

FJP

*F & J Prince Holdings*

2025

*Management Report*  
- updated

## STOCK TRADING PRICE INFORMATION

The shares of the Company are listed with the Philippine Stock Exchange (PSE).

The high and low prices for each quarter within the last two (2) fiscal years and first (1<sup>st</sup>) quarter of 2025 are as follows:

QUARTER; YEAR	CLASS "A"		CLASS "B"	
	High	Low	High	Low
1 <sup>st</sup> Quarter, 2023	2.10	2.00	-	-
2 <sup>nd</sup> Quarter, 2023	2.91	1.96	-	-
3 <sup>rd</sup> Quarter, 2023	2.85	1.52	1.55	1.40
4 <sup>th</sup> Quarter, 2023	1.62	1.56	1.56	1.56
1 <sup>st</sup> Quarter, 2024	2.34	1.69	-	-
2 <sup>nd</sup> Quarter, 2024	2.62	2.00	2.98	1.58
3 <sup>rd</sup> Quarter, 2024	2.57	2.01	2.30	2.29
4 <sup>th</sup> Quarter, 2024	2.54	1.61	2.53	1.76
1 <sup>st</sup> Quarter, 2025	2.20	2.01	1.91	1.91
2 <sup>nd</sup> Quarter, 2025	2.20	2.00	-	-
3 <sup>rd</sup> Quarter, 2025	2.98	2.01	2.58	

Note 1: Dividends amounting to ₱0.17 per share were declared and paid out in 2023. Dividends of ₱0.15 per share were declared and paid by the company in 2022.

Note 2: Class "A" shares may be owned only by Filipino citizens, while Class "B" shares may be owned by Filipino citizens as well as foreigners.

Note 3: Latest market price traded was ₱2.20 per share for Class "A" shares transacted on November 28, 2025; and ₱2.30 per share for Class "B" shares transacted on October 22, 2025.

### Number of Shareholders

As of 28 November 2025, the Company had Four Hundred Seventy-Four (473) stockholders of record, as follows: Class "A" shares – Four Hundred Twenty-Nine (429) shareholders; Class "B" shares – Forty-Four (44) shareholders; and shareholders owning both Class "A" and "B" – Six (6) shareholders.

### Dividends

Dividends amounting to ₱0.17 per share were declared and paid in 2023. Dividends of ₱0.15 per share were declared and paid in 2022.

Under the Company's By-laws, there are no restrictions in the declaration of dividends other than what is prescribed in the Revised Corporation Code, namely, that these shall be declared only from surplus profit and no stock dividend shall be issued without the approval of stockholders representing not less than two-thirds (2/3) of all stocks outstanding and entitled to vote at a general or special meeting called for the purpose.

# *F & J Prince*

## *Holdings Corporation*

### **Management Report**

### **Annual Stockholders' Meeting**

**June 27, 2025**

#### **Contents**

- Report of the President
- Business and General Information
- Financial and Other Information
- Board of Directors and Management
- Statement of Management's Responsibility
- Financial Statements
  - Balance Sheet
  - Income Statement
  - Cash Flow Statement
  - Notes to Financial Statements
- Directory/Bankers

## REPORT OF THE PRESIDENT

The Company's consolidated revenue in 2024 increased to ₱189.40 million from ₱188.5 million in 2023. Equity in net earnings of associates decreased from ₱45.3 million in 2023 to ₱32.3 million in 2024. Rent increased from ₱22.1 million in 2023 to ₱27.3 million in 2024. Fair Value Gain on Financial Assets at FVPL was ₱22.0 million in 2024 compared to ₱94.3 million in 2023. Dividend income decreased to ₱1.9 million in 2024 from ₱4.2 million in 2023. Fair value gains on disposal of Financial Assets at FVOCI was a loss of ₱3.3 million in 2024 compared to a loss of ₱23.8 million in 2023. Net FX gain was ₱34.3 million in 2024 compared to a gain of ₱3.1 million in 2023. Dividend income decreased to ₱1.9 million in 2024 from ₱4.2 million in 2023.

Total consolidated expenses of the Company 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 Company totaled ₱93.6 million in 2024 compared to ₱62.2 million in 2023.

The Company's financial position is very strong as it has substantial cash resources available to undertake its planned projects. As of December 31, 2024, the Company's consolidated cash and cash equivalent totaled ₱597.4 million compared to ₱429.9 million as of December 31, 2023. The Company 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 Company and its subsidiary and affiliates are substantially debt free except for MUDC which has loans and advances from its principal shareholders. The Company 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 Company and its subsidiary, the Company 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 Company 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.

The following is a detailed discussion of the Company's direct and indirect subsidiaries and its affiliated associates:

### **MAGELLAN CAPITAL HOLDINGS CORPORATION**

Magellan Capital Holdings Corporation (MCHC), your Company's 95% owned subsidiary, is involved in the development of and investment in infrastructure and power generation projects. Established in 1990, MCHC has ₱689 million in paid-in capital and ₱1,800.2 million in consolidated shareholders' equity as of December 31, 2020. After the acquisition of the block of shares owned by PSEG Philippine Holdings LLC. in December 2006, your Company owns 95% of the outstanding shares of MCHC and effectively controls and manages MCHC.

MCHC was, until December 2006, 28% owned by PSEG Philippine Holdings LLC, a unit of the Public Service Enterprise Group (PSEG), the largest energy holding company in New Jersey and one of the largest in the United States.

MCHC's total consolidated assets at year-end 2024 was ₱1,676 million compared to ₱1,667 million at end of 2023.

The President of MCHC is Mr. Mark Ryan K. Cokeng, and the Chairman of the Board is Mr. Johnson Tan Gui Yee.

