

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A, AS AMENDED

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

1. For the Fiscal Year Ended **31 December 2025**

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

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

5. **Philippines** 6. (SEC Use Only)
 Province, Country or Other Jurisdiction of Incorporation or Organization Industry Classification Code:

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

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

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

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

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

11. Are any or all of these securities listed on a Stock Exchange?
 a Yes [] No []

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

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

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the **RSA and RSA Rule 11(a)-1** thereunder, and Sections 26 and

141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [] No []

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

Yes [] No []

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

The market value of stocks held by non-affiliates of the Corporation, based on closing prices as of 29 December 2025 the last trading day when the Class "A" shares were traded in 2025, was Two Pesos and Sixty Centavos, Philippine Currency (₱2.60) per share for Class "A" shares, with an aggregate market value of Seven Hundred Sixty Million Seven Hundred Eighty Six Thousand Three Hundred Six Pesos and Eighty Centavos, Philippine Currency (₱760,786,306.80), and Two Pesos and Eighteen Centavos, Philippine Currency (₱2.18) per share for Class "B" shares, as of 09 December 2025 the last trading day when the Class "B" shares were traded in 2025, with an aggregate market value of Four Hundred Twelve Million Four Hundred Ninety Four Thousand Two Hundred Twenty Six Pesos and Thirty Centavos, Philippine Currency (₱412,494,226.30).

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

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

Yes [] No []

DOCUMENTS INCORPORATED BY REFERENCE

No documents are incorporated by reference.

PART I – BUSINESS AND GENERAL INFORMATION

ITEM I. BUSINESS

A. BUSINESS DEVELOPMENT

1. Business Development of the Registrant

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

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

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

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

2. Business Development of the Registrant's Subsidiaries

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

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

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

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

3. Business of Registrant

Description of Registrant

The Registrant is a holding company. At present, it owns 94.37% of its subsidiary, MCHC, which is currently invested in real estate assets and in bond and stock investments and in shares of its subsidiaries. Most of the Registrant's indirect operating subsidiaries, i.e. MCHC's subsidiaries, are in development of infrastructure projects, as well as landholding and development. The Registrant also owns 30% of PTC, a software servicing development company, and 35% of BPOI, which it acquired in 2004 and 2005, respectively.

Percentage of Consolidated Total Revenues

Breakdown of Revenues for the year 2025

	CONSOLIDATED TOTAL REVENUES	PERCENTAGE BREAKDOWN
Equity in Net Earnings (Losses) of Associates	₱ 35,801,634	8.4%
Interest Income	17,378,061	4.1%
Gain on Disposal of AFS, FVPL and HTM Financial Assets	68,230,779	16.1%
Rent	30,611,269	7.2%
Dividend Income	2,286,825	0.5%
Fair Value Gain (Loss) on Financial Assets of FVPL	30,772,809	7.2%
Other Income	220,032,896	51.7%
Gains (Losses) on Disposal of Financial Assets at FVOCI	-	-
Foreign Exchange Gains	19,901,157	4.7%
Total	₱ 425,066,392	100.00%

Breakdown of Revenues for the year 2024

	CONSOLIDATED TOTAL REVENUES	PERCENTAG E 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%
Total	P 189,408,317	100.00%

The Registrant's consolidated revenue in 2025 increased to P425.06 million from P189.40 million in 2024. Equity in net earnings of associates increased from P32.3 million in 2024 to P35.8 million in 2025. Rent increased from P27.3 million in 2024 to P30.6 million in 2025. Fair Value Gain on Financial Assets at FVPL was P30.7 million in 2025 compared to P22.0 million in 2024. Dividend income increased to P2.3 million in 2025 from P1.9 million in 2024. Fair value gains on disposal of Financial Assets at FVOCI was zero in 2025 compared to a loss of P3.3 million in 2024. Net FX gain was P34.3 million in 2024 compared to a gain of P19.9 million in 2025. There was a one-time gain on disposal of investment properties of P220 million in 2025.

B. MANPOWER MANAGEMENT OF REGISTRANT

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

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

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

1. Power Generation Project Companies

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

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

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

As a result of the project's uncertain prospects, the Registrant's auditor recommended, and the management had agreed, that provision be made for all project development expenditures and pre-operating expenses by MUDC in line with current accounting standards. MUDC has decided not to proceed with its power project due to MERALCO's unwillingness to enter into a revised Power Purchase Agreement and due to the withdrawal of its foreign partner, GPU. In addition, MCHC has almost fully provided for its receivables due from MUDC. In 2008, in the Registrant's Consolidated Financial Statements, receivables due to MCHC's subsidiary, Pinamucan Industrial Estates, Inc., were also fully provisioned. Thus, the Registrant's remaining exposure to the MUDC project is minimal at the end of 2025.

2. Real Estate Holding and Development Companies

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

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

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

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

3. Holding Companies

In July 2023, WCC Ventures, Inc. was incorporated, with MCHC serving as an incorporator and owning 33.33% of the outstanding capital stock of WCC Ventures, Inc. WCC Ventures, Inc. is a company engaged in the business of holding shares in a private IT company called Multisys Technologies Corporation.

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

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

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

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

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

6. 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.

7. Transactions with and/or Dependence on Related Parties

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

8. Patents, Trademarks, Copyrights, Etc.

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

9. 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.

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

1. Pointwest Technologies Corporation (PTC)

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

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

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

3. Portfolio Investments

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

4. Other Interests

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

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 Registrant and its subsidiary, MCHC. Also, no substantial expenditure has been made for research and development activities for the past three (3) years.

ITEM II. PROPERTIES

A. EQUITY INTERESTS

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

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

MCHC has equity interests in Pinamucan Industrial Estates, Inc. (100%-owned) and Malabrigo (100%-owned). MCHC also owns 100% of Magellan Capital Trading Corporation and Magellan Capital Realty Development Corporation, two (2) inactive shell companies. It also has a 33.33% equity interest in WCC Ventures, Inc.

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

B. REAL ESTATE

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

1. Condominium Units

MCHC owns five (5) office condominium units which comprise the entire 5th Floor of the BDO Towers Paseo, located at 8741 Paseo de Roxas, Makati City, including five (5) appurtenant parking units, *per* a Deed of Sale executed on 26 April 2000. Three (3) of the 5 units are being leased out and two (2) units are used as the corporate offices of the Registrant and its subsidiaries.

MCHC also owns an office condominium unit on the 25th Floor of the BDO Towers Valero in Makati City (acquired in December 2014), as well as two (2) parking slots, which are being leased out at prevailing commercial rates. MCHC used to own 2 condominium units on the 16th Floor of the same building, with 8 parking lots, but these were already sold in 2025.

