

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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

Atty. Anne Jaycelle C. Sacramento

Contact Person

8-8927133 • 8-8927137

Company Telephone Numbers

1	2	3	1
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Month                      Day  
Fiscal Year

0	6	1	5
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Month                      Day  
Annual Meeting

PRELIMINARY INFORMATION  
STATEMENT  
(SEC FORM 20-IS)

Form Type

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Number of Stockholders

Total Amount of Borrowings

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Domestic                      Foreign

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File Number

LCU

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Document I.D.

Cashier

STAMPS

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# *F & J Prince Holdings Corporation*

## **NOTICE OF SPECIAL STOCKHOLDERS' MEETING**

**To: All Stockholders**

**NOTICE IS HEREBY GIVEN** that the Special Stockholders' Meeting of **F & J Prince Holdings Corporation** (the "**Corporation**") will be held on Thursday, 29 January 2026 at 2:00 in the afternoon in a fully virtual format via **ZOOM**. The Guidelines for Participating via Remote Communication and Voting in Absentia are provided in the Corporation's website at <https://www.fjprince.com>.

The following matters will be taken up during the meeting:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of Declassification of Shares and Amendment of the Articles of Incorporation
4. Other Matters
5. Adjournment

Only stockholders of record as of 28 November 2025 are entitled to notice of, and to vote at, the said annual meeting or any adjournment or postponement thereof.

Stockholders shall attend the meeting by remote communication and/or vote *in absentia* or through the Chairman of the meeting as proxy. Stockholders who wish to participate by remote communication or vote *in absentia* or by proxy should notify the Corporate Secretary by email to [fjphco@gmail.com](mailto:fjphco@gmail.com) on or before 19 January 2026. The requirements and procedures in participating in absentia or by remote communication are available in the Information Statement. The Information Statement is now accessible on the Corporation's website at <https://www.fjprince.com>.

This Notice will also be published twice in two (2) newspapers of general circulation and online format at least twenty-one (21) days before the date of the Special Stockholders' Meeting.

Duly accomplished proxies in the form attached shall be submitted on or before 19 January 2026 to the office of the Corporation not later than the close of office hours, or submitted online by email to [fjphco@gmail.com](mailto:fjphco@gmail.com). If the stockholder is a corporation, a Secretary's Certificate quoting the board resolution authorizing the corporate officer to execute the proxy should also be submitted.

Validation of proxies will be held on 20 January 2026, at 11:00 AM at the 5th Floor, BDO Towers Paseo, Paseo de Roxas, Makati City, or virtually, as may be necessary or required.

Makati City, 09 December 2025.

  
(ATTY.) ANNE JAYCELLE C. SACRAMENTO  
Corporate Secretary

**AGENDA DETAILS**

1. **CALL TO ORDER.** The Chairman of the Board of Directors, Mr. Johnson Tan Gui Yee, will formally open the Special Stockholders' Meeting and will call the meeting to order.
2. **CERTIFICATION OF NOTICE AND QUORUM.** The Corporate Secretary, Atty. Anne Jaycelle C. Sacramento, will certify the date when the written notice of the time, date, place and purpose of the meeting was sent to all registered stockholders of record as of **28 November 2025**. The Corporate Secretary will thereafter certify the number of attendees for the purpose of determining the existence of quorum to validly transact business. The holders of record of the majority of the stock of the Corporation then issued and outstanding and entitled to vote shall constitute a quorum.
3. **APPROVAL OF DECLASSIFICATION OF SHARES AND AMENDMENT OF THE ARTICLES OF INCORPORATION.** SEC Memorandum Circular No. 10, Series of 2025 orders the declassification of the Class “A” and “B” shares of publicly-listed companies, and further requires all affected corporations to amend their respective Articles of Incorporation to reflect such change. Stockholders will be asked to approve and/or ratify the amendment of the Articles of Incorporation. Below is the text of the proposed resolution:

**“RESOLVED,** that the Corporation be hereby, as it is hereby, authorized and empowered to declassify its shares, and accordingly, to amend the Seventh Article of its Articles of Incorporation, as follows:

‘SEVENTH: That the capital stock of the said corporation is ONE BILLION PESOS (P1,000,000,000.00) Philippine Currency, and said capital stock is divided into One Billion (1,000,000,000) shares having a par value of One Peso (1.00) Philippine Currency per share.

All of the share of the capital stock of the corporation shall be common shares, all with the same rights and privileges.

No shareholder of this corporation shall have any preemptive or preferential right to subscribe for any increase thereof that may lawfully authorized. (As Amended on 29 January 2026)

4. **OTHER MATTERS AND OPEN FORUM.** Stockholders may raise questions or express comments that are relevant to the Corporation.

5. **ADJOURNMENT.** Upon determination by the Corporate Secretary that there are no other matters to be considered, and on motion by the stockholders, the Chairman shall declare the meeting adjourned.

**Guidelines for Participating via Remote Communication and Voting in Absentia in 2025 Annual Stockholders’ Meeting of F&J Prince Holdings Corporation. (Available at <https://www.fjprince.com>).**

The Special Stockholders’ Meeting (SSM) of F&J Prince Holdings Corporation (the “**Corporation**”) is on 29 January 2026 at 2:00 PM and with a record date of 28 November 2025.

Consistent with SEC Memorandum Circular No. 06, Series of 2020, the Board of Directors of the Corporation has approved and authorized the stockholders to participate in the SSM via remote communication and to exercise their right to vote *in absentia*.

**Registration**

The stockholder must notify the Corporate Secretary of his/her intention to participate in the SSM via remote communication and exercise his/her right to vote *in absentia* by no later than 19 January 2026 by emailing at [fjphco@gmail.com](mailto:fjphco@gmail.com) and by submitting therewith the following supporting documents/information:

**a. For Individual Stockholders**

1. Copy of valid government ID of stockholder/proxy
2. Stock certificate numbers
3. If appointing a proxy, copy of proxy form duly signed by stockholder (need *not* be notarized)
4. E-mail address and contact number of stockholder and proxy (if any)

**b. For Multiple Stockholders or joint owners**

1. Stock certificate number/s
2. Proof of authority of stockholder voting the shares signed by the other registered stockholders, for shares registered in the name of multiple stockholders (need *not* be notarized)
3. Copy of valid government IDs of all registered stockholders
4. Email-address and contact number of the authorized representative

**c. For Corporate Stockholders**

1. Secretary’s Certification of Board resolution appointing and authorizing a proxy to participate in the SSM
2. Valid government ID of the authorized representative
3. Stock certificate number/s
4. E-mail address and contact number of the authorized representative

**d. For Stockholders with Shares under broker account**

1. Certification from the broker as to the number of shares owned by the stockholder
2. Valid government ID of stockholder
3. If appointing a proxy, copy of proxy form duly signed by stockholder (need *not* be notarized)
4. E-mail address and contact number of stockholder or proxy

**Voting**

The stockholders who have sent us their intention to participate in the SSM shall be notified via email of their log-in passwords for the zoom meeting. The stockholders can then cast their votes during the zoom meeting.

**SSM Livestream**

The stockholders who have the log-in passwords can participate in the SSM through zoom. Further instructions on how to access the live stream will also be posted at [fjprince.com](http://fjprince.com).

**Open Forum**

There will be an Open Forum during the meeting, where representatives of the Company may answer as many questions as time will allow. However, a stockholder may send their questions in advance by sending an email at [fjphco@gmail.com](mailto:fjphco@gmail.com) on or before 19 January 2026.

The Company's Investor Relations Officer will answer questions received but not answered during the SSM by email.

**Voting Procedures**

**a. Vote required**

The affirmative vote of the stockholders representing or holding at least a majority of the issued and outstanding capital stock entitled to and represented at the Annual Stockholders' Meeting is required for the approval of the matters presented to the stockholders for decision. The election of Directors is by plurality of votes.

**b. Method of voting**

In all items for approval, each voting share of stock entitles its registered owner as of the Record Date to one vote. In light of the Regulations (as defined in Item 20), stockholders will only be allowed to vote by appointing the Chairman of the meeting as their proxy or electronically *in absentia*.

Proxies shall be in writing, signed, and filed by the stockholders in the form provided in this Information Statement, and shall be received by the Corporate Secretary at [fjphco@gmail.com](mailto:fjphco@gmail.com) on or before 19 January 2026.

A stockholder may vote electronically *in absentia* using the online web address, [fjphco@gmail.com](mailto:fjphco@gmail.com) subject to validation procedures. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

All votes will be counted and tabulated by the Committee of Inspectors and Ballots of the Company and the results will be validated by an independent third party.

*For any queries or concerns, please contact the office of the Corporate Secretary at (632) 8-892.7133 or via email at [fjphco@gmail.com](mailto:fjphco@gmail.com).*

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 20- IS

### INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☒ Preliminary Information Statement

☐ Definitive Information Statement

*F & J Prince Holdings Corporation*

2. Name of Registrant as specified in its charter

**Philippines**

3. Province, country or other jurisdiction of incorporation or organization

**43370**

4. SEC Identification Number

**000-829-097**

5. BIR Tax Identification Number

**5<sup>th</sup> Floor, BDO Towers Paseo  
8741 Paseo de Roxas, Makati City**

6. Address of principal office

**1226**

Postal Code

**(632) 88927133 or 88927137**

7. Registrant's telephone number, including area code

**29 January 2026 (fully virtually format, via ZOOM)**

8. Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders.

**05 December 2025**

10. In case of Proxy Solicitations:

*F & J Prince Holdings Corporation*

Name of Person Filing the Statement/Solicitor:

**5<sup>th</sup> Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City  
88927133 or 88927137**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
<b>Class "A"</b>	<b>292,610,118</b>
<b>Class "B"</b>	<b>189,217,535</b>

12. Are any or all of registrant's securities listed on the Stock Exchange?

Yes ☒

No ☐

If yes, disclose the name of such Stock Exchange and the class of securities listed therein

**Philippine Stock Exchange, Class "A" and "B"**

## **PART I**

### **INFORMATION REQUIRED IN INFORMATION STATEMENT**

#### **A. GENERAL INFORMATION**

##### **ITEM 1. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS**

<b>Date</b>	<b>:</b>	<b>January 29, 2026</b>
<b>Time</b>	<b>:</b>	<b>2:00 PM</b>
<b>Place</b>	<b>:</b>	<b>Fully Virtual Format (via ZOOM)</b>
<b>Principal Office</b>	<b>:</b>	<b>5<sup>th</sup> Floor, BDO Towers Paseo 8741 Paseo de Roxas, Makati City 1226</b>

The Information Statement and the proxy forms and other solicitation materials may be accessed by the shareholders at the Corporation's website, <https://fjprince.com>, beginning 05 December 2025.

##### **ITEM 2. DISSENTERS' RIGHT OF APPRAISAL**

The appraisal right is available to any stockholder who will vote against the proposed corporate action in the following instances stated in the Revised Corporation Code (2019), *to wit*:

1. any amendment to the Articles of Incorporation which has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence (Sec. 80 [a]);
2. any sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Sec. 80 [b]);
3. any merger or consolidation of the Corporation with or into another entity (Sec. 80 [c]); and
4. any investment of corporate funds for any purpose other than the primary purpose for which the Corporation was organized (Sec. 80 [d]).

However, the present meeting is being called in order to discuss the declassification of shares of the Corporation which does not affect or change the rights of any stockholders, and consequently, the amendment of its Articles of Incorporation.

Therefore, the matters to be taken up during the meeting do not call for the availability and the exercise of the shareholder's appraisal right.

### **ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON**

None of the directors and executive officers of the Corporation, nor any associate of said persons, nor any of the nominees for election as a director of the registrant, have any substantial interest, direct or indirect, in any matter to be acted upon at the meeting, other than elections to office.

None of the directors of the Corporation has informed the Corporation, whether in writing or otherwise, of any intention to oppose any matter to be taken up at the forthcoming stockholders' meeting.

## **B. CONTROL AND COMPENSATION INFORMATION**

### **ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The securities of the Registrant are divided into two (2) classes: Class "A," which is issued solely to Filipino citizens, and Class "B," which may be issued to Filipino citizens or to aliens alike. As of 30 November 2025, **One Hundred Forty Million One Hundred Seven Thousand Five Hundred Fifty-Nine (140,107,559)** shares are foreign-owned.

The following number of shares is outstanding and entitled to vote as of **28 November 2025**:

<b><u>Class</u></b>	<b><u>No. of Shares Outstanding</u></b>	<b><u>No. of Votes to which entitled</u></b>
Class "A"	292,610,118	292,610,118
Class "B"	<u>189,217,535</u>	<u>189,217,535</u>
<b>Total</b>	<b><u>481,827,653</u></b>	<b><u>481,827,653</u></b>

The record date for shareholders who shall be entitled to vote has been fixed at 28 November 2025. All shareholders entitled to vote may vote such number of shares of stock standing in his name on the stock and transfer book of the Corporation as of 28 November 2025. Said shareholders may vote such shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; *provided*, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the total number of directors to be elected.

#### **a) Security Ownership of Certain Record and Beneficial Owners**

As of 28 November 2025, the record or beneficial owners of Five Percent (5%) or more of the outstanding capital stock of the Corporation are as follows:

<b>TITLE OF CLASS</b>	<b>NAME, ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER</b>	<b>NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER</b>	<b>CITIZENSHIP</b>	<b>NUMBER OF SHARES HELD</b>	<b>PER-CENTAGE</b>
Common B	Essential Holdings Limited 11/F, Belgian House, 77-79 Gloucester Road, Hongkong	Same as Record Owner Estate of Robert Y. Cokeng Mary K. Cokeng <i>Managing Director</i>	Foreign	139,778,670  Record & Beneficial	29.01%
Common A & B	PCD Nominee Corporation 37 <sup>th</sup> Floor Tower I, The Enterprise, 6766 Ayala Avenue Makati City  <i>Stockholder</i>	None of the beneficial owners own Five (5%) Percent or more of the outstanding capital stock of the Corporation	Filipino	68,299,452	14.18%
Common A & B	Pinamucan Industrial Estates, Inc. 5 <sup>th</sup> Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City	Same as Record Owner  Mark Ryan K. Cokeng Chairman	Filipino	47,268,493  Record & Beneficial	9.81%
Common A	Magellan Capital Holdings Corporation 5 <sup>th</sup> Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City	Same as Record Owner  Mark Ryan K. Cokeng President	Filipino	47,143,022  Record & Beneficial	9.78%
Common A	Consolidated Tobacco Industries of the Philippines, Inc. CTIP Compound, Ortigas Avenue Ext., Rosario, Pasig City	Same as Record Owner  Mark Ryan K. Cokeng President	Filipino	43,052,023  Record & Beneficial	8.94%
Common A	Vructi Holdings Corporation 52 Narra Avenue, Forbes Park Makati City	Same as Record Owner  Rufino B. Tiangco President	Filipino	34,633,628  Record & Beneficial	7.19%

Mr. Mark Ryan K. Cokeng is the controlling stockholder of Essential Holdings Limited (EHL). He is also the President of the Registrant. Mr. Mark Ryan K. Cokeng has the power to vote the shares of EHL in the upcoming Stockholders' Meeting.

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

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

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

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

**b) Security Ownership of Management**

As of 28 November 2025, the Directors, Executive Officers, and Nominees of the Corporation are the beneficial owners of the following shares:

<b>TITLE OF CLASS</b>	<b>NAME OF BENEFICIAL OWNER</b>	<b>AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP</b>	<b>CITIZENSHIP</b>	<b>PERCENT OF OWNERSHIP</b>
Common A	Johnson U. Co	1,100,000	Filipino	0.22%
Common A	Mark Ryan K. Cokeng	10,000	Filipino	0.002%
Common A	Johnson Tan Gui Yee	15,371,747	Filipino	3.19%
Common A	Mary K. Cokeng	1,000	Filipino	0.0002%
Common A	Johnny O. Cobankiat	7,227,076	Filipino	1.50%
Common A & B	Rufino B. Tiangco	128,000	Filipino	0.03%
Common A	Francis L. Chua	100,000	Filipino	0.02%
Common A	Charlie K. Chua	5,000	Filipino	0.001%
Common A	Peter L. Kawsek, Jr.	1,000	Filipino	0.0002%
Common A	Ryan Wesley T. Yapkianwee	10,000	Filipino	0.002%
<b>Total</b>		<b>23,963,823</b>		<b>4.9654%</b>

**c) Voting Trust Holders of 5% or More of the Outstanding Shares**

No shareholder holding more than Five Percent (5%) of the outstanding capital stock of the Corporation holds such shares under a voting trust or similar agreement.

**d) Changes in Control**

There has been no change in the voting control of the Registrant nor has there been any arrangement with any party which may result in a change of control since the last fiscal year.

## **ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS**

### **a) Directors and Nominees**

The following are the incumbent Directors and Executive Officers of the Registrant as well as nominee for Director, and their respective ages, citizenship, business experiences for the last five (5) years, positions and periods of service:

**JOHNSON TAN GUI YEE**, 78 years old, Filipino citizen  
***Chairman of the Board***

*Elected on 27 June 2025 to a one-year term. Director since 1997.*

*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***

*Elected on 27 June 2025 to a one-year term. Director and Treasurer since 2013.*

*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**, 73 years old, Filipino citizen  
***Vice-President for Administration and Director***

*Re-elected on 27 June 2025 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; Director, Malabrigo Corporation and Pinamucan Power Corporation; Chairman & Director, Center Industrial & Investment Inc.; Chairman & Director, Consolidated Tobacco Industries of the Philippines, Inc.; Director, Pointwest Technologies Corporation (PTC) and Business Process Outsourcing International, Inc. (BPOI).*

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

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

*Re-elected on 27 June 2025 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.

**CHARLIE K. CHUA**, 63 years old, Filipino citizen  
**Independent Director**

*Re-elected on 27 June 2025 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.

**PETER L. KAWSEK, JR.**, 68 years old, Filipino citizen  
**Independent Director**

*Re-elected on 27 June 2025 to a one-year term. Independent Director since 2018.*

*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.

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

*Re-elected on 27 June 2025 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**, 74 years old, Filipino citizen  
**Director**

*Re-elected on 27 June 2025 to a one-year term. Director since 2001.*

*General Manager, Sunny Multi Products and Land Management Inc., Midori Carpet.*

B.S. Management, Ateneo University.

**RUFINO B. TIANGCO**, 76 years old, Filipino citizen  
**Director**

*Re-elected on 27 June 2025 to a one-year term. Director since 1997.*

*Chairman of the Board, R.A.V. Fishing Corporation, Midbound Vitas Central Terminal & Shipyards Corp. (formerly Marala Vitas Central Terminal & Shipyards Corp.); President, Vrukti Holdings Corporation, Trufsons Holdings Corporation, Ruvict Holdings Corporation; Director, Magellan Capital Holdings Corporation and Magellan Utilities Development Corporation.*

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

**RYAN WESLEY T. YAPKIANWEE**, 43 years old, Filipino citizen  
**Director**

*Re-elected on 27 June 2025 to a one-year term. Director since 2024.*

*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**, 38 years old, Filipino citizen  
**Legal Counsel, Corporate Secretary and Compliance Officer**

*Re-elected on 27 June 2025 to a one-year term. Corporate Secretary since 2024. Appointed as Compliance Officer on 19 February 2025.*

*Legal Counsel and 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.*

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

**Term of Office.** The directors of the Registrant were elected during the annual stockholders' meeting held on 27 June 2025. The directors and officers have a one (1) year term of office.

**Executive Officers.** The Executive Officers of the Registrant, and their respective ages, citizenship, positions are as follows:

NAME	AGE	CITIZENSHIP	POSITION	PERIOD DURING WHICH THE INDIVIDUAL HAS SERVED AS SUCH
Johnson Tan Gui Yee	78	Filipino	Chairman of the Board	January 2023 to present
Mark Ryan K. Cokeng	39	Filipino	President	January 2023 to present
Johnson U. Co	73	Filipino	Vice-President for Administration	2013 to present
Mary K. Cokeng	73	Filipino	Treasurer	January 2023 to present
Anne Jaycelle C. Sacramento	38	Filipino	Corporate Secretary and Compliance Officer	12 April 2024 to present

**Independent Directors.** During the Annual Stockholders' Meeting held on 12 July 2006, the stockholders, constituting more than 2/3 of the issuer's outstanding capital stock, approved the proposed amendment to the By-Laws adopting the requirements of SRC Rule 38 on the nomination and election of Independent Directors. The aforesaid amendment to the Company's By-Laws adopting the requirements of SRC Rule 38 was approved by the SEC on February 2008.

Pursuant to SRC Rule 38, as amended, the Company's Nominations Committee promulgated the following guidelines to govern the conduct of the nomination for independent directors:

1. The Committee shall ascertain that all candidates for nominees meet the qualifications of an independent director pursuant to the Code of Corporate Governance and applicable issuances from the SEC.
2. Each of the Committee members shall choose possible nominees from candidates nominated by shareholders. The nominees must meet the following minimum qualifications:
  - (i) He shall have at least one (1) share of stock of the corporation;
  - (ii) He shall be at least a college graduate or he shall have been engaged or exposed to the business of the corporation for at least five (5) years;
  - (iii) He shall possess integrity/probity; and
  - (iv) He shall be assiduous.

**The members of the Nomination Committee of the Registrant are the following:**

Charlie K. Chua	-	Chairman/Independent Director
Mark Ryan K. Cokeng		
Rufino B. Tiangco		
Johnson Tan Gui Yee		
Francis L. Chua		

**Nomination for Directorship.** The nominees for Directors are all eleven (11) incumbent directors, namely, Charlie K. Chua, Johnson U. Co, Mark Ryan K. Cokeng, Johnny O. Cobankiat, Katrina Marie K. Cokeng, Mary K. Cokeng, Francis L. Chua, Peter L. Kawsek, Jr., Johnson Tan Gui Yee, Rufino B. Tiangco, and Ryan Wesley Yapkianwee. The Nomination

committee has determined that they meet the qualifications for directors as outlined above. The nominees for Independent Directors are: Peter L. Kawsek, Jr. and Charlie K. Chua. Mr. Peter Kawsek, Jr. was nominated by shareholder Betty C. Dy who is not related to the nominee. Mr. Charlie K. Chua was nominated by Arsenio Tang who is not related to the nominee.

**Appraisals and Performance Report.** The Board shall institute a system for Appraisal and Performance of the Directors based on attendance and contribution to discussion and matters brought to the Board for discussion and approval.

**Director's discussions on self-dealing and related party transactions.** Katrina Marie K. Cokeng, former Director of the Registrant, is the Co-founder and Group CEO of XEN Technologies Pte. Ltd., a company providing a platform for private investments. It utilizes financial technology to enable accredited investors and their advisors to access private equity funds, venture funds, hedge funds, and real estate funds. It is headquartered in Singapore. The Registrant has investments in XEN Technologies Pte Ltd. In discussion on these investments, aside from Katrina Marie K. Cokeng, Mary K. Cokeng, Mark Ryan K. Cokeng, and Johnson Co abstained on approval for the transaction since they are related parties to Katrina Marie K. Cokeng.

**b) Significant Employees**

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

**c) Family Relationships**

Mark Ryan K. Cokeng is the son of (+) Robert Y. Cokeng and Mary K. Cokeng. Johnson U. Co is the cousin of (+) Robert Y. Cokeng. Katrina Marie K. Cokeng is the daughter of (+) Robert Y. Cokeng and Mary K. Cokeng. Other than the ones disclosed, there are no other family relationships known to the Registrant.

**d) Certain Relationship and Related Transaction**

There is no transaction or proposed transaction during the last two (2) years to which the Registrant was or is to be a party in relation to any director, any nominee for election as director, any security holder of certain record beneficial owner or management or any member of the immediate families of such directors. The Registrant's subsidiary, MCHC, and certain MCHC's subsidiaries and affiliates, as well as Registrant's affiliate, Business Process Outsourcing International (BPOI), have transactions with each other, such as rental contracts and inter-company 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.

Katrina Marie K. Cokeng resigned as Director and Assistant Treasurer of the Registrant effective 31 July 2025, for personal reasons. No director has resigned or declined to stand for re-election to the Board of Directors since 27 June 2025, the date of the last annual

stockholders' meeting, because of a disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

As of December 31, 2024, MCHC and its subsidiary, PIEI, have receivables from Magellan Utilities Development Corporation (MUDC), a minority-owned affiliate of MCHC, in the amount of P28,041,635.00. As of December 31, 2024, the Registrant also had dividend receivables from its outsourcing affiliate, Pointwest Technologies Corporation (PTC). Receivables from MUDC are fully provided for in the Audited Financial Statements.

## **ITEM 6. LEGAL PROCEEDINGS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- b) “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.
- c) “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.

- d) “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.

- e) ***“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.

- f) “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.
- g) “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.

- h) “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.