MCHC owns 43% of Magellan Utilities Development Corporation, which is discussed below. MCHC also five (5) office condominium units which comprise the entire 5<sup>th</sup> Floor of the BDO Towers Paseo, located at 8741 Paseo de Roxas, Makati City, including five (5) appurtenant parking units, *per a Deed of Sale* executed on 26 April 2000. One (1) of the units are used by your Company and its subsidiaries as its principal office space. Two (2) of the units have been leased by Business Process Outsourcing International (BPOI), a 35% owned affiliate of the Company, and Pointwest Technologies Corporation (PTC), a 30% owned affiliate of the Company, while the two (2) remaining units are leased out to other lessees.

MCHC also owns an office condominium unit on the 25<sup>th</sup> Floor and 2 condominium units on the 16<sup>th</sup> Floor of the BDO Towers Valero in Makati City (acquired in December 2014), as well as ten (10) parking slots, which are being leased out at prevailing commercial rates.

MCHC acquired one (1) floor in the JMT Condominium Building in Ortigas Center, as well as a 985 square meter lot in Fort Bonifacio that it intends to develop into an office building. Architectural plans and necessary permits for the building are currently being

prepared and applied for. However, construction of the building has been put on hold indefinitely due to a weak office leasing market. As of 31 December 2024, the above land and properties are not subject to any mortgages, liens or encumbrances.

MCHC has also acquired three (3) condominium units in Two Roxas Triangle in Makati City for investment purposes.

### **MAGELLAN UTILITIES DEVELOPMENT CORPORATION**

Magellan Utilities Development Corporation (MUDC) is an MCHC project company developing a 320 MW Power Project in Pinamucan, Batangas. MCHC directly owns 43% of MUDC. GPU Power Philippines, Inc., a unit of GPU Corporation (GPU), former U.S. parent company of the Manila Electric Company (MERALCO), owns 40% of MUDC. MERALCO was established by a predecessor company of GPU during the American colonial era and was a wholly owned subsidiary of GPU until 1962 when MERALCO was acquired by a Lopez - led investor group.

With the continued uncertainty over the project being developed by MUDC, MUDC at the urging of its outside auditors had in 2004 written-off all its project development expenditures. It had in 2003 already written-off all pre-operating expenses as dictated by new accounting standards that became effective in 2003.

In 2005, your Company decided not to continue development of the project. Your Company's exposure including those of MCHC and its subsidiary, Pinamucan Industrial Estates, Inc., in the project have been provided for and will not have any impact on the Company's financial position. MCHC, along with other shareholders of MUDC, will evaluate the future course of action for MUDC, including possible liquidation.

### **POINTWEST TECHNOLOGIES CORPORATION**

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

### **BUSINESS PROCESS OUTSOURCING INTERNATIONAL, INC.**

Business Process Outsourcing International, Inc. (BPOI) is a provider of accounting and finance related services such as payroll services, internal audit, payables processing

and others. It has a total staff of over four hundred (400) servicing many of the multinational and large corporations operating in the country. BPOI was spun off from the BPO Department of SGV & Co., the biggest auditing firm in the country.

Your Company owns 35% of BPOI after it acquired another 8.75% in 2005. BPOI revenues in 2024 is ₱442.9 million with a net income of ₱2.0 million. It has a staff of over 400 accountants and support staff.

### **CONCLUSION**

Your Company generated a consolidated net income of ₱94.2 million in 2024 compared to a net income of ₱63.7 in 2023. The main reason was a gain on disposal of FVPL of ₱53.7 million in 2024 compared to a gain of ₱5.7 million in 2023.

A net foreign exchange gain of ₱34.3 million was recorded in 2024 versus a foreign exchange gain of ₱3.1 million in 2023 as the Peso depreciated against foreign currencies which benefitted the foreign exchange denominated bonds and other securities owned by the Company and its subsidiaries.

As a result of the above, total consolidated equity attributable to equity holders of the Company decreased to ₱1,847.8 million at year-end in 2024 compared to ₱1,885.3 million at year-end 2023.

The Company and its subsidiary has been increasing its investment in income producing properties in the last few years. Income from rent increased to ₱27.3 million in 2024 from ₱22.1 million in 2023.

With the support of the Directors, Officers, Staff and Shareholders, we look forward to the Company's future prospects and continued success. We again reiterate our thanks to the Shareholders for their continued support.



**MARK RYAN K. COKENG**  
*President*

## BUSINESS AND GENERAL INFORMATION

### A. BUSINESS DEVELOPMENT

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

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

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

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

#### **Business Development of the Company's Subsidiaries**

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

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

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

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

### **Business of the Company**

#### **Description of the Company**

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

#### **Percentage of Consolidated Total Revenues**

Breakdown of Revenues for the year 2024

	CONSOLIDATED TOTAL REVENUES	PERCENTAGE BREAKDOWN
Equity in Net Earnings (Losses) of Associates	P 32,372,222	17.1%
Interest Income	16,102,321	8.5%
Gain on Disposal of AFS, FVPL and HTM Financial Assets	53,757,403	28.4%
Rent	27,290,478	14.4%
Dividend Income	1,919,618	1.0%
Fair Value Gain (Loss) on Financial Assets of FVPL	22,013,948	11.6%
Other Income	1,271,314	0.7%
Gains (Losses) on Disposal of Financial Assets at FVOCI	(3,317,350)	(1.8%)
Foreign Exchange Gains	34,323,870	18.1%
<b>Total</b>	<b>P 189,408,317</b>	<b>100.00%</b>

## Breakdown of Revenues for the year 2023

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

The Company'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 ₱3.1 million in 2023.