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. In 2023, MCHC has likewise acquired one (1) condominium unit with 2 parking slots in Edades West in Rockwell Center, Makati City for investment purposes.

2. Office Properties

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

3. Land/Property Ownership

MCHC has acquired a 985 square meter lot in Bonifacio Global City, Taguig City, which it plans to develop into an office building for lease. Architectural plans and necessary permits for the building are currently being prepared and applied for. However, construction of the building has been put on hold indefinitely due to a weak office leasing market. As of 31 December 2025, the above land and properties are not subject to any mortgages, liens or encumbrances.

ITEM 3. LEGAL PROCEEDINGS

For the past five (5) 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 2025, none of the current directors, or nominees for election as director, executive officer, underwriter, or control person of the Registrant, have been involved in, or the subject of, any bankruptcy petition, conviction by final judgment, or is the subject of any order judgment or decree, or involved in any violation of a securities of commodities law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A warrant of arrest was issued by the Regional Trial Court, and bail was set for ₱40,000.00. The accused was arrested and subsequently arraigned.

Three (3) witnesses have been presented - two (2) from the bank and one (1) from MUDC.

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

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

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

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

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

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

On 01 June 2018, the Regional Trial Court issued an Order granting the Motion to declare defendants in default, and ordered the presentation of evidence by MCHC *ex-parte*. However, upon motion for reconsideration by

the defendants, the judge of Regional Trial Court – Branch 153 inhibited herself from hearing the cases and the case was re-raffled to Branch 271.

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

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

5. ***“Magellan Capital Holdings Corporation represented by Mr. Robert Y. Cokeng vs. Spouses Mario and Preciosa Roño et al.”***, XV-16-INV-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-INV-16F-00541, found probable cause against the respondents and the corresponding Information was filed with the Metropolitan Trial Court. A Warrant of Arrest against the respondents was issued on 10 February 2017 and Arraignment was scheduled on 23 March 2017.

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

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

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

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

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

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

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

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

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

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

each other free from any and all liabilities relating to and/or arising from the case.

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

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

For the period January to December 2025, there were no matters submitted to a vote by security holders of the Registrant.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

A. MARKET INFORMATION

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

The high and low prices for each quarter within the last two (2) fiscal years and first quarter of 2026 are as follows:

QUARTER; YEAR	CLASS "A"		CLASS "B"	
	High	Low	High	Low
1 st Quarter, 2024	2.34	1.69	-	-
2 nd Quarter, 2024	2.62	2.00	2.98	1.58
3 rd Quarter, 2024	2.57	2.01	2.30	2.29
4 th Quarter, 2024	2.54	1.61	2.53	1.76
1 st Quarter, 2025	2.20	2.01	1.91	1.91
2 nd Quarter, 2025	2.20	2.20	1.91	1.91
3 rd Quarter, 2025	2.98	2.06	2.01	2.58
4 th Quarter, 2025	2.60	2.20	2.32	2.18
1 st Quarter, 2026	2.72	2.21	2.62	2.18

B. HOLDERS

Number of Shareholders

As of 31 December 2025, the registrant had Four Hundred Seventy-Three (473) stockholders of record, as follows: Class "A" shares – Four Hundred Thirty (430) holders; Class "B" shares – Forty-Three (43) holders; and Class "A" and "B" – Six (6).

The top twenty (20) stockholders of common equity of the Registrant as of 31 December 2025 are as follows:

TOP TWENTY (20) STOCKHOLDERS AS OF 31 DECEMBER 2025

NAME OF STOCKHOLDER	NUMBER OF SHARES	PERCENTAGE OWNERSHIP
1. Essential Holdings Limited	139,778,670	29.01%
2. PCD Nominee Corporation (A & B)	68,299,452	14.18%
3. Pinamucan Industrial Estates, Inc.	47,268,493	9.81%
4. Magellan Capital Holdings Corporation	47,143,022	9.78%
5. Consolidated Tobacco Industries of the Phils., Inc.	43,052,023	8.94%
6. Vrukti Holdings Corporation	34,789,828	7.22%
7. Center Industrial and Investment, Inc.	23,991,000	4.98%
8. PHESCO, Incorporated	15,463,419	3.21%

9.	Johnson Tan Gui Yee	15,371,747	3.19%
10.	Estate of Robert Y. Cokeng	13,693,072	2.84%
11.	Victorian Development Corporation	12,085,427	2.51%
12.	Brixton Investment Corporation	2,815,000	0.58%
13.	Francisco Y. Cokeng, Jr.	2,160,000	0.45%
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	0.22%
18.	Metro Agro-Industrial Supply Corporation	793,977	0.16%
19.	Ruffy James Tiangco	555,000	0.12%
20.	Raizel T. Kwok	500,000	0.10%
20.	Rey Mikhail C. Tiangco	500,000	0.10%

C. DIVIDENDS

Dividends amounting to a total of ₱0.20 per share were declared and paid out in 2025.

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

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

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

E. WARRANTS

There are no warrants outstanding as of the end of December 2025.

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

A. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Registrant's consolidated revenue in 2025 increased to P425.06 million from P189.40 million in 2024. Equity in net earnings of associates increased from P32.3 million in 2024 to P35.8 million in 2025. Rent increased from P27.3 million in 2024 to P30.6 million in 2025. Fair Value Gain on Financial Assets at FVPL was P30.7 million in 2025 compared to P22.0 million in 2024. Dividend income

increased to P2.3 million in 2025 from P1.9 million in 2024. Fair value gains on disposal of Financial Assets at FVOCI was zero in 2025 compared to a loss of P3.3 million in 2024. Net FX gain was P34.3 million in 2024 compared to a gain of P19.9 million in 2025. There was a one-time gain on disposal of investment properties of P220 million in 2025.

Total consolidated expenses of the Registrant increased to P115.26 million in 2025 compared to P72.4 million in 2024.

As a result of the above, total consolidated income before tax in 2025 totaled P294.7 million compared to P108.6 million in 2024. After provision for income tax, total consolidated net income after tax totaled P94.2 million in 2024 compared to P238.8 million in 2025.

Net income attributable to non-controlling interest, namely minority shareholders of Magellan Capital Holdings Corporation, totaled to a gain of ₱0.6 million in 2024 compared to a gain of ₱7.2 million in 2025.

Net income attributable to equity holders of the Registrant totaled ₱93.6 million in 2024 compared to ₱231.6 million in 2025.

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 P494.9 million as of December 31, 2025. The Registrant and its subsidiary are debt free with total consolidated liabilities of ₱42.4 million at year-end 2024 compared to ₱76.7 million at year-end 2025. Total equity amounted to P1.80 billion as of the end of 2024 compared to P1.94 billion at the end of 2025.