- i) “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 (P50,000,000.00) it deposited with Maybank for the alleged purchase of MCHC’s property in BGC, Taguig City.

The case was referred to Mediation. However, due to physical closure of government offices during the community quarantines, no actual mediation conferences were held, and the mediator referred the case back to the Regional Trial Court. Subsequently, in an Order dated 22 October 2021, the Regional Trial Court referred the parties to Judicial Dispute Resolution (JDR). The JDR likewise failed. Hence, trial ensued. In the meantime, Uny Pacific and MCHC had negotiated for the settlement of the case. A Settlement Agreement was entered into on 19 July 2023 between Uny

Pacific and MCHC, wherein Uny Pacific agreed to pay MCHC the amount of Two Hundred Thousand Pesos (₱200,000.00), and both parties agreed to hold each other free from any and all liabilities relating to and/or arising from the case.

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

## **ITEM 7. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

### **a) General**

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

### **b) Summary Compensation Table**

**Summary Compensation Table  
Annual Compensation**

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

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

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

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

**c) Compensation of Directors**

Directors receive a *per diem*<sup>1</sup> of ₱5,000.00 *per* attendance at Board Meetings and no other compensation as such.<sup>2</sup>

**d) Employment Contracts and Termination of Employment and Change-in-Control Arrangements**

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

**e) Warrants and Options Outstanding: Re-pricing**

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

**ITEM 8. INDEPENDENT PUBLIC ACCOUNTANTS**

Management intends to recommend the re-appointment of *Reyes Tacandong & Co.* as the external auditor of the Corporation. Said accounting firm has replaced *Mendoza, Querido Co., CPA*, beginning year 2023. Before *Mendoza, Querido & Co.*, the Corporation engaged the external auditing services of *KPMG (R.G. Manabat & Co.)* in 2020 and *SyCip Gorres Velayo & Co. (SGV)* from 1997 up to 2019. There have been no changes in and disagreements with *Mendoza Querido & Co.*, on its accounting and financial disclosures. Likewise, there have been no changes in and disagreements with *SGV* and *KPMG (R.G. Manabat & Co.)* on its accounting and financial disclosures. Prior to 1997, the external auditor of the Corporation was *Velandria Dimagiba & Co.* The changes in the external auditor are not due to any disagreement between the Corporation and the former auditor on accounting and financial disclosures, or their resignation or dismissal.

Ms. Belinda B. Fernando is the Signing Partner for FY 2024.

**The members of the Registrant’s Audit Committee are the following:**

Peter L. Kawsek, Jr.     -    Chairman/Independent Director  
Mark Ryan K. Cokeng  
Johnson Tan Gui Yee  
Rufino B. Tiangco  
Johnson U. Co

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

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

## **ITEM 9. COMPENSATION PLANS**

There is no action to be taken with respect to any plan pursuant to cash or non-cash compensation to be paid or distributed.

**The members of the Registrant's Compensation Committee are the following:**

Mark Ryan K. Cokeng	- Chairman
Johnson U. Co	
Rufino B. Tiangco	
Charlie K. Chua	- Independent Director
Mary K. Cokeng	

## **C. ISSUANCE AND EXCHANGE OF SECURITIES**

### **ITEM 10. AUTHORIZATION OR ISSUANCE OF SECURITIES OTHERWISE THAN FOR EXCHANGE**

There is no action to be taken with respect to the authorization or issuance of any securities other than for exchange.

### **ITEM 11. MODIFICATION/ EXCHANGE OF SECURITIES**

Pursuant to SEC Memorandum Circular No. 10, Series of 2025, the Class "A" and "B" common shares shall be declassified. Accordingly, action will be required for the approval of the amendment of the Seventh Article of the Articles of Incorporation of the Registrant to remove the Class "A" and "B" classification of common shares.

### **ITEM 12. FINANCIAL OR OTHER INFORMATION**

No submission of any other financial information related to Items 9 and 10 needs to be made.

### **ITEM 13. MERGER, CONSOLIDATION, ACQUISITION AND SIMILAR MATTERS**

There is no action to be taken with respect to any merger, consolidation, acquisition and similar matters.

### **ITEM 14. ACQUISITION/DISPOSITION OF PROPERTY**

There is no action to be taken with respect to any acquisition or disposition of property.

### **ITEM 15. RESTATEMENT OF ACCOUNTS**

There is no action to be taken with respect to any restatement of accounts.

## **D. OTHER MATTERS**

### **ITEM 16. ACTION WITH RESPECT TO REPORTS**

There is no action to be taken with respect to any reports of the Registrant.

### **ITEM 17. MATTERS NOT REQUIRED TO BE SUBMITTED**

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

### **ITEM 18. AMENDMENT OF CHARTER, BY-LAWS OR OTHER DOCUMENTS**

Action will be required for the approval of the amendment of the Seventh Article of the Articles of Incorporation of the Registrant to remove the Class “A” and “B” classification of common shares.

### **ITEM 19. OTHER PROPOSED ACTION**

No other action is to be taken with respect to any matter not specifically referred to above.

### **ITEM 20. DISAGREEMENTS**

No director of the Registrant has informed the Registrant that he opposes any action intended to be taken or taken by the Registrant.

### **ITEM 21. VOTING PROCEDURES**

Provided there is present, in person or through remote communication, the owners of a majority of the outstanding capital stock of the Corporation:

- (1) matters presented for approval by the shareholders, other than election of directors, will be considered approved upon the affirmative vote of a majority of the shareholders present at the meeting, and
- (2) candidates for the positions of Directors of the Corporation receiving the highest number of votes shall be declared elected.

#### **Voting Procedures**

##### **a. Vote required**

The affirmative vote of the stockholders representing or holding at least a majority of the issued and outstanding capital stock entitled to and represented at the Annual Stockholders’ Meeting is required for the approval of the matters presented to the stockholders for decision. The election of Directors is by plurality of votes.

##### **b. Method of voting**

In all items for approval, each voting share of stock entitles its registered owner as of the Record Date to one vote. In light of the Regulations (as defined in Item 20), stockholders will only be allowed to vote by appointing the Chairman of the meeting as their proxy or electronically *in absentia*.

In case of the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate the aforesaid shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

Proxies shall be in writing, signed and filed, by the stockholders, in the form provided in this Information Statement, and shall be received by the Corporate Secretary at [fjphco@gmail.com](mailto:fjphco@gmail.com) on or before 19 January 2026.

A stockholder may vote electronically *in absentia* using the online web address, [fjphco@gmail.com](mailto:fjphco@gmail.com) subject to validation procedures. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

All votes will be counted and tabulated by the Committee of Inspectors and Ballots of the Company and the results will be validated by an independent third party.

Each shareholder may vote *in absentia*, or by proxy the number of shares of stock standing in his name on the books of the Corporation. Each share represents one vote. In accordance with the By-laws of the Corporation, the election of directors and/or approval of any other matters presented to the shareholders shall be by ballot, and the Corporate Secretary shall count the votes cast. The Guidelines for shareholders to register for the Zoom meeting are shown in the company website <http://www.fjprince.com>.

### **Voting through Remote Communication; Voting *In Absentia***

The stockholders who have sent their intention to participate in the SSM shall be notified via email of their log-in passwords for the zoom meeting. The stockholders can then cast their votes during the zoom meeting.

### **ITEM 22. MATTERS TAKEN UP DURING THE ANNUAL STOCKHOLDERS' MEETING HELD ON JUNE 27, 2025**

1. **Attendance:** 395,770,658 shares represented in person or by proxy representing 82.14% of the 481,827,653 outstanding shares. One vote per share.

2. **Directors and Nominees attending:**

<b>Name of Stockholder</b>	<b>Number of Shares</b>
<b>Board of Directors</b>	
1. Mark Ryan K. Cokeng	10,000
2. Johnson Tan Gui Yee	15,371,747
3. Katrina Marie K. Cokeng	10,000
4. Johnson U. Co	1,100,000
5. Rufino B. Tiangco	128,000
6. Mary K. Cokeng	1,000
7. Francis L. Chua	100,000
8. Johnny O. Cobankiat	5,851,076
9. Peter L Kawsek, Jr.	1,000
10. Charlie K. Chua	10,000

11. Ryan Wesley T. Yapkianwee	10,000
<b>TOTAL</b>	<b>22,592,823</b>

Other shares in attendance: 373,187,835

### 3. Matters for approval

		<b>Votes Taken</b>		
		<b>Approved</b>	<b>Disapproved</b>	<b>Abstain</b>
a.	Minutes of the 2024 Annual Stockholders' Meeting	395,770,658	NIL	NIL
b.	2024 Audited Financial Statements	395,770,658	NIL	NIL
c.	Ratification of Corporate Actions Taken	395,770,658	NIL	NIL
d.	Election of Directors			
	Johnson Tan Gui Yee	395,770,658	NIL	NIL
	Mark Ryan K. Cokeng	395,770,658	NIL	NIL
	Mary K. Cokeng	395,770,658	NIL	NIL
	Katrina Marie K. Cokeng	395,770,658	NIL	NIL
	Johnson U. Co	395,770,658	NIL	NIL
	Charlie K. Chua	395,770,658	NIL	NIL
	Francis L. Chua	395,770,658	NIL	NIL
	Johnny O. Cobankiat	395,770,658	NIL	NIL
	Peter L. Kawsek, Jr.	395,770,658	NIL	NIL
	Rufino B. Tiango	395,770,658	NIL	NIL
	Ryan Wesley T. Yapkianwee	395,770,658	NIL	NIL

\*\* Mr. Charlie K. Chua and Mr. Peter L. Kawsek, Jr. were elected as Independent Directors.

e.	Re-appointment of Reyes Tacandong & Co. as external auditor for fiscal year 2024	395,770,658	NIL	NIL
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### 4. Open Forum

After the presentation, the floor was open for questions to be raised by any stockholder in attendance. No questions were raised.

## **SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct.

December 9, 2025, Makati City, Philippines.

*F & I Prince Holdings Corporation*

By:

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

## **PART II**

### **INFORMATION REQUIRED IN A PROXY FORM**

#### **ITEM 1. IDENTIFICATION**

The proxy is being solicited by *F & J Prince Holdings Corporation* (the “**Corporation**”) for and in its behalf, in connection with its Special Stockholders Meeting to be held on **Wednesday, January 29, 2026 at 2:30PM**. The meeting shall be conducted in full online format via ZOOM.

#### **ITEM 2. INSTRUCTION**

In order that your securities may be represented at the meeting in case you are not personally present, please complete, sign and date the Proxy Form.

The Corporation shall be pleased to vote your securities in accordance with your wishes if you will execute the Proxy Form and return the same promptly. It is understood that if you sign without otherwise marking the form, the securities will be voted as recommended by the Board of Directors on all matters to be considered at the meeting. The Chairman of the meeting is hereby authorized and empowered to fully exercise all rights as the attorney and proxy at such meeting.

#### **ITEM 3. REVOCABILITY OF PROXY**

The shareholder may revoke the proxy issued by him at any time prior to its use by the party who is thereby authorized to exercise the same. The By-laws do not provide any formal procedure by which revocation shall be done. However, the By-laws provide that no proxy bearing a signature that is not legally acknowledge, shall be recognized at any meeting unless such signature is known and recognized by the secretary of the meeting. Furthermore, proxies for meetings must be filed with and received at the offices of the Corporation at least five (5) days prior to the date of the meeting.

#### **ITEM 4. PERSONS MAKING THE SOLICITATION**

The solicitation of proxies is being undertaken by the Corporation in order to obtain the required quorum and the required vote to approve the subject matter of the annual meeting. No director has informed the Corporation of any intention to oppose the matters to be taken up in the annual meeting. No director or executive officer of the Registrant has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office.

In addition to ordinary mail, the Corporation, in coordination with its stock and transfer agent, intends to utilize the usual couriers and messengers to undertake the personal delivery of the proxy forms. No special contracts for courier or delivery services have been entered into. Costs will be limited to the normal costs of such services.

The costs of distributing this Information Statement and of soliciting the relevant proxies, which will be approximately Thirty Thousand Pesos (P30,000.00) shall be borne by the Corporation.

# *F & J Prince Holdings Corporation*

09 December 2025

**SECURITIES AND EXCHANGE COMMISSION**

The SEC Headquarters  
7909 Makati Avenue, Salcedo Village  
Bel-Air, Makati City

Attention : **MR. OLIVER O. LEONARDO**  
*Director, Markets and Securities Regulation  
Department*

**THE PHILIPPINE STOCK EXCHANGE, INC.**

6<sup>th</sup> Floor, PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

Attention : **ATTY. JOHANNE DANIEL M. NEGRE**  
*Office-In-Charge, Disclosure Department*

**Gentlemen:**

This is to certify that none of the current Directors of **F & J Prince Holdings Corporation** (the "**Corporation**") are employed by, or holding positions in, or are in any way connected with any government agency or instrumentality of the government. Also, none of the current officers of the Corporation is employed by, or holding positions in, or in any way connected with any government agency or instrumentality of the government.

This certification is issued in compliance with the directives of the Securities and Exchange Commission ("**SEC**") in compliance with the Office of the President Memorandum Circular No. 17 dated 04 September 1986 and in relation to the submission of the Corporation's Preliminary Information Statement.

Very truly yours,

  
**(ATTY.) ANNE JAYCELLE C. SACRAMENTO**  
*Corporate Secretary*

## PROXY

This proxy is being solicited by *F & J Prince Holdings Corporation* (the "Corporation") for and in its behalf, in connection with its Special Stockholders' Meeting to be held on **Thursday, January 29, 2026 at 2.30PM, which will be conducted in a fully virtual format via ZOOM.**

In order that your securities may be represented at the meeting in case you are not personally present, please complete, sign and date this Proxy Form.

The Corporation shall be pleased to vote your securities in accordance with your wishes if you will execute this Proxy Form and return the same promptly. It is understood that if you sign without otherwise marking the form, the securities will be voted as recommended by the Board of Directors on all matters to be considered at the meeting. The Chairman of the meeting is hereby authorized and empowered to fully exercise all rights as the attorney and proxy at such meeting.

Hereunder are the matters to be taken up during the meeting, please indicate your proposal selection by firmly placing an "X" in the appropriate box:

**Approval of Declassification of Shares and Amendment of the Articles of Incorporation**  
Voting Instruction

☐ For ☐ Against ☐ Abstain

This Proxy shall confer discretionary authority to vote with respect to any of the following matters:

1. Matters which the Corporation does not know a reasonable time before this solicitation, are to be presented at the meeting; and
2. Matters incident to the conduct of the meeting.

No director of the Registrant has informed the Registrant that he opposes any action intended to be taken or taken by the Registrant.

IN WITNESS WHEREOF, the undersigned stockholder has executed this proxy this \_\_\_\_\_ day of \_\_\_\_\_ 2025, at \_\_\_\_\_.

\_\_\_\_\_  
Usual Signature

\_\_\_\_\_  
Print Name Here

\_\_\_\_\_  
Address

# FJP

*F & J Prince Holdings*



2025



*Management Report*

## 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

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 April 25, 2025; and ₱1.91 per share for Class "B" shares transacted on January 22, 2025.

### Number of Shareholders

As of 31 December 2024, 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 P189.40 million from P188.5 million in 2023. Equity in net earnings of associates decreased from P45.3 million in 2023 to P32.3 million in 2024. Rent increased from P22.1 million in 2023 to P27.3 million in 2024. Fair Value Gain on Financial Assets at FVPL was P22.0 million in 2024 compared to P94.3 million in 2023. Dividend income decreased to P1.9 million in 2024 from P4.2 million in 2023. Fair value gains on disposal of Financial Assets at FVOCI was a loss of P3.3 million in 2024 compared to a loss of P23.8 million in 2023. Net FX gain was P34.3 million in 2024 compared to a gain of P3.1 million in 2023. Dividend income decreased to P1.9 million in 2024 from P4.2 million in 2023.

Total consolidated expenses of the Company decreased to P80.8 million in 2024 compared to P131.50 million in 2023.

As a result of the above, total consolidated income before tax in 2024 totaled P102.6 million compared to P56.9 million in 2023. After provision for income tax, total consolidated net income after tax totaled P94.2 million in 2024 compared to P63.7 million in 2023.

Net income attributable to non-controlling interest, namely minority shareholders of Magellan Capital Holdings Corporation, totaled to a gain of P0.6 million in 2024 compared to a gain of P1.4 million in 2023.

Net income attributable to equity holders of the Company totaled P93.6 million in 2024 compared to P62.2 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 P597.4 million compared to P429.9 million as of December 31, 2023. The Company and its subsidiary are debt free with total consolidated liabilities of P42.4 million at year-end 2024 compared to P65.8 million at year-end 2023. Total equity amounted to P1.80 billion as of the end of 2024 compared to P1.81 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 P760.9 million at year-end 2024 compared to P810.3 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 ₱889 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 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. 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 P99.8 Million and revenues of P932.2 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 P442.9 million with a net income of P2.0 million. It has a staff of over 400 accountants and support staff.

## **CONCLUSION**

Your Company generated a consolidated net income of P94.2 million in 2024 compared to a net income of P63.7 in 2023. The main reason was a gain on disposal of FVPL of P53.7 million in 2024 compared to a gain of P5.7 million in 2023.

A net foreign exchange gain of P34.3 million was recorded in 2024 versus a foreign exchange gain of P3.1 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 P1,847.8 million at year-end in 2024 compared to P1,885.3 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 P27.3 million in 2024 from P22.1 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 P201.3 Million representing excess of fair value of net assets acquired over cost in 2006.

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

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

From its incorporation to the present, none of the 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	P 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>P 188,513,417</b>	<b>100.00%</b>

The Company's consolidated revenue in 2024 increased to P189.4 million from P188.5 million in 2023. Equity in net earnings of associates decreased from P45.3 million in 2023 to P32.3 million in 2024. Rent increased from P22.1 million in 2023 to P27.3 million in 2024. Fair Value Gain on Financial Assets at FVPL was P22.0 million in 2024 compared to P94.3 million in 2023. Dividend income decreased to P1.9 million in 2024 from P4.2 million in 2023. Fair value gains on disposal of Financial Assets at FVOCI was a loss of P3.3 million in 2024 compared to a loss of P23.8 million in 2023. Net FX gain was P34.3 million in 2024 compared to a gain of P3.1 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 P1.04 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 P99.8 Million and revenues of P932.2 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 P2.0 Million in 2024 on revenue of P442.9 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, Malabrigo Corporation (Malabrigo). Malabrigo has a paid-up capital of ₱10,000,000.00 and limestone mining claims in Batangas, which are not considered significant in potential. It has also invested as a partner in a shopping center project in the United States.

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 Malabrigo (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 Attys. Ramon R. Torralba and Enrique I. Quiason as members.

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

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

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

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

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

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

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

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

2. ***"People of the Philippines vs. Ariel Balatbat"***, Criminal Case No. 115515, Regional Trial Court of Pasig City, Branch 155. MCHC, through its authorized officer, filed a complaint against Ariel Balatbat for qualified theft relating to several unauthorized withdrawals and anomalous transactions involving company funds in the total amount of P41,021.50 (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 P121,500.00 (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 P40,000.00. 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

(P10,000,000.00) 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. Villafior, 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 (P50,000,000.00) 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 (P200,000.00), 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 P189.40 million from P188.5 million in 2023. Equity in net earnings of associates decreased from P45.3 million in 2023 to P32.3 million in 2024. Rent increased from P22.1 million in 2023 to P27.3 million in 2024. Fair Value Gain on Financial Assets at FVPL was P22.0 million in 2024 compared to P94.3 million in 2023. Dividend income decreased to P1.9 million in 2024 from P4.2 million in 2023. Fair value gains on disposal of Financial Assets at FVOCI was a loss of P3.3 million in 2024 compared to a loss of P23.8 million in 2023. Net FX gain was P34.3 million in 2024 compared to a gain of P3.1 million in 2023. Dividend income decreased to P1.9 million in 2024 from P4.2 million in 2023.

Total consolidated expenses of the Company decreased to P80.8 million in 2024 compared to P131.50 million in 2023.

As a result of the above, total consolidated income before tax in 2024 totaled P102.6 million compared to P56.9 million in 2023. After provision for income tax, total consolidated net income after tax totaled P94.2 million in 2024 compared to P63.7 million in 2023.

Net income attributable to non-controlling interest, namely minority shareholders of Magellan Capital Holdings Corporation, totaled to a gain of P0.6 million in 2024 compared to a gain of P1.4 million in 2023.

Net income attributable to equity holders of the Company totaled P93.6 million in 2024 compared to P62.2 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 P597.4 million compared to P429.9 million as of December 31, 2023. The Company and its subsidiary are debt free with total consolidated liabilities of P42.4 million at year-end 2024 compared to P65.8 million at year-end 2023. Total equity amounted to P1.80 billion as of the end of 2024 compared to P1.81 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 P760.9 million at year-end 2024 compared to P810.3 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%
Total from continuing operation	P 189,408	100.0%	P 188,513	100.0%	P 895	.5%

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	P 189,408	100%	P 188,513	100%	P 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>P 94,165</b>	<b>49.7%</b>	<b>P 63,711</b>	<b>33.8%</b>	<b>P 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 P94.2 million in 2024 from P63.7 million in 2023. The net income attributable to stockholders of the Company in 2023 is P62.2 million while P1.4 million was attributable to non-controlling interests. The net income attributable to stockholders of the Company in 2024 is P93.5 million while P0.6 million was attributable to non-controlling interests.

**Earnings per share.** The earnings per share in 2024 amounted to P0.25 per share compared to earnings per share of P0.16 in 2023 and P0.05 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 P4.77x per share at the end of 2024 from P4.86 per share at the end of 2023 and P4.80 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 P597.4 million at year end 2024 compared to P429.9 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 P189.4 million compared to P188.5 million in 2023 and P164.4 million in 2022.

**Expenses.** Total consolidated operating expenses increased to P80.8 million in 2024 from the P131.5 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 P108.6 million in 2024 compared to P56.9 million in 2023 and P25.7 million in 2022.

**Provision For Income Tax.** In 2024, there was an income tax of P14.4 million compared to negative P6.7 million in 2023 and P6.0 million in 2022.

**Net Income After Tax.** The Company had a consolidated net income after tax of P94.2 million in 2024, from net income after tax of P63.7 million in 2022 and P19.7 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 P760.9 million compared to P810.3 million at year-end 2023. Cash and cash equivalents decreased to P597.4 million at year end 2024 from P429.9 million at year end 2023. Financial assets at Fair Value through Profit or Loss (FVPL) decreased to P112.7 million at year-end 2024 from P342.1 million at year-end 2023. Prepayments and other assets increased to P29.9 million at year-end 2024 from P35.4 million at year-end 2023.

**Non-Current Assets.** Total non-current assets at year-end 2024 totaled P1,086 million versus P1,074 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 P1,847 million compared to P1,885 million at year-end 2023.

### b. Liabilities and Equity

**Current Liabilities.** Current liabilities decreased to P28 million at year-end 2024 from P39.2 million at year-end 2023.

**Non-Current Liabilities.** Non-current liabilities decreased to P14.3 million at year-end 2024 from P26.6 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:

(P000)	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 P3.3 million during the first quarter of 2025 compared to P24.8 million in the first quarter of 2024. The net loss in the first quarter of 2025 attributable to shareholders of the Company totaled P3.2 million while P0.2 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, P3.2 million net income was attributable to shareholders of the Company and P0.2 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 P748 million compared to P761 million as of December 31, 2024.

**Receivables from Related Parties.** This account was P0.34 million at March 31, 2025, versus P0.23 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 P466 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 P270 million as of March 31, 2025 from P268 million at year-end 2024.

**Property and Equipment.** This account decreased from P3.4 million as of March 31, 2025 from P3.7 million as of December 31, 2024.

**Investment in Property.** This account totaled P325 million as of March 31, 2025 from P330 million at year-end 2024 due to additional allowance for depreciation.

**Other Non-Current Assets.** This account totaled P34 million as of March 31, 2025, compared to P20 million at year-end 2024.

**Total Assets.** As a result of the foregoing, total assets decreased to P1,846.3 million as of March 31, 2025 from P1,847.8 million as of December 31, 2024.