## B. PRINCIPAL PRODUCTS AND SERVICES OF MCHC

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

### 1. Power Generation Project Companies

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

schemes pursuant to Republic Act No. 6957, as amended by Republic Act No. 7718. The MPC project was sold by MCHC in 1997 right before the onset of the Asian economic crisis. The MCI project was completed and sold in 1998.

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

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

As a result of the project's uncertain prospects, the Company's auditor recommended, and the management had agreed, that provision be made for all project development expenditures and pre-operating expenses by MUDC in line with current accounting standards. MUDC has decided not to proceed with its power project due to MERALCO's unwillingness to enter into a revised Power Purchase Agreement and due to the withdrawal of its foreign partner, GPU. In addition, MCHC has almost fully provided for its receivables due from MUDC. In 2008, in the Company's Consolidated Financial Statements, receivables due to MCHC's subsidiary, Pinamucan Industrial Estates, Inc., were also fully provisioned. Thus, the Company's remaining exposure to the MUDC project is minimal at the end of 2024.

## **2. Real Estate Holding and Development Companies**

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

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

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

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

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

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

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

BPOI is a provider of finance and accounting services, such as payroll services, internal audit, payables processing, and other accounting-based services. It has a total of over 300 employees servicing many of the large multinationals operating in the country. BPOI was spun off from the BPO department of SGV & Co., the biggest auditing firm in the Philippines. The Company is a major shareholder of BPOI with a 35% ownership stake. BPOI reported a net income of ₱2.0 Million in 2024 on revenue of ₱442.9 Million.

### **Competition**

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

### **Transactions with and/or Dependence on Related Parties**

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

### **Patents, Trademarks, Copyrights, Etc.**

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

### **Costs and Effects of Compliance with Environmental Laws**

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

### **Employees**

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

### **Risk of the Business of the Company and its Subsidiaries**

#### **1. Pointwest Technologies Corporation (PTC)**

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

and retain qualified IT professionals; and (7) change in foreign exchange rates that may affect the operating margin of its businesses.

## **2. Business Process Outsourcing International, Inc.**

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

## **3. Portfolio Investments**

The Company and its subsidiaries and affiliates also invest their excess cash in bonds, stocks and short-term placements. These involve government securities as well as corporate bond and stock investments which face the normal commercial risks such as price declines, payment defaults and foreign exchange risks in the case of foreign currency denominated investments. The Company and its indirect subsidiary Pinamucan Industrial Estate Inc. also own shares in ASLAN Pharmaceuticals Ltd., a Biotech company, which was listed in the Taiwan Stock Exchange last year and has also been listed in NASDAQ.

### **Other Interests**

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

The Company and Pinamucan Industrial Estates, Inc. (PIEI) have also invested in Aslan Pharmaceuticals Limited (Aslan), a biotech company focused on development of immunotherapies and targeted agents for Asia prevalent tumor types. The Company owns 936,000 shares while PIEI owns 1,497,388 shares of Aslan. Aslan's shares was listed in the Taipei Exchange on June 1, 2017 and its ADR 's were listed in NASDAQ in May of 2019.

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

## **C. PROPERTIES**

### **1. Equity Interests**

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

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

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

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

### **2. Real Estate**

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

#### **a. Condominium Units**

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

### **b. Office Properties**

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

### **c. Land/Property Ownership**

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

## **D. LEGAL PROCEEDINGS**

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

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

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

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

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

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

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

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

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

On 29 June 2015, the Court rendered its decision confirming the arbitral award directing MCHC solidarily with MCMC to pay Zosa's severance compensation in the amount of ₱14,669,691.43. MCHC filed its Motion for Reconsideration on 23 July 2015, which was denied in an Order dated 7 January 2016. On 9 February 2016, MCHC filed with the Court of Appeals

its Petition for Review of the Decision of the Regional Trial Court. MCMC likewise filed its appeal with the said appellate court. On August, 2019, the Court of Appeals denied the Petition for Review. MCHC filed a Motion for Reconsideration on 16 September 2019 assailing the Court of Appeals decision. The Motion for Reconsideration was denied by the Court of Appeals in its Resolution dated 22 September 2020.

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

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

2. ***“People of the Philippines vs. Ariel Balatbat”***, Criminal Case No. 115515, Regional Trial Court of Pasig City, Branch 155. MCHC, through its authorized officer, filed a complaint against Ariel Balatbat for qualified theft relating to several unauthorized withdrawals and anomalous transactions involving company funds in the total amount of ₱41,021.50 (converted to US\$1,000.00). On 29 October 2004, the Court rendered its decision finding the accused guilty beyond reasonable doubt of the crime of qualified theft under Article 310 of the Revised Penal Code, and imposed the corresponding penalty of imprisonment of ten (10) years minimum to a maximum of fourteen (14) years. The Decision of the Regional Trial Court was appealed to the Court of Appeals. In a Decision rendered in February 2018, the Court of Appeals reversed the conviction of the accused. MCHC, for humanitarian reasons, and the fact that the accused had already spent some time in incarceration, decided not to appeal the aforesaid Decision of the Court of Appeals.
3. ***“People of the Philippines vs. Ariel Balatbat”***, Criminal Case No. 114955, Regional Trial Court of Pasig City, Branch 151. MUDC, through its authorized officer, filed a complaint against Ariel Balatbat for qualified theft relating to several unauthorized withdrawals and anomalous transactions involving company funds in the total amount of ₱121,500.00 (equivalent to US\$3,000.00), US\$4,000.00, and US\$1,020.00. Said amounts were never recovered or accounted for.

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

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

Prosecution having been subsequently filed, the case was submitted for decision.

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

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

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

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

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

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

On 04 March 2020, the parties executed a Compromise Agreement whereby Spouses Roño agreed to pay the sum of Ten Million Pesos

(₱10,000,000.00) to settle the case. Spouses Roño has fully been complied with the terms of the Compromise Agreement in February 2021.