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 P1,023 million at year-end 2025. Other than the normal fluctuation of the Peso exchange rate as well as the effect of the normal market fluctuations on the value of stock and bond holdings owned by the Registrant and its subsidiary, the Registrant is not aware of any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in its liquidity increasing or decreasing in any material way. Likewise, the Registrant does not know of any trends, events or uncertainties that have or that are reasonably expected to have a material favorable or unfavorable impact on the revenues or income from continuing operations.

Top Five (5) Key Performance Indicators

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

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

1. Revenue Generation

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

(P000)	YEAR 2025	PER- CENTAGE	YEAR 2024	PER- CENTAGE	Net Difference	PER- CENTAGE
Equity in net earnings of associates	₱ 35,801	8.4%	₱ 32,372	17.1%	₱ 3,429	10.6%
Interest Income	17,378	4.1%	16,102	8.5%	1,276	7.9%
Rent	30,611	7.2%	27,291	14.4%	3,481	12.8%
Dividend Income	2,286	0.5%	1,920	1%	366	19.0%
Fair Value Gains (Losses) on Financial Assets at FVPL	30,772	7.2%	22,014	11.6%	8,758	39.8%
Gain (Losses) on Disposal of AFS, HTM and FVPL Investments	68,230	16.1%	53,757	28.4%	14,473	26.9%
Gain (Loss) on Disposal of Financial Assets at FVOCI	-	-	357	.2%	(357)	(100%)
Net FX Gain	19,901	4.7%	34,324	18.1%	(14,423)	(42.0%)
Others	50	.1%	1,271	.7%	(1,221)	(96.1%)
Total from continuing operation	₱ 425,066	100.0%	₱ 189,408	100.0%	₱ 235,658	124.4%

Equity in Net Earnings of Associates increased from P32.3 million in 2024 to P35.8 million in 2025. Interest income increased to P17.4 million in 2025 from P16.1 million in 2024. Rental income increased from P27.3 million in 2024 to P30.6 million 2025. The result is an increase in revenue to P425.1 million in 2025 from P189.4 million in 2024.

2. Change in Net Income

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

(000)	YEARS ENDED DECEMBER 31					
	2025	PER- CENTAGE	2024	PER- CENTAGE	2023	PER- CENTAGE
Revenue	₱ 425,066	100%	₱ 189,408	100%	₱ 188,513	100%
Expenses	130,173	30.6%	80,800	42.7%	131,527	69.8%
Net Income Before Tax	294,741	69.3%	108,608	57.7%	56,986	30.2%
Tax	55,961	13.2%	14,443	7.6%	(6,725)	(3.6%)
Total Net Income	₱ 238,780	56.2%	₱ 94,165	49.7%	₱ 63,711	33.8%
Attributable to						

Stockholders of the Company	231,568	54.5%	93,566	49.4%	62,262	33.0%
Non-Controlling Interest	7,212	1.7%	559	0.3%	1,448	0.8%

As the above shows, net income increased from P94.2 million in 2024 to P238.8 million in 2025. The net income attributable to stockholders of the Registrant in 2025 is P231.6 million while P7.2 million was attributable to non-controlling interests. The net income attributable to stockholders of the Company in 2025 is P93.6 million while P0.6 million was attributable to non-controlling interests.

3. Earnings per Share

The earnings per share in 2025 amounted to P0.61 per share compared to earnings per share of P0.25 in 2024 and P0.16 in 2023. The earnings per share are adjusted to reflect the shares held by the Registrant's subsidiaries which are classified as treasury shares in the Consolidated Financial Statements.

4. Current Ratio

Current Ratio (current assets divided by current liabilities) which measures the liquidity position of the Registrant was 16.4X at December 31, 2025 compared to 27.1x at the end of 2024. The Registrant's liquidity position is very strong and gives it substantial resources to pursue its projects.

5. Book Value per Share

The Registrant's book value per share (excluding treasury shares owned by subsidiaries of the Registrant) was P5.12x per share at the end of 2025 from P4.77 per share at the end of 2024 and P4.86 at year-end 2023.

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

The Registrant and its subsidiary and affiliates are substantially debt-free, except for MUDC, which has loans and advances from its principal shareholders. The Registrant and its subsidiaries have more than enough cash resources to meet any expected requirements during the next twelve (12) months. Consolidated cash and cash equivalents totaled P494.9 million at year end 2025 compared to P597.4 million at year end 2024. Other than the normal fluctuations of the Philippine Peso to the U.S. Dollar, the Registrant is unaware of any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in its liquidity increasing or decreasing in any material way. Likewise, the Registrant does not know of any trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the revenues or income from continuing operations.

Any events that will trigger direct or contingent financial obligation

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

All material off-balance sheet transactions, arrangements, obligations

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

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

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

Given the Company's operations and financial condition over the past three (3) years, Management plans to focus on further improving its financial condition, operations, and cash flows through the following: (1) managing liquidity; and (2) exploring other investments and business opportunities, such as acquisition of real properties and investments in stocks and bonds, among others.

Exhibit "2" shows the audited consolidated balance sheet as of December 31, 2025 and December 31, 2024 and audited consolidated income statements for the years 2025, 2024 and 2023. The accounts are discussed below in more detail.

1. Operating Results

Revenues. In the year ended 31 December 2025, total consolidated revenues totaled ₱425.1 million compared to ₱189.4 million in 2024 and ₱188.5 million in 2023.

Expenses. Total consolidated operating expenses increased to ₱130.1 million in 2025 from the ₱80.8 million in 2024.

Net Income Before Tax. As a result of the movement in revenues and expenses discussed in the preceding sections, net income before tax totaled ₱294.7 million in 2025 compared to ₱108.6 million in 2024 and ₱56.9 million in 2023.

Provision For Income Tax. In 2025, there was an income tax of ₱55.96 million compared to ₱14.4 million in 2024 and negative ₱6.7 million in 2023.

Net Income After Tax. The Company had a consolidated net income after tax of ₱238.8 million in 2025, from net income after tax of ₱94.2 million in 2024 and ₱63.7 million in 2023.

2. Balance Sheet Accounts

The following comparative financial analysis is based on audited consolidated balance sheets as of December 31, 2025 and December 31, 2024 shown in Exhibit “1”. The movements in the various accounts are discussed below:

3. Assets

Current Assets. Total current assets at year-end 2025 totaled ₱1,023 million compared to ₱760.9 million at year-end 2024. Cash and cash equivalents decreased to ₱494.9 million at year end 2025 from ₱597.4 million at year end 2024. Financial assets at Fair Value through Profit or Loss (FVPL) increased to ₱462.3 million at year-end 2025 from ₱112.7 million at year-end 2024. Prepayments and other assets decreased to ₱18 million at year-end 2025 from ₱29.9 million at year-end 2024.