## **LIABILITIES AND EQUITY**

**Current Liabilities.** Current liabilities was at P28.1 million as of March 31, 2025 compared to P28.0 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 P14.3 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 P1,803.9 million as of March 31, 2025 from P1,805.4 million at year-end 2024. Total equity attributable to stockholders of the company totaled P1,741.3 million at March 31, 2025 from P1,742.6 million at December 31, 2024. Minority interest which represents the share of minority shareholders of Magellan Capital Holdings Corporation was P62.5 million at March 31, 2025 compared to P62.7 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:

(P000)	1 <sup>st</sup> Quarter- 2025	Percentage (%)	1 <sup>st</sup> Quarter- 2024	Percentage (%)
Interest Income	P 3,194	14.8%	P 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	-	27,226	71.3%
<b>TOTAL INCOME</b>	<b>P 21,605</b>	<b>100%</b>	<b>P 38,189</b>	<b>100%</b>

Total revenue in the first quarter of 2025 was P21.6 million, versus P38.2 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:

(P000)	1 <sup>st</sup> Quarter 2025	Percentage (%)	1 <sup>st</sup> Quarter 2024	Percentage (%)
Revenues	P 21,605	100%	P 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 P3.4 million in the first quarter of 2025 compared to a net income of P24.8 million in the first quarter of 2024. Net loss of P3.2 million was attributable to stockholders of the Company in the first quarter of 2025 compared to net income of P24.8 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 P0.008 per share compared to net income per share of P0.062 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 P4.75 per share compared to P4.76 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	₱ 585,000	₱ 440,000	₱ 475,000
MCHC	481,600	448,000	448,000
Subsidiaries of MCHC	157,920	192,640	302,400
MUDC	56,000	56,000	26,415

#### **b. Tax Fees: None**

#### **c. All Other Fees: None**

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

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 31 December 2024 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.	Razel 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 effectivity 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.

On 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. Gobankiat

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*, Yarrton Traders Corporation; *Chairman*, Magellan Capital Holdings Corporation.

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

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

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

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

Bachelor of Arts in Economics and Statistics, Boston University

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

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

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

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

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

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

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

Bachelor of Arts, Management, University of Sto. Tomas

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

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

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

MIT Sloan Executive Education: Blockchain Technologies  
Master in Business Administration, Harvard Business School  
Bachelor of Arts in Economics and Psychology, *Summa Cum Laude*, Phi 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*, Vrukti Holdings Corporation; *Trufsons Holdings Corporation*, Vrukti 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.

### SECRETARY'S CERTIFICATE

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

1. I am the duly elected Corporate Secretary of **F & J PRINCE HOLDINGS CORPORATION** (the "**Corporation**"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office and place of business at the 5<sup>th</sup> Floor, BDO Towers Pasco, 8741 Paseo de Roxas, Makati City;
2. I hereby certify that at the Special Meeting of the Board of Directors of the Corporation held on 27 March 2025, at which a quorum was present and acting throughout, the following resolution was unanimously approved:

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

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

**APR 24 2025**

**IN WITNESS WHEREOF**, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_ 2025 at Makati City.

  
(ATTY.) **ANNE JAYCELLE C. SACRAMENTO**  
Corporate Secretary

**APR 24 2025**

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

### **NOTARY PUBLIC**

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

ATTY. ROMEO M. MONFORT  
Notary Public, City of Makati  
Until December 31, 2025  
Appointment No. M-032 (2024-2025)  
Bar No. 10466008 Jan. 2, 2025/Makati City  
IBP No. 485534 Dec. 27, 2024  
MCLE NO. VII-0027570 Roll No. 27632  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

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

The management of **F&J Prince Holdings Corporation** and its subsidiaries is responsible for the preparation and fair presentation of the financial statements including the statements attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Signed under oath by the following:

  
**Mark Ryan Cokeng**  
President/ CEO


  
**Mary K. Cokeng**  
Treasurer/Chief Financial Officer

SUBSCRIBED AND SWORN to before me this **APR 07 2025** day of \_\_\_\_\_, 2025,  
affiants exhibiting to me their Driver's License/ National IDs, as follows:

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

**NOTARY PUBLIC**

Doc.No. 330;  
Page No. 62;  
Book No. 12;  
Series of 2025

  
**ATTY. ROMEO M. MONFORT**  
Notary Public City of Makati  
Until December 31, 2025  
Appointment No. M-032 (2024-2025)  
PTR No. 10486003 Jan. 2, 2025/Makati City  
IBP No. 465534 Dec. 27, 2024  
MCLE NO. V13-0027570 Roll No. 27932  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

**Audited Consolidated  
Financial Statements  
as of**

**December 31, 2024 and  
December 31, 2023**

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0 0 0 0 0 0 4 3 3 7 0

**COMPANY NAME**

F & J PRINCE HOLDINGS CORPORATION AND  
SUBSIDIARIES

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

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

Form Type

A A C F S

Department Requiring the Report

C R M D

Secondary License Type, if Applicable

N / A

**COMPANY INFORMATION**

Company's Email Address

fjp@fjprince.com

Company's Telephone Number/s

8892-7133 / 8892-7137

Mobile Number

0960-452-3903

No. of Stockholders

473

Annual Meeting (Month / Day)

04/12

Calendar Year (Month / Day)

12/31

**CONTACT PERSON INFORMATION**

(The designated contact person must be an Officer of the Corporation)

Name of Contact Person

Atty. Anna Jaycelle C. Sacramento

Email Address

acsfjprince@gmail.com

Telephone Number/s

8-892-7133/37

Mobile Number

0917-5552425

**CONTACT PERSON'S ADDRESS**

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

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

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



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
F & J Prince Holdings Corporation and Subsidiaries  
5th Floor, 8DO Towers Paseo  
8741 Paseo de Roxas, Makati City

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

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

### Classification and Valuation of Investment Securities

The Group has investment securities aggregating P380.8 million as at December 31, 2024 which comprises 20.6% of the total consolidated assets. Moreover, management exercises judgment in classifying the financial instruments and the consolidated financial statements is highly sensitive to the fair value and other changes in the carrying amount of the underlying financial instruments.



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

Accounting for Significant Investments in Associates

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

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

Other Matter

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

Other Information

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

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



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

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

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

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

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

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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

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

- Identify and assess risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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



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

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

**REYES TACANDONG & CO.**

  
GRACE M. ALBUNIAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 010-858-879-000

BOA Accreditation No. 4782/P-024; Valid until June 6, 2026

BIR Accreditation No. 08-008144-018-2025

Valid until January 7, 2028

PTR No. 10467118

Issued January 2, 2025, Makati City

March 27, 2025

Makati City, Metro Manila

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		December 31	
	Note	2024	2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	\$597,418,197	\$429,988,652
Investment securities	5	112,755,674	342,093,269
Receivables	6	20,631,669	2,511,035
Due from related parties	18	233,948	260,408
Other current assets	7	29,884,366	35,465,269
<b>Total Current Assets</b>		<b>760,923,855</b>	<b>810,318,633</b>
<b>Noncurrent Assets</b>			
Investment securities - noncurrent	5	268,084,982	368,079,894
Investments in associates	9	465,638,892	302,233,819
Investment properties	11	829,598,443	345,411,010
Property and equipment	10	3,732,108	3,275,980
Investments in rights issue subscription	5	-	30,129,600
Convertible notes receivables	8	-	5,612,000
Other noncurrent assets	12	19,844,229	19,844,229
<b>Total Noncurrent Assets</b>		<b>1,086,998,654</b>	<b>1,074,986,532</b>
		<b>\$1,847,822,509</b>	<b>\$1,885,305,165</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts and other payables	13	\$17,561,241	\$12,130,731
Dividends payable	25	8,005,989	27,105,445
Income tax payable		2,477,104	-
<b>Total Current Liabilities</b>		<b>28,044,334</b>	<b>39,236,176</b>
<b>Noncurrent Liabilities</b>			
Retirement liability	15	10,895,498	10,391,366
Net deferred tax liabilities	16	3,455,009	15,656,356
Noncurrent portion of deposits payable		20,000	580,000
<b>Total Noncurrent Liabilities</b>		<b>14,370,507</b>	<b>26,627,722</b>
<b>Total Liabilities</b>		<b>42,414,841</b>	<b>65,863,898</b>
<b>Equity</b>			
Common stock	17	481,827,653	481,827,653
Additional paid-in capital		144,759,977	144,759,977
Treasury stock - at cost	17	(102,094,826)	(102,094,826)
Other equity reserves		52,450,114	116,153,110
Retained earnings	17	1,185,721,230	1,112,967,423
<b>Equity Attributable to Equity Holders of the Parent Company</b>		<b>1,742,664,138</b>	<b>1,753,613,337</b>
<b>Noncontrolling interests</b>		<b>62,743,520</b>	<b>65,827,930</b>
<b>Total Equity</b>		<b>1,805,407,658</b>	<b>1,819,441,267</b>
		<b>\$1,847,822,509</b>	<b>\$1,885,305,165</b>

See accompanying Notes to Consolidated Financial Statements.

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES**

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

	Note	2024	2023	2022
<b>INCOME</b>				
Gain on disposal of:				
Financial assets at fair value through profit or loss (FVPL)	5	P53,757,403	P-	P5,679,671
Property and equipment	10	357,143	562,509	-
Foreign exchange gains		34,323,870	3,701,182	74,517,075
Share in net income of associates	9	32,372,222	45,346,405	26,211,341
Rent	21	27,290,478	22,122,711	23,946,752
Fair value gains on financial assets at FVPL	5	22,013,948	94,321,443	13,742,456
Interest income	4	16,102,321	18,547,435	14,588,814
Dividend income	5	1,919,818	4,226,083	5,670,253
Other income		1,271,314	285,658	56,750
		<b>199,408,317</b>	<b>188,513,417</b>	<b>164,413,152</b>
<b>OPERATING EXPENSES</b>	14	<b>72,433,952</b>	<b>65,812,927</b>	<b>65,016,932</b>
<b>OTHER CHARGES</b>				
Fair value losses on financial assets at FVPL	5	5,049,142	41,506,504	46,765,288
Loss on disposal of:				
Financial assets at fair value through other comprehensive income (FVOCI)	5	3,317,350	43,888,151	2,286,877
Financial assets at FVPL	5	-	319,149	-
Legal claims	21	-	-	24,615,173
		<b>8,366,492</b>	<b>65,713,804</b>	<b>73,667,338</b>
<b>INCOME BEFORE INCOME TAX</b>		<b>106,607,873</b>	<b>56,985,686</b>	<b>25,728,882</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>	16			
Current		12,436,724	3,192,371	1,947,554
Deferred		2,005,844	(9,867,265)	4,074,713
		<b>14,442,568</b>	<b>(6,724,894)</b>	<b>6,022,267</b>
<b>NET INCOME</b>		<b>P94,165,305</b>	<b>P63,711,580</b>	<b>P19,706,615</b>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO:</b>				
Equity holders of the Parent Company		P93,566,249	P62,262,774	P20,333,318
Noncontrolling interests		599,056	1,448,806	(626,703)
		<b>P94,165,305</b>	<b>P63,711,580</b>	<b>P19,706,615</b>
<b>Basic/Diluted Earnings per Common Share</b>	15	<b>P0.25</b>	<b>P0.16</b>	<b>P0.05</b>

See accompanying Notes to Consolidated Financial Statements.

**F & I PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**[With Comparative Figures for 2022]**

	Note	2024	2023	2022
<b>NET INCOME</b>		<b>P94,165,305</b>	<b>P63,711,580</b>	<b>P19,706,615</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Item that will be reclassified to profit or loss in subsequent periods:</i>				
Cumulative translation adjustment	9	8,130,612	1,991,340	17,608,355
Net unrealized gains (losses) on fair value changes of financial assets at FVOCI, net of tax	5	2,348,394	13,603,680	(34,226,388)
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>				
Net unrealized losses on fair value changes of financial assets at FVOCI, net of tax	5	(71,252,258)	(2,713,267)	(3,376,855)
Share in other comprehensive income (losses) of associates	9	(2,741,681)	(3,733,637)	2,474,577
Remeasurement gains (losses) on retirement liability, net of tax	15	526,470	7,106,530	(411,814)
		<b>(62,983,463)</b>	<b>21,254,646</b>	<b>(17,932,125)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P31,171,842</b>	<b>P84,966,226</b>	<b>P1,774,490</b>
<b>TOTAL COMPREHENSIVE INCOME</b>				
<b>ATTRIBUTABLE TO:</b>				
Equity holders of the Parent Company		<b>P33,841,713</b>	<b>P66,784,985</b>	<b>P3,572,240</b>
Noncontrolling interests		<b>(2,669,871)</b>	<b>(1,818,759)</b>	<b>(1,797,750)</b>
		<b>P31,171,842</b>	<b>P84,966,226</b>	<b>P1,774,490</b>

See accompanying Notes to Consolidated Financial Statements.

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(With Comparative Figures for 2022)**

	Note	2024	2023	2022
<b>CAPITAL STOCK</b>	17	\$481,827,653	\$481,827,653	\$481,827,653
<b>ADDITIONAL PAID-IN CAPITAL</b>		144,759,977	144,759,977	144,759,977
<b>TREASURY STOCK - at cost</b>	17	(102,094,826)	(102,094,826)	(102,094,826)
<b>OTHER EQUITY RESERVES</b>				
Cumulative Unrealized Gains (Losses) on Fair Value Changes of Financial Assets at FVOCI				
Balance at beginning of year		2,713,251	(16,799,687)	49,555,689
Net unrealized gains (losses)	5	(66,212,922)	19,511,938	(36,454,378)
Reclass to retained earnings	5	(5,379,404)	-	-
Balance at end of year		(68,879,075)	2,713,251	(16,799,687)
Cumulative Remeasurement Gains (Losses) on Retirement Liability				
Balance at beginning of year		7,368,008	615,438	1,005,071
Remeasurement gains (losses)	25	500,399	6,752,570	(389,634)
Balance at end of year		7,868,407	7,368,008	615,438
Share in Other Comprehensive Income of Associates				
Balance at beginning of year		106,071,851	107,814,148	87,731,216
Share in other comprehensive income (loss)	9	5,888,931	(1,742,197)	20,082,932
Balance at end of year		111,960,782	106,071,851	107,814,148
		52,450,114	116,153,110	92,630,899
<b>RETAINED EARNINGS</b>	17			
Balance at beginning of year		1,112,967,423	1,135,349,885	1,172,570,596
Net income		90,546,249	62,262,774	20,233,318
Dividends declared		(57,554,029)	(84,645,236)	(57,554,026)
Other adjustment		19,600,000	-	-
Reclass from other comprehensive income		(2,858,413)	-	-
Balance at end of year		1,163,721,230	1,112,967,423	1,135,349,885
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY</b>		<b>1,742,663,148</b>	<b>1,753,613,337</b>	<b>1,751,473,589</b>
<b>NONCONTROLLING INTERESTS</b>				
Balance at beginning of year		65,827,930	70,462,232	73,909,185
Net unrealized valuation on fair value changes of financial assets at FVOCI		(2,695,942)	(3,621,525)	(1,148,967)
Dividends declared by the subsidiary		(1,013,595)	(1,815,643)	(1,649,308)
Net income (loss)		599,056	1,449,806	(626,703)
Remeasurement gains (loss) on retirement liability		26,071	353,960	(22,180)
Balance at end of year		62,743,520	65,827,930	70,462,232
		<b>\$1,805,407,668</b>	<b>\$1,819,441,267</b>	<b>\$1,821,935,821</b>

See accompanying Notes to Consolidated Financial Statements.

# F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

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

	Note	2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax		₱108,607,873	₱56,986,685	₱25,728,882
Adjustments for:				
Losses (gains) on disposal of:				
Financial assets at FVPL	5	(53,757,403)	319,149	(5,679,671)
Financial assets at FVOCI	5	3,317,250	23,888,151	2,286,877
Property and equipment	10	(357,148)	(302,500)	-
Provision for impairment:				
Convertible notes receivables	14	5,612,000	-	-
Investment securities	5	477,020	-	-
Due from related parties	18	737,702	-	-
Receivables	6	59,088	-	-
Net foreign exchange losses (gains)		(34,339,970)	16,138,246	(56,973,100)
Share in net income of associates	9	(32,372,222)	(45,346,405)	(26,211,341)
Depreciation and amortization	10	17,948,865	17,804,385	17,472,709
Fair value losses (gains) on financial assets at FVPL	5	(16,964,806)	(32,814,939)	33,022,832
Interest income	4	(16,102,321)	(18,547,435)	(14,588,814)
Dividend income		(1,915,613)	(4,226,083)	(5,670,253)
Retirement benefits	15	1,206,092	2,070,563	1,505,874
Write-off of receivable	6	-	-	86,873
Operating loss before working capital changes		(18,333,413)	(4,190,182)	(29,049,032)
Decrease (increase) in:				
Receivables		417,309	119,555	609,481
Financial assets at FVPL	5	499,582,785	(50,810,666)	(35,047,845)
Other current assets		5,540,902	(878,027)	1,511,732
Increase (decrease) in:				
Trade and other payables		5,357,653	(522,002)	918,939
Deposits payable		(840,000)	2,879,451	(928,813)
Net cash generated from (used for) operations		292,075,236	(53,402,772)	(61,715,539)
Interest received		18,708,998	70,715,386	12,833,366
Income taxes paid		(9,959,620)	(3,552,959)	(2,517,388)
Dividends received		1,919,616	7,423,546	5,670,253
Provision for legal obligation		-	-	(5,000,000)
Net cash provided by (used in) operating activities		300,744,232	(22,826,498)	(50,729,289)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Additions to:				
Investments in associates	9	(182,000,000)	-	-
Financial assets at FVOCI	5	(12,767,895)	(36,170,689)	(57,719,216)
Property and equipment	10	(1,836,081)	(154,641)	(1,317,938)
Investment properties	11	(354,345)	(3,002,197)	(1,433,127)
Investments in rights issue subscription	5	-	(18,301,050)	(1,133,400)
Dividends received from an associate	9	87,211,450	8,987,648	32,484,215
Proceeds from disposal of:				
Financial assets at FVOCI		77,471,957	169,927,430	23,849,339
Property and equipment	10	400,800	562,500	-
Decrease (increase) in:				
Due from related parties		28,459	5,819,381	11,827,565
Other non-current assets		-	(16,987,143)	26,259,048
Convertible notes receivables		-	-	(5,659,800)
Net cash provided by (used in) investing activities		(81,849,245)	62,275,239	77,167,186

(Forward)

	Note	Years Ended December 31		
		2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	25	(¥57,059,485)	(¥64,503,831)	(¥57,012,357)
Dividends to noncontrolling interests		(1,019,595)	(2,815,543)	(1,649,309)
Decrease in due to related parties		-	(260,408)	-
Net cash used in financing activities		(58,067,080)	(67,579,782)	(58,661,700)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
		6,609,638	(8,587,080)	43,406,424
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		167,429,545	(37,708,621)	138,817,378
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		429,868,652	467,697,273	506,514,651
CASH AND CASH EQUIVALENTS AT END OF YEAR	d	¥597,418,197	¥429,988,652	¥467,697,273

See accompanying Notes to Consolidated Financial Statements.

## F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

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

#### 1. General Information

##### Corporate Information

F & J Prince Holdings Corporation (the "Parent") was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on February 18, 1971. Its primary purpose is to purchase, subscribe for or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including, but not limited to, land, building, condominium units, shares of stock, bonds, debentures, notes, evidence of indebtedness, and other securities, contracts or obligations of any corporation, and associations, domestic or foreign.

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

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

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

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

\*Intermediate parent company

\*\*Non-operational since incorporation

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

##### MCHC

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

##### PIEI

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

MC

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

MCRDC

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

MCTC

MCTC was organized to conduct and carry on the business of buying, selling, distributing and marketing at wholesale and retail all kinds of goods, commodities, wares and merchandise. MCTC was registered with the SEC on January 7, 1992 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.

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2. **Summary of Material Accounting Policy Information**

Basis of Preparation and Statement of Compliance

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

Measurement Bases

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

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

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

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

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

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

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

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

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

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

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

#### **Adoption of Amendments to PFRS Accounting Standards**

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

- Amendments to PAS 1, *Presentation of Financial Statements – Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.
- Amendments to PAS 7, *Statement of Cash Flows*, and PFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

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

Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

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

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

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

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

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures - Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11:
  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
  - Amendments to PFRS 10, *Consolidated Financial Statements - Determination of a 'de facto agent'* – The amendments remove inconsistencies by clarifying that an entity must use judgment to determine whether other parties are acting as de facto agents. Earlier application is permitted.
  - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term 'cost method' with 'at cost' following the deletion of the definition of 'cost method'. Earlier application is permitted.

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

- **PFRS 18, *Presentation and Disclosure in Financial Statements*** – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.
- **PFRS 19, *Subsidiaries without Public Accountability: Disclosures*** – This standard specifies reduced disclosure requirements that eligible subsidiaries are permitted to apply, instead of the disclosure requirements in other PFRS Accounting Standards. An entity is eligible to apply PFRS 19 when it does not have public accountability and its parent prepares consolidated financial statements available for public use that complies with PFRS disclosure requirements. Earlier application is permitted.

Deferred effectivity -

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

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

#### Current versus Noncurrent Classification

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

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

All other assets are classified as noncurrent.

A liability is classified as current when it is:

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

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

The Group classifies all other liabilities as noncurrent.

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

#### Basis of Consolidation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Financial Instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Impairment of Financial Assets at Amortized Cost**

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

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

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

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

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

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

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

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

#### **Derecognition of Financial Assets and Liabilities**

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

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

#### **Offsetting Financial Assets and Liabilities**

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

#### **Classification of Financial Instrument between Liability and Equity**

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

#### **Other Current Assets**

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 non-current 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 and Inclusion," the amortization of the input VAT should only be allowed until December 31, 2021 after which taxpayers with unutilized input VAT on capital goods purchased or imported should be allowed to apply the same as scheduled until fully utilized. Accordingly, all input tax on purchases of capital goods starting January 1, 2022 should already be allowed upon purchase/ payment and no longer be deferred based on Revenue Memorandum Circular No. 21-2022.

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

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

#### Investments In Associates

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

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

Any change in OCI of those investees is presented as part of the consolidated statements of comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associate. If the Group's share 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%
	United States of America	
Melrose Park Investments, L. P. (MPI)		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 re-issued, 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.

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### 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 MUOC. As at December 31, 2024 and 2023, MUOC 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, MUOC has project development costs of \$207.1 million. The recoverability of these assets and the ultimate success of MUOC'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 MUOC's ability to continue as a going concern and the recoverability of the Group's significant investment in MUOC.

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

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

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

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

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

Details of deferred tax assets are disclosed in Note 16.

#### 4. Cash and Cash Equivalents

This account consists of:

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

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

Composition of interest income are as follows:

	Note	2024	2023	2022
Cash and cash equivalents		<b>₱11,403,387</b>	<b>₱12,713,079</b>	<b>₱4,621,903</b>
Financial assets at FVOCI	S	<b>4,696,934</b>	<b>5,834,356</b>	<b>9,965,911</b>
		<b>₱16,102,321</b>	<b>₱18,547,435</b>	<b>₱14,588,814</b>

#### 5. Investment Securities

This account consists of:

	2024	2023
Current:		
Financial assets at FVPL	<b>₱112,753,674</b>	<b>₱341,616,249</b>
Financial assets at FVOCI	<b>—</b>	<b>477,020</b>
Noncurrent -		
Financial assets at FVOCI	<b>268,084,982</b>	<b>368,079,894</b>
	<b>₱380,840,656</b>	<b>₱710,173,163</b>

##### *Financial Assets at FVPL*

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

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

	2024	2023
Balances at beginning of year	₱341,616,249	₱238,309,793
Additions	243,292,928	80,608,440
Disposals	(489,118,306)	(30,116,923)
Changes in fair values during the year	16,964,806	52,814,939
Balances at end of year	₱112,755,674	₱341,616,249

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

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

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

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

#### *Financial Assets at FVOCI*

Composition of financial assets at FVOCI are as follows:

	2024	2023
Debt securities	₱45,547,228	₱72,800,105
Equity securities	222,537,754	295,756,808
	₱268,084,982	₱368,556,914

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

	2024	2023
Beginning balances	₱368,556,914	₱462,820,756
Disposals	(48,881,105)	(193,815,581)
Additions	12,562,609	86,170,689
Changes recognized in profit or loss	(676,199)	2,290,467
Movements in net unrealized valuation losses	(83,477,297)	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 P4.7 million and P5.8 million in 2024 and 2023, respectively (P10.0 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 P2.6 million and P2.1 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 P161,050 and P172,798 in 2024 and 2023, respectively (P889,724 in 2022).

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

	2024	2023
Beginning balances	P2,713,251	(P16,798,687)
Movements in fair value before tax	(65,356,722)	21,762,333
Tax effect	(856,200)	(2,250,945)
Reclassification to retained earnings	(3,379,404)	~
	<u>(P66,879,075)</u>	<u>P2,713,251</u>

Net unrealized valuation losses on financial assets at FVOCI attributable to equity holders of the Group amounted to P68.7 million in 2024 and P4.5 million in 2023 (P16.8 million in 2022).