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

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

On 12 May 2017, the Metropolitan Trial Court dismissed the accused's Omnibus Motion (1) to Quash for failure to state an offense (2) issue Bill of Particulars and (3) suspend proceedings in view of the pendency of accused's Petition for Review with the Department of Justice (DOJ) and (4) Suspend Arraignment. Arraignment was scheduled to be held on 15 May 2017. In an Order dated 22 May 2017, the Regional Trial Court reset the arraignment to 14 August 2017. On 2 June 2017, the DOJ dismissed the Petition for Review filed by the accused Spouses Roño. The accused were subsequently arraigned on 14 August 2017. Thereafter, the parties were referred to mediation and Judicial Dispute Resolution. No settlement was reached.

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

On 04 March 2020, the parties executed a Compromise Agreement whereby the Accused agreed to pay the sum of Ten Million Pesos

(P10,000,000.00) to settle the case. In an Order dated 5 March 2020, the Court approved the Compromise Agreement dated 4 March 2020 and provisionally dismissed the criminal cases. Spouses Roño has fully been complied with the terms of the Compromise Agreement in February 2021.

6. ***"Magellan Capital Holdings Corporation, represented by Mr. Robert Y. Cokeng vs. Spouses Mario and Preciosa Roño, Pedro S. Villaflor, John Doe and Jane Doe,"*** IS No. XV-13-INV-16-J-02050, Office of the City Prosecutor of Pasay City, Department of Justice. In relation to the aforementioned cases, this case was filed against the respondents for violation of Article 172 in relation Article 171 of the Revised Penal Code (Use of Falsified documents). The falsified documents were used to open an account in Maybank, Villamor Base branch, Pasay City. In a Resolution dated 05 January 2017, the City Prosecutor dismissed MCHC's complaint. A Motion for Reconsideration was filed by the MCHC, which was subsequently denied in a Resolution dated 29 November 2017.
7. ***"Magellan Capital Holdings Corporation vs. Spouses Mario and Preciosa Roño, IS No. XV-03-INV-16J-10508,"*** Office of the City Prosecutor of Quezon City, Department of Justice. In relation to the aforementioned cases, this case was filed against the respondents for violation of Article 172 in relation to Article 171 (2) of the Revised Penal Code. The falsified documents appear as having been executed and notarized in Quezon City. In a Resolution dated 19 March 2018, which was received on 18 April 2018, the City Prosecutor dismissed the complaint against respondents. MCHC filed its Motion for Reconsideration of the aforesaid Resolution on 03 May 2018. On 23 August 2019, the City Prosecutor denied the Motion for Reconsideration of MCHC.

MCHC filed its Petition for Review with the DOJ. In the meantime, the parties entered into a Compromise Agreement dated 04 March 2020, the conditions of which have been fully been complied with by Spouses Roño in February 2021. Such full compliance was subsequently used by MCHC as basis for filing of a Motion to Dismiss the Petition in March 2021.

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

8. ***"Robert Y. Cokeng (for and in behalf of Magellan Capital Holdings Corporation) vs. Maybank Philippines, Inc. Dato Dr. Tan Tat Wai, Herminio M. Famatigan Jr., Jonathan P. Ong, Jose A. Morales III and***

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

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

9. ***"Uny Pacific Manufacturing Corporation vs. Maybank Philippines, Inc. and Magellan Capital Holdings Corporation,"*** Civil Case No. 503, Regional Trial Court of Taguig, Branch 70. This case was filed by Uny Pacific Manufacturing Corporation against the defendants for the recovery of the Fifty Million Pesos (₱50,000,000.00) it deposited with Maybank for the alleged purchase of MCHC's property in BGC, Taguig City.

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

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

## FINANCIAL AND OTHER INFORMATION

### A. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's consolidated revenue in 2024 increased to ₱189.40 million from ₱188.5 million in 2023. Equity in net earnings of associates decreased from ₱45.3 million in 2023 to ₱32.3 million in 2024. Rent increased from ₱22.1 million in 2023 to ₱27.3 million in 2024. Fair Value Gain on Financial Assets at FVPL was ₱22.0 million in 2024 compared to ₱94.3 million in 2023. Dividend income decreased to ₱1.9 million in 2024 from ₱4.2 million in 2023. Fair value gains on disposal of Financial Assets at FVOCI was a loss of ₱3.3 million in 2024 compared to a loss of ₱23.8 million in 2023. Net FX gain was ₱34.3 million in 2024 compared to a gain of ₱3.1 million in 2023. Dividend income decreased to ₱1.9 million in 2024 from ₱4.2 million in 2023.

Total consolidated expenses of the Company 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 Company totaled ₱93.6 million in 2024 compared to ₱62.2 million in 2023.

The Company's financial position is very strong as it has substantial cash resources available to undertake its planned projects. As of December 31, 2024, the Company's consolidated cash and cash equivalent totaled ₱597.4 million compared to ₱429.9 million as of December 31, 2023. The Company 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 Company and its subsidiary and affiliates are substantially debt free except for MUDC which has loans and advances from its principal shareholders. The Company 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 Company and its subsidiary, the Company 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 Company does not know of any trends, events or uncertainties that have or that are reasonably expected to have a material favorable or unfavorable impact on the revenues or income from continuing operations.