Non-Current Assets. Total non-current assets at year-end 2025 totaled ₱998 million versus ₱1,086 million at year-end 2024.

Total Assets. As a result of the movement in the accounts described above, total consolidated assets of the Company at year-end 2025 totaled ₱2,021 million compared to ₱1,847 million at year-end 2024.

4. Liabilities and Equity

Current Liabilities. Current liabilities decreased to ₱62.1 million at year-end 2025 from ₱28 million at year-end 2024.

Non-Current Liabilities. Non-current liabilities increased to ₱14.5 million at year-end 2025 from ₱14.3 million at year-end 2024 due mainly to Retirement liability.

Stockholder’s Equity. Total Stockholder’s Equity Attributable to Equity Holders of the Company increased to ₱1,878.8 million at year-end 2025 from ₱1,742.6 million at year end 2024. Equity attributable to minority shareholders of MCHC totaled ₱65.7 million at year end 2025 compared to ₱62.7 million at year-end 2024. As a result, total stockholders’ equity at year-end 2025 stood at ₱1,944.5 million compared to ₱1,805.4 million at year-end 2024.

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

	2025	2024	2023
Registrant	₱ 660,000	₱ 585,000	₱ 440,000
MCHC	500,000	481,600	448,000
Subsidiaries of MCHC	190,640	157,920	192,640

MUDC	50,000	56,000	56,000
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- b) *Tax Fees:* None
- c) *All Other Fees:* None
- d) Audit Committee has approved the audit fees

ITEM 7. FINANCIAL STATEMENTS

The Statement of Management’s Responsibility is attached as Exhibit “1” hereof. The Audited Consolidated Financial Statements as of 31 December 2025 are attached as Exhibit “2” hereof.

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

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

In 2023, Reyes Tacandong & Co. was appointed as the external auditors for F&J Prince Holdings Corporation and Magellan Capital Holdings Corporation. Reyes Tacandong & Co was re-appointed as the external auditors for F&J Prince Holdings Corporation and Magellan Capital Holdings Corporation for fiscal years 2024 and 2025.

Ms. Belinda B. Fernando is the Signing Partner for FY 2024. In view of her assumption of the role of Managing Partner for the Audit Services of *Reyes, Tacandong & Co.*, Ms. Grace M. Albunian has been assigned as the Signing Partner for FY 2025. The change in the signing partner of the external auditor is not due to any disagreement between the Corporation and the former signing partner on accounting and financial disclosures, or her resignation or dismissal.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

A. DIRECTORS AND EXECUTIVE OFFICERS

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

JOHNSON TAN GUI YEE, 78 years old, Filipino citizen.

Chairman of the Board

Re-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, 40 years old, Filipino citizen.

President

Re-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 and Director*, Consolidated Tobacco Industries of the Philippines, Inc. and Center Industrial & Investment, Inc.; *Director*, Pointwest

Technologies Corporation and Business Process Outsourcing International, Inc. (BPOI)

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

MARY K. COKENG, 74 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

FRANCIS L. 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 de Manila 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.

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 & Shipyard Corp.); *President*, Vructi 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.

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

Re-elected on 27 June 2025 to a one-year term.

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

Bachelor of Science in Business, De La Salle University.

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.

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

Appointed as Compliance Officer on 19 February 2025. Re-elected as Corporate Secretary on 27 June 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; *Director and Corporate Secretary*, Professional IT Solutions Inc.; *Co-Founder, Director and Head of Compliance and Operations*, Korporasyon Business Solutions and Support Services Inc.

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

Juris Doctor, University of the Philippines

Term of Office

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

The Independent Directors

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

B. SIGNIFICANT EMPLOYEES

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

C. FAMILY RELATIONSHIPS

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

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

ITEM 10. EXECUTIVE COMPENSATION

A. GENERAL

None of the directors and executive officers of the Registrant are paid any compensation as such. Among its officers, only Messrs. Johnson U. Co, 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 (P5,000.00) per attendance of Board Meeting.

B. SUMMARY COMPENSATION TABLE

**Summary Compensation Table
Annual Compensation**

NAME & PRINCIPAL POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION*
Mark Ryan K. Cokeng, President	2025	-	-	P11,000,000.00
Johnson U. Co, Vice-President-Administration	2025	-	-	
Mary K. Cokeng, Treasurer	2025	-	-	
Katrina Marie K. Cokeng, Asst. Treasurer	2025	-	-	

Anne Jaycelle C. Sacramento, Corporate Sec	2025	-	-	
All Other Officers & Directors	2025	310,000.00	-	

NAME & PRINCIPAL POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION*
Mark Ryan K. Cokeng, President	2024	-	-	P11,384,300.00
Johnson U. Co, Vice-President-Administration	2024	-	-	
Mary K. Cokeng, Treasurer	2024	-	-	
Katrina Marie K. Cokeng, Asst. Treasurer	2024	-	-	
Fina Bernadette D.C. Tantuico, Legal Counsel	2024	-	-	
All Other Officers & Directors	2024	310,000.00	-	

NAME & PRINCIPAL POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION*
Mark Ryan K. Cokeng, President	2023	-	-	P11,384,100.00
Johnson U. Co, Vice-President-Administration	2023	-	-	
Mary K. Cokeng, Treasurer	2023	-	-	
Fina Bernadette D.C. Tantuico, Corporate Sec	2023	-	-	
All Other Officers & Directors	2023	310,000.00	-	

- * The amount given represents the professional fees and compensation paid by the affiliates of Registrant.
- ** Other directors and executive officers of the Registrant are not paid any compensation as such.
- *** Ms. Katrina Marie K. Cokeng resigned as Assistant Treasurer effective on July 25, 2025

C. COMPENSATION OF DIRECTORS

Directors receive a *per diem*¹ of P5000 *per* attendance at Board Meetings and no other compensation as such.²

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

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

E. WARRANTS AND OPTIONS OUTSTANDING: RE-PRICING

¹ On 12 February 2002, the SEC approved the Amendment to the Registrant's By-Laws, specifically Article III, Section 6 on Compensation of Directors. The cap of Pesos (P500.00) has been removed. Each director may now receive a reasonable *per diem*, as may be fixed by the Board of Directors, for attendance at board meetings.

² Pursuant to the Amended By-Laws, Registrant's Board of Directors approved and adopted on 28 February 2002 a resolution fixing the *per diem* at P5000 *per* attendance at Board Meetings.