The Group disposed certain financial assets at FVOCI and recognized a loss from disposal amounting to P3.3 million in 2024 and P23.9 million in 2023 (P2.3 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 P30.1 million or USD 1.1 million as at December 31, 2024 and 2023. These rights issue subscriptions grant the Group certain preferential rights in Xen, including right to receive dividends, and are convertible into Xen's ordinary shares subject to certain conditions as stated in the contract agreement.

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

## 6. Receivables

This account consists of:

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

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

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

## 7. Other Current Assets

This account consists of:

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

## 8. Convertible Notes Receivables

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

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

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

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

## 9. Investments in Associates

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

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

Movements in this account are as follows:

	2024	2023
Acquisition cost	₱205,189,635	₱205,189,635
Additions	182,000,000	—
Total	387,189,635	205,189,635
Accumulated equity in net earnings:		
Balance at beginning of year	191,874,313	157,257,853
Share in net income of associates	37,372,222	45,346,406
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 County), 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 (P'000):

	2024	2023
Total assets	P537,920	P11,450
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 P182.0 million. WCC's main asset pertains to investment in shares of stock amounting to P540.0 million.

### 10. Property and Equipment

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

	2024				Total
	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	
Cost:					
Beginning balances	P20,755,943	P10,050,133	P9,663,171	P3,058,944	P37,558,191
Disposals	-	-	(1,459,821)	-	(1,459,821)
Additions	-	-	1,655,291	180,790	1,836,081
Ending balances	20,755,943	10,050,133	8,258,641	3,269,734	37,934,451
Accumulated depreciation:					
Beginning balances	19,303,336	9,136,125	2,978,282	2,864,468	34,282,211
Disposals	-	-	(1,459,821)	-	(1,459,821)
Depreciation	830,237	259,045	189,732	100,889	1,379,953
Ending balances	20,133,573	9,395,170	1,708,193	2,965,407	34,202,343
Net Book Values	P622,370	P654,963	P2,150,448	P304,327	P7,732,108

	2023				Total
	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	
Cost:					
Beginning balances	P20,755,943	P9,935,133	P7,234,510	P3,059,308	P40,984,894
Disposals	-	-	(3,571,339)	-	(3,571,339)
Additions	-	115,000	-	49,641	164,641
Ending balances	20,755,943	10,050,133	3,663,171	3,088,944	37,558,191
Accumulated depreciation:					
Beginning balances	18,473,099	8,825,613	6,235,104	2,788,989	36,322,799
Disposals	-	-	(3,571,339)	-	(3,571,339)
Depreciation	830,237	310,512	314,517	75,485	1,530,751
Ending balances	19,303,336	9,136,125	2,978,282	2,864,468	34,282,211
Net Book Values	P1,452,607	P914,008	P684,889	P224,476	P7,275,980

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

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

Depreciation and amortization are as follows:

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

#### 11. Investment Properties

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

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

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

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

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

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

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

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

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

## 12. Other Noncurrent Assets

This account consists of:

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

### 13. Accounts and Other Payables

This account consists of:

	2024	2023
Deposits payable	₱12,308,930	₱7,667,504
Accrued expenses	910,809	848,609
Statutory payables	2,841,057	3,003,607
Accounts payable	1,500,443	611,011
	₱17,561,241	₱12,130,731

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

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

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

### 14. Operating Expenses

This account consists of:

	Note	2024	2023	2022
Provision for impairment:				
Convertible notes receivables	8	₱5,612,000	₱-	₱-
Investment securities	5	477,020	-	-
Due from related parties	18	237,702	-	-
Receivables	6	59,067	-	-
Depreciation and amortization	10	17,946,863	17,804,385	17,472,709
Personnel expenses:				
Salaries and allowances		11,840,877	10,791,574	11,688,612
Retirement benefits		1,206,092	2,070,569	1,505,974
Other employee benefits		2,331,757	2,096,108	2,176,467
Bank charges		9,192,434	1,931,186	1,496,114
Condominium dues		7,074,497	8,359,391	5,214,885
Foreign exchange losses		5,580,700	11,964,411	17,548,975
Professional fees		4,428,185	3,686,778	2,742,445
Taxes and licenses		1,556,747	4,767,274	1,267,580
Entertainment, amusement and recreation		499,076	576,589	949,485
Utilities		343,946	466,043	468,597
Outside services		-	101,852	1,272,228
Others		4,046,987	1,396,778	1,267,861
		₱72,433,932	₱65,812,927	₱65,016,932

## 15. Retirement Liability

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

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

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

	2024	2023	2022
Balances at beginning of the year	<u>₱10,391,366</u>	<u>₱17,796,176</u>	<u>₱15,741,117</u>
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
	<u>1,206,093</u>	<u>2,070,563</u>	<u>1,505,974</u>
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	319,354	137,404	(617,725)
	<u>(701,961)</u>	<u>(9,475,373)</u>	<u>549,085</u>
Balances at end of year	<u>₱10,895,498</u>	<u>₱10,391,366</u>	<u>₱17,796,176</u>

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	(P957,232)	(P635,730)
-100 basis points	1,243,939	760,824
Salary increase rate		
+100 basis points	P1,212,195	P754,456
-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	P5,917,014	P7,702,864
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
	P77,245,813	P44,572,922

#### 16. Income Taxes

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

	2024	2023	2022
Statutory income tax	P42,469,412	P26,093,629	P6,318,662
Tax effect of:			
Dividend income exempt from tax	(23,370,555)	(23,439,902)	(209,803)
Nontaxable income	(9,454,114)	(7,906,654)	(305,850)
Movements in unrecognized deferred tax assets	1,799,375	(1,651,674)	151,261
Nondeductible expenses	2,099,053	1,487,833	3,821,227
Tax rate difference on dividend income subjected to final tax	216,000	(802,669)	(187,763)
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)	-	-
	P14,442,568	(P6,724,894)	P6,012,267

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

	2024	2023
<b>Deferred tax assets:</b>		
Allowance for expected credit losses	P10,310,009	P11,918,672
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	658,692	181,128
	17,624,339	24,563,630
<b>Deferred tax liabilities:</b>		
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)
	<b>(P3,455,009)</b>	<b>(P15,656,356)</b>

Details of unrecognized deferred tax assets are as follows:

	2024	2023
<b>Allowance for impairment losses on:</b>		
Due from related parties	P42,211,279	P42,211,279
Investment in an associate	26,204,772	26,204,772
NOLCO	59,087	1,435,522
MCIT	—	216,152
	<b>P68,475,138</b>	<b>P70,067,725</b>

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	P—	P595,600	P—	P595,600	2027
2023	14,946,087	—	(\$,742,087)	9,204,000	2026
2022	8,087,376	—	—	8,087,376	2025
	<b>P23,033,463</b>	<b>P595,600</b>	<b>(P5,742,087)</b>	<b>P17,886,976</b>	

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	P—	P487,763	P—	P487,763	2027
2023	397,280	—	(216,152)	181,128	2026
2022	166,426	—	—	166,426	2025
	<b>P563,706</b>	<b>P487,763</b>	<b>(P216,152)</b>	<b>P835,317</b>	

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

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

## 17 Equity

### Common Stock

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

	Number of Shares Registered	Issue/Offer Price	Date of Approval
Common shares	1,000,000,000	P0.01	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 - P1 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

₱189,217,535

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 P102.1 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	P0.10	P08,182,765
2024	August 7, 2024	October 7, 2024	October 30, 2024	Regular	0.05	24,091,583
						P72,274,148
2023	June 27, 2023	July 9, 2023	July 27, 2023	Regular	0.10	P48,182,765
2023	June 27, 2023	September 9, 2023	September 27, 2023	Regular	0.07	33,727,936
						P81,910,701
2022	June 27, 2022	July 11, 2022	July 30, 2022	Regular	0.05	P24,091,583
2022	June 27, 2022	August 19, 2022	September 25, 2022	Regular	0.10	48,182,765
						P72,274,148

Other adjustment to retained earning arise from intercompany dividends. Dividends declared by the subsidiaries amounting to P18.2 million in 2024 and P2.8 million in 2023 (P14.7 million in 2022) were eliminated in the consolidated financial statements.

#### **18. Related Party Transactions and Balances**

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

Related Party	Nature	Year	Amount of Transaction	Outstanding Balances
<i>Associates</i>				
BPO	Rental Income	2024	P1,557,182	P-
		2023	1,551,003	-
	Payroll service expenses	2024	56,632	-
		2023	123,138	-
PTC	Dividends	2024	56,356,080	-
		2023	-	-
Other Related Parties	Advances	2024	162,144	293,949
		2023	34,759	260,408
		2024	P58,132,038	P233,949
		2023	P1,685,940	P260,408

- 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 P0.1 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	P194,648	P1,136,223
After one year but not more than 5 years	-	-
	P194,648	P1,136,223

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	P189,127,937	P188,916,695
Rent receivables	-	-
	189,127,937	188,916,695
Allowance for impairment loss	(188,893,988)	(188,656,287)
	P233,949	P260,408

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	P9,978,198	P9,503,036
Other benefits	1,362,165	1,297,300
	P11,340,353	P10,800,336

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

Amounts Owed by	Amounts Owed to	2024	2023
Parent Company	MCHC	P1,300	P4,143
PIEI	Parent Company	5,299	-
Dividends Declared by	Dividend Income of	2024	2023
MCHC	Parent Company	P7,176,603	P47,184,457
Parent Company	PIEI	3,500,000	8,731,981
Parent Company	MCHC	16,986,409	8,133,981
Advances Provided by	Advances Provided to	2024	2023
MCHC	Parent Company	P-	P8,360,829

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

#### 19. Earnings Per Share

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

	2024	2023	2022
Net income attributable to equity holders of the parent (a)	₱83,565,249	₱52,262,774	₱20,333,318
Weighted average number of ordinary shares outstanding for basic and diluted EPS (b)	379,732,827	379,732,827	379,732,827
Basic and diluted earnings per share (a/b)	₱0.25	₱0.16	₱0.05

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

#### 20. Segment Information

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

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

#### 21. Commitments and Contingencies

##### Operating Lease Agreements - The Group as a Lessor

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

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

The future minimum rental income are as follows:

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

##### Other Claims

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

## 22. Financial Risk Management Objectives and Policies

### Risk Management Structure

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

### Financial Risk Management Objectives and Policies

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

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

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

#### Credit Risk

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

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

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

#### Credit Risk Management

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

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

#### Credit Risk Exposures

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

### Credit Risk Concentration Profile

The Group has no significant concentrations of credit risk.

### Credit Quality

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

2024	Neither past due nor impaired		Past due but not impaired	Individually impaired	Total
	High Grade	Standard Grade			
<b>Financial Assets</b>					
At amortized cost					
Cash and cash equivalents*	P597,401,197	P=	P=	P=	P597,401,197
Receivables	20,831,669	-	-	1,066,868	21,898,537
Due from related parties	233,949	-	-	133,893,988	134,127,937
Convertible notes receivables	-	-	-	-	-
Financial assets at FVTPL	112,785,674	-	-	-	112,785,674
Financial assets at FVOCI	268,084,782	-	-	1,000,000	269,084,782
	<b>P999,107,471</b>	<b>P=</b>	<b>P=</b>	<b>P194,960,056</b>	<b>P1,194,067,527</b>

\*Excluding cash on hand

2023	Neither past due nor impaired		Past due but not impaired	Individually impaired	Total
	High Grade	Standard Grade			
<b>Financial Assets</b>					
At amortized cost					
Cash and cash equivalents*	P429,971,653	P=	P=	P=	P429,971,653
Receivables	2,521,095	-	-	1,007,000	3,528,095
Due from related parties	280,408	-	-	100,554,287	100,834,695
Convertible notes receivables	-	5,612,000	-	-	5,612,000
Financial assets at FVTPL	341,616,249	-	-	-	341,616,249
Financial assets at FVOCI	368,534,914	-	-	1,000,000	369,534,914
	<b>P1,142,936,259</b>	<b>P5,612,000</b>	<b>P=</b>	<b>P191,561,287</b>	<b>P1,339,109,546</b>

\*Excluding cash on hand

### High Grade Financial Assets

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

### Standard Grade Financial Assets

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

### Past due but not impaired

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

#### Impairment Assessment

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

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

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

#### Liquidity Risk

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

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

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

2024	On demand	Within 1 year	More than 1 year	Total
<b>Financial Assets</b>				
At amortized cost				
Cash and cash equivalents	\$101,013,590	\$424,484,607	-	\$525,498,197
Receivables	-	20,431,668	-	20,431,668
Due from related parties	-	272,949	-	272,949
Convertible notes receivables	-	-	-	-
Financial assets at FVTPL	112,755,674	-	-	112,755,674
Financial assets at FVOCI	-	-	268,084,982	268,084,982
	<u>213,769,264</u>	<u>617,276,223</u>	<u>268,084,982</u>	<u>999,124,471</u>
<b>Financial Liabilities</b>				
Accounts and other payables*	-	14,720,184	-	14,720,184
Dividends payable	-	8,008,989	-	8,008,989
	<u>-</u>	<u>22,729,173</u>	<u>-</u>	<u>22,729,173</u>
	<u>\$213,769,264</u>	<u>\$640,005,396</u>	<u>\$268,084,982</u>	<u>\$976,758,258</u>

\*Excluding statutory payables

2023	On demand	Within 1 year	More than 1 year	Total
<b>Financial Assets</b>				
At amortized cost				
Cash and cash equivalents	881,917,362	8348,471,390	-	8429,988,652
Receivables	-	2,511,083	-	2,511,083
Due from related parties	-	280,408	-	280,408
Convertible notes receivables	-	5,612,000	-	5,612,000
Financial assets at FVTPL	341,656,249	-	-	341,656,249
Financial assets at FVOCI	-	477,020	968,079,894	968,556,914
Investments in equity issue subscription	-	-	30,129,600	30,129,600
	422,933,511	857,531,653	998,209,494	1,178,674,658
<b>Financial Liabilities</b>				
Accounts and other payables*	-	9,004,844	-	9,004,844
Dividends payable	-	27,105,445	-	27,105,445
	-	36,110,289	-	36,110,289
	422,933,511	893,641,942	998,209,494	1,114,784,947

\*Excluding statutory payables

### Market Risk

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

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

### Interest Rate Risk

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

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

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

	2024	2023
Change in interest rate (percentage):		
+20%	¥4,554,723	¥7,280,010
-10%	(4,554,723)	(7,280,010)

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

### Foreign Currency Risk

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

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

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

		2024		
		Exchange Rate	Original Currency	Peso Equivalent
Cash	USD	₱58.014	1,005,710	₱58,345,274
Receivables	USD	58.014	8,377	369,938
Financial assets at FVTPL	USD	58.014	1,568,535	91,035,003
	IDR	0.004	791,850,000	2,850,660
Financial assets at FVOCI:				
Debt	USD	58.014	1,000,000	58,014,000
Equity	USD	58.014	4,857,727	281,816,174
				<b>₱492,451,049</b>

		2023		
		Exchange Rate	Original Currency	Peso Equivalent
Cash	USD	₱55.567	1,189,764	₱66,055,048
	HKD	7.112	37,755	268,521
Receivables	USD	55.567	27,729	1,540,815
Financial assets at FVTPL	USD	55.567	4,865,059	270,336,725
	HKD	7.112	4,019,465	28,586,837
	EUR	61.474	185,038	11,374,989
	IDR	0.004	1,368,316,840	4,925,940
Financial assets at FVOCI:				
Debt	USD	55.567	1,600,000	88,907,200
Equity	USD	55.567	4,943,566	274,699,119
				<b>₱746,606,194</b>

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

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

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

Original Currency	2024		2023	
	Strengthened by 5%	Weakened by 5%	Strengthened by 5%	Weakened by 5%
USD	P19,927,269	(P19,927,269)	P7,825,203	(P7,825,203)
HKD	-	-	13,425	(13,425)

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

#### Equity Price Risk

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

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

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

	2024	2023
<i>Effect on income before income tax:</i>		
Financial assets at FVTPL:		
Change in stock market index		
+10%	P11,275,567	P34,161,625
-10%	(11,275,567)	(34,161,625)
<i>Effect on income equity:</i>		
Investment in equity securities (FVOCI):		
Change in club share prices		
+10%	P22,253,775	P28,195,296
-10%	(22,253,775)	(28,195,296)

## 23. Fair Value of Financial Instruments

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

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

2024	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Financial assets at FVTPL	¥112,755,674	¥112,755,674	¥-	¥-	¥112,755,674
Financial assets at FVOCI					
Quoted debt securities	45,547,228	45,547,228	-	-	45,547,228
Quoted equity securities	6,431,202	6,431,202	-	-	6,431,202
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	¥420,165,099	¥11,155,224	¥308,981,440	¥740,302,763

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

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

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

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

#### 24. Capital Risk Management Objective and Policies

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

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

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

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

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

#### 25. Supplemental Notes to Consolidated Statements of Cash Flows

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

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

	As at January 1, 2023	Dividends Paid	Dividend Declaration	As at December 31, 2023
Dividends payable	₱5,964,039	(₱64,503,831)	₱64,645,237	₱27,105,445



## INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

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

**REYES TACANDONG & Co.**

*Grace M. Albunan*  
GRACE M. ALBUNAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 410-658-875-000

BOA Accreditation No. 4782/P-024, valid until June 6, 2026

BIR Accreditation No. 08-005144-018-2025

Valid until January 7, 2026

PTR No. 10467118

Issued January 2, 2025, Makati City

March 27, 2025

Makati City, Metro Manila

THE POWER OF BEING UNDERSTOOD  
AUDITING | CONSULTING

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**RSM**

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

**F & J PRINCE HOLDINGS CORPORATION**  
5th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City

	Amount	
Unappropriated retained earnings, beginning of reporting period		P167,379,090
Less: <i>Category B: Items that are directly debited to unappropriated retained earnings</i>		
Dividend declaration during the reporting period		(72,274,148)
Unappropriated retained earnings, as adjusted		95,104,942
Add net income for the current year		74,467,673
Add/Less: <i>Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</i>		
Unrealized foreign exchange gain	(1,612,187)	
Unrealized fair value adjustment (mark-to-market loss) of financial instruments at FVPL	809,197	(802,990)
Add/Less: <i>Category F: Other items that should be excluded from the determination of the amount available for dividends distribution</i>		
Cumulative unrealized fair value adjustment (mark-to-market loss) of financial instruments at FVPL	11,403,971	
Unrealized foreign exchange loss	199,133	11,603,105
Total retained earnings, end of the reporting period available for dividend		P180,372,730

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES**  
**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**  
**DECEMBER 31, 2024 and 2023**

Ratio	Formula	2024	2023
Current Ratio	Total Current Assets divided by Total Current Liabilities		
	Total current assets	P760,923,855	P810,318,633
	Divide by: Total current liabilities	28,044,334	39,236,176
	Current Ratio	27.13	20.65
Acid Test Ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities		
	Total current assets	P760,923,855	P810,318,633
	Less: Other current assets	142,873,989	377,818,946
	Quick assets	618,049,866	432,499,687
	Divide by: Total current liabilities	28,044,334	39,236,176
	Acid Test Ratio	22.04	11.02
Debt-to-Equity Ratio	Total Liabilities divided by Total Equity		
	Total Liabilities	P42,414,841	P65,863,898
	Total equity	1,805,407,668	1,819,441,267
	Debt to Equity Ratio	0.02	0.04
Asset-to-Equity Ratio	Total Assets divided by Total Equity		
	Total assets	P1,847,822,509	P1,885,305,165
	Total equity	1,805,407,668	1,819,441,267
	Asset to Equity Ratio	1.02	1.04
Return on Equity	Net Income divided by Average Total Equity		
	Net Income	P94,165,306	P63,711,580
	Average Total Equity	1,812,424,468	1,820,688,544
	Return on Equity	0.05	0.03

Ratio	Formula	2024	2023
<b>Return on Assets</b>	<b>Net Income divided by Average Total Assets</b>		
	Net income	P94,165,305	P63,711,580
	Average total assets	1,866,563,837	1,882,649,514
	Return on Assets	0.05	0.03
<b>Solvency Ratio</b>	<b>Net Income Before Non-Cash Expenses divided by Total Liabilities</b>		
	Net income	P94,165,305	P63,711,580
	Add: Non-cash expenses	17,946,865	37,804,385
	Net loss before non-cash expenses	112,112,170	81,515,965
	Total liabilities	42,414,841	65,863,898
	Solvency Ratio	2.64	1.24
<b>Net Profit Margin</b>	<b>Net Income divided by Total Revenue</b>		
	Net income	P94,165,305	P63,711,580
	Total revenue	219,537,917	164,306,117
	Net profit margin	0.43	0.39

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

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

**Audit and Non-audit Fees of Other Related Entities**

	2024	2023
Audit fees	P-	P-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Audit and Non-audit Fees of Other Related Entities</b>	<b>P-</b>	<b>P-</b>

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

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B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>3</u>
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>3</u>
D	Long-Term Debt	<u>N/A</u>
E	Indebtedness to Related Parties	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>3</u>

Schedule A. Financial Assets

Name of issuing entity and specification of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotations at balance sheet date	Interest received and accrued
<b>Financial assets at fair value through profit or loss</b>				
Aboitiz Equity	3,120	#107,172	#107,172	—
ABS-CBN Broadcasting	12,000	50,400	50,400	—
AC Energy Corporation	12,234	48,946	48,946	612
Ayala Corporation	4,078	2,442,722	2,442,722	—
Ayala Land	145,781	3,819,462	3,819,462	—
Benguet Corporation	2,109	8,373	8,373	—
Berkshire Hathaway Inc	3,250	85,463,904	85,463,904	—
BUKALAPAK.com	6,934,800	2,850,660	2,850,660	—
Meralco	10,754	5,247,952	5,247,952	219,496
Oriental Petroleum "B"	1,260,888,642	9,330,576	9,330,576	630,444
Petron Corporation	30,939	75,182	75,182	3,094
Philrex Mining "A"	335,323	935,551	935,551	—
Philrex Petroleum	41,915	120,296	120,296	—
Rockwell Land Corporation	28,616	43,497	43,497	2,913
San Miguel Corporation "A"	12,240	1,052,640	1,052,640	34,566
San Miguel Corporation "B"	12,454	1,071,904	1,071,904	—
Top Frontier Investment Holdings, Inc	1,370	86,447	86,447	—
	<b>1,267,879,635</b>	<b>#112,755,684</b>	<b>#112,755,684</b>	<b>889,125</b>

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotations at balance sheet date	Interest received and accrued
<b>Financial assets at fair value through other comprehensive income</b>				
<b>ASIAN</b>				
Pharmaceuticals ADR Rep	97,235	P=	P=	P=
Australia And Newland Banking Group Ltd	225,000	13,281,590	13,281,590	-
Greenland Global Investment	475,000	5,609,983	5,609,983	-
MOB US Holdings Inc.	200,000	17,432,048	17,432,048	-
Republic of the Philippines	8,000,000	9,223,617	9,223,617	-
Ayala Corporation	2,110	2,110	2,110	-
Ayala Land Inc	144,000	9,767	9,767	-
Celara Corporation	560,000	1,159,200	1,159,200	-
Tagaytay Midlands	1	2,800,000	2,800,000	-
Balesin Island Club	1	3,500,000	3,500,000	-
PLD*, Inc.	400	4,000	4,000	-
Global Dividends Fund	100,000	5,411,202	5,411,202	-
MMWAM VC Brady SX LLC	150,000	68,048,515	68,048,515	-
Republic of Venezuela	100,000	-	-	-
XEN 500 Global VII SP	803,000	56,020,236	56,020,236	-
XEN Capital Asia	150,000	2,820,125	2,820,125	-
XEN Digital Global VII SP	1,000,000	79,447,608	79,447,608	-
XEN One Limited	150,000	2,314,991	2,314,991	-
Xen Tech (Convertible Notes)	1,137,899	-	-	-
Xen Tech (Pre-A Equity Round)	200,000	-	-	-
	<b>13,594,746</b>	<b>P268,084,982</b>	<b>P268,084,982</b>	<b>P=</b>

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

Name and designation of debtor	Beginning balances	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Ending balances
Advances to Officers and Employees	823,862	P=	P=	P23,862	P=	P=	P=

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

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts Collected	Allowance for Doubtful Accounts	Current	Not Current	Balance at end of period
Houghton Capital Holdings Corporation (HCHC) - Subsidiary	0-	\$1,300	0-	0-	0-	\$1,300	\$1,300

*Schedule F. Capital Stock*

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under statements of financial position	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Class "A"	600,000,000	292,630,118	-	56,915,136	22,562,431	-
Class "B"	400,000,000	283,217,535	-	37,496,379	30,392	-
	1,000,000,000	481,827,653	-	94,411,515	22,592,823	-

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023**  
**WITH VERTICAL PERCENTAGE ANALYSIS**

EXHIBIT "A"

