,876,426,761	P	1,847,822,509

See accompanying Notes to Consolidated Financial Statements

Prepared by:

ARSENIO T. LIAO
Accountant

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS PERIOD ENDING JUNE 30, 2025 AND JUNE 30, 2024

		UNAUDITED JUNE 30, 2025		UNAUDITED JUNE 30, 2024
REVENUES				
Interest Income				
From Banks	P	5,833,434	P	3,007,414
From Securities		1,195,628		1,871,159
Total Interest Income		7,029,062		4,878,573
Unrealized gains on trading securities		7,858,805		57,956,423
Rental Income		15,481,573		13,360,155
Gains on disposal /redemption of financial assets at FVTPL		55,591,153		17,128,211
Dividend Income		874,957		588,793
Realized gain on disposal of fin.assets at FVOCI		0		0
Net unrealized foreign exchange gain		0		17,426,197
Realized foreign exchange gain		0		0
Miscellaneous				
	P	86,835,550	P	111,338,352
EXPENSES				
Doubtful accounts expense				
Net foreign exchange loss		0		0
Salaries, wages and employees' benefits		6172,127		6,097,938
Depreciation		9,032,973		8,946,529
Professional fees		1,076,592		1,675,203
Condominium dues		4,267,392		3,501,589
Litigation expense		0		0
Taxes and licenses		1,517,112		568,997
Entertainment, amusement and recreation		168,774		103,246
Unrealized loss on financial assets at FVPL		0		894,522
Realized loss on redemption of bonds		0		903,737
Others		25,682,865		4,996,627
		54,392,402		27,688,388
NET INCOME	P	32,443,148	P	83,649,964
NET INCOME ATTRIBUTABLE TO:				
STOCKHOLDERS OF THE COMPANY	P	31,041,671	P	79,440,049
MINORITY INTERESTS		1,401,477		4,209,915
EARNINGS PER SHARE	P	0.0817	P	0.209

See accompanying Notes to Consolidated Financial Statements

Prepared by:

ARSENIO T. LIAO
Accountant

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDING JUNE 30, 2025 AND JUNE 30, 2024

		UNAUDITED JUNE 30, 2025		UNAUDITED JUNE 30, 2024
NET INCOME	P	32,443,148	P	83,649,964
OTHER COMPREHENSIVE INCOME(LOSS)				
Changes in fair value of AFS investments		-		-
Amortization of unrealized losses on changes in fair value of AFS investments				
Unrealized gains on financial assets at FVOCI		1,883,369		2,145,013
Impairment loss on AFS investments				
Others				
		1,883,369		2,145,013
TOTAL COMPREHENSIVE INCOME(LOSS)	P	34,326,517	P	85,794,977
TOTAL COMPREHENSIVE INCOME(LOSS) ATTRIBUTABLE TO:				
STOCKHOLDERS OF THE COMPANY	P	32,610,191	P	81,505,228
MINORITY INTERESTS		1,716,326		4,289,749
	P	34,326,517	P	85,794,977

See accompanying Notes to Consolidated Financial Statements

Prepared by:

ARSENIO T. LIAO
Accountant

ANNEX "C"

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS PERIOD APRIL 1-JUNE 30, 2025 AND APRIL 1-JUNE 30, 2024

		UNAUDITED APRIL 1-JUNE 30, 2025		UNAUDITED APRIL 1-JUNE 30, 2024
REVENUES				
Interest Income				
From Banks	P	3,349,977	P	594,086
From Securities		484,702		1,658,663
Total Interest Income		3,834,679		2,252,749
Unrealized gains on trading securities		3,124,360		30,206,186
Rental Income		7,670,415		7,025,540
Dividend Income		823,518		319,913
Unrealized forex gain		0		16,216,430
Realized gain on sale of FVOCI		0		17,303,102
Realized gain on disposal of FVPL		59,114,609		0
Other income		0		0
	P	74,567,581	P	73,323,920
EXPENSES				
Doubtful accounts expense		0		0
Litigation expenses				
Salaries, wages and employees' benefits		3,107,372		3,060,483
Depreciation		4,516,487		4,473,264
Professional fees		509,949		656,399
Condominium dues		2,353,525		1,471,894
Realized loss on disposal/redemption of bonds/FVOCI		0		903,737
Taxes and licenses		576,559		29,633
Entertainment, amusement and recreation		117,179		57,455
Unrealized loss on financial assets at FVPL		0		894,522
Others		27,504,136		2,926,401
		38,685,207		14,473,788
NET INCOME	P	35,882,374	P	58,850,132
NET INCOME ATTRIBUTABLE TO:				
STOCKHOLDERS OF THE COMPANY	P	34,088,255	P	55,907,625
MINORITY INTERESTS		1,794,119		2,942,507
EARNINGS PER SHARE	P	0.0898	P	0.147