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

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

A. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AS OF 31 DECEMBER 2025

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

TITLE OF CLASS	NAME, ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NUMBER OF SHARES HELD	PER-CENTAGE
Common B	Essential Holdings Limited 11/F, Belgian House, 77-79 Gloucester Road, Hongkong	Same as Record Owner Estate of Robert Y. Cokeng Mary K. Cokeng <i>Managing Director</i>	Foreign	139,728,670 Record & Beneficial	29.01%
Common A	PCD Nominee Corporation 37 th 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	57,200,871	11.87%
Common A & B	Pinamucan Industrial Estates, Inc. 5 th 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 th 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	Same as Record Owner	Filipino	34,789,828	7.22%

	52 Narra Avenue, Forbes Park Makati City	Rufino B. Tiangco President		Record & Beneficial	
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Mr. Mark Ryan K. Cokeng, the President of the Registrant, is a Director of Essential Holdings Limited (EHL), and has been granted voting power over 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. Johnson U. Co, the Vice President for Administration of the Registrant, is the Chairman of Consolidated Tobacco Industries of the Philippines, Inc. (CTIP), a corporation principally owned and controlled by the Cokeng and Co families. Mr. Johnson U. Co has voting power over the shares of stock of CTIP in the Registrant.

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

B. SECURITY OWNERSHIP OF MANAGEMENT

As of 31 December 2025, the Directors, Executive Officers and Nominees of the Corporation are the beneficial owners of the following number of shares:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT OF OWNERSHIP
Common A	Johnson U. Co	1,100,000	Filipino	0.228%
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	1,871,000	Filipino	0.388%
Common A	Charlie K. Chua	5,000	Filipino	0.001%
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	0.021%
Common A	Peter L. Kawsek, Jr.	1,000	Filipino	0.0002%
Common A	Ryan Wesley T. Yapkianwee	10,000	Filipino	0.002%
Total		23,963,823		4.9654%

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

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

D. CHANGES IN CONTROL

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

ITEM 12. CERTAIN RELATIONSHIPS & RELATED TRANSACTIONS

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

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

PART IV – CORPORATE GOVERNANCE

ITEM 13. ANNUAL CORPORATE GOVERNANCE REPORT

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

PART V – EXHIBITS AND SCHEDULES

EXHIBITS AND REPORTS ON SEC FORM 17-C

A. EXHIBITS

EXHIBIT NO.	DOCUMENT
1	Statement of Managements' Responsibility
2	Audited Consolidated Financial Statements as of 31 December 2025 and 2024
3	Breakdown of various accounts Schedules A-G
4	Consolidated Balance Sheet as of 31 December 2025 and 31 December 2024 with vertical percentage analysis
5	Breakdown of Receivables-Others Schedule "I" Breakdown of Accounts Payable and Accrued Expenses-Schedule "2"
6	Organizational Chart of Subsidiaries and Associates

B. REPORTS ON SEC FORM 17-C

For the period January to December 2025, the following matters were duly reported to the SEC and PSE under SEC Form 17-C, *to wit*:

DATE	MATTERS DISCLOSED
19 February 2025 (Special Meeting of the Board of Directors)	<p style="text-align: center;"><u>APPOINTMENT OF COMPLIANCE OFFICER</u></p> <p>“RESOLVED, that the Corporation hereby appoints ATTY. ANNE JAYCELLE C. SACRAMENTO as its Compliance Officer effective February 19, 2025”</p>
27 March 2025 (Special Meeting of the Board of Directors)	<p style="text-align: center;"><u>APPROVAL OF THE MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARDS HELD ON JULY 11, 2024</u></p> <p>Upon motion made and duly seconded, the reading of the minutes of the Organizational Meeting of the Board of Directors held on 11 July 2024, copies of which were distrusted to the directors prior to the meeting was dispensed with and, thereafter, said minutes were duly approve and adopted.</p> <p style="text-align: center;"><u>POSTPONMENT OF THE ANNUAL STOCKHOLDERS' MEETING</u></p> <p>“WHEREAS, the Corporation filed an application for amendment of its By-Laws, changing the date of annual stockholders’ meeting from 12th day of April at 4:00pm to the 15th of June at 4:00pm, or at such different date and time as may be fixed by the Board of Directors, but shall not be later than the last working day of July;</p> <p>WHEREAS, the said application is still pending with the Securities and Exchange Commissions;</p> <p>WHEREAS, there is a need to reset the annual meeting due to the lack of time to prepare for the said annual meeting and unavailability of some of the members of the Board of Directors and major stockholders of the Corporation;</p> <p>RESOLVED, AS IT IS HEREBY RESOLVED, that the annual stockholders’ meeting of the Corporation to be postponed to June 27, 2025 at 2.30PM and that the appropriate notices of postponement of the annual stockholders’ meeting be prepared and filed by the</p>

	<p>Corporation Code, Securities Regulation Code and applicable rules and regulations.”</p> <p><u>AUTHORIZATION TO ARESENIO LIA FOR BIR TRANSACTIONS</u></p> <p>“RESOLVED, that Arsenio Liao be hereby, as he is hereby, authorized to act on behalf of the Corporation in relation to all Corporation’s BIR transactions, and as authorized EFPS user;</p> <p>“RESOLVED FINALLY, that the above employee is likewise hereby authorized to sign, execute, and deliver any and all documents in implementation of the foregoing”</p> <p><u>AUTHORIZATION TO MARK RYAN K. COKENG</u></p> <p>“RESOLVED, that the Corporation authorized 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 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.”</p>
<p>27 June 2025 (Annual Stockholders’ Meeting)</p>	<p><u>RATIFICATION OF ACTS AND RESOLUTIONS OF THE BOARD DIRECTORS AND MANAGEMENT SINCE THE LAST STOCKHOLDERS’ MEETING</u></p> <p>“RESOLVED, that all acts resolutions, and deeds of the Board of Directors and Management of the Corporation from the Annual Stockholders’ Meeting held on July 11, 2024 up to the date of this meeting be hereby, as they are hereby, confirmed, ratified, and approved.”</p> <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 succession have been duly elected and qualified.</p> <p style="text-align: center;">[in alphabetical order] CHARLIE K. CHUA FRANCIS L. CHUA JOHNSON U. CO JOHNNY O. COBANKIAT KATRINA MARIE K. COKENG MARK RYAN K. COKENG MARY K. COKENG PETER L. KAWSEK, JR. JOHNSON TAN GUI YEE RUFINO B. TIANGCO RYAN WESLEY T. YAPKIANWEE</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>“RESOLVED, that Reyes Tacandong & Co. be hereby, as it is hereby, reappointed as external auditor of the Corporation for the fiscal year 2025.”</p>