	VERTICAL PERCENTAGE ANALYSIS	VERTICAL PERCENTAGE ANALYSIS
AUDITED DEC. 31, 2024	AUDITED DEC. 31, 2023	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	497,418,197	22.33%
Investment securities	112,755,674	6.11%
Due from related parties	233,949	0.01%
Receivables-net	20,691,660	1.12%
Other current assets	29,884,366	1.62%
<b>Total Current Assets</b>	<b>768,923,855</b>	<b>41.19%</b>
<b>Noncurrent Assets</b>		
Investments in associates	465,636,892	25.20%
Investment securities- non current	268,084,982	14.31%
Convertible notes receivable	-	0.00%
Property and Equipment-net	1,912,104	0.20%
Investment properties	328,590,443	17.83%
Investment in rights issue subscription	-	-
Other Noncurrent Assets	15,844,229	1.07%
<b>Total Non-Current Assets</b>	<b>1,886,898,454</b>	<b>98.81%</b>
<b>TOTAL ASSETS</b>	<b>1,847,822,509</b>	<b>100.00%</b>

	VERTICAL PERCENTAGE ANALYSIS	VERTICAL PERCENTAGE ANALYSIS
AUDITED DEC. 31, 2024	AUDITED DEC. 31, 2023	
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts Payable and accrued expenses	17,561,243	0.95%
Dividends payable	1,005,989	0.43%
Income Tax Payable	1,877,104	0.13%
<b>Total Current Liabilities</b>	<b>28,044,334</b>	<b>1.52%</b>
<b>Non-Current Liabilities</b>		
Deferred income tax liabilities-net	1,455,009	0.19%
Non-current portion of deposits payable	20,000	0.00%
Retirement benefit obligation	10,395,498	2.59%
<b>Total Non-Current Liabilities</b>	<b>14,279,907</b>	<b>0.79%</b>
<b>Noncurrent Liabilities</b>		
<b>Stockholders' Equity</b>		
Capital stock	481,827,653	26.08%
Additional paid in capital	144,799,977	7.83%
Treasury shares	(102,054,826)	(5.53%)
Other equity reserves	52,450,114	2.84%
Retained earnings	1,169,721,250	63.68%
<b>Total Equity Attributable to Stockholders of the Company</b>	<b>1,741,664,148</b>	<b>94.31%</b>
Minority Interests	62,745,520	3.40%
<b>Total Stockholders' Equity</b>	<b>1,808,409,668</b>	<b>97.70%</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>1,847,822,509</b>	<b>100.00%</b>

**EXHIBIT "5"**  
**Schedule 1**

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY**  
**BREAKDOWN OF RECEIVABLES**  
**AS OF DECEMBER 31, 2024, 2023 AND 2022**

	2024	2023	2022
<b>Receivables:</b>			
<b>Receivable from Related Parties:</b>			
Business Process Outsourcing, International	<b>P89,044</b>		5,249,962
Magellan Utilities Development Corporation	<b>62,399</b>	185,732	127,989
Pointwest Technologies Corporation	<b>0</b>		-
Others	<b>82,586</b>	74,676	45,430
<b>Total Receivables from Related Parties</b>	<b>P233,949</b>	<b>P260,408</b>	<b>P5,423,381</b>
<b>Interest Receivable</b>	<b>21,261,908</b>	<b>P2,753,965</b>	<b>P4,215,899</b>
<b>Rent Receivables</b>	<b>372,346</b>	<b>547,629</b>	<b>853,034</b>
Receivable from Philippine Depositary Insurance Corporation (PDIC)			-
Others	<b>63,483</b>	146,441	60,691
<b>Total Receivables from Third Parties</b>	<b>P21,697,737</b>	<b>P3,348,035</b>	<b>P5,129,624</b>

**EXHIBIT "5"**  
**Schedule 2**

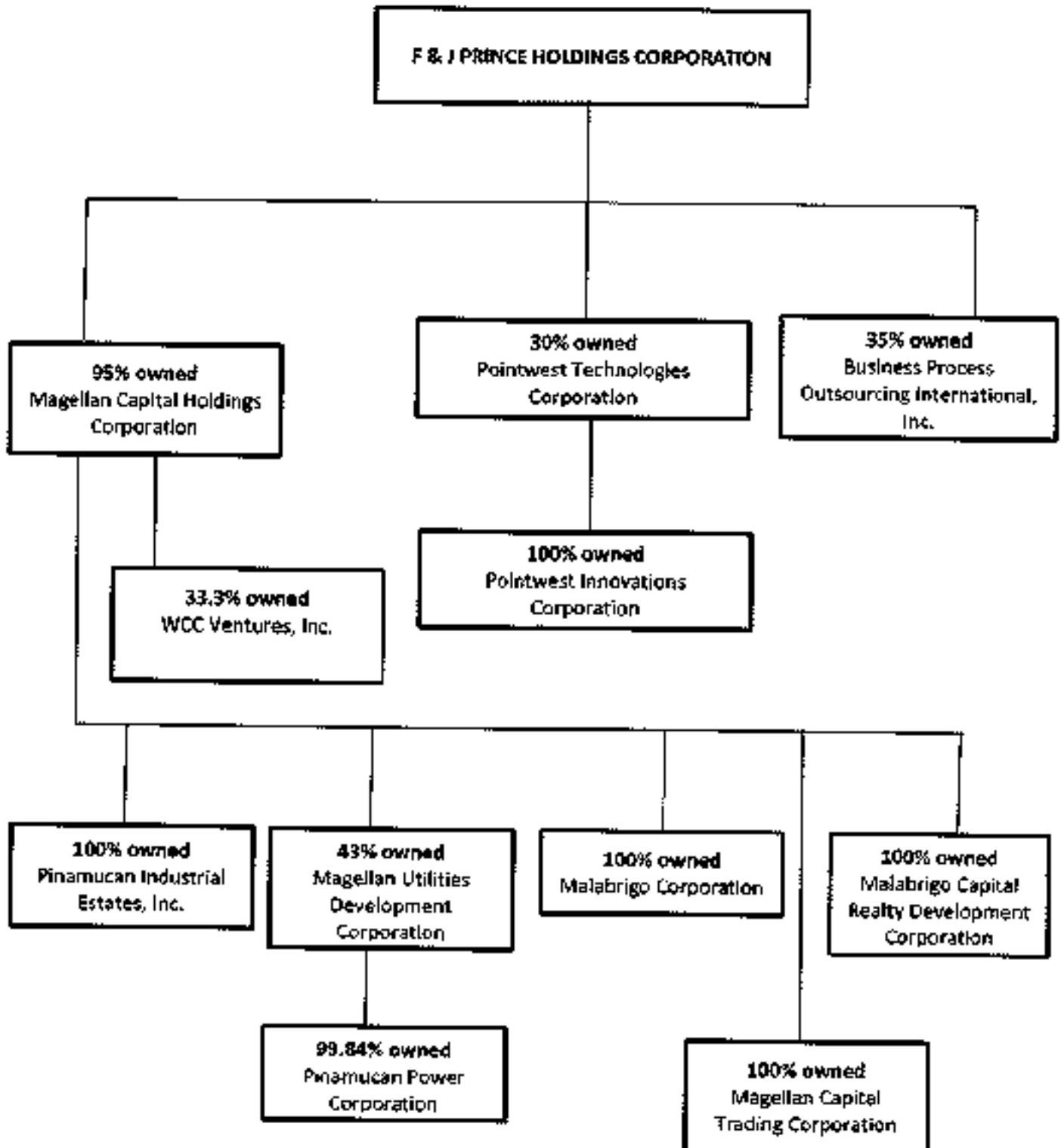
**P & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY**  
**BREAKDOWN OF ACCOUNTS PAYABLE AND ACCRUED EXPENSES**  
**AS OF DECEMBER 31, 2024, 2023 AND 2022**

	2024	2023	2022
Accounts payable	P1,508,445	P611,011	1,439,570
Deposit payable	12,308,930	7,667,584	4,270,953
Government payable	2,841,057	3,003,607	2,178,874
Deferred rental income			
Accrued expenses			
Professional fees (legal and audit fees)	3,387,913	724,329	1,192,505
Other operating expenses	0	0	0
<b>Total Accounts Payable and Accrued Expenses</b>	<b>P20,038,345</b>	<b>P12,086,451</b>	<b>P9,131,002</b>

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES**

**CONGLOMERATE MAP**

**DECEMBER 31, 2024**



### **CERTIFICATION OF INDEPENDENT DIRECTOR**


I, **Peter L. Kawsek, Jr.**, Filipino, of legal age and resident of 415 Arayat Street, Mandaluyong City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of F & J Prince Holdings Corporation and have been its independent director since July 16, 2019.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Apo International Marketing Corporation	President	From 1980 to Present
Kawsek, Incorporated	Vice President	From 1980 to Present
PNZ Marketing, Inc.	President	From 1981 to Present
PNZ Packers, Inc.	President	From 1981 to Present
Bekter Ventures, Inc.	President	From 2007 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of F & J Prince Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other issuances of the Securities and Exchange Commission (SEC).
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of F & J Prince Holdings Corporation of any changes in the above-mentioned information within five days from its occurrence.

Done, this MAY 13 2025 2025, at City of MAKATI CITY.

  
**PETER L. KAWSEK, JR.**  
Affiant

**MAY 13 2025**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of \_\_\_\_\_ 2025 at City of MAKATI CITY.  
Affiant personally appeared before me and exhibited his Passport No. P9027836B issued at DFA Manila on February 23, 2022.

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ATTY.   
**NOTARY PUBLIC**  
Notary Public City of Makati  
Until December 31, 2025

Appointment No. M-032 (2024-2025)  
PTR No. 10468009 Jan. 2, 2025/Makati City  
IBP No. 488534 Dec. 27, 2024  
MCLE NO. VII-0027570 Roll No. 27932  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

## **CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **Charlie K. Chua**, Filipino, of legal age and resident of 180 4<sup>th</sup> Avenue, Caloocan City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of F & J Prince Holdings Corporation and have been its independent director since July 16, 2019.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Highland Tractor Parts, Inc.	Vice President	29 years
CKL Marketing & Dev't. Corp.	President	29 years

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of F & J Prince Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other issuances of the Securities and Exchange Commission (SEC).
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, Code of Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of F & J Prince Holdings Corporation of any changes in the above-mentioned information within five days from its occurrence.

Done, this 13 day of MAY 13 2025 2025, at City of MAKATI CITY.

*Charlie K. Chua*

**CHARLIE K. CHUA**

Affiant

**SUBSCRIBED AND SWORN** to before me this 13 day of MAY 13 2025 2025 at City of MAKATI CITY, affiant personally appeared before me and exhibited his Passport No. P3217214B issued at DFA NCR Northeast on September 15, 2019.

### **NOTARY PUBLIC**

*[Signature]*  
ATTY. ROMEL M. MONFORT  
Notary Public City of Makati  
Until December 31, 2024

Appointment No. M-032 (2024-2025)  
PTs No. 10488008 Jan. 2, 2025/Makati City  
IDP No. 408534 Dec. 27, 2024  
MCLE NO. VII-0027570 Rol No. 27932  
101 Urban Ave. Campos Rueda Bldg,  
Brgy. Pio Del Pilar, Makati City

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Series of 2025.

# *F&J Prince Holdings Corporation*

## Corporate Acts and Resolutions for the Year 2024

Date of Meeting	Kind of Meeting	Acts/Resolutions
April 12, 2024	Regular Board Meeting	<p><b><u>Approval of the Minutes of the Meeting held on June 19, 2023</u></b></p> <p>"Resolved, that the Board of Directors of F&amp;J Prince Holdings Corporation (the "Corporation") confirms, ratifies and approves, as it hereby confirms, ratifies and approves, the Minutes of the Regular Board Meeting of the Board of Directors of the Corporation held on June 19, 2023 remotely via zoom".</p> <p><b><u>Date of Annual Stockholders' Meeting</u></b></p> <p>"RESOLVED, that the Corporation's Annual Stockholders' Meeting be held on July 11, 2024 (Thursday) at 2.30PM both in person in Makati City, and remotely via zoom.</p> <p>"RESOLVED, FURTHER, that MARK RYAN K. COKENG, the President of the Corporation, be hereby, as he is hereby, authorized to represent the Corporation as well as to sign, execute and deliver any and all as may be necessary to be executed in implementation of the foregoing."</p> <p><b><u>Approval of the 2023 Audited Financial Statements</u></b></p> <p>"RESOLVED, that the Corporation confirms, ratifies and approves, as it hereby confirms, ratifies and approves, the Corporation's Audited Financial Statements for 2023, as attached, for</p>

filing with the Bureau of Internal Revenue and Securities and Exchange Commission."

**Appointment of Atty. Anne Jaycelle C. Sacramento as Acting Corporate Secretary**

"RESOLVED, that the Corporation be hereby, as it is hereby, authorized and empowered to appoint ATTY. ANNE JAYCELLE C. SACRAMENTO as the Acting Corporate Secretary of the Corporation, vice ATTY. FINA BERNADETTE D.C. TANTUICO, who has resigned effective as of present date."

**SEC Authorized Filer**

"Resolved, that the Board designated Atty. Anne Jaycelle C. Sacramento, Acting Corporate Secretary, to represent the corporation and act for it as authorized filer in the submission of reportorial requirements with the SEC through the Online Submission Tool (OST)."

**Shares with Cebu Holdings, Inc.**

"Resolved, that the Corporation be authorized to surrender the original stock certificates, i.e. Stock Certificate Nos. 80037 and 80052, representing a total of NINE THOUSAND THREE HUNDRED SEVENTY-FIVE (9,375) shares in Cebu Holdings, Inc. in exchange for Ayala Land, Inc. stock certificates;

"Resolved, Further, that MARK RYAN K. COKENG and/or JOHNSON U. CO, President and Vice-President - Administration of the Corporation, respectively, be authorized, as they are hereby authorized, to act on behalf of the

		Corporation, and to sign, execute, and deliver any and all documents necessary to carry out the foregoing resolution.”
July 11, 2024	Annual Stockholders’ Meeting	<p><u>ELECTION OF DIRECTORS</u></p> <p>The Chairman announced that the table was open for nominations to the Board of Directors for the coming year. This announcement was followed by the nomination and election of the following as members of the Board of Directors and who would act as such until their successors have been duly elected and qualified:</p> <p>[in alphabetical order]</p> <p>CHARLIE K. CHUA FRANCIS L. CHUA JOHNSON U. CO JOHNNY O. COBANKIAT KATRINA MARIE K. COKENG MARK RYAN K. COKENG MARY K. COKENG PETER L. KAWSEK, JR. JOHNSON TAN GUI YEE RUFINO B. TIANGCO RYAN WESLEY T. YAPKIANWEE</p> <p>Messrs. Charlie K. Chua and Peter L. Kawsek, Jr. were re-elected as the independent directors of the Corporation, as required by law.</p> <p><u>REAPPOINTMENT OF EXTERNAL AUDITORS</u></p> <p>After discussion and upon motion made and duly seconded, the stockholders approved and ratified the reappointment of Reyes Tacandong &amp; Co. as external auditors of the Corporation for the fiscal year 2024.</p>

APPROVAL OF THE AMENDMENTS TO THE ARTICLES OF INCORPORATION

Upon motion made and duly seconded, the stockholders approved the amendment of the third and fourth articles of the Articles of Incorporation of the Corporation:

"RESOLVED, that the Corporation be hereby, as it is hereby, authorized and empowered to change the principal office address of the Corporation to reflect the updated name of the building from Citibank Center Building to BDO Paseo Towers, and accordingly, to amend the Third Article of its Articles of Incorporation, as follows:

"THIRD: That the place where the principal office of the corporation is to be established or located is at Units 3 & 4, 5th Floor, *BDO Towers Paseo*, 8741 Paseo de Roxas Street, Salcedo Village, Makati City. *(As amended on 11 July 2024)*"

"RESOLVED, FURTHER, that the Corporation be hereby, as it is hereby, authorized and empowered to change its corporate existence to perpetual, in accordance with the Revised Corporation Code, and accordingly, to amend the Fourth Article of its Articles of Incorporation, as follows:

"FOURTH: *That the corporation shall have perpetual existence. (As amended on 11 July 2024)*"

APPROVAL OF THE AMENDMENTS TO THE BY-LAWS

Upon motion made and duly seconded, the stockholders approved the proposed amendments to the By-Laws of the Corporation:

		<p>"RESOLVED, that the Corporation be hereby, as it is hereby, authorized and empowered to change the date of the annual meeting of the stockholders of the Corporation, and accordingly, to amend paragraph 1 of Article II of the By-Laws, as follows:</p> <p>'1. THE ANNUAL MEETING of the stockholders of this company shall be held in the principal office of the company, or such other place as the Board of Directors may designate, on the 15th of June of each year at 4:00 P.M, unless the Board of Directors fixes a different date and time, which in no case shall not be later than the last working day of July. (As amended on 11 July 2024)'</p> <p>"RESOLVED, FURTHER, that the Corporation be hereby, as it is hereby, authorized and empowered to update the provisions of the By-Laws to make them consistent with the applicable provisions of the Revised Corporation Code, and accordingly, to amend the paragraph 5 of Article I, paragraph 3 of Article II, and paragraph 4 Article III of the By-Laws, as follows:</p> <p style="text-align: center;"><b>ARTICLE I</b></p> <p>'5. LOST CERTIFICATES may be replaced whenever any person claiming a certificate of stock to be lost or destroyed shall make an affidavit to that fact and shall advertise the same in such manner as the Board of Directors may require, and shall give the company a bond of indemnity in the form and with the sureties satisfactory to the Board in such sum as the Board shall deem reasonably necessary. The new certificate shall be plainly marked as a duplicate certificate and shall otherwise be of the same tenor as the one alleged to be lost or destroyed. In this connection, the applicable provisions of the Corporation Law of the</p>
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*Philippines shall be observed. (As amended on 11 July 2024)'*

## **ARTICLE II**

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

## **ARTICLE III**

*'4. NOTICE OF MEETINGS - Except as otherwise provided by law, written or printed notices of all meetings of the Board of Directors, stating the place and time of the meeting, and, if necessary, the general nature of the business to be considered, shall be transmitted by personal delivery, mail, or electronic mail, at his last known address, by the Secretary of the Corporation, at least five (5) days before the date of the meeting, if a regular meeting, or at least one (1) day before the date of the meeting, if a special meeting. Notice of a meeting may be waived by any director and his presence at the meeting shall*

		<p><i>be deemed a waiver of any failure, defect or irregularity of the notice. (As amended on 11 July 2024)'</i></p> <p><b><u>DECLARATION OF CASH DIVIDENDS</u></b></p> <p>"RESOLVED, that the Corporation hereby declare out of its unrestricted retained earnings a cash dividend in an aggregate amount of Fifteen Centavos (PhP 0.15) per share, payable as follows:</p> <p>Ten Centavos (P0.10) per share, to stockholders of record as of August 23, 2024 (the "Record Date"), payable on or before September 18, 2024; and</p> <p>Five Centavos (P0.05) per share, to stockholders of record as of October 7, 2024 (the "Record Date"), payable on or before October 30, 2024."</p> <p><b><u>AUTHORIZATION FOR MARK RYAN K. COKENG and/or KATRINA MARIE K. COKENG</u></b></p> <p>"RESOLVED, that the President, MARK RYAN K. COKENG, or in his absence, KATRINA MARIE K. COKENG be hereby, as each of them is hereby, authorized and empowered to vote, or to execute, or give a proxy for, the shares held by or registered in the name of the Corporation in POINTWEST TECHNOLOGIES CORPORATION, under such terms and conditions as they may deem proper."</p>
July 11, 2024	Organizational Board Meeting	<p><b><u>ELECTION OF OFFICERS</u></b></p> <p>The Chairman announced that in accordance with the Revised Corporation Code and the By-Laws of the Corporation, the new corporate officers should now be elected by the Board, and that the officers to be elected were a Chairman, a President, a Vice-President, a Treasurer, a</p>

		<p>Corporate Secretary, and such other officers as the Board may designate and elect.</p> <p>The President then declared that the table was open for nominations to the aforesaid offices, beginning from the office of the Chairman of the Board.</p> <p>This announcement was followed by the nomination and unanimous election of the following persons to the positions indicated opposite their respective names:</p> <p>JOHNSON TAN GUI YEE - Chairman  MARK RYAN K. COKENG - President  JOHNSON U. CO - Vice-President for Administration  MARY K. COKENG - Treasurer  KATRINA MARIE K. COKENG - Assistant Treasurer  ANNE JAYCELLE C. SACRAMENTO -Corporate Secretary</p> <p><b><u>ELECTION OF DIFFERENT COMMITTEES</u></b></p> <p>The members of the different committees were re-elected as follows:</p> <p><b><u>Audit Committee</u></b>  Peter L. Kawsek, Jr. – Chairman /  Independent Director  Mark Ryan K. Cokeng  Johnson Tan Gui Yee  Rufino B. Tiangco  Johnson U. Co</p> <p><b><u>Nomination Committee</u></b>  Charlie K. Chua – Chairman / Independent  Director  Mark Ryan K. Cokeng  Rufino B. Tiangco  Johnson Tan Gui Yee  Francis L. Chua</p>
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**Compensation Committee**

Mark Ryan K. Cokeng - Chairman  
Johnson U. Co  
Rufino B. Tiangco  
Charlie K. Chua - Independent Director  
Mary K. Cokeng

**APPROVAL OF THE AMENDMENTS TO THE  
ARTICLES OF INCORPORATION**

Upon motion made and duly seconded, the Board of Directors approved and adopted the resolution passed by the stockholders for the amendment of the third and fourth articles of the Articles of Incorporation of the Corporation:

**"RESOLVED**, that the Corporation be hereby, as it is hereby, authorized and empowered to change the principal office address of the Corporation to reflect the updated name of the building from **Citibank Center Building** to **BDO Paseo Towers**, and accordingly, to amend the Third Article of its Articles of Incorporation, as follows:

**"THIRD:** That the place where the principal office of the corporation is to be established or located is at Units 3 & 4, 5th Floor, **BDO Towers Paseo**, 8741 Paseo de Roxas Street, Salcedo Village, Makati City. *(As amended on 11 July 2024)*'

**"RESOLVED, FURTHER**, that the Corporation be hereby, as it is hereby, authorized and empowered to change its corporate existence to **perpetual**, in accordance with the Revised Corporation Code, and accordingly, to amend the Fourth Article of its Articles of Incorporation, as follows:

**"FOURTH:** ***That the corporation shall have perpetual existence.*** *(As amended on 11 July 2024)*'

**APPROVAL OF THE AMENDMENTS TO THE BY-LAWS**

Upon motion made and duly seconded, the Board of Directors approved and adopted the resolution passed by the stockholders for the proposed amendments to the By-Laws of the Corporation:

**"RESOLVED**, that the Corporation be hereby, as it is hereby, authorized and empowered to change the date of the annual meeting of the stockholders of the Corporation, and accordingly, to amend paragraph 1 of Article II of the By-Laws, as follows:

**"1. THE ANNUAL MEETING** of the stockholders of this company shall be held in the principal office of the company, or such other place as the Board of Directors may designate, on the 15th of June of each year at 4:00 P.M., unless the Board of Directors fixes a different date and time, which in no case shall not be later than the last working day of July. (As amended on 11 July 2024)"

**"RESOLVED, FURTHER**, that the Corporation be hereby, as it is hereby, authorized and empowered to update the provisions of the By-Laws to make them consistent with the applicable provisions of the Revised Corporation Code, and accordingly, to amend the paragraph 5 of Article I, paragraph 3 of Article II, and paragraph 4 Article III of the By-Laws, as follows:

**ARTICLE I**

**"5. LOST CERTIFICATES** may be replaced whenever any person claiming a certificate of stock to be lost or destroyed shall make an affidavit to that fact and shall advertise the same in such manner as the Board of Directors may require, and shall give the company a bond

of indemnity in the form and with the sureties satisfactory to the Board in such sum as the Board shall deem reasonably necessary. The new certificate shall be plainly marked as a duplicate certificate and shall otherwise be of the same tenor as the one alleged to be lost or destroyed. In this connection, the **applicable provisions of the Corporation Law of the Philippines shall be observed.** (As amended on 11 July 2024)'

## ARTICLE II

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

## ARTICLE III

**'4. NOTICE OF MEETINGS - Except as otherwise provided by law, written or printed notices of all meetings of the Board of Directors, stating the place and time of the meeting, and, if necessary, the general nature of the business to be considered, shall be**

		<p><u>transmitted by personal delivery, mail, or electronic mail, at his last known address, by the Secretary of the Corporation, at least five (5) days before the date of the meeting, if a regular meeting, or at least one (1) day before the date of the meeting, if a special meeting. Notice of a meeting may be waived by any director and his presence at the meeting shall be deemed a waiver of any failure, defect or irregularity of the notice. (As amended on 11 July 2024).'</u></p> <p><b><u>DECLARATION OF CASH DIVIDENDS</u></b></p> <p>Upon motion made and duly seconded, the Board of Directors approved and adopted a resolution declaring cash dividends, as follows:</p> <p><b>"RESOLVED</b>, that the Corporation hereby declare out of its unrestricted retained earnings a cash dividend of a total of Fifteen Centavos (PhP 0.15) per share, payable to all stockholders of record as of 26 April 2024, in two (2) tranches, the specific dates of which shall be determined by the President of the Corporation, but in no case shall be later than end of calendar year 2024."</p>
August 7, 2024	Special Board Meeting	<p><b><u>DECLARATION OF CASH DIVIDENDS</u></b></p> <p>"RESOLVED, that the Corporation hereby declare out of its unrestricted retained earnings a cash dividend in an aggregate amount of Fifteen Centavos (PhP 0.15) per share, payable as follows:</p> <ul style="list-style-type: none"> <li>(a) Ten Centavos (P0.10) per share, to stockholders of record as of August 23, 2024 (the "Record Date"), payable on or before September 18, 2024; and</li> <li>(b) Five Centavos (P0.05) per share, to stockholders of record as of October 7, 2024 (the "<b>Record Date</b>"), payable on or before October 30, 2024."</li> </ul>

**AUTHORIZATION TO POINTWEST  
TECHNOLOGIES CORPORATION'S  
STOCKHOLDERS' MEETING**

"RESOLVED, that any of the following acting  
singly or jointly:

**MARK RYAN K. COKENG**, President  
**KATRINA MARIE K. COKENG**, Director  
**MARY K. COKENG**, Director

be, as each of them is hereby, authorized and  
empowered to vote, or to execute, or give a  
proxy for, the shares held by or registered in the  
name of the Corporation in any Stockholder's  
meeting of **POINTWEST TECHNOLOGIES  
CORPORATION**, under such terms and  
conditions as they may deem proper."