### **Top Five (5) Key Performance Indicators**

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

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

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

(P000)	YEAR 2024	PER- CENTAGE	YEAR 2023	PER- CENTAGE	Net Difference	PER- CENTAGE
Equity in net earnings of associates	P 32,372	17.1%	P 45,346	24.1%	P (12,974)	(28.6%)
Interest Income	16,102	8.5%	18,547	9.8%	(2,445)	(13.2%)
Rent	27,291	14.4%	22,123	11.8%	5,168	23.4%
Dividend Income	1,920	1%	4,226	2.2%	(2,306)	(54.6%)
Fair Value Gains (Losses) on Financial Assets at FVPL	22,014	11.6%	94,321	50.0%	(72,307)	(76.7%)
Gain (Losses) on Disposal of AFS, HTM and FVPL Investments	53,757	28.4%	-	-	53,757	100%
Gain (Loss) on Disposal of Property and Equipment	357	.2%	563	.3%	(206)	(36.6%)
Net FX Gain	34,324	18.1%	3,101	1.6%	31,223	1007%
Others	1,271	.7%	296	0.2%	985	344.4%
<b>Total from continuing operation</b>	<b>P 189,408</b>	<b>100.0%</b>	<b>P 188,513</b>	<b>100.0%</b>	<b>P 895</b>	<b>.5%</b>

Equity in Net Earnings of Associates decreased from P45.3 million in 2023 to P32.3 million in 2024. Interest income decreased to P16.1 million in 2024 from P18.5 million in 2023. Rental income increased from P22.1 million in 2023 to P27.3 million 2024. The result is an increase in revenue to P189.4 million in 2024 from P188.5 million in 2023.

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

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

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

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

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

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

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

The Company and its subsidiary and affiliates are substantially debt-free, except for MUDC, which has loans and advances from its principal shareholders. The

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

**Any events that will trigger direct or contingent financial obligation**

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

**All material off-balance sheet transactions, arrangements, obligations**

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

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

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

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

**1. Operating Results**

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

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

**Net Income Before Tax.** As a result of the movement in revenues and expenses discussed in the preceding sections, net income before tax

totaled ₦108.6 million in 2024 compared to ₦56.9 million in 2023 and ₦25.7 million in 2022.

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

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

## 2. Balance Sheet Accounts

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

### a. Assets

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

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

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

### b. Liabilities and Equity

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

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

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

## C. FIRST QUARTER 2025 REPORT

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

### Operating Results

Breakdown of Revenue for the Three-Month Periods Ending March 31, 2025 and March 31, 2024 with Vertical and Horizontal Percentage Analysis is shown below:

(₦'000)	FIRST QUARTER March 31, 2025	VERTICAL PERCENTAGE ANALYSIS March 31, 2025	FIRST QUARTER March 31, 2024	VERTICAL PERCENTAGE ANALYSIS March 31, 2024	INCREASE (DECREASE) AMOUNT March 31, 2025	INCREASE (DECREASE) PERCENTAGE March 31, 2025
INTEREST INCOME						
From Banks	₦ 312	1.4%	₦ 251	1.0%	₦ 60	23.8%
From Securities	2,882	13.4%	2,374	6.2%	508	21.4%
<b>TOTAL</b>	<b>3,194</b>	<b>14.8%</b>	<b>2,625</b>	<b>6.9%</b>	<b>568</b>	<b>21.6%</b>
Dividend Income	51	0.2%	268	0.7%	(218)	(81.4%)
Rent Income	7,811	36.1%	6,334	16.6%	1,477	23.3%
Unrealized Gain on Trading Securities	9,593	44.9%	495	1.2%	9,198	1,858%
Net Unrealized FX Gain	856	4.0%	1,209	3.2%	(354)	(29.2%)
Gain on Disposal of Financial Assets at FVTPL	0	-	27,225	71.3%	(27,225)	100%
<b>TOTAL</b>	<b>₦ 21,605</b>	<b>100%</b>	<b>₦ 38,189</b>	<b>100%</b>	<b>₦ 9,817</b>	<b>34.6%</b>

**Revenues.** Consolidated Revenues, during the 3-month period ended March 31, 2025, totaled ₦21.6 million compared to ₦38.1 million during the same 3-month period in 2024. The decrease in Gain on Disposal of Financial Assets at FVTPL of ₦27.2 million, accounted for the bulk of the decrease.

**Expenses.** Consolidated General and Administrative Expenses in the first quarter of 2025 totaled ₦25.0 million compared to ₦13.3 million in the first quarter of 2024.

**Operating Income.** As a result of the factors discussed above, consolidated operating loss in first quarter 2025 totaled ₦3.3 million compared to ₦24.8 million in the same period of 2024.

**Net Income.** The Registrant had a net loss of ₦3.3 million during the first quarter of 2025 compared to ₦24.8 million in the first quarter of 2024. The net loss in the first quarter of 2025 attributable to shareholders of the Company totaled ₦3.2 million while ₦0.2 million in net loss was attributable to minority shareholders in the Company's majority owned subsidiary Magellan Capital Holdings Corporation. In the first quarter of 2025, ₦3.2 million net income was attributable to shareholders of the Company and ₦0.2 million net income was attributable to minority shareholders in the Registrant's subsidiary.

## **BALANCE SHEET ACCOUNTS**

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

### **ASSETS**

**Current Assets.** Consolidated current assets as of March 31, 2025 totaled ₦748 million compared to ₦761 million as of December 31, 2024.

**Receivables from Related Parties.** This account was ₦0.34 million at March 31, 2025, versus ₦0.23 million at year-end 2024.

**Investments in Associates.** This account which consists of investment in Pointwest Technologies Corporation (PTC) and Business Process Outsourcing International, Inc. (BPOI) remained unchanged from year-end 2024 to March 31, 2025 at ₦466 million as equity in net earnings of associates is taken up at year-end.

**Financial Assets at FVOCI – Net of Current Portion.** This account, which consists mostly of corporate bonds and listed equities, totaled ₦270 million as of March 31, 2025 from ₦268 million at year-end 2024.