<p>27 June 2025 (Organizational Meeting)</p>	<p><u>ELECTION OF OFFICERS</u></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 Corporate Secretary, and such other officers as the Board may designate and elect.</p> <p>Th 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>The announcement was followed by the nominations and unanimous election of the following persons to the positions indicated opposites their respective names:</p> <p>JOHNSON TAN GUI YEE - Chairman MARK RYAN K. COKENG - President JOHNSON U. CO - Vice-President for Admin MARY K. COKENG - Treasurer KATRINA MARIE K. COKENG - Asst. Treasurer ANNE JAYCELLE C. SACRAMENTO - Corporate Secretary</p> <p><u>ELECTION OF COMMITTEE MEMBERS</u></p> <p>The members of the different committees were re-elected as follows:</p> <p><u>Audit Committee</u></p> <p>Peter L. Kawsek, Jr. - Chairman/Ind. Director Mark Ryan K. Cokeng Johnson Tan Gui Yee Rufino B. Tiagnco Johnson U. Co</p> <p><u>Nomination Committee</u></p> <p>Charlie K. Chua - Chairman/Ind. Director Mark Ryan K. Cokeng Rufino B. Tiagnco Johnson Tan Gui Yee Francis L. Chua</p> <p><u>Compensation Committee</u></p> <p>Mark Ryan K. Cokeng - Chairman Johnson U. Co Rufino B. Tiangco Charlie K. Chua - Independent Director Mary K. Cokeng</p> <p><u>Corporate Governance Committee</u></p> <p>Peter L. Kawsek, Jr. - Chairman/Ind. Director Charlie K. Chua - Independent Director Ryan Wesley T. Yapkianwee</p>
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	<p><u>Executive Committee</u></p> <p>Mark Ryan K. Cokeng - Chairman Peter L. Kawsek, Jr. Johnson Tan Gui Yee Rufino B. Tiangco Johnson U. Co</p>
<p>22 August 2025 (Special Meeting of the Board of Directors)</p>	<p><u>DECLARATION OF CASH DIVIDEND</u></p> <p>“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.</p> <p><u>AUTHORIZED SIGNATORIES FOR CNN SECURITIES, INC.</u></p> <p>“RESOLVED that, the Corporation be authorized to maintain and manage its investments made in and/or thru CNN SECURITIES, INC. (formerly HDI Securities, Inc.);</p> <p>“RESOLVED, FURTHER, that any one (1) of the following officers be authorized to sign, countersign, execute and deliver any and all agreements, contracts, forms, documents or papers as are necessary to effectuate the foregoing matters:</p> <p style="text-align: center;">MARK RYAN K. COKENG _____ President</p> <p style="text-align: center;">JOHNSON U. CO _____ Vice-President for Administration</p> <p style="text-align: center;">MARY K. COKENG _____ Treasurer</p> <p>“RESOLVED, FINALLY, that any and all resolutions inconsistent herewith are hereby modified accordingly.</p>

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this Annual Report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on MAY 14 2026

F & I Prince Holdings Corporation

Issuer

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

By:

Johnson Tan Gui Yee
JOHNSON TAN GUI YEE

Chairman of the Board

Mark Ryan K. Cokeng
MARK RYAN K. COKENG

President

Mary K. Cokeng
MARY K. COKENG

Treasurer

Anne Jaycelle C. Sacramento
(ATTY.) ANNE JAYCELLE C. SACRAMENTO

Corporate Secretary / Compliance Officer

SUBSCRIBED AND SWORN to before me this MAY 14 2026, affiants exhibiting to me their Identification Cards, as follows:

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

NOTARY PUBLIC

Doc. No. 133,
Page No. 28,
Book No. XXIV,
Series of 2026.

ATTY. RYAN ANTHONY G. PEREÑA
NOTARY PUBLIC for MAKATI CITY
Commission No. M-012 until Dec. 31, 2027
Roll of Attorneys 77327
PTR No. 10784513; 01/02/2026; Makati City
IBP OR No. 566180 12/16/2025; Pasig City
MCLE Compliance No. VIII-0000389
8553 San Jose St, Guadalupe Nuevo, 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, 2025, 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.

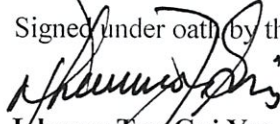
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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:


Johnson Tan Gui Yee
Chairman of the Board


Mark Ryan Cokeng
President



Mary K. Cokeng
Treasurer/CFO

SUBSCRIBED AND SWORN to before me this APR 28 2026 day of 2026, 2026, affiants exhibiting to me their Drivers' License/National IDs, as follows:

<u>Names</u>	<u>Competent Evidence of Identity</u>	<u>Date Issued</u>	<u>Place of Issue</u>
Johnson Tan Gui Yee	N07-70-022770	01 April 2024	Makati City
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. 37 ;
Page No. 9 ;
Book No. XXIV ;
Series of 2026


ATTY. RYAN ANTHONY G. PEREÑA
NOTARY PUBLIC for MAKATI CITY
Commission No. M-012 until Dec. 31, 2027
Roll of Attorneys 77327
PTR No. 10764513; 01/02/2026; Makati City
IBP OR No. 565188 12/16/2025; Pasig City
MCLE Compliance No. VIII-0000389
8553 San Jose St., Guadalupe Nuevo, Makati City

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

EXHIBIT "2"

SEC Registration Number

0	0	0	0	0	0	4	3	3	7	0
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COMPANY NAME

F	&	J	P	R	I	N	C	E	H	O	L	D	I	N	G	S	C	O	R	P	O	R	A	T	I	O	N	A	N	D
S	U	B	S	I	D	I	A	R	I	E	S																			

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

5	T	H		F	L	O	O	R	,		B	D	O		T	O	W	E	R	S		P	A	S	E	O	,		8	7	4	1		P	A	S	E	O		

Form Type

A	A	C	F	S
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Department Requiring the Report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

<p>Company's Email Address</p> <p style="text-align: center;">fjp@fjprince.com</p>	<p>Company's Telephone Number/s</p> <p style="text-align: center;">8892-7133 / 8892-7137</p>	<p>Mobile Number</p> <p style="text-align: center;">0960-4523903</p>
<p>No. of Stockholders</p> <p style="text-align: center;">473</p>	<p>Annual Meeting (Month / Day)</p> <p style="text-align: center;">04/12</p>	<p>Calendar Year (Month / Day)</p> <p style="text-align: center;">12/31</p>

CONTACT PERSON INFORMATION

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

<p>Name of Contact Person</p> <p style="text-align: center;">Atty. Anne Jaycelle C. Sacramento</p>	<p>Email Address</p> <p style="text-align: center;">acsfjprince@gmail.com</p>	<p>Telephone Number/s</p> <p style="text-align: center;">8892-7133/37</p>	<p>Mobile Number</p> <p style="text-align: center;">0917-5552425</p>
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CONTACT PERSON'S ADDRESS

5th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City
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NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the 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, 2025 and 2024, 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 ended December 31, 2025, 2024 and 2023, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2025, 2024 and 2023 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), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to the audit of the consolidated financial statements of public interest entities in the Philippines. We have also 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 matters are the matter that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended December 31, 2025. These matters were 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's investment securities amounting ₱689.1 million as at December 31, 2025 represent 34.1% of total consolidated assets. The classification of investment securities requires judgment in assessing the Group's business model and whether contractual cash flows meet the solely payments of principal and interest criterion under PFRS 9, *Financial Instruments*. The determination of fair values and the estimation of the allowance for expected credit losses (ECL) on debt instruments measured also require judgment, including the use of valuation techniques, market data, and forward-looking information. Accordingly, we considered this area to be a key audit matter.