## DIRECTORY/BANKERS

### ***EXECUTIVE OFFICES:***

5<sup>th</sup> Floor, BDO Towers Paseo  
8741 Paseo de Roxas, Makati City 1226  
Tel. Nos.: 88927133 • 88927137 •  
88929443

### ***LEGAL COUNSEL:***

#### **ATTY. ANNE JAYCELLE C. SACRAMENTO**

5<sup>th</sup> Floor, BDO Towers Paseo  
8741 Paseo de Roxas, Makati City

### ***AUDITORS:***

#### **REYES TACANDONG & CO.**

11<sup>th</sup> Floor, BDO Towers Valero,  
8741 Paseo de Roxas, Makati City

### ***TRANSFER AGENT:***

#### **PROFESSIONAL STOCK TRANSFER, INC. (PSTI)**

10<sup>th</sup> Floor, Telecom Plaza,  
316 Sen. Gil Puyat Avenue, Makati City

### ***LISTED AT:***

#### **THE PHILIPPINE STOCK EXCHANGE, INC.**

6/F PSE Tower, 5<sup>th</sup> Avenue cor 28<sup>th</sup> Street,  
Bonifacio Global City, Taguig City

### **BANKERS:**

#### **BANK OF THE PHILIPPINE ISLANDS**

Ortigas Branch  
Benpres Building, Ortigas Center  
Pasig City

#### **CHINA BANKING CORPORATION**

Balintawak-Boni Branch  
Balintawak, Quezon City

#### **METROPOLITAN BANK & TRUST CO.**

Meralco Branch  
Ground Floor, Ortigas Building  
Ortigas Avenue, Pasig City

### **CERTIFICATION OF INDEPENDENT DIRECTOR**


I, **Peter L. Kawsek, Jr.**, Filipino, of legal age and resident of 415 Arayat Street, Mandaluyong City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of F & J Prince Holdings Corporation and have been its independent director since July 16, 2019.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Apo International Marketing Corporation	President	From 1980 to Present
Kawsek, Incorporated	Vice President	From 1980 to Present
PNZ Marketing, Inc.	President	From 1981 to Present
PNZ Packers, Inc.	President	From 1981 to Present
Bekter Ventures, Inc.	President	From 2007 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of F & J Prince Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other issuances of the Securities and Exchange Commission (SEC).
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of F & J Prince Holdings Corporation of any changes in the above-mentioned information within five days from its occurrence.

Done, this MAY 13 2025 2025, at City of MAKATI CITY.

  
**PETER L. KAWSEK, JR.**  
Affiant

**MAY 13 2025**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of \_\_\_\_\_ 2025 at City of MAKATI CITY.  
Affiant personally appeared before me and exhibited his Passport No. P9027836B issued at DFA Manila on February 23, 2022.

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ATTY.   
**NOTARY PUBLIC**  
Notary Public City of Makati  
Until December 31, 2025

Appointment No. M-032 (2024-2025)  
PTR No. 10468009 Jan. 2, 2025/Makati City  
IBP No. 488534 Dec. 27, 2024  
MCLE NO. VII-0027570 Roll No. 27932  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

## **CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **Charlie K. Chua**, Filipino, of legal age and resident of 180 4<sup>th</sup> Avenue, Caloocan City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of F & J Prince Holdings Corporation and have been its independent director since July 16, 2019.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Highland Tractor Parts, Inc.	Vice President	29 years
CKL Marketing & Dev't. Corp.	President	29 years

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of F & J Prince Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other issuances of the Securities and Exchange Commission (SEC).
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, Code of Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of F & J Prince Holdings Corporation of any changes in the above-mentioned information within five days from its occurrence.

Done, this 13 day of MAY 13 2025 2025, at City of MAKATI CITY.

*Charlie K. Chua*

**CHARLIE K. CHUA**

Affiant

**SUBSCRIBED AND SWORN** to before me this 13 day of MAY 13 2025 2025 at City of MAKATI CITY, affiant personally appeared before me and exhibited his Passport No. P3217214B issued at DFA NCR Northeast on September 15, 2019.

### **NOTARY PUBLIC**

*[Signature]*  
ATTY. ROMEO M. MONFORT  
Notary Public City of Makati  
Until December 31, 2024

Appointment No. M-032 (2024-2025)  
PTs No. 10488009 Jan. 2, 2025/Makati City  
IDP No. 408534 Dec. 27, 2024  
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# *F&J Prince Holdings Corporation*

## Corporate Acts and Resolutions for the Year 2024

Date of Meeting	Kind of Meeting	Acts/Resolutions
April 12, 2024	Regular Board Meeting	<p><b><u>Approval of the Minutes of the Meeting held on June 19, 2023</u></b></p> <p>"Resolved, that the Board of Directors of F&amp;J Prince Holdings Corporation (the "Corporation") confirms, ratifies and approves, as it hereby confirms, ratifies and approves, the Minutes of the Regular Board Meeting of the Board of Directors of the Corporation held on June 19, 2023 remotely via zoom".</p> <p><b><u>Date of Annual Stockholders' Meeting</u></b></p> <p>"RESOLVED, that the Corporation's Annual Stockholders' Meeting be held on July 11, 2024 (Thursday) at 2.30PM both in person in Makati City, and remotely via zoom.</p> <p>"RESOLVED, FURTHER, that MARK RYAN K. COKENG, the President of the Corporation, be hereby, as he is hereby, authorized to represent the Corporation as well as to sign, execute and deliver any and all as may be necessary to be executed in implementation of the foregoing."</p> <p><b><u>Approval of the 2023 Audited Financial Statements</u></b></p> <p>"RESOLVED, that the Corporation confirms, ratifies and approves, as it hereby confirms, ratifies and approves, the Corporation's Audited Financial Statements for 2023, as attached, for</p>

filing with the Bureau of Internal Revenue and Securities and Exchange Commission."

**Appointment of Atty. Anne Jaycelle C. Sacramento as Acting Corporate Secretary**

"RESOLVED, that the Corporation be hereby, as it is hereby, authorized and empowered to appoint ATTY. ANNE JAYCELLE C. SACRAMENTO as the Acting Corporate Secretary of the Corporation, vice ATTY. FINA BERNADETTE D.C. TANTUICO, who has resigned effective as of present date."

**SEC Authorized Filer**

"Resolved, that the Board designated Atty. Anne Jaycelle C. Sacramento, Acting Corporate Secretary, to represent the corporation and act for it as authorized filer in the submission of reportorial requirements with the SEC through the Online Submission Tool (OST)."

**Shares with Cebu Holdings, Inc.**

"Resolved, that the Corporation be authorized to surrender the original stock certificates, i.e. Stock Certificate Nos. 80037 and 80052, representing a total of NINE THOUSAND THREE HUNDRED SEVENTY-FIVE (9,375) shares in Cebu Holdings, Inc. in exchange for Ayala Land, Inc. stock certificates;

"Resolved, Further, that MARK RYAN K. COKENG and/or JOHNSON U. CO, President and Vice-President - Administration of the Corporation, respectively, be authorized, as they are hereby authorized, to act on behalf of the

		Corporation, and to sign, execute, and deliver any and all documents necessary to carry out the foregoing resolution.”
July 11, 2024	Annual Stockholders’ Meeting	<p><u>ELECTION OF DIRECTORS</u></p> <p>The Chairman announced that the table was open for nominations to the Board of Directors for the coming year. This announcement was followed by the nomination and election of the following as members of the Board of Directors and who would act as such until their successors have been duly elected and qualified:</p> <p>[in alphabetical order]</p> <p>CHARLIE K. CHUA FRANCIS L. CHUA JOHNSON U. CO JOHNNY O. COBANKIAT KATRINA MARIE K. COKENG MARK RYAN K. COKENG MARY K. COKENG PETER L. KAWSEK, JR. JOHNSON TAN GUI YEE RUFINO B. TIANGCO RYAN WESLEY T. YAPKIANWEE</p> <p>Messrs. Charlie K. Chua and Peter L. Kawsek, Jr. were re-elected as the independent directors of the Corporation, as required by law.</p> <p><u>REAPPOINTMENT OF EXTERNAL AUDITORS</u></p> <p>After discussion and upon motion made and duly seconded, the stockholders approved and ratified the reappointment of Reyes Tacandong &amp; Co. as external auditors of the Corporation for the fiscal year 2024.</p>

APPROVAL OF THE AMENDMENTS TO THE ARTICLES OF INCORPORATION

Upon motion made and duly seconded, the stockholders approved the amendment of the third and fourth articles of the Articles of Incorporation of the Corporation:

"RESOLVED, that the Corporation be hereby, as it is hereby, authorized and empowered to change the principal office address of the Corporation to reflect the updated name of the building from Citibank Center Building to BDO Paseo Towers, and accordingly, to amend the Third Article of its Articles of Incorporation, as follows:

"THIRD: That the place where the principal office of the corporation is to be established or located is at Units 3 & 4, 5th Floor, *BDO Towers Paseo*, 8741 Paseo de Roxas Street, Salcedo Village, Makati City. *(As amended on 11 July 2024)*"

"RESOLVED, FURTHER, that the Corporation be hereby, as it is hereby, authorized and empowered to change its corporate existence to perpetual, in accordance with the Revised Corporation Code, and accordingly, to amend the Fourth Article of its Articles of Incorporation, as follows:

"FOURTH: *That the corporation shall have perpetual existence. (As amended on 11 July 2024)*"

APPROVAL OF THE AMENDMENTS TO THE BY-LAWS

Upon motion made and duly seconded, the stockholders approved the proposed amendments to the By-Laws of the Corporation:

		<p>"RESOLVED, that the Corporation be hereby, as it is hereby, authorized and empowered to change the date of the annual meeting of the stockholders of the Corporation, and accordingly, to amend paragraph 1 of Article II of the By-Laws, as follows:</p> <p>'1. THE ANNUAL MEETING of the stockholders of this company shall be held in the principal office of the company, or such other place as the Board of Directors may designate, on the 15th of June of each year at 4:00 P.M, unless the Board of Directors fixes a different date and time, which in no case shall not be later than the last working day of July. (As amended on 11 July 2024)'</p> <p>"RESOLVED, FURTHER, that the Corporation be hereby, as it is hereby, authorized and empowered to update the provisions of the By-Laws to make them consistent with the applicable provisions of the Revised Corporation Code, and accordingly, to amend the paragraph 5 of Article I, paragraph 3 of Article II, and paragraph 4 Article III of the By-Laws, as follows:</p> <p style="text-align: center;"><b>ARTICLE I</b></p> <p>'5. LOST CERTIFICATES may be replaced whenever any person claiming a certificate of stock to be lost or destroyed shall make an affidavit to that fact and shall advertise the same in such manner as the Board of Directors may require, and shall give the company a bond of indemnity in the form and with the sureties satisfactory to the Board in such sum as the Board shall deem reasonably necessary. The new certificate shall be plainly marked as a duplicate certificate and shall otherwise be of the same tenor as the one alleged to be lost or destroyed. In this connection, the applicable provisions of the Corporation Law of the</p>
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*Philippines shall be observed. (As amended on 11 July 2024)'*

## **ARTICLE II**

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

## **ARTICLE III**

*'4. NOTICE OF MEETINGS - Except as otherwise provided by law, written or printed notices of all meetings of the Board of Directors, stating the place and time of the meeting, and, if necessary, the general nature of the business to be considered, shall be transmitted by personal delivery, mail, or electronic mail, at his last known address, by the Secretary of the Corporation, at least five (5) days before the date of the meeting, if a regular meeting, or at least one (1) day before the date of the meeting, if a special meeting. Notice of a meeting may be waived by any director and his presence at the meeting shall*

		<p><i>be deemed a waiver of any failure, defect or irregularity of the notice. (As amended on 11 July 2024)'</i></p> <p><b><u>DECLARATION OF CASH DIVIDENDS</u></b></p> <p>"RESOLVED, that the Corporation hereby declare out of its unrestricted retained earnings a cash dividend in an aggregate amount of Fifteen Centavos (PhP 0.15) per share, payable as follows:</p> <p>Ten Centavos (P0.10) per share, to stockholders of record as of August 23, 2024 (the "Record Date"), payable on or before September 18, 2024; and</p> <p>Five Centavos (P0.05) per share, to stockholders of record as of October 7, 2024 (the "Record Date"), payable on or before October 30, 2024."</p> <p><b><u>AUTHORIZATION FOR MARK RYAN K. COKENG and/or KATRINA MARIE K. COKENG</u></b></p> <p>"RESOLVED, that the President, MARK RYAN K. COKENG, or in his absence, KATRINA MARIE K. COKENG be hereby, as each of them is hereby, authorized and empowered to vote, or to execute, or give a proxy for, the shares held by or registered in the name of the Corporation in POINTWEST TECHNOLOGIES CORPORATION, under such terms and conditions as they may deem proper."</p>
July 11, 2024	Organizational Board Meeting	<p><b><u>ELECTION OF OFFICERS</u></b></p> <p>The Chairman announced that in accordance with the Revised Corporation Code and the By-Laws of the Corporation, the new corporate officers should now be elected by the Board, and that the officers to be elected were a Chairman, a President, a Vice-President, a Treasurer, a</p>

		<p>Corporate Secretary, and such other officers as the Board may designate and elect.</p> <p>The President then declared that the table was open for nominations to the aforesaid offices, beginning from the office of the Chairman of the Board.</p> <p>This announcement was followed by the nomination and unanimous election of the following persons to the positions indicated opposite their respective names:</p> <p>JOHNSON TAN GUI YEE - Chairman  MARK RYAN K. COKENG - President  JOHNSON U. CO - Vice-President for Administration  MARY K. COKENG - Treasurer  KATRINA MARIE K. COKENG - Assistant Treasurer  ANNE JAYCELLE C. SACRAMENTO -Corporate Secretary</p> <p><b><u>ELECTION OF DIFFERENT COMMITTEES</u></b></p> <p>The members of the different committees were re-elected as follows:</p> <p><b><u>Audit Committee</u></b>  Peter L. Kawsek, Jr. – Chairman /  Independent Director  Mark Ryan K. Cokeng  Johnson Tan Gui Yee  Rufino B. Tiangco  Johnson U. Co</p> <p><b><u>Nomination Committee</u></b>  Charlie K. Chua – Chairman / Independent  Director  Mark Ryan K. Cokeng  Rufino B. Tiangco  Johnson Tan Gui Yee  Francis L. Chua</p>
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**Compensation Committee**

Mark Ryan K. Cokeng - Chairman  
Johnson U. Co  
Rufino B. Tiangco  
Charlie K. Chua - Independent Director  
Mary K. Cokeng

**APPROVAL OF THE AMENDMENTS TO THE  
ARTICLES OF INCORPORATION**

Upon motion made and duly seconded, the Board of Directors approved and adopted the resolution passed by the stockholders for the amendment of the third and fourth articles of the Articles of Incorporation of the Corporation:

**"RESOLVED**, that the Corporation be hereby, as it is hereby, authorized and empowered to change the principal office address of the Corporation to reflect the updated name of the building from **Citibank Center Building** to **BDO Paseo Towers**, and accordingly, to amend the Third Article of its Articles of Incorporation, as follows:

**"THIRD:** That the place where the principal office of the corporation is to be established or located is at Units 3 & 4, 5th Floor, **BDO Towers Paseo**, 8741 Paseo de Roxas Street, Salcedo Village, Makati City. *(As amended on 11 July 2024)*'

**"RESOLVED, FURTHER**, that the Corporation be hereby, as it is hereby, authorized and empowered to change its corporate existence to **perpetual**, in accordance with the Revised Corporation Code, and accordingly, to amend the Fourth Article of its Articles of Incorporation, as follows:

**"FOURTH:** ***That the corporation shall have perpetual existence.*** *(As amended on 11 July 2024)*'

**APPROVAL OF THE AMENDMENTS TO THE BY-LAWS**

Upon motion made and duly seconded, the Board of Directors approved and adopted the resolution passed by the stockholders for the proposed amendments to the By-Laws of the Corporation:

**"RESOLVED**, that the Corporation be hereby, as it is hereby, authorized and empowered to change the date of the annual meeting of the stockholders of the Corporation, and accordingly, to amend paragraph 1 of Article II of the By-Laws, as follows:

**"1. THE ANNUAL MEETING** of the stockholders of this company shall be held in the principal office of the company, or such other place as the Board of Directors may designate, on the 15th of June of each year at 4:00 P.M., unless the Board of Directors fixes a different date and time, which in no case shall not be later than the last working day of July. (As amended on 11 July 2024)"

**"RESOLVED, FURTHER**, that the Corporation be hereby, as it is hereby, authorized and empowered to update the provisions of the By-Laws to make them consistent with the applicable provisions of the Revised Corporation Code, and accordingly, to amend the paragraph 5 of Article I, paragraph 3 of Article II, and paragraph 4 Article III of the By-Laws, as follows:

**ARTICLE I**

**"5. LOST CERTIFICATES** may be replaced whenever any person claiming a certificate of stock to be lost or destroyed shall make an affidavit to that fact and shall advertise the same in such manner as the Board of Directors may require, and shall give the company a bond

of indemnity in the form and with the sureties satisfactory to the Board in such sum as the Board shall deem reasonably necessary. The new certificate shall be plainly marked as a duplicate certificate and shall otherwise be of the same tenor as the one alleged to be lost or destroyed. In this connection, the **applicable provisions of the Corporation Law of the Philippines shall be observed.** (As amended on 11 July 2024)'

## ARTICLE II

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

## ARTICLE III

**'4. NOTICE OF MEETINGS - Except as otherwise provided by law, written or printed notices of all meetings of the Board of Directors, stating the place and time of the meeting, and, if necessary, the general nature of the business to be considered, shall be**

		<p><u>transmitted by personal delivery, mail, or electronic mail, at his last known address, by the Secretary of the Corporation, at least five (5) days before the date of the meeting, if a regular meeting, or at least one (1) day before the date of the meeting, if a special meeting. Notice of a meeting may be waived by any director and his presence at the meeting shall be deemed a waiver of any failure, defect or irregularity of the notice. (As amended on 11 July 2024).'</u></p> <p><b><u>DECLARATION OF CASH DIVIDENDS</u></b></p> <p>Upon motion made and duly seconded, the Board of Directors approved and adopted a resolution declaring cash dividends, as follows:</p> <p><b>"RESOLVED</b>, that the Corporation hereby declare out of its unrestricted retained earnings a cash dividend of a total of Fifteen Centavos (PhP 0.15) per share, payable to all stockholders of record as of 26 April 2024, in two (2) tranches, the specific dates of which shall be determined by the President of the Corporation, but in no case shall be later than end of calendar year 2024."</p>
August 7, 2024	Special Board Meeting	<p><b><u>DECLARATION OF CASH DIVIDENDS</u></b></p> <p>"RESOLVED, that the Corporation hereby declare out of its unrestricted retained earnings a cash dividend in an aggregate amount of Fifteen Centavos (PhP 0.15) per share, payable as follows:</p> <ul style="list-style-type: none"> <li>(a) Ten Centavos (P0.10) per share, to stockholders of record as of August 23, 2024 (the "Record Date"), payable on or before September 18, 2024; and</li> <li>(b) Five Centavos (P0.05) per share, to stockholders of record as of October 7, 2024 (the "<b>Record Date</b>"), payable on or before October 30, 2024."</li> </ul>

**AUTHORIZATION TO POINTWEST  
TECHNOLOGIES CORPORATION'S  
STOCKHOLDERS' MEETING**

"RESOLVED, that any of the following acting  
singly or jointly:

**MARK RYAN K. COKENG**, President  
**KATRINA MARIE K. COKENG**, Director  
**MARY K. COKENG**, Director

be, as each of them is hereby, authorized and  
empowered to vote, or to execute, or give a  
proxy for, the shares held by or registered in the  
name of the Corporation in any Stockholder's  
meeting of **POINTWEST TECHNOLOGIES  
CORPORATION**, under such terms and  
conditions as they may deem proper."

## DIRECTORY/BANKERS

### **EXECUTIVE OFFICES:**

5<sup>th</sup> Floor, BDO Towers Paseo  
8741 Paseo de Roxas, Makati City 1226  
Tel. Nos.: 88927133 • 88927137 •  
88929443

### **LEGAL COUNSEL:**

#### **ATTY. ANNE JAYCELLE C. SACRAMENTO**

5<sup>th</sup> Floor, BDO Towers Paseo  
8741 Paseo de Roxas, Makati City

### **AUDITORS:**

#### **REYES TACANDONG & CO.**

11<sup>th</sup> Floor, BDO Towers Valero,  
8741 Paseo de Roxas, Makati City

### **TRANSFER AGENT:**

#### **PROFESSIONAL STOCK TRANSFER, INC. (PSTI)**

10<sup>th</sup> Floor, Telecom Plaza,  
316 Sen. Gil Puyat Avenue, Makati City

### **LISTED AT:**

#### **THE PHILIPPINE STOCK EXCHANGE, INC.**

6/F PSE Tower, 5<sup>th</sup> Avenue cor 28<sup>th</sup> Street,  
Bonifacio Global City, Taguig City

### **BANKERS:**

#### **BANK OF THE PHILIPPINE ISLANDS**

Ortigas Branch  
Benpres Building, Ortigas Center  
Pasig City

#### **CHINA BANKING CORPORATION**

Balintawak-Boni Branch  
Balintawak, Quezon City

#### **METROPOLITAN BANK & TRUST CO.**

Meralco Branch  
Ground Floor, Ortigas Building  
Ortigas Avenue, Pasig City

# COVER SHEET

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SEC Registration Number

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		H	O	L	D	I	N	G	S		C	O	R	P	O	R	A	T	I	O	N	

(Company's Full Name)

5	T	H		F	L	R		B	D	O		T	O	W	E	R	S		P	A	S	E	O		
8	7	4	1		P	A	S	E	O		D	E		R	O	X	A	S		M	A	K	A	T	I

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

**Atty. Anne Jaycelle C. Sacramento**

Contact Person

**8892-7133** ☐ **8892-7137**

Company Telephone Numbers

1	2	3	1
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Month Day  
Fiscal Year

0	6	1	5
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Month Day  
Annual Meeting

## SEC FORM 17-Q

**As of Third Quarter ended  
30 September 2025**

Form Type

--

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total Number of Stockholders

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Domestic

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Foreign

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File Number

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Remarks = pls. use black ink for scanning purposes.