See accompanying Notes to Consolidated Financial Statements

Prepared by:

ARSENIO T. LIAO
Accountant

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD APRIL 1-JUNE 30,2025 AND APRIL 1-JUNE 30,2024

		UNAUDITED APRIL 1-JUNE 30,2025		UNAUDITED APRIL 1-JUNE 30,2024
NET INCOME	P	35,882,374	P	58,850,132
OTHER COMPREHENSIVE INCOME(LOSS)				
Changes in fair value of AFS investments		-		-
Amortization of unrealized losses on changes in fair value of AFS investments				
Unrealized gain/loss on financial assets at FVOCI		(32,889)		(486,450)
Impairment loss on AFS investments				
Others				
		(32,889)		(486,450)
TOTAL COMPREHENSIVE INCOME(LOSS)	P	35,849,485	P	58,363,682
TOTAL COMPREHENSIVE INCOME(LOSS) ATTRIBUTABLE TO:				
STOCKHOLDERS OF THE COMPANY	P	34,057,011	P	55,445,498
MINORITY INTERESTS		1,792,474		2,918,184
	P	35,849,485	P	58,363,682

See accompanying Notes to Consolidated Financial Statements

Prepared by:

ARSENIO T. LIAO
Accountant

ANNEX "D"

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND JUNE 30, 2024
AND THE YEAR ENDED DECEMBER 31, 2024

		UNAUDITED JUNE 30, 2025	UNAUDITED JUNE 30,2024	AUDITED DEC. 31, 2024
CAPITAL STOCK				
Balance at beginning of year	P	481,827,653 P	481,827,653 P	481.827.653
Issuance of additional shares of stock				
Subscription of additional shares of stock				
Balance at end of period		481,827,653	481,827,653	481.827.653
ADDITIONAL PAID-IN CAPITAL		144,759,977	144,759,977	144.759.977
Treasury Shares		(102.094.826)	(102.094.826)	(102.094.826)
Unrealized gain on financial assets at FVOCI		(64.995.706)	4.858.264	(64.879.075)
Other Reserves				
Actuarial loss on retirement benefit obligation		7.868.407	7.368.008	7.868.407
Share in other comprehensive income of associates		111,460,782	106.071,851	111,460,782
SHARE IN REVALUATION INCREMENT ON LAND OWNED BY MCHC's SUBSIDIARIES				
RETAINED EARNINGS				
Balance at beginning of period, as restated		1,165,721,230	1,112,967,423	1,112.967.423
Net Income		31,041,673	79,440,049	93.566.249
Dividends declared				(57.554.029)
Other adjustments				16.741.587
Balance at end of period		1,196,762,903	1,192,407,472	1.165.721.230
		1,775,589,190	1,835,198,399	1.742.664.148
Minority Interests		64,144,997	70,037,846	62.743.520
TOTAL STOCKHOLDERS' EQUITY	P	1,839,734,187 P	1,905,236,245 P	1.805.407.668

See accompanying Notes to Consolidated Financial Statements

Prepared by:

ARSENIO T. LIAO
Accountant

ANNEX "E"

F & J PRINCE HOLDINGS CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDING JUNE 30,2025 AND JUNE 30, 2024