Our audit procedures included, among others: (a) evaluating the Group's business model and assessing whether the contractual terms of selected financial assets meet the solely payments of principal and interest criterion, and whether the resulting classification of investment securities is consistent with the requirements of PFRS 9; (b) obtaining confirmations from custodians and counterparties to verify the existence of the investment securities; (c) assessing the appropriateness of valuation methodologies and the use of market data in determining fair values, including comparison with available market information; (d) evaluating significant movements in the carrying amounts of investment securities, including changes in fair values and consideration of ECL on debt instruments, by comparing recorded amounts with relevant market data and other available information; and (e) evaluating the adequacy of the Group's disclosures, including fair value information and credit risk disclosures, in relation to investment securities as disclosed in Notes 3 and 5 to the consolidated financial statements.

Accounting for Significant Investments in Associates

The Group holds significant equity interests in Pointwest Technologies Corporation (PTC), WCC Ventures, Inc. (WCC) and Business Process Outsourcing International, Inc. (BPO), ranging from 30.0% to 35.0% as at December 31, 2025. These investments in associates are accounted for under the equity method in accordance with PAS 28 *Investments in Associates and Joint Ventures*.

As at December 31, 2025, investments in associates amounted to ₱458.2 million and the Group's share in earnings and other comprehensive income of associates for the year amounted to ₱37.2 million. Given the significance of these balances to the consolidated financial statements, the application of the equity method requires judgment, particularly in determining the Group's share in the results of operations and other comprehensive income and in assessing the reliability of the underlying financial information of the associates. Accordingly, we considered this area to be a key audit matter.

Our audit procedures included, among others: (a) evaluating whether the Group's investments are appropriately accounted for under the equity method in accordance with PAS 28, (b) assessing the Group's share in net income and other comprehensive income of the associates by examining underlying financial information and reconciling these to the associates' latest available financial information; (c) evaluating the latest available financial information of the associates and performing audit procedures on financial information with a material impact on the Group's share in results, including analysis of significant movements and testing selected transactions and balances; and (d) evaluating the adequacy of the Group's disclosures in relation to investments in associates as disclosed in Notes 3 and 8 to the consolidated financial statements.



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, 2025, 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, 2025 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. Albulian.

REYES TACANDONG & Co.


GRACE M. ALBUNIAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 410-858-879-000

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

SEC Accreditation No. 144364-SEC Group A

Issued October 21, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-018-2024

Valid until November 25, 2027

PTR No. 10764003

Issued January 2, 2026, Makati City

April 16, 2026

Makati City, Metro Manila

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

		December 31	
	Note	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4	₱494,872,735	₱597,418,197
Current portion of investment securities	5	462,251,194	112,755,674
Receivables	6	47,556,484	20,631,669
Due from related parties	17	360,728	233,949
Other current assets	7	18,033,721	29,884,366
Total Current Assets		1,023,074,862	760,923,855
Noncurrent Assets			
Investment securities – net of current portion	5	226,863,484	268,084,982
Investments in associates	8	458,223,635	465,638,892
Investment properties	10	276,487,494	329,598,443
Property and equipment	9	2,531,192	3,732,108
Other noncurrent assets	11	33,983,515	19,844,229
Total Noncurrent Assets		998,089,320	1,086,898,654
		₱2,021,164,182	₱1,847,822,509
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	12	₱37,545,247	₱17,561,241
Dividends payable	24	8,810,842	8,005,989
Income tax payable		15,767,879	2,477,104
Total Current Liabilities		62,123,968	28,044,334
Noncurrent Liabilities			
Retirement liability	14	12,281,135	10,895,498
Net deferred tax liabilities	15	2,245,746	3,455,009
Deposits payable - net of current portion	20	20,000	20,000
Total Noncurrent Liabilities		14,546,881	14,370,507
Total Liabilities		76,670,849	42,414,841
Equity			
Capital stock	16	481,827,653	481,827,653
Additional paid-in capital		144,759,977	144,759,977
Treasury stock	16	(102,331,666)	(102,094,826)
Other equity reserves		40,552,161	52,450,114
Retained earnings		1,314,003,491	1,165,721,230
Equity attributable to equity holders of the Parent Company		1,878,811,616	1,742,664,148
Noncontrolling interests		65,681,717	62,743,520
Total Equity		1,944,493,333	1,805,407,668
		₱2,021,164,182	₱1,847,822,509

See accompanying Notes to Consolidated Financial Statements.

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

		Years Ended December 31		
	Note	2025	2024	2023
INCOME				
Gain on disposal of:				
Investment properties	10	₱220,032,896	₱–	₱–
Financial assets at fair value through profit or loss (FVPL)	5	68,230,779	53,757,403	–
Property and equipment	9	–	357,143	562,500
Share in net income of associates	8	35,801,634	32,372,222	45,346,405
Fair value gains on financial assets at FVPL	5	30,772,809	22,013,948	94,321,443
Rent	20	30,611,269	27,290,478	22,122,711
Foreign exchange gains		19,901,157	34,323,870	3,101,182
Interest income	4	17,378,061	16,102,321	18,547,435
Dividend income	5	2,286,825	1,919,618	4,226,083
Other income		50,963	1,271,314	285,658
		425,066,393	189,408,317	188,513,417
OPERATING EXPENSES	13	115,258,015	72,433,952	65,812,927
OTHER CHARGES				
Fair value losses on financial assets at FVPL	5	15,067,455	5,049,142	41,506,504
Loss on disposal of:				
Financial assets at fair value through other comprehensive income (FVOCI)	5	–	3,317,350	23,888,151
Financial assets at FVPL	5	–	–	319,149
		15,067,455	8,366,492	65,713,804
INCOME BEFORE INCOME TAX		294,740,923	108,607,873	56,986,686
PROVISION FOR (BENEFIT FROM) INCOME TAX				
	15			
Current		62,674,323	12,436,724	3,142,371
Deferred		(6,713,486)	2,005,844	(9,867,265)
		55,960,837	14,442,568	(6,724,894)
NET INCOME		₱238,780,086	₱94,165,305	₱63,711,580
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		₱231,568,466	₱93,566,249	₱62,262,774
Noncontrolling interests		7,211,620	599,056	1,448,806
		₱238,780,086	₱94,165,305	₱63,711,580
Basic/Diluted Earnings per Common Share	18	₱0.60	₱0.24	₱0.16

See accompanying Notes to Consolidated Financial Statements.