# 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 September 2025
2. SEC Identification Number 43370 3. BIR Tax Identification No. 000-829-097

4. *F & I 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

NUMBER OF SHARES OF COMMON STOCK

TITLE OF CLASS  
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"**

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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 I. FINANCIAL STATEMENTS**

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

- (1) Unaudited Interim Balance Sheet as of 30 September 2025 and Audited Balance Sheet as of 31 December 2024 as Annex "A";
- (2) Unaudited Interim Statement of Income and Retained Earnings for the nine (9) month period ending 30 September 2025 and the 9-month period ending 30 September 2024 as Annex "B";
- (3) Unaudited Statement of Income and Retained Earnings for the three-month period ending 30 September 2025 and three months period ending 30 September 2024 shown as Annex "C";
- (4) Unaudited Interim Statement of Changes in Stockholders' Equity for the 9-month period ending 30 September 2025 and 30 September 2024 and Audited Statement of Changes in Stockholders' Equity for the year ending 31 December 2024 as Annex "D";
- (5) Unaudited Interim Consolidated Cash Flow Statement for the 9-month period ending 30 September 2025 and the 9-month period ending 30 September 2024 as Annex "E"; and
- (6) Interim Cash Flow for the quarterly periods ending 30 September 2025 and 30 September 2024, as Annex "F"

## **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 P189.4 million from P188.5 million in 2023. Equity in net earnings of associates decreased from P45.3 million in 2023 to P32.3 million in 2024. Rent increased from P22.1 million in 2023 to P27.3 million in 2024. Fair Value Gain on Financial Assets at FVPL was P22.0 million in 2024 compared to P94.3 million in 2023. Dividend income decreased to P1.9 million in 2024 from P4.2 million in 2023. Fair value gains on disposal of Financial Assets at FVOCI was a loss of P3.3 million in 2024 compared to a loss of P23.8 million in 2023. Net FX gain was P34.3 million in 2024 compared to a gain of P3.1 million in 2023. Dividend income decreased to P1.9 million in 2024 from P4.2 million in 2023.

Total consolidated expenses of the Registrant decreased to P80.8 million in 2024 compared to P131.50 million in 2023.

As a result of the above, total consolidated income before tax in 2024 totaled P102.6 million compared to P56.9 million in 2023. After provision for income tax, total consolidated net income after tax totaled P94.2 million in 2024 compared to P63.7 million in 2023.

Net income attributable to non-controlling interest, namely minority shareholders of Magellan Capital Holdings Corporation, totaled to a gain of P0.6 million in 2024 compared to a gain of P1.4 million in 2023.

Net income attributable to equity holders of the Registrant totaled P93.6 million in 2024 compared to P62.2 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 P597.4 million compared to P429.9 million as of December 31, 2023. The Registrant and its subsidiary are debt free with total consolidated liabilities of P42.4 million at year-end 2024 compared to P65.8 million at year-end 2023. Total equity amounted to P1.80 billion as of the end of 2024 compared to P1.81 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 P760.9 million at year-end 2024 compared to P810.3 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 Third 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 third quarter of 2025 or in prior periods.
- (iv) There are no material commitments for capital expenditures, by the Company or its majority owned subsidiary.
- (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 unrealized gains on trading securities. 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 third quarter of 2025 or in the third quarter of 2024 aside from unrealized gain on trading securities, gain on disposal of AFS/HTM investments and net unrealized foreign exchange gains.

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

## Operating Results

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

(P000)	THIRD QUARTER September 30, 2025	VERTICAL PERCENTAGE ANALYSIS September 30, 2025	THIRD QUARTER September 30, 2024	VERTICAL PERCENTAGE ANALYSIS September 30, 2024	INCREASE (DECREASE) AMOUNT	INCREASE (DECREASE) PERCENTAGE
INTEREST INCOME	P 3,832	1.3%	P 2,403	6.8%	P 1,429	59.4%
From Banks						
From Securities	518	0.2%	545	1.5%	(27)	(5.0%)
<b>TOTAL</b>	<b>4,350</b>	<b>1.5%</b>	<b>2,948</b>	<b>8.2%</b>	<b>1,402</b>	<b>47.5%</b>
RENT INCOME	8,372	3.0%	6,597	18.3%	1,775	26.9%
DIVIDEND INCOME	952	0.3%	672	1.9%	280	41.6%
UNREALIZED FX GAIN	2,290	0.8%	-	-	2,290	100%
EQUITY IN NET EARNINGS OF ASSOCIATE	12,343	4.4%	25,052	70.0%	(12,709)	(50.7%)
GAINS OF DISPOSAL OF FVOCI	-	-	630	1.8%	(630)	(100%)
OTHER INCOME	4,246	1.3%	88	0.2%	4,158	4,725%
GAINS OF DISPOSAL OF INVESTMENT IN PROPERTY	220,032	78.7%	-	-	220,032	100%
<b>TOTAL</b>	<b>P 279,294</b>	<b>100%</b>	<b>P 35,987</b>	<b>100%</b>	<b>P 244,000</b>	<b>678%</b>

**Revenues.** Consolidated Revenues of the Registrant during the three-month period ending September 2025 totaled P279 million compared to P35.9 million during the same period in 2024. The increase in revenue in third quarter of 2025 was due mainly to the gain of disposal of investment in property which totaled P220 million. There was an increase in rental income from P6.5 million in the third quarter of 2024 to P8.3 million in the third quarter of 2025. Dividend income increased to P0.95 million in the third quarter of 2025 from P0.67 million in the third quarter of 2024.

**Expenses.** Consolidated general and administrative expenses of the Registrant totaled P25.1 million in the third quarter of 2025 compared to P26.7 million in the same period in 2024. The decrease in expenses was mainly due to a decrease in unrealized loss on financial assets at FVPL totaling P9.7 million in the Third Quarter of 2024 compared to no unrealized losses in the Third Quarter of 2025. Movement of other items in the consolidated general and administrative expenses were relatively minor.

**Net Income.** Due to the movements in the revenues and expenses discussed above, consolidated net income in the third quarter of 2025 was P254 million compared to a net income of P9.2 million in the third quarter of 2024. After deducting the share of minority shareholders in the Registrant's majority-owned subsidiary Magellan Capital Holdings Corporation, the consolidated net income attributable to the shareholders of the Registrant was P241 million in the third quarter of 2025 compared to a net income of P8.7 million in the third quarter of 2024.

## **BALANCE SHEET ACCOUNTS**

Annex "A" shows the Consolidated Balance Sheet of the company as of September 30, 2025 and December 31, 2024 while Annex "G" shows the Vertical and Horizontal Percentage Analysis of Balance Sheet Accounts for September 30, 2025 compared to December 31, 2024. The various balance sheet accounts are discussed below:

### **Assets**

**Current Assets.** Consolidated current assets as of September 30, 2025 totaled P1,094.9 million compared to P760.9 million as of December 31, 2024. The increase was mainly due to the increase in financial assets at fair value through profit and loss which dropped from P112.7 million as of December 31, 2024 to P420.9 million as of September 30, 2025.

**Investments in Associates.** This account which consists of the Registrant's investment in Pointwest Technologies Corporation (PTC) and BPO International, Inc. (BPOI) remained flat at P465.6 million as of September 30, 2025 compared to December 31, 2024.

**Financial Assets at FVOCI – Net of Current Portion.** This account which consists mostly of equity and bond investments increased to P270.9 million at September 30, 2025 from P268.1 million at year-end 2024 due mainly to unrealized gains on financial assets.

**Property and Equipment.** This account totaled P2.7 million as of September 30, 2025 compared to P3.7 million as of December 31, 2024 due to additional improvements in property.

**Investment in Property.** This account decreased to P279.9 million at the end of September 2025, compared to P329.6 million at the end of December 31, 2024 due to additional allowance for depreciation.

**Other Non-Current Assets.** This account increased to P33.9 million as of September 30, 2024 compared to P19.8 million and at year-end 2024.

**Total Assets.** As a result of the foregoing, total assets increased to P2,160.6 million as of September 30, 2025 from P1,847.8 million as of December 31, 2024.

### **Liabilities and Equity**

**Current Liabilities.** Current liabilities increased to P136.5 million as of September 30, 2025 from P28.0 million as of December 31, 2024. The increase was due mainly to an increase in total accounts payable and accrued expenses and to an increase in dividends payable.

**Non-Current Liabilities.** Non-current liabilities remained flat at P14.3 million as of September 30, 2025 and year-end 2024.

**Stockholder's Equity.** Total stockholders' equity increased to P2,009 million at the end of September 2025 from P1,805.4 million at the end of 2024. Minority interest which represents the share of minority shareholders of MCHC in the equity of MCHC totaled P76.3 million at the end of September 2025 compared to P62.7 million at the end of 2024. Total equity attributable to stockholders of the Registrant was P1,921.0 million as of September 30, 2025 compared to P1,805.4 million at the end of December 2024.

## TOP PERFORMANCE INDICATORS

The top five (5) performance indicators for the Registrant 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 third quarter of 2025 and 2024 are presented below in summary form:

(P000)	3 <sup>rd</sup> Quarter 2025	Percentage (%)	3 <sup>rd</sup> Quarter 2024	Percentage (%)
Interest Income	P 4,350	1.5%	P 2,403	6.8%
Unrealized FX Gain	2,290	0.8%	-	-
Rental Income	8,372	3.0%	6,597	18.3%
Equity in Net Earnings of Associate	12,343	4.4%	25,052	70.0%
Dividend Income	952	0.3%	672	1.9%
Gain on Disposal of Investment in Property	220,032	78.7%	-	-
Other Income	4,246	1.5%	88	0.2%
<b>TOTAL INCOME</b>	<b>P 279,294</b>	<b>100%</b>	<b>P 35,987</b>	<b>100%</b>

Total revenue increased to P279.2 million in the third quarter of 2025 from P35.9 million in the third quarter of 2024. The higher revenue in 2025 was due mainly to gain on disposal of investment in property.

**Change in Net Income.** The income statement in the third quarter of 2024 and 2023 are shown in Annex "C" and summarized below:

(P000)	3 <sup>rd</sup> Quarter 2025	Percentage (%)	3 <sup>rd</sup> Quarter 2024	Percentage (%)
Revenues	P 279,294	100%	P 35,987	100%
Expenses	25,112	8.9%	26,767	74.4%
Net Income	254,171	91.1%	9,219	25.6%
Attributable to:				
- Minority Interest	12,708	4.8%	461	1.3%
- Stockholders of Company	241,463	86.4%	8,758	24.3%

The Registrant realized a consolidated net income of P254.1 million in the third quarter of 2025 versus consolidated net income of P9.2 million in the third quarter of 2024. After deducting the share of minority shareholders of MCHC, the company realized a net income of P241.5 million attributable to stockholders of the company in the third quarter of 2025 compared to a net income of P8.7 million attributable to stockholders of the company in the third quarter of 2024.

**Earnings per Share.** The net income per share attributable to shareholders of the Company during the third quarter of 2025 was P0.64 per share compared to net income per share of P0.0231 in the third quarter of 2024.

**Current Ratio.** Current ratio as of September 30, 2025 was 8.0 X compared to 27.1 X as of December 31, 2024.

**Book Value Per Share.** Book value per share as of September 30, 2025 was P5.30 per share compared to P4.76 per share at year end 2024 after deducting the shares held by subsidiaries of the Registrant which in the consolidated financial accounts are classified as treasury shares.

## **PART II OTHER INFORMATION**

**1. Special Meeting of the Board of Directors held on August 22, 2025**

**a) Declaration of Cash Dividends**

**"RESOLVED**, that the Corporation hereby declare out of its unrestricted retained earnings a cash dividend in an aggregate amount of Twenty Centavos (PhP 0.20) per share, payable to stockholders of record as of September 22, 2025 (the **"Record Date"**) on or before October 8, 2025.

**b) Resignation of Ms. Katrina Marie K. Cokeng**

The President announced to the Board the resignation of Ms. Katrina Marie K Cokeng as a Member of the Board of Directors and Assistant Treasurer of the Corporation.

**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.

*F & I Prince Holdings Corporation*

Issuer .....

**Principal Executive Officer**

  
**MARK RYAN K. COKENG, President**

Signature and Title .....

Date **18 November 2025** .....

**Principal Financial/Accounting Officer/Controller**

  
**MARY K. COKENG, Treasurer**

Signature and Title .....

Date **18 November 2025** .....

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

ANNEX "A"  
Page 1

ASSETS	UNAUDITED SEPT. 30, 2025	AUDITED DEC. 31, 2024
<i>Current Assets</i>		
Cash and cash equivalents	P 437,648,575	P 597,418,197
Financial assets at fair value through profit or loss	420,948,200	112,755,674
Convertible note receivable	0	0
Receivables-net :		
Advances to Officers & Employees	0	0
Interest Receivable	2,026,403	2,117,288
Dividends Receivable	0	19,144,620
Receivable from related parties	314,186	233,949
Others	190,620,423	435,829
Total Receivables	192,961,012	21,931,686
Allowance for impairment losses	1,066,068	1,066,068
Total Receivables-Net	191,894,944	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	24,127,520	24,318,982
Prepaid Income Tax	10,666,101	148,492
Others	9,660,034	5,416,892
Total Prepaid expenses and other current assets	44,453,655	29,884,366
<i>Total Current Assets</i>	P 1,094,945,374	P 760,923,855
<i>Non-current Assets</i>		
Convertible notes receivable	0	0
Investments in associates	477,982,639	465,638,892
Investment in rights issue subscription	0	0
Financial assets at FVOCI-net of current portion	270,997,768	268,084,982
Investment in property	279,978,147	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	3,420,400	3,269,734
Total	38,085,117	37,934,451
Less: Accumulated depreciation	35,351,928	34,202,343
Net Book Value	2,733,189	3,732,108
Total Property and Equipment	2,733,189	3,732,108
Other non-current assets	33,983,515	19,844,229
<i>Total Non-Current Assets</i>	1,065,675,258	1,086,898,654
<b>TOTAL ASSETS</b>	P 2,160,620,632	P 1,847,822,509

LIABILITIES & STOCKHOLDERS' EQUITY	UNAUDITED SEPT.30, 2025	AUDITED DEC. 31, 2024
<i>Current Liabilities</i>		
Accounts Payable and accrued expenses		
Accounts payable-trade	0	0
Accounts payable-others	876,782	1,500,445
Withholding taxes payable	219,875	420,471
SSS Premium Payable	37,751	28,411
HDMF Premium Payable	3,996	3,596
Philhealth Premium Payable	13,284	11,418
Deposit Payable	11,477,433	12,308,930
Output Vat Payable	33,294,570	2,313,014
Accrued expenses	293,174	974,956
<b>Total Accounts payable and accrued expenses</b>	<b>P 46,216,865</b>	<b>P 17,561,241</b>
Dividends Payable	90,346,695	8,005,989
Income Tax Payable	0	2,477,104
Provision for legal obligation	0	0
<b>Total Current Liabilities</b>	<b>P 136,563,560</b>	<b>P 28,044,334</b>
<i>Non-Current Liabilities</i>		
Deferred tax liabilities	3,455,009	3,455,009
Deposits payable	20,000	20,000
Retirement benefit obligation	10,895,498	10,895,498
<b>Total Non-Current Liabilities</b>	<b>14,370,507</b>	<b>14,370,507</b>
<i>Stockholders' Equity</i>		
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	(66,884,227)	(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	1,356,419,119	1,165,721,230
<b>Total Equity Attributable to Stockholders of the Company</b>	<b>1,933,356,885</b>	<b>1,742,664,148</b>
Minority Interest	76,329,680	62,743,520
<b>Total Stockholders' Equity</b>	<b>2,009,686,565</b>	<b>1,805,407,668</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>P 2,160,620,632</b>	<b>P 1,847,822,509</b>

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 NINE MONTHS PERIOD ENDING SEPT. 30, 2025 AND SEPT. 30, 2024**

		UNAUDITED SEPT. 30, 2025		UNAUDITED SEPT. 30, 2024
<b>REVENUES</b>				
Equity in net earnings in associate	P	12,343,747	P	25,051,760
Interest Income				
From Banks		9,665,344		5,410,685
From Securities		1,714,355		2,416,480
Total Interest Income		11,379,699		7,827,165
Unrealized gains on trading securities		34,563,768		48,205,121
Rental Income		23,853,915		19,956,693
Gains on disposal of investment in property		220,032,896		0
Dividend Income		1,847,669		1,935,100
Realized gain on disposal of fin.assets at FVPL		59,811,129		17,758,120
Net unrealized foreign exchange gain		0		14,718,863
Realized foreign exchange gain				0
Miscellaneous		26,274		0
	P	363,859,097	P	135,452,822
<b>EXPENSES</b>				
Doubtful accounts expense				0
Realized loss on disposal of bonds		0		815,769
Salaries, wages and employees' benefits		9,274,572		9,149,476
Depreciation		13,129,923		13,463,275
Professional fees		1,571,338		2,835,210
Condominium dues		6,720,115		5,120,866
Litigation expense		0		0
Taxes and licenses		2,012,644		611,663
Entertainment, amusement and recreation		216,687		163,196
Unrealized loss on financial assets at FVPL		0		1,168,325
Others		44,299,065		8,581,935
		77,224,344		41,909,715
<b>NET INCOME</b>	P	286,634,753	P	93,543,107
<b>NET INCOME ATTRIBUTABLE TO:</b>				
<b>STOCKHOLDERS OF THE COMPANY</b>	P	273,048,593	P	90,083,241
<b>MINORITY INTERESTS</b>		13,586,160		3,459,866
<b>EARNINGS PER SHARE</b>				
	P	0.72	P	0.2370

*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 NINE MONTHS PERIOD ENDING SEPT. 30, 2025 AND SEPT. 30, 2024

	UNAUDITED SEPT. 30, 2025	UNAUDITED SEPT. 30, 2024
NET INCOME	P 286,634,753	P 93,543,107
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	(5,152)	3,602,462
Impairment loss on AFS investments		
Others		
	(5,152)	3,602,462
TOTAL COMPREHENSIVE INCOME(LOSS)	P 286,629,601	P 97,145,569
TOTAL COMPREHENSIVE INCOME(LOSS)		
ATTRIBUTABLE TO:		
STOCKHOLDERS OF THE COMPANY	P 272,298,121	P 92,288,290
MINORITY INTERESTS	14,331,480	4,857,279
	P 286,629,601	P 97,145,569

*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 THREE MONTHS PERIOD JULY 1-SEPT. 30, 2025 AND JULY 1-SEPT. 30, 2024**

		UNAUDITED JULY 1- SEPT. 30, 2025		UNAUDITED JULY 1- SEPT. 30, 2024
<b>REVENUES</b>				
Equity in net earnings of associates	P	12,343,747	P	25,051,760
Interest Income				
From Banks	P	3,831,910	P	2,403,272
From Securities		518,727		545,321
Total Interest Income		4,350,637		2,948,593
Unrealized gains on trading securities		26,704,962		0
Rental Income		8,372,342		6,596,538
Dividend Income		952,712		671,905
Unrealized forex gain		2,290,551		0
Realized gain on sale of FVOCI		0		629,909
Gain on disposal of investment in property		220,032,896		0
Other income		4,246,250		87,968
	P	279,294,097	P	35,986,673
<b>EXPENSES</b>				
Net foreign exchange loss		0		2,707,334
Litigation expenses				0
Salaries, wages and employees' benefits		3,102,445		3,051,538
Depreciation		4,096,950		4,516,746
Professional fees		494,746		1,160,007
Condominium dues		2,452,723		1,619,277
Realized loss on disposal/redemption of bonds/FVOCI		0		0
Taxes and licenses		495,532		42,666
Entertainment, amusement and recreation		47,913		59,950
Unrealized loss on financial assets at FVPL		0		9,751,302
Others		14,432,184		3,859,111
		25,122,493		26,767,931
<b>NET INCOME</b>	P	254,171,604	P	9,218,742
<b>NET INCOME ATTRIBUTABLE TO:</b>				
<b>STOCKHOLDERS OF THE COMPANY</b>	P	241,463,024	P	8,757,805
<b>MINORITY INTERESTS</b>		12,708,580		460,937
<b>EARNINGS PER SHARE</b>	P	0.64	P	0.0231

*See accompanying Notes to Consolidated Financial Statements*

Prepared by:

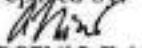
ARSENIO T. LIAO  
 Accountant

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

		UNAUDITED JULY 1- SEPT. 30,2025		UNAUDITED JULY 1- SEPT. 30,2024
NET INCOME	P	254,171,604	P	9,218,742
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		(1,888,521)		1,457,449
Impairment loss on AFS investments				
Others				
		(1,888,521)		1,457,449
TOTAL COMPREHENSIVE INCOME(LOSS)	P	252,283,083	P	10,676,191
TOTAL COMPREHENSIVE INCOME(LOSS)				
ATTRIBUTABLE TO:				
STOCKHOLDERS OF THE COMPANY	P	239,668,929	P	10,142,381
MINORITY INTERESTS		12,614,154		533,810
	P	252,283,083	P	10,676,191

*See accompanying Notes to Consolidated Financial Statements*

Prepared by:

  
 ARSENIO T. LIAO  
 Accountant

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

		UNAUDITED SEPT. 30, 2025	UNAUDITED SEPT.30,2024	AUDITED DEC. 31, 2024
<b>CAPITAL STOCK</b>				
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
<b>ADDITIONAL PAID-IN CAPITAL</b>				
Treasury Shares		(102,094,826)	(102,094,826)	(102,094,826)
Unrealized gain on financial assets at FVOCI		(66,884,227)	6,315,713	(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				
<b>RETAINED EARNINGS</b>				
Balance at beginning of period, as restated		1,165,721,230	1,112,967,423	1,112,967,423
Net Income		273,048,593	90,083,241	93,566,249
Dividends declared		(82,350,704)	(56,741,613)	(57,554,029)
Other adjustments				16,741,587
Balance at end of period		1,356,419,119	1,146,309,051	1,165,721,230
		1,933,356,885	1,790,557,427	1,742,664,148
Minority Interests		76,329,680	69,287,796	62,743,520
<b>TOTAL STOCKHOLDERS' EQUITY</b>				
	P	2,009,686,565 P	1,859,845,223 P	1,805,407,668

*See accompanying Notes to Consolidated Financial Statements*

Prepared by:

ARSENIO T. LIAO

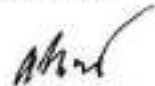
Accountant

**F & J PRINCE HOLDINGS CORPORATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDING SEPT. 30, 2025 AND SEPT. 30, 2024**

	UNAUDITED SEPT. 30, 2025	UNAUDITED SEPT. 30, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	P 273,048,593	P 90,083,241
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority Interest	13,586,160	3,459,866
Depreciation and amortization	13,129,923	13,463,275
Net unrealized gains on financial assets at FVOCI	(5,152)	3,602,462
Gain on sale of investment in property	(220,032,896)	
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	(171,029,326)	774,267
Prepaid expenses and other current assets	(14,569,289)	(1,111,149)
Increase (decrease) in accounts payable and accrued expenses	28,655,624	6,831,916
<i>Net cash provided by operating activities</i>	(77,216,363)	117,103,878
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions/disposals of property and equipment	69,509,149	(1,935,075)
Financial assets at FVOCI and FVPL	(311,105,312)	(67,128,042)
Proceeds on sale of investment in property	258,000,000	
Decrease (increase) in:		0
Other assets	(14,139,286)	0
<i>Net cash provided by (used in) investing activities</i>	2,264,551	(69,063,117)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in:		0
Deposits payable		
Cash dividends declared	(82,340,706)	(56,741,613)
Dividends payable		(1,610,474)
Income tax payable	(2,477,104)	124,280
<i>Net cash provided by (used in) financing activities</i>	(84,817,810)	(58,227,807)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	P (159,769,622)	P (10,187,046)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	597,418,197	429,988,652
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	P 437,648,575	P 419,801,606

See accompanying Notes to Consolidated Financial Statements

Prepared by:

  
**ARSENIO T. LIAO**  
 Accountant

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE 3 MONTHS PERIOD JULY 1-SEPT. 30, 2025 AND JULY 1-SEPT. 30, 2024**

	UNAUDITED JULY 1- SEPT. 30, 2025	UNAUDITED JULY 1- SEPT. 30, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	P 241,463,024	P 8,757,805
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sale of investment in property	(220,032,896)	0
Minority interest	12,708,580	460,937
Depreciation and amortization	4,096,950	4,516,746
Net unrealized gains on financial assets at FVOCI	(1,888,521)	1,457,449
Gain on sale of investment in property		
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	(189,997,445)	(686,260)
Prepaid expenses and other current assets	(13,703,827)	(1,704,532)
Increase (decrease) in:		
Accounts payable and accrued expenses	31,900,787	7,297,900
Net cash provided by operating activities	(135,453,348)	20,100,045
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions/disposals of property and equipment	69,966,870	1,459,821
Sale of investment in property	258,000,000	
Financial assets at FVOCI and FVPL	(191,487,114)	71,850,152
Investment in issue rights subscription	0	0
Decrease(increase) in		
Other assets	0	0
Net cash provided by (used in) investing activities	135,979,756	73,309,973
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in:		
Cash dividends declared	(82,340,706)	(56,741,613)
Dividends payable	0	17,994,026
Net cash provided by (used in) financing activities	(82,340,706)	(38,747,587)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>P (81,814,298)</b>	<b>P 54,662,431</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>519,462,873</b>	<b>365,139,175</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>P 437,648,575</b>	<b>P 419,801,606</b>