**Property and Equipment.** This account decreased from ₦3.4 million as of March 31, 2025 from ₦3.7 million as of December 31, 2024.

**Investment in Property.** This account totaled ₦325 million as of March 31, 2025 from ₦330 million at year-end 2024 due to additional allowance for depreciation.

**Other Non-Current Assets.** This account totaled ₦34 million as of March 31, 2025, compared to ₦20 million at year-end 2024.

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

## **LIABILITIES AND EQUITY**

**Current Liabilities.** Current liabilities was at ₦28.1 million as of March 31, 2025 compared to ₦28.0 million at year-end 2024.

**Non-Current Liabilities.** Non-current liabilities which consist mostly of retirement benefit obligation and deferred tax liability was stable at ₦14.3 million as of March 31, 2025 roughly the same level as at year-end 2024. The accrual of additional retirement benefit obligation is taken up at year-end based on actuarial studies commissioned at that time.

**Stockholder's Equity.** Total stockholders' equity decreased to ₦1,803.9 million as of March 31, 2025 from ₦1,805.4 million at year-end 2024. Total equity attributable to stockholders of the company totaled ₦1,741.3 million at March 31, 2025 from ₦1,742.6 million at December 31, 2024. Minority interest which represents the share of minority shareholders of Magellan Capital Holdings Corporation was ₦62.5 million at March 31, 2025 compared to ₦62.7 million at December 31, 2024.

## **Top Performance Indicators**

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

- 1) Change in revenue
- 2) Change in net income
- 3) Earnings per share
- 4) Current ratio
- 5) Book value per share

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

(₦000)	1 <sup>st</sup> Quarter-2025	Percentage (%)	1 <sup>st</sup> Quarter-2024	Percentage (%)
Interest Income	₦ 3,194	14.8%	₦ 2,625	6.9%
Lease Rental Income	7,811	36.1%	6,334	16.6%
Dividend Income	51	0.2%	268	0.7%
Unrealized Gain on trading securities	9,693	44.9%	495	1.2%
Net Unrealized FX Gain	856	4.0%	1,209	3.2%
Gain on Disposal of Financial Assets at FVTPL	0	-	27,225	71.3%
<b>TOTAL INCOME</b>	<b>₦ 21,605</b>	<b>100%</b>	<b>₦ 38,189</b>	<b>100%</b>

Total revenue in the first quarter of 2025 was ₦21.6 million, versus ₦38.2 million in the first quarter of 2024. The decrease from the Gain on Disposal of Financial Assets at FVTPL, accounted for the bulk of the decrease.

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

(₦000)	1 <sup>st</sup> Quarter 2025	Percentage (%)	1 <sup>st</sup> Quarter 2024	Percentage (%)
Revenues	₦ 21,605	100%	₦ 38,189	100%
Expenses	25,045	115%	13,389	35.0%
Net Income	(3,440)	(15%)	24,799	64.9%
Attributable to:				
- Minority Interest	(224)	(1%)	1,232	3.2%
- Stockholders of Company	(3,216)	(14.1%)	23,566	61.7%

The Registrant realized a net loss of ₦3.4 million in the first quarter of 2025 compared to a net income of ₦24.8 million in the first quarter of 2024. Net loss of ₦3.2 million was attributable to stockholders of the Company in the first quarter of 2025 compared to net income of ₦24.8 million in the first quarter of 2024.

**Earnings per Share.** The net loss per share attributable to shareholders of the Company during the first quarter of 2025 was ₦0.008 per share compared to net income per share of ₦0.062 in the first quarter of 2024.

**Current Ratio.** Current ratio as of March 31, 2025 was 26.6 X compared to 27.1 X as of December 31, 2024.

**Book Value Per Share.** Book value per share as of March 31, 2025 was ₦4.75 per share compared to ₦4.76 as of December 31, 2024.

## **D. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS**

### **1. External Audit Fees and Services**

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

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Company	P 585,000	P 440,000	P 475,000
MCHC	481,600	448,000	448,000
Subsidiaries of MCHC	157,920	192,640	302,400
MUDC	56,000	56,000	26,415

**b. Tax Fees:** None

**c. All Other Fees:** None

**d. Audit Committee has approved the audit fees**

Prior to the commencement of audit work, the external auditors, present their program and schedule to the company's Audit Committee. The Company's audited financial statements for the year are presented by the external auditors to the Audit Committee for committee approval and endorsement to the full Board for final approval. Upon the recommendation of the Audit Committee, the Board approved the audit fees and nomination of Reyes Tacandong & Co. as external auditor for the year 2024.

## **2. Dividends**

Dividends amounting to ₦0.15 per share were declared and paid out in 2024.

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

## TOP 20 STOCKHOLDERS OF THE COMPANY

The top twenty (20) stockholders of the common equity of the Company as of 28 November 2025 are as follows:

NAME OF STOCKHOLDER	NUMBER OF SHARES	PERCENTAGE OWNERSHIP
1. Essential Holdings Limited	139,778,670	29.62%
2. PCD Nominee Corporation (A & B)	68,299,452	14.47%
3. Pinamucan Industrial Estates, Inc.	47,268,493	10.01%
4. Magellan Capital Holdings Corporation	47,143,022	9.99%
5. Consolidated Tobacco Industries of the Phils., Inc.	43,052,023	9.12%
6. Vructi Holdings Corporation	34,633,628	7.34%
7. Center Industrial and Investment, Inc.	23,991,000	5.08%
8. PHESCO, Incorporated	15,463,419	3.28%
9. Johnson Tan Gui Yee	15,371,747	3.26%
10. Estate of Robert Y. Cokeng	13,693,072	2.90%
11. Victorian Development Corporation	12,085,427	2.56%
12. Brixton Investment Corporation	2,815,000	0.60%
13. Francisco Y. Cokeng, Jr.	2,160,000	0.46%
14. Johnson U. Co	1,100,000	0.23%
15. Betty C. Dy	1,100,000	0.23%
16. Homer U. Cokeng, Jr.	1,100,000	0.23%
17. Rosalinda C. Tang	1,080,000	0.23%
18. Metro Agro-Industrial Supply Corporation	793,977	0.17%
19. Ruffy James Tiangco	555,000	0.12%
20. Raizel T. Kwok	500,000	0.11%

\*\*\* Percentage based on the Total Issued and Outstanding Shares of 481,827,653.