		UNAUDITED JUNE 30, 2025		UNAUDITED JUNE 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income	P	31,041,673	P	79,440,049
Adjustments to reconcile net income to net cash provided by operating activities:				
Minority Interest		1,401,477		4,209,915
Depreciation and amortization		9,032,973		8,946,529
Net unrealized gains on financial assets at FVOCI		1,883,369		2,145,013
Amortization of unrealized loss/gain on FV of AFS inv.				
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Receivables		18,968,119		88,007
Prepaid expenses and other current assets		(865,462)		593,383
Increase (decrease) in accounts payable and accrued expenses		(3,245,163)		(465,984)
Net cash provided by operating activities		58,216,986		94,956,912
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions/disposals of property and equipment		(437,722)		(1,872,045)
AFS/HTM investments and financial assets at FVPL				
Financial assets at FVOCI and FVPL		(119,118,198)		(138,454,124)
Decrease (increase) in:				
Other assets		(14,139,286)		0
Net cash provided by (used in) investing activities		(133,695,206)		(140,326,169)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in:				
Deposits payable				
Dividends payable		0		(19,604,500)
Investment in issue rights subscription				
Income tax payable		(2,477,104)		124,280
Net cash provided by (used in) financing activities		(2,477,104)		(19,480,220)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P	(77,955,324)	P	(64,849,477)
CASH AND CASH EQUIVALENTS, BEGINNING		597,418,197		429,988,652
CASH AND CASH EQUIVALENTS, ENDING	P	519,462,873	P	365,139,175

See accompanying Notes to Consolidated Financial Statements

Prepared by:

ARSENIO T. LIAO
Accountant

ANNEX "F"

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 3 MONTHS PERIOD APRIL1-JUNE 30,2025 AND APRIL 1-JUNE 30, 2024

		UNAUDITED APRIL 1- JUNE 30, 2025		UNAUDITED APRIL 1- JUNE 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	P	34,088,255	P	55,907,625
Adjustments to reconcile net income to net cash provided by operating activities:				
Equity in net earnings in associate		0		0
Minority interest		1,794,119		2,942,507
Depreciation and amortization		4,516,487		4,473,264
Net unrealized gains on financial assets at FVOCI		(32,889)		(486,450)
Amortization of unrealized loss/gain on FV of AFS inv.				
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Receivables		454,978		294,488
Prepaid expenses and other current assets		148,501		223,294
Increase (decrease) in:				
Accounts payable and accrued expenses		(3,278,798)		(1,313,014)
Net cash provided by operating activities		37,690,653		62,041,714
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions/disposals of property and equipment		(397,704)		(1,872,045)
Investment in property				
Financial assets at FVOCI and FVPL		(29,790,736)		38,198,083
Investment in issue rights subscription		0		0
Decrease(increase) in				
Other assets		0		0
Net cash provided by (used in) investing activities		(30,188,440)		36,326,038
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in:				
Provision for legal obligation		0		0
Income tax payable		(2,477,104)		0
Net cash provided by (used in) financing activities		(2,477,104)		0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P	5,025,109	P	98,367,752
CASH AND CASH EQUIVALENTS, BEGINNING		514,437,764		266,771,423
CASH AND CASH EQUIVALENTS, ENDING	P	519,462,873	P	365,139,175

F& J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2025 AND DECEMBER 31, 2024
WITH VERTICAL AND HORIZONTAL PERCENTAGE ANALYSIS

"ANNEX G"