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

"ANNEX F"

Page 1

	UNAUDITED SEPT. 30, 2025	VERTICAL PERCENTAGE ANALYSIS SEPT. 30, 2025	AUDITED DEC. 31, 2024	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2024	INCREASE (DECREASE) AMOUNT SEPT. 30, 2025	INCREASE (DECREASE) PERCENTAGE ANALYSIS SEPT. 30, 2025
<b>ASSETS</b>						
Current Assets						
Cash and cash equivalents	437,648,575	20.26%	597,418,197	32.33%	(159,769,622)	-26.74%
Financial assets at fair value through fair value thru profit or loss (FVPL)	420,948,209	19.48%	112,755,674	6.11%	308,192,525	273.33%
Short-term investments	-	-	-	-	-	-
Receivables :						
Advances to Officers & Employees	0	0.00%	0	0.00%	0	0.00%
Interest Receivable	2,026,403	0.09%	2,117,288	0.11%	(90,885)	-4.29%
Dividends Receivable	0	0.00%	19,144,620	1.04%	(19,144,620)	-100.00%
Receivable from related parties	314,186	0.01%	233,949	0.01%	80,237	34.30%
Others	190,620,423	8.82%	435,829	0.02%	190,184,594	43,637.43%
Total Receivables	192,961,012	8.92%	21,331,666	1.18%	171,029,326	779.83%
Allowance for impairment losses	1,066,068	-0.05%	1,066,068	-0.06%	0	0.00%
Total Receivables-Net	191,894,944	8.87%	20,265,618	1.12%	171,029,326	819.67%
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	9,660,034	0.45%	5,416,892	0.29%	4,243,142	78.33%
Input Tax	24,127,250	1.12%	24,318,982	1.32%	(191,462)	-0.79%
Prepaid Income Tax	10,666,101	0.50%	148,492	0.01%	10,517,609	7,062.95%
Total Prepaid expenses & other current assets	44,453,655	2.07%	29,884,366	1.62%	14,569,289	48.75%
Total Current Assets	1,094,945,374	50.68%	760,923,855	41.18%	334,021,519	43.90%
Non-current Assets						
Convertible notes receivable	0	0.00%	0	0.00%	0	0.00%
Investments in associates	477,982,639	22.11%	465,638,892	25.20%	12,343,747	2.65%
Investment in rights issue subscription	0	0.00%	0	0.00%	0	0.00%
Financial assets at FVOCI	270,997,768	12.54%	268,084,982	14.51%	2,912,786	1.09%
Investment in properties	279,978,147	12.95%	329,398,443	17.84%	(49,620,296)	-15.05%
Property and Equipment						
Building	20,755,943	0.97%	20,755,943	1.12%	0	0.00%
Building Improvements	10,060,133	0.47%	10,060,133	0.54%	0	0.00%
Transportation equipment	3,358,641	0.16%	3,358,641	0.21%	0	0.00%
Furniture and fixtures	3,420,406	0.16%	3,269,734	0.18%	150,666	4.61%
Total Property and Equipment	38,085,117	1.78%	37,934,451	2.05%	150,666	0.40%
Less: accumulated depreciation	35,351,928	-1.63%	34,202,343	-1.85%	1,149,585	3.36%
Net Book Value	2,733,189	0.15%	3,732,108	0.20%	(998,919)	-26.77%
Total Property and Equipment	2,733,189	0.15%	3,732,108	0.20%	(998,919)	-26.77%
Deferred income tax assets-net	0	0.00%	0	0.00%	0	0.00%
Other Assets – net	33,983,515	1.57%	19,844,229	1.07%	14,139,286	71.25%
Total Non-Current Assets	1,065,675,258	49.32%	1,086,898,654	58.82%	(21,223,396)	-1.95%
TOTAL ASSETS	2,160,620,632	100.00%	1,847,822,509	100.00%	312,798,123	16.93%

	UNAUDITED SEPT. 30, 2025	VERTICAL PERCENTAGE ANALYSIS SEPT. 30, 2025	AUDITED DEC. 31, 2024	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2024	INCREASE (DECREASE) AMOUNT SEPT. 30, 2025	INCREASE (DECREASE) PERCENTAGE ANALYSIS SEPT. 30, 2025
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>						
<b>Current Liabilities</b>						
<b>Accounts Payable and accrued expenses</b>						
Accounts payable-trade	0	0.00%	0	0.00%	0	0.00%
Accounts payable-others	876,782	0.04%	1,500,445	0.08%	(623,663)	-41.57%
Withholding taxes payable	219,875	0.01%	420,471	0.02%	(200,596)	-47.71%
SSS Premium Payable	37,751	0.00%	26,411	0.00%	9,340	32.87%
HDMF Premium Payable	3,996	0.00%	3,596	0.00%	400	11.12%
Philhealth Premium Payable	13,284	0.00%	11,418	0.00%	1,866	16.34%
Deposit Payable	11,477,433	0.53%	12,306,930	0.68%	(831,497)	-6.76%
Output Vat Payable	33,294,570	1.54%	2,313,014	0.13%	30,981,556	1,339.45%
Accrued expenses	293,174	0.01%	974,956	0.05%	(681,782)	-69.93%
<b>Total Accounts payable &amp; accrued expenses</b>	<b>46,216,865</b>	<b>2.13%</b>	<b>17,561,241</b>	<b>0.96%</b>	<b>28,655,624</b>	<b>163.18%</b>
Dividends Payable	40,346,695	4.18%	8,005,989	0.43%	32,340,706	1,028.49%
Income Tax Payable	0	0.00%	2,477,104	0.13%	(2,477,104)	-0.00%
Provision for legal obligation		0.00%		0.00%	0	0.00%
<b>Total Current Liabilities</b>	<b>136,563,560</b>	<b>6.31%</b>	<b>28,044,334</b>	<b>1.52%</b>	<b>108,519,226</b>	<b>386.96%</b>
<b>Non-Current Liabilities</b>						
Deposits payable	20,000	0.00%	20,000	0.00%	0	0.00%
Deferred tax liabilities	3,455,009	0.16%	3,455,009	0.19%	0	0.00%
Retirement benefit obligation	10,895,498	0.50%	10,895,498	0.59%	0	0.00%
<b>Total Non-Current Liabilities</b>	<b>14,370,507</b>	<b>0.66%</b>	<b>14,370,507</b>	<b>0.78%</b>	<b>0</b>	<b>0.00%</b>
<b>Stockholders' Equity</b>						
Capital stock	481,827,653	22.31%	481,827,653	26.07%	0	0.00%
Additional paid in capital	144,759,977	6.71%	144,759,977	7.83%	0	0.00%
Unrealized gain on fin. assets at FVOCI	(66,884,227)	-3.10%	(66,879,075)	-3.62%	(5,152)	-0.01%
Actuarial loss on retirement obligation	7,868,407	0.36%	7,868,407	0.43%	0	0.00%
Accumulated share in OCI of associates	111,460,782	5.16%	111,460,782	6.03%	0	0.00%
Treasury shares	(102,094,826)	-4.73%	(102,094,826)	-5.53%	0	0.00%
Retained earnings	1,356,419,119	62.79%	1,165,721,230	63.09%	190,697,889	16.36%
<b>Total Equity Attributable to Stockholders of the Company</b>	<b>1,933,356,885</b>	<b>89.50%</b>	<b>1,742,664,148</b>	<b>94.30%</b>	<b>190,692,737</b>	<b>10.94%</b>
Minority Interest	76,329,680	3.53%	62,743,520	3.40%	13,586,160	21.65%
<b>Total Stockholders' Equity</b>	<b>2,009,686,565</b>	<b>93.03%</b>	<b>1,805,407,668</b>	<b>97.70%</b>	<b>204,278,897</b>	<b>11.31%</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>2,160,620,632</b>	<b>100.00%</b>	<b>1,847,822,509</b>	<b>100.00%</b>	<b>312,798,123</b>	<b>16.93%</b>

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**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**1. General Information**

**Corporate Information**

F & J Prince Holdings Corporation (the "Parent") was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on February 18, 1971. Its primary purpose is to purchase, subscribe for or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including, but not limited to, land, building, condominium units, shares of stock, bonds, debentures, notes, evidence of indebtedness, and other securities, contracts or obligations of any corporation, and associations, domestic or foreign.

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

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

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

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

*\*Intermediate parent company*

*\*\*Non-operational since incorporation*

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

**MCHC**

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

**PIEI**

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

MC

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

MCRDC

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

MCTC

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

Approval of the Consolidated Financial Statements

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

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2. **Summary of Material Accounting Policy Information**

Basis of Preparation and Statement of Compliance

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

**Measurement Bases**

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

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

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

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

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

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

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

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

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

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

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

#### **Adoption of Amendments to PFRS Accounting Standards**

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

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.
- Amendments to PAS 7, *Statement of Cash Flows*, and PFRS 7, *Financial Instruments: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

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

**Amendments to PFRS Accounting Standards in Issue But Not Yet Effective**

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

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

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

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

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11:
  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
  - Amendments to PFRS 10, *Consolidated Financial Statements - Determination of a 'de facto agent'* – The amendments remove inconsistencies by clarifying that an entity must use judgment to determine whether other parties are acting as de facto agents. Earlier application is permitted.
  - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term 'cost method' with 'at cost' following the deletion of the definition of 'cost method'. Earlier application is permitted.

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

- *PFRS 18, Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.
- *PFRS 19, Subsidiaries without Public Accountability: Disclosures* – This standard specifies reduced disclosure requirements that eligible subsidiaries are permitted to apply, instead of the disclosure requirements in other PFRS Accounting Standards. An entity is eligible to apply PFRS 19 when it does not have public accountability and its parent prepares consolidated financial statements available for public use that complies with PFRS disclosure requirements. Earlier application is permitted.

Deferred effectivity -

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

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

#### Current versus Noncurrent Classification

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

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

All other assets are classified as noncurrent. A liability is classified as current when it is:

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

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

The Group classifies all other liabilities as noncurrent.

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

#### **Basis of Consolidation**

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

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

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

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

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

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

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

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

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

If the Parent Company loses control over a subsidiary, it derecognizes the assets including goodwill, liabilities and NCI in the subsidiary. The Parent Company recognizes the fair value of the consideration

received and the fair value of any investment retained together with any gain or loss in the consolidated statements of comprehensive income.

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

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

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

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

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

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

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

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

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

#### **Financial Instruments**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

For debt instruments at FVOCI measured at FVOCI, interest income, foreign exchange translation and impairment losses or reversals are recognized in the consolidated statements of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes

are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss.

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

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

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

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

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

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

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

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

#### **Impairment of Financial Assets at Amortized Cost**

The Group records an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to

the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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

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

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

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

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

#### **Derecognition of Financial Assets and Liabilities**

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

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

#### **Offsetting Financial Assets and Liabilities**

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

#### **Classification of Financial Instrument between Liability and Equity**

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

#### **Other Current Assets**

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 and Inclusion," the amortization of the input VAT should only be allowed until December 31, 2021 after which taxpayers with unutilized input VAT on capital goods purchased or imported should be allowed to apply the same as scheduled until fully utilized. Accordingly, all input tax on purchases of capital goods starting January 1, 2022 should already be allowed upon purchase/payment and no longer be deferred based on Revenue Memorandum Circular No. 21-2022.

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

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

#### **Investments in Associates**

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

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

Any change in OCI of those investees is presented as part of the consolidated statements of comprehensive income. In addition, when there has been a change recognized directly in the equity of

the associate, the Group recognizes its share of any changes, when applicable, in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associate. If the Group's share 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%
	United States of America	
Melrose Park Investments, L. P. (MPI)		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.

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### **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

P207.1 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 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.

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#### 4. Cash and Cash Equivalents

This account consists of:

	Sept. 2025	2024
Cash on hand and in banks	P180,956,089	P101,013,590
Short-term placements	256,692,486	496,404,607
	<b>P437,648,575</b>	<b>P597,418,197</b>

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).

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#### 5. Investment Securities

This account consists of:

	Sept. 2025	2024
Current:		
Financial assets at FVPL	P420,948,200	P112,755,674
Financial assets at FVOCI	—	—
Noncurrent -		
Financial assets at FVOCI	270,997,768	268,084,982
	<b>P691,945,968</b>	<b>P380,840,656</b>

### *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:

	Sept. 2025	2024
Balances at beginning of year	<b>₱112,755,674</b>	₱341,616,249
Additions	1,554,894,760	243,292,928
Disposals	(1,283,651,798)	(489,118,309)
Changes in fair values during the year	36,949,564	16,964,806
Balances at end of year	<b>₱420,948,200</b>	₱112,755,674

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

	2024	2023
Balances at beginning of year	<b>₱88,365,436</b>	₱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	<b>₱39,561,788</b>	₱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:

	Sept. 2025	2024
Debt securities	<b>₱48,460,014</b>	₱45,547,228
Equity securities	<b>222,537,754</b>	222,537,754
	<b>₱270,997,768</b>	₱268,084,982

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

	2024	2023
Beginning balances	P368,556,914	P462,820,756
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	P268,084,982	P368,079,894

#### *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 P4.7 million and P 5.8 million in 2024 and 2023, respectively (P10.0 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 P2.6 million and P2.1 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 P161,050 and P172,798 in 2024 and 2023, respectively (P889,724 in 2022).

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

	Sept. 2025	2024
Beginning balances	(P66,879,075)	P2,713,251
Movements in fair value before tax	(5,152)	(65,356,722)
Tax effect	-	(856,200)
Reclassification to retained earnings	-	(3,379,404)
	(P66,884,227)	(P66,879,075)

Net unrealized valuation losses on financial assets at FVOCI attributable to equity holders of the Group amounted to ₱58.7 million in 2024 and ₱4.5 million in 2023 (₱15.8 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:

	Sept. 2025	2024
Rent receivable	₱278,913	₱372,346
Accrued interest and dividends receivable	4,024,925	21,261,908
Others	188,342,988	63,483
	192,646,826	21,697,737
Less: allowance for expected credit losses	1,066,068	1,066,068
	₱191,580,758	₱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:

	Sept. 2025	2024
Input VAT	₱24,127,520	₱24,202,044
Deposits on contracts	3,117,879	3,103,771
Prepaid expenses	484,437	1,668,818
CWT	5,555,391	258,914
Prepaid income tax	10,666,101	148,492
Deferred input VAT	116,938	116,938
Others	385,389	385,389
	₱44,453,655	₱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 Sept.30, 2025 and December 31, 2024:

	Sept. 2025	2024
PTC	₱182,970,652	₱164,479,980
WCC	182,000,000	182,000,000
BPO	106,841,066	112,987,991
MUDC	94,830,129	94,830,129
MPI	6,170,921	6,170,921
	572,812,768	560,469,021
Less: allowance for impairment losses	94,830,129	94,830,129
	₱477,982,639	₱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)
	<b>P465,638,892</b>	<b>P302,233,819</b>

#### 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	P790,439	P827,583
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	P415,466	P390,517
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 P207.1 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 P94.8 million as at December 31, 2024 and 2023 and advances to MUDC amounting to P188.5 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 County), 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	P537,920	P11,450
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 P182.0 million. WCC's main asset pertains to investment in shares of stock amounting to P540.0 million.

## 10. Property and Equipment

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

September, 2025					
	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
<b>Cost:</b>					
Beginning balances	P20,755,943	P10,050,133	P3,858,641	P3,269,734	P37,934,451
Disposals	-	-	-	-	-
Additions	-	-	-	150,666	150,666
Ending balances	20,755,943	10,050,133	3,858,641	3,420,400	38,085,117
<b>Accumulated depreciation:</b>					
Beginning balances	20,133,573	9,395,170	1,708,193	2,965,407	34,202,343
Disposals	-	-	-	-	-
Depreciation	622,370	157,940	270,516	98,759	1,149,585
Ending balances	20,755,943	9,553,110	1,978,709	3,064,166	35,351,928
<b>Net Book Values</b>	<b>P -</b>	<b>P497,023</b>	<b>P1,879,932</b>	<b>P356,234</b>	<b>P2,733,189</b>

2024					
	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
<b>Cost:</b>					
Beginning balances	P20,755,943	P10,050,133	P3,663,171	P3,088,944	P37,558,191
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
<b>Accumulated depreciation:</b>		<b>Accumulated depreciation:</b>			
Beginning balances	19,303,336	9,136,125	2,976,282	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
<b>Net Book Values</b>	<b>P622,370</b>	<b>P654,963</b>	<b>P2,150,448</b>	<b>P304,327</b>	<b>P3,732,108</b>

The Group recognized gain on disposal of property and equipment amounting to P357,143 (net of output VAT amounting to P42,857) and P562,500 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 P11.6 million and P10.9 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	P1,379,953	P1,530,751	P1,438,792
Investment properties	16,566,912	16,273,634	16,033,917
	<b>P17,946,865</b>	<b>P17,804,385</b>	<b>P17,472,709</b>

## 11. Investment Properties

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

	September, 2025		
	Land	Condominium and Improvements	Total
<b>Cost:</b>			
Beginning balances	P46,319,625	P400,544,670	P446,864,295
Additions	—	243,232	243,232
Disposal		(65,859,884)	(65,859,884)
Ending balances	46,319,625	334,928,018	381,247,643
<b>Accumulated depreciation:</b>			
Beginning balances	—	117,265,852	117,265,852
Depreciation and amortization	—	11,896,424	11,896,424
Disposal	—	(27,892,780)	(27,892,780)
Ending balances	—	101,269,496	101,269,496
<b>Net Book Values</b>	<b>P46,319,625</b>	<b>P233,658,522</b>	<b>P279,978,147</b>

Condominium units owned by the company's subsidiary was sold in the third quarter of 2025.

	2024		
	Land	Condominium and Improvements	Total
<b>Cost:</b>			
Beginning balances	P46,319,625	P400,190,325	P446,509,950
Additions	—	354,345	354,345
Ending balances	46,319,625	400,544,670	446,864,295
<b>Accumulated depreciation:</b>			
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
<b>Net Book Values</b>	<b>P46,319,625</b>	<b>P283,278,818</b>	<b>P329,598,443</b>

Condominium units are being leased to third parties and other related parties as office space. The investment properties generated rent income amounting to P27.3 million and P22.1 million in 2024 and 2023, respectively (P23.9 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 P23.6 million in 2024 and P24.4 million in 2023 (P21.2 million in 2022).

The assessed fair value of the investment properties amounted to P2,072.6 million in 2024 and 2023 (P1,688.5 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.

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#### 12. Other Noncurrent Assets

This account consists of:

	Sept. 2025	2024
Deposits for property acquisition	P31,106,429	P16,967,143
Refundable deposits	595,780	595,780
Others	2,281,306	2,281,306
	<u>P33,983,515</u>	<u>P19,844,229</u>

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#### 13. Accounts and Other Payables

This account consists of:

	Sept. 2025	2024
Deposits payable	P11,477,433	P12,308,930
Accrued expenses	876,782	910,809
Statutory payables	33,569,476	2,841,057
Accounts payable	293,174	1,500,445
	<u>P46,216,865</u>	<u>P17,561,241</u>

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

Actuarial gains on retirement benefit obligation attributable to the equity holders of the Group amounted to P0.5 million in 2024 and P7.1 million in 2023 (P0.4 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	(P957,232)	(P635,730)
-100 basis points	1,243,939	780,824
Salary increase rate		
+100 basis points	P1,212,195	P754,456
-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	P5,917,014	P7,702,864
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
	<b>P77,245,813</b>	<b>P44,572,922</b>

## 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	P42,469,412	P26,090,629	P6,318,662
Tax effect of:			
Dividend income exempt from tax	(23,370,555)	(23,439,902)	(209,803)
Nontaxable income	(9,454,114)	(7,905,664)	(305,850)
Movements in unrecognized deferred tax assets	1,793,375	(1,651,674)	151,261
Nondeductible expenses	2,099,063	1,487,883	3,811,227
Tax rate difference on dividend income subjected to final tax	216,000	(802,659)	(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)	—	—
	P14,442,568	(P6,724,894)	P6,022,267

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	P10,310,009	P11,918,672
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)
	(P3,455,009)	(P15,656,356)

Details of unrecognized deferred tax assets are as follows:

	2024	2023
Allowance for impairment losses on:		
Due from related parties	P42,211,279	P42,211,279
Investment in an associate	26,204,772	26,204,772
NOLCO	59,087	1,435,522
MCIT	—	216,152
	P68,475,138	P70,067,725

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	P=	P595,600	P=	P595,600	2027
2023	14,946,087	-	(5,742,087)	9,204,000	2026
2022	8,087,376	-	-	8,087,376	2025
	P23,033,463	P595,600	(P5,742,087)	P17,886,976	

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	P=	P487,763	P=	P487,763	2027
2023	397,280	-	(216,152)	181,128	2026
2022	166,426	-	-	166,426	2025
	P563,706	P487,763	(P216,152)	P835,317	

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	P0.01	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	
<i>Class A</i>	
Authorized - 600 million shares	
Issued - 292,610,118 shares	₱292,610,118
<i>Class B</i>	
Authorized - 400 million shares	
Issued - 189,217,535 shares	189,217,535
	<u>₱481,827,653</u>

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.

The parent company declared a cash dividend of ₱.20/ share on August 22, 2025 to stockholders on record as of September 22, 2025 payable on or before October 8, 2025. Consequently, Magellan Capital Holdings Corporation, its subsidiary, declared a cash dividend of ₱100,000,000 on August 19, 2025 to stockholders on record as of September 15, 2025 and payable on or before October 1, 2025.

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
						<u>₱72,274,148</u>
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
						<u>₱81,910,701</u>
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
						<u>₱72,274,148</u>

Other adjustment to retained earnings 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	
<i>Associates</i>					
BPO	Rental income	Sept. 2025	₱1,379,145	₱—	
		2024	1,557,182	—	
	Payroll service expenses	Sept. 2025	51,003	—	
		2024	56,632	—	
	PTC	Dividends	Sept. 2025	0	—
			2024	56,356,080	—
<i>Other Related Parties</i>		Sept. 2025			
	Advances	2025	318,329	314,186	
		2024	162,144	233,949	
		Sept. 2025	₱1,748,477	₱314,186	
		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	<b>₱189,127,937</b>	₱188,916,695
Rent receivables	-	-
	<b>189,127,937</b>	188,916,695
Allowance for impairment loss	<b>(188,893,988)</b>	(188,656,287)
	<b>₱233,949</b>	₱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	<b>₱9,978,188</b>	₱9,503,036
Other benefits	<b>1,362,165</b>	1,297,300
	<b>₱11,340,353</b>	₱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)	<b>₱93,566,249</b>	₱62,262,774	₱20,333,318
Weighted average number of ordinary shares outstanding for basic and diluted EPS (b)	<b>379,732,827</b>	379,732,827	379,732,827
Basic and diluted earnings per share (a/b)	<b>₱0.25</b>	₱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 P27.3 million in 2024 and P22.1 million in 2023 (P23.9 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 P12.3 million and P8.2 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	P23,322,156	P11,158,604
After one year but not more than two years	17,125,422	2,430,131
	P40,447,578	P13,588,735

### Other Claims

In 2022, the Group paid a claim arising from a lawsuit filed by a third party amounting to P24.6 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	P112,755,674	P112,755,674	P—	P—	P112,755,674
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
	P380,840,656	P164,714,104	P7,475,077	P208,651,475	P380,840,656
2023	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Financial assets at FVTPL	P341,616,249	P341,616,249	P—	P—	P341,616,249
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
	P740,302,763	P420,166,099	P11,155,224	P308,981,440	P740,302,763

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	P481,827,653	P481,827,653
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
	<b>P1,690,214,034</b>	<b>P1,637,460,227</b>

## 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 September, 2025 and 2024:

	As at January 1, 2025	Dividends Paid	Dividend Declaration and Other Changes	As at Sept. 30, 2025
Dividends payable	P27,105,445	(P57,053,485)	P120,294,735	P90,346,695

	As at January 1, 2024	Dividends Paid	Dividend Declaration	As at December 31, 2024
Dividends payable	P27,105,445	(P57,053,485)	P37,954,029	P8,005,989

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY**  
**AGING OF ACCOUNTS RECEIVABLE**  
**AS OF SEPTEMBER 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			150	20,160	134,915	155,225
Magellan Utilities Development Corp.	0							0
Business Process Outsourcing International	18,338	1,379,145	1,379,145				18,338	18,338
Pinamucan Power Corporation	108,472	40,770			150	20,460	128,632	149,242
Pointwest Technologies Corporation	19,144,620	1,466,704	20,611,324					0
Others	0							0
	19,386,335	2,526,939	21,890,469		300	40,620	251,885	322,805