### Recent sales of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction

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

### Warrants

There are no warrants or options outstanding as of the end of December, 2024 and up to the present.

## DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

In Compliance with SEC Memorandum Circular No. 2, dated April 05, 2002, the Company submitted its Manual on Corporate Governance on August 29, 2002 as approved by its Board of Directors in a meeting held on August 14, 2002, which basically adopted the SEC's Model Manual. Since the Manual's effectiveness on January 01, 2003, the Company's Board of Directors and Management has been complying with the principles laid down by the Code of Corporate Governance through the mechanisms which have been institutionalized in the Manual and so far as may be relevant and appropriate to the Company's business as a holding company.

The Company continues to adopt measures to ensure compliance with the leading practices on good corporate governance through, among others, the nomination and election of two independent directors, the constitution of the different committees required by the Code such as the Nominations Committee, the Audit Committee, the Compensation and Remuneration Committee, all of which have been performing their functions as laid down in the Manual.

During a meeting held on March 29, 2004 the Company's Board of Directors approved the adoption as part of the Manual, Sec. 4.2 of the PSE's Revised Disclosure Rules, which is in consonance with Chapter VII of the Securities Regulation Code.

Since its effective date, there has been no deviation from the Company's Manual of Corporate Governance. No member of the Company's Board of Directors or its officers and personnel has done or caused to be done any act in violation of the principles laid down in the said Manual.

The Company continues to adhere to the principles and policies of its Manual with the view to continually improve the company's corporate governance.

On February 11, 2008, the Board of Directors of the Company attended and completed the Seminar on Corporate Governance given by the UP Law Center, as required by the Rules. The company continues to comply with the appropriate performance self-rating assessment and performance evaluation system in compliance with pertinent SEC regulations.

On February 22, 2011, the Company submitted its Revised Manual on Corporate Governance pursuant to SEC Memorandum Circular No. 6, Series of 2009.

In compliance with pertinent Rules, then Corporate Secretary of the Company attended various seminars on the Corporate Governance – the Asean Scorecard Information Briefing held on various dates, the last one being held last March 26, 2013 at the Institute of Corporate Directors.

On May 30, 2013, the Company submitted its Annual Corporate Governance Report pursuant to SEC Circular No. 5, Series of 2013.

On October 20, 2014, the Company's President and Corporate Secretary attended the SEC-PSE Corporate Governance Forum at the Makati Shangri-la Hotel.

On April 23, 2015, the Company's representatives attended the SEC Corporate Governance Workshop on the Asean Corporation Governance Scorecard at the Crowne Plaza Manila in Ortigas.

On December 9, 2015, the members of the Board of Directors and the Corporate Secretary attended the Advance Corporate Governance Seminar held at the New World Hotel, Esperanza Street corner Makati Avenue, Ayala Center, Makati City.

On April 22, 2016, The Company's Corporate Secretary attended the Business Integrity Workshop of the Institute of Corporate Directors on "Compliance with US FCPA and the UK Bribery Act" at the Makati Diamond Residences.

On August 25, 2016 and December 8, 2016, the members of the Board of Directors attended the Corporate Governance Seminar held at the New World Hotel, Esperanza Street corner Makati Avenue, Ayala Center, Makati City

On November 22, 2016, other members of the Board of Directors and the Corporate Secretary attended the SEC-PSE Corporate Governance Forum at the 3rd Floor, Meeting Room I, PICC Complex, Pasay City.

On September 26, 2017, members of the Board attended the Corporate Governance Seminar "Competing Against Risk" at the Dusit Thani Hotel, Makati City. Another seminar was attended on October 14, 2017 at the Wackwack Golf & Country Club on "Risk, Opportunities, Assessment and Management (ROAM) Inc." The last seminar attended for the year was on 10 November 2017 at the Makati Shangri-la Hotel on "Corporate Governance: Board Effectiveness Best Practices." The Corresponding Certificates of Completion/Attendance for the 2017 seminars attended was submitted to the SEC on 21 November 2017.

On February 23, 2018, the Company's President attended the Corporate Governance Seminar held at the 3<sup>rd</sup> Floor, Guajes Room of Acacia Hotel in Alabang, Muntinlupa City and conducted by SGV.

On August 29, 2018, members of the Board of Directors attended the Corporate Governance "Orientation Program" held at the Discovery Primea, Makati City conducted by Institute of Corporate Directors (ICD).

On August 30, 2018, members of the Board of Directors attended the Corporate Governance Seminar held at RCBC Plaza, Ayala Avenue, Makati City, conducted by Risks, Opportunities, Assessment and Management (ROAM), Inc. The corresponding

Certificates of Completion/Attendance for August 29 and August 30 was submitted to SEC on 04 September 2018.

On November 9, 2018, members of the Board of Directors attended the Corporate Governance Seminar “Board Effectiveness Best Practices” held at Manila Marriott Hotel, Pasay City, conducted by Center for Global Best Practices.