	UNAUDITED JUNE 30, 2025	VERTICAL PERCENTAGE ANALYSIS JUNE 30, 2025	AUDITED DEC. 31,2024	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2024	INCREASE (DECREASE) AMOUNT JUNE 30, 2025	INCREASE (DECREASE) PERCENTAGE ANALYSIS JUNE 30, 2025
ASSETS						
Current Assets						
Cash and cash equivalents	519,462,873	27.68%	597,418,197	32.33%	(77,955,324)	-13.05%
Financial assets at fair value through fair value thru profit or loss (FVPL)	229,990,503	12.26%	112,755,674	6.11%	117,234,829	103.97%
Short-term investments	-	-	-	-	--	-
Receivables :						
Advances to Officers & Employees	0	0.00%	0	0.00%	0	0.00%
Interest Receivable	2,121,806	0.11%	2,117,288	0.11%	4,518	0.21%
Dividends Receivable	0	0.00%	19,144,620	1.04%	(19,144,620)	-100.00%
Receivable from related parties	388,740	0.02%	233,949	0.01%	154,791	66.16%
Others	453,021	0.02%	435,829	0.02%	17,192	3.94%
Total Receivables	2,963,567	0.15%	21,931,686	1.18%	(18,968,119)	-86.49%
Allowance for impairment losses	1,066,068	-0.06%	1,066,068	-0.06%	0	0.00%
Total Receivables-Net	1,897,499	0.09%	20,865,618	1.12%	(18,968,119)	-90.91%
Current portion of HTM investments	0	0.00%	0	0.00%	0	0.00%
Current portion of AFS investments	0	0.00%	0	0.00%	0	0.00%
Prepaid expenses & other current assets:						
Others	4,771,061	0.25%	5,416,892	0.29%	(645,831)	-11.92%
Input Tax	24,762,947	1.32%	24,318,982	1.32%	443,965	1.83%
Prepaid Income Tax	1,215,820	0.06%	148,492	0.01%	1,067,328	718.78%
Total Prepaid expenses & other current assets	30,749,828	1.63%	29,884,366	1.62%	865,462	2.90%
Total Current Assets	782,100,703	41.66%	760,923,855	41.18%	21,176,848	2.78%
Non-current Assets						
Convertible notes receivable	0	0.00%	0	0.00%	0	0.00%
Investments in associates	465,638,892	24.81%	465,638,892	25.20%	0	0.00%
Investment in rights issue subscription	0	0.00%	0	0.00%	0	0.00%
Financial assets at FVOCI	269,968,351	14.39%	268,084,982	14.51%	1,883,369	0.70%
Investment in properties	321,671,066	17.13%	329,598,443	17.84%	(7,927,377)	-2.41%
Property and Equipment						
Building	20,755,943	1.12%	20,755,943	1.12%	0	0.00%
Building Improvements	10,050,133	0.54%	10,050,133	0.54%	0	0.00%
Transportation equipment	3,858,641	0.21%	3,858,641	0.21%	0	0.00%
Furniture and fixtures	3,345,529	0.18%	3,269,734	0.18%	75,795	2.32%
Total Property and Equipment	38,010,246	2.05%	37,934,451	2.05%	75,795	0.20%
Less: accumulated depreciation	34,946,012	-1.85%	34,202,343	-1.85%	743,669	2.17%
Net Book Value	3,064,234	0.20%	3,732,108	0.20%	(667,874)	-17.90%
Total Property and Equipment	3,064,234	0.20%	3,732,108	0.20%	(667,874)	-17.90%
Deferred income tax assets-net	0	0.00%	0	0.00%	0	0.00%
Other Assets – net	33,983,515	1.81%	19,844,229	1.07%	14,139,286	71.25%
Total Non-Current Assets	1,094,236,058	58.34%	1,086,898,654	58.82%	7,427,404	0.68%
TOTAL ASSETS	1,876,426,761	100.00%	1,847,822,509	100.00%	28,604,252	1.55%

	UNAUDITED JUNE 30, 2025	VERTICAL PERCENTAGE ANALYSIS JUNE 30, 2025	AUDITED DEC. 31,2024	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2024	INCREASE (DECREASE) AMOUNT JUNE 30, 2025	INCREASE (DECREASE) PERCENTAGE ANALYSIS JUNE 30, 2025
LIABILITIES & STOCKHOLDERS' EQUITY						
Current Liabilities						
Accounts Payable and accrued expenses						
Accounts payable-trade	0	0.00%	0	0.00%	0	0.00%
Accounts payable-others	483,694	0.01%	1,500,445	0.08%	(1,016,751)	-67.76%
Withholding taxes payable	222,653	0.01%	420,471	0.02%	(197,818)	-47.05%
SSS Premium Payable	13,767	0.00%	28,411	0.00%	(14,644)	-51.54%
HDMF Premium Payable	3,596	0.00%	3,596	0.00%	0	0.00%
Philhealth Premium Payable	11,418	0.00%	11,418	0.00%	0	0.00%
Deposit Payable	10,822,076	0.58%	12,308,930	0.68%	(1,486,854)	-12.08%
Output Vat Payable	2,238,753	0.12%	2,313,014	0.13%	(74,261)	-3.21%
Accrued expenses	520,121	0.03%	974,956	0.05%	(454,835)	-46.65%
Total Accounts payable & accrued expenses	14,316,078	0.75%	17,561,241	0.96%	(3,245,163)	-18.48%
Dividends Payable	8,005,989	0.43%	8,005,989	0.43%	0	0.00%
Income Tax Payable	0	0.00%	2,477,104	0.13%	(2,477,104)	-100.00%
Provision for legal obligation		0.00%		0.00%		0.00%
Total Current Liabilities	22,322,067	1.18%	28,044,334	1.52%	(5,722,367)	-20.40%
Non-Current Liabilities						
Deposits payable	20,000	0.00%	20,000	0.00%	0	0.00%
Deferred tax liabilities	3,455,009	0.18%	3,455,009	0.19%	0	0.00%
Retirement benefit obligation	10,895,498	0.59%	10,895,498	0.59%	0	0.00%
Total Non-Current Liabilities	14,370,507	0.77%	14,370,507	0.78%	0	0.00%
Stockholders' Equity						
Capital stock	481,827,653	25.68%	481,827,653	26.07%	0	0.00%
Additional paid in capital	144,759,977	7.71%	144,759,977	7.83%	0	0.00%
Unrealized gain on fin. assets at FVOCI	(64,995,706)	-3.46%	(66,879,075)	-3.62%	1,883,369	-2.82%
Actuarial loss on retirement obligation	7,868,407	0.42%	7,868,407	0.43%	0	0.00%
Accumulated share in OCI of associates	111,460,782	5.94%	111,460,782	6.03%	0	0.00%
Treasury shares	(102,094,826)	-5.44%	(102,094,826)	-5.53%	0	0.00%
Retained earnings	1,196,762,903	63.78%	1,165,721,230	63.09%	31,041,673	2.66%
Total Equity Attributable to Stock-holders of the Company	1,775,589,190	94.63%	1,742,664,148	94.30%	32,925,042	1.89%
Minority Interest	64,144,997	3.42%	62,743,520	3.40%	1,401,477	2.23%
Total Stockholders' Equity	1,839,734,187	98.05%	1,805,407,668	97.70%	34,326,519	1.90%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	1,876,426,761	100.00%	1,847,822,509	100.00%	28,604,252	1.55%

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **General Information**

<u>**Corporate Information**</u>

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.

<u>*MCHC*</u>

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.

<u>*PIEI*</u>

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*

<u>**Adoption of Amendments to PFRS Accounting Standards**</u>

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.

<u>**Amendments to PFRS Accounting Standards in Issue But Not Yet Effective**</u>

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.

<u>Financial Instruments</u>
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.

<u>Investments in Associates</u>

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:

	June , 2025	2024
Cash on hand and in banks	₱88,744,097	₱101,013,590
Short-term placements	430,718,776	496,404,607
	₱519,462,873	₱597,418,197

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).

5. Investment Securities

This account consists of:

	June, 2025	2024
Current:		
Financial assets at FVPL	₱229,990,503	₱112,755,674
Financial assets at FVOCI	–	–
Noncurrent -		
Financial assets at FVOCI	269,968,351	268,084,982
	₱499,958,854	₱380,840,656

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:

	June, 2025	2024
Balances at beginning of year	₱112,755,674	₱341,616,249
Additions	1,383,572,646	243,292,928
Disposals	(1,275,509,817)	(489,118,309)
Changes in fair values during the year	9,172,000	16,964,806
Balances at end of year	₱229,990,503	₱112,755,674

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:

	June ,2025	2024
Debt securities	₱47,430,597	₱45,547,228
Equity securities	222,537,754	222,537,754
	₱269,968,351	₱268,084,982

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:

	June 2025	2024
Beginning balances	**(₱66,879,075)**	₱2,713,251
Movements in fair value before tax	**1,883,369**	(65,356,722)
Tax effect	**-**	(856,200)
Reclassification to retained earnings	**-**	(3,379,404)
	(₱64,995,706)	(₱66,879,075)

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:

	June, 2025	2024
Rent receivable	**₱293,913**	**₱372,346**
Accrued interest and dividends receivable	**2,121,806**	**21,261,908**
Others	**159,108**	**63,483**
	2,574,827	**21,697,737**
Less: allowance for expected credit losses	**1,066,068**	**1,066,068**
	₱1,508,759	**₱20,631,669**

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:

	June, 2025	2024
Input VAT	₱24,762,947	₱24,202,044
Deposits on contracts	3,117,879	3,103,771
Prepaid expenses	823,792	1,668,818
CWT	325,323	258,914
Prepaid income tax	1,215,820	148,492
Deferred input VAT	118,678	116,938
Others	385,389	385,389
	₱30,749,828	₱29,884,366