On November 21, 2018, the other members of the Board of Directors attended the Corporate Governance Seminar “Professionalizing your Management and Board of Directors” held at PCCI BA Securities Hall, McKinley Hills, Taguig City, conducted by Philippine Chamber of Commerce and Industry (PCCI). The corresponding Certificates of Completion/Attendance for November 9 and November 21 was submitted to SEC on November 22, 2018.

On May 16, 2019, members of the Board of Directors attended the Corporate Governance Seminar “Professionalizing your Management and Board of Directors” held at PCCI BA Securities Hall, McKinley Hills, Taguig City, conducted by Philippine Chamber of Commerce and Industry (PCCI). Certificates of Completion/Attendance was submitted to SEC on May 21, 2019.

One June 14, 2019, members of the Board of Directors attended the Corporate Governance Seminar held at RCBC Plaza, Ayala Avenue, Makati City, conducted by Risks, Opportunities, Assessment and Management (ROAM), Inc. The corresponding Certificates of Completion/Attendance was submitted to SEC on June 18, 2019.

On November 19, 2020, members of the Board of Directors attended the Corporate Governance Webinar “2019 Revised Corporation Code of the Philippines” held via zoom and conducted by Center for Global Best Practices Foundation. The corresponding Certificates of Attendance was submitted to SEC on December 17, 2020.

On August 10, 2021, members of the Board of Directors attended the Corporate Governance Webinar, conducted by Risks, Opportunities, Assessment and Management (ROAM), Inc., via Zoom. The corresponding Certificates of Attendance was submitted to SEC on August 23, 2021.

On October 21, 2022, members of the Board of Directors attended the Corporate Governance Webinar conducted by Risks, Opportunities, Assessment and Management \*ROAM, Inc. via Zoom. Also on December 20, 2022, other Board members attended the Corporate Governance Webinar conducted by Philippine Chamber of Commerce and Industry (PCCI) via Zoom. The corresponding Certificate of Attendance was submitted to SEC on November 16, 2022 and January 2, 2023, respectively.

On September 21, 2023, members of the Board of Directors attended the corporate governance webinar called “Corporate Governance: The Foundation to Sustainable Success”, conducted by P&A Grant Thornton via MS Teams. On November 17, 2023, some members of the Board attended “Strategic Thinking for Board Directors and Leaders” conducted by Center for Global Best Practices (CGBP) via Zoom.

For 2024, the following corporate governance seminars were attended by the members of the Board of Directors and the Corporate Secretary of the Company:

- a. "Corporate Governance Orientation Program" conducted by the Institute of Corporate Directors via Zoom, April 23-24, 2024 – attended by a member of the Board of Directors
- b. "Corporate Governance Seminar" conducted by the Philippine Chamber of Commerce and Industry via Zoom, September 20, 2024 – attended by the Chairman of the Board of Directors and Corporate Secretary of the Company
- c. "Strategic Thinking for Board Directors and Leaders" conducted by Center for Global Best Practices (CGBP) via Zoom, October 1, 2024 – attended by six (6) members of the Board of Directors and Legal Counsel of the Company
- d. "2019 Revised Corporation Code of the Philippines" conducted by CGBP via Zoom, October 4, 2024 – attended by a member of the Board of Directors
- e. "Corporate Governance Orientation Program" conducted by the Institute of Corporate Directors via Zoom, October 29-30, 2024 – attended by the new member of the Board of Directors
- f. "Digital Transformation Landscape: Strategies and Governance for Contemporary Challenges" conducted by P&A Grant Thornton via Microsoft Teams, November 8, 2024 – attended by a member of the Board of Directors

### **Evaluation System**

The Company continues to adhere to the principles and policies of its Manual with the view to continually improve the company's corporate governance. It has adopted as a guideline the SEC's Corporate Governance Self-Rating Form (CG-SRF) in order to determine the Company's compliance with the leading practices on Corporate Governance.

### **Plan to Improve**

The Company continues to take efforts to be abreast with development and trends on Corporate Governance as the same may emerge.

## BOARD OF DIRECTORS AND MANAGEMENT

### DIRECTORS

**Johnson Tan Gui Yee**  
Chairman

**Mark Ryan K. Cokeng**  
President

**Charlie K. Chua**

**Francis L. Chua**

**Johnson U. Co**

**Johnny O. Cobankiat**

**Katrina Marie K. Cokeng**

**Mary K. Cokeng**

**Peter L. Kawsek, Jr.**

**Rufino B. Tiangco**

**Ryan Wesley T. Yapkianwee**

### MANAGEMENT

**JOHNSON TAN GUI YEE**  
Chairman of the Board

**MARK RYAN K. COKENG**  
President

**JOHNSON U. CO**  
Vice-President for Administration

**MARY K. COKENG**  
Treasurer

**KATRINA MARIE K. COKENG**  
Assistant Treasurer

**ATTY. ANNE JAYCELLE C.**  
**SACRAMENTO**  
Legal Counsel, Corporate  
Secretary & Compliance Officer

## DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

### A. DIRECTORS AND EXECUTIVE OFFICERS

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

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

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

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

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

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

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

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

Bachelor of Arts in Economics and Statistics, Boston University

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

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

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

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

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

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

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

Bachelor of Arts, Management, University of Sto. Tomas

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

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

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

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

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

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

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

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

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

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

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

B.S. Accounting, De La Salle University.

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

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

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

B.S. Management, Ateneo University.

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

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

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

Bachelor of Science in Business, De La Salle University.

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

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

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

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

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

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

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

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

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

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

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

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

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

**The Independent Directors**. The independent directors of the Company are Peter Kawsek, Jr. and Charlie K. Chua.

## **B. SIGNIFICANT EMPLOYEES**

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

## **C. FAMILY RELATIONSHIPS**

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

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