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 June 30, 2025 and December 31, 2024:

	June, 2025	2024
PTC	₱164,479,980	₱164,479,980
WCC	182,000,000	182,000,000
BPO	112,987,991	112,987,991
MUDC	94,830,129	94,830,129
MPI	6,170,921	6,170,921
	560,469,021	560,469,021
Less: allowance for impairment losses	94,830,129	94,830,129
	₱465,638,892	₱465,638,892

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:

	June, 2025				
	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Cost:					
Beginning balances	₱20,755,943	₱10,050,133	₱3,858,641	₱3,269,734	₱37,934,451
Disposals	–	–	–	–	–
Additions	–	–	–	75,795	75,795
Ending balances	20,755,943	10,050,133	3,858,641	3,345,529	38,010,246
Accumulated depreciation:					
Beginning balances	20,133,573	9,395,170	1,708,193	2,965,407	34,202,343
Disposals	–	–	–	–	–
Depreciation	415,118	126,427	180,344	21,780	743,669
Ending balances	20,548,691	9,521,597	1,888,537	2,987,187	34,946,012
PNet Book Values	₱207,252	₱528,536	₱1,970,104	₱358,342	₱3,064,234

	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:		**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

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:

	June, 2025		
	Land	Condominium and Improvements	Total
Cost:			
Beginning balances	₱46,319,625	₱400,544,670	₱446,864,295
Additions	–	327,140	327,140
Ending balances	46,319,625	400,871,810	447,191,435
Accumulated depreciation:			
Beginning balances	–	117,265,852	117,265,852
Depreciation and amortization	–	8,254,517	8,254,517
Ending balances	–	125,520,369	125,520,369
Net Book Values	₱46,319,625	₱275,351,441	₱321,671,066

	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

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:

	June, 2025	2024
Deposits for property acquisition	**₱31,106,429**	₱16,967,143
Refundable deposits	**595,780**	595,780
Others	**2,281,306**	2,281,306
	₱33,983,515	₱19,844,229

13. Accounts and Other Payables

This account consists of:

	June, 2025	2024
Deposits payable	₱10,822,076	₱12,308,930
Accrued expenses	268,601	910,809
Statutory payables	2,741,706	2,841,057
Accounts payable	483,695	1,500,445
	₱14,316,078	₱17,561,241

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. 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

15. 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

	2024	2023	2022
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.

16. 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.

17. 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	**June 2025**	**₱921,333**	**₱–**
		2024	1,557,182	–
	Payroll service expenses	**June 2025**	**38,323**	**–**
		2024	56,632	–
PTC	Dividends	**June 2025**	**0**	**–**
		2024	56,356,080	–
Other Related Parties	Advances	**June 2025**	**137,497**	**388,740**
		2024	162,144	233,949
		June 2025	**1,097,153**	**₱388,740**
		2024	₱58,132,038	₱233,949

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

18. 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.

19. 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.

20. 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.

21. 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.

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

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.

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 **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.

22. 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

23. Supplemental Notes to Consolidated Statements of Cash Flows

The following shows the changes in the Group's liabilities arising from its financing activities in June 2025 and 2024:

	As at January 1, 2025	**Dividends Paid**	**Dividend Declaration and Other Changes**	**As at June 30, 2025**
Dividends payable	**₱27,105,445**	**(₱57,053,485)**	**₱37,954,029**	**₱8,005,989**

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

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
AGING OF ACCOUNTS RECEIVABLE
AS OF JUNE 30,2025

Name	Beginning Balance	Additions	Deductions		Current 30 days	60 days or over	Over 120 days	Ending Balance
			Amount Collected	Amount Written-Off				
Magellan Capital Corporation	114,905	40,320			0	20,160	135,065	155,225
Magellan Utilities Development Corp.	0							0
Business Process Outsourcing International	18,338	921,333	921,333				18,338	18,338
Pinamucan Power Corporation	108,472	40,620			0	20,160	128,932	149,092
Pointwest Technologies Corporation	19,144,620	969,344	20,113,964					0
Others	0							0
	19,386,335	1,971,617	21,035,297		0	40,320	282,335	322,655