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31		
		2025	2024	2023
NET INCOME		₱238,780,086	₱94,165,305	₱63,711,580
OTHER COMPREHENSIVE INCOME (LOSS)				
<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	(8,946,569)	(71,252,258)	(2,713,267)
Effect of change in tax rate		(6,890,848)	–	–
Share in other comprehensive income (losses) of associates	8	1,445,317	(2,741,681)	(3,733,637)
Remeasurement gains (losses) on retirement liability, net of tax	14	(138,927)	526,470	7,106,530
<i>Items that will be reclassified to profit or loss in subsequent periods:</i>				
Net unrealized gains (losses) on fair value changes of financial assets at FVOCI	5	(3,136,072)	2,343,394	18,603,680
Translation adjustment	8	2,200,098	8,130,612	1,991,340
		(15,467,001)	(62,993,463)	21,254,646
TOTAL COMPREHENSIVE INCOME		₱223,313,085	₱31,171,842	₱84,966,226
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Equity holders of the Parent Company		₱222,731,572	₱33,841,713	₱86,784,985
Noncontrolling interests		581,513	(2,669,871)	(1,818,759)
		₱223,313,085	₱31,171,842	₱84,966,226

See accompanying Notes to Consolidated Financial Statements.

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31		
		2025	2024	2023
CAPITAL STOCK	16	₱481,827,653	₱481,827,653	₱481,827,653
ADDITIONAL PAID-IN CAPITAL		144,759,977	144,759,977	144,759,977
TREASURY STOCK	16	(102,331,666)	(102,094,826)	(102,094,826)
OTHER EQUITY RESERVES				
Cumulative Unrealized Gains (Losses) on Fair Value				
Changes of Financial Asset at FVOCI				
Balance at beginning of year		(66,879,075)	2,713,251	(16,798,687)
Net unrealized gains (losses)	5	(12,856,804)	(66,212,922)	19,511,938
Effect of change in tax rate	5	(6,706,754)	–	–
Transfer to retained earnings upon disposal	5	4,150,561	(3,379,404)	–
Balance at end of year		(82,292,072)	(66,879,075)	2,713,251
Cumulative Remeasurement Gains on Retirement Liability				
Balance at beginning of year		7,868,407	7,368,008	615,438
Remeasurement gains (losses)	14	(130,371)	500,399	6,752,570
Balance at end of year		7,738,036	7,868,407	7,368,008
Share in Other Comprehensive Income of Associates				
Balance at beginning of year		111,460,782	106,071,851	107,814,148
Share in other comprehensive income (losses)	8	1,445,317	(2,741,681)	(3,733,637)
Translation adjustment	8	2,200,098	8,130,612	1,991,340
Balance at end of year		115,106,197	111,460,782	106,071,851
		40,552,161	52,450,114	116,153,110
RETAINED EARNINGS				
Balance at beginning of year		1,165,721,230	1,112,967,423	1,135,349,885
Net income		231,568,466	93,566,249	62,262,774
Dividends declared	16	(76,718,706)	(57,554,029)	(84,645,236)
Transfer from other comprehensive income upon disposal of financial assets at FVOCI		(6,567,499)	(2,858,413)	–
Other adjustment		–	19,600,000	–
Balance at end of year		1,314,003,491	1,165,721,230	1,112,967,423
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY				
		1,878,811,616	1,742,664,148	1,753,613,337
NONCONTROLLING INTERESTS				
Balance at beginning of year		62,743,520	65,827,930	70,462,232
Net income		7,211,620	599,056	1,448,806
Dividends declared by the subsidiary		(5,630,000)	(1,013,595)	(2,815,543)
Transfer from other comprehensive income upon disposal of financial assets at FVOCI		775,064	–	–
Net unrealized valuation on fair value changes of financial assets at FVOCI		774,163	(2,695,942)	(3,621,525)
Effect of change in tax rate		(184,094)	–	–
Remeasurement gains (losses) on retirement liability	14	(8,556)	26,071	353,960
Balance at end of year		65,681,717	62,743,520	65,827,930
		₱1,944,493,333	₱1,805,407,668	₱1,819,441,267

See accompanying Notes to Consolidated Financial Statements.

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱294,740,923	₱108,607,873	₱56,986,686
Adjustments for:				
Losses (gains) on disposal of:				
Investment properties	10	(220,032,896)	–	–
Financial assets at FVPL	5	(68,230,779)	(53,757,403)	319,149
Financial assets at FVOCI	5	–	3,317,350	23,888,151
Property and equipment	9	–	(357,143)	(562,500)
Share in net income of associates	8	(35,801,634)	(32,372,222)	(45,346,405)
Interest income	4	(17,378,061)	(16,102,321)	(18,547,435)
Depreciation and amortization	9	16,828,991	17,946,865	17,804,385
Net fair value gains on financial assets at FVPL	5	(15,705,354)	(16,964,806)	(52,814,939)
Dividend income	5	(2,286,825)	(1,919,618)	(4,226,083)
Net foreign exchange losses (gains)		(367,534)	(34,323,870)	16,238,246
Retirement benefits	14	1,200,401	1,206,092	2,070,563
Provision for ECL:				
Other noncurrent assets	11	–	5,612,000	–
Investment securities	5	–	477,020	–
Due from related parties	17	–	237,702	–
Receivables	6	–	59,068	–
Operating loss before working capital changes		(47,032,768)	(18,333,413)	(4,190,182)
Decrease (increase) in:				
Receivables		13,380	417,309	119,655
Financial assets at FVPL		(249,257,328)	299,582,785	(50,810,666)
Other current assets		11,850,644	5,580,902	(878,027)
Increase (decrease) in:				
Accounts and other payables		19,956,932	5,387,653	(522,002)
Deposits payable		27,075	(560,000)	2,878,451
Net cash generated from (used for) operations		(264,442,065)	292,075,236	(53,402,771)
Income taxes paid		(49,383,548)	(9,959,620)	(3,552,959)
Interest received		17,003,056	16,708,998	20,715,386
Dividends received		2,286,825	1,919,618	13,423,346
Net cash provided by (used in) operating activities		(294,535,732)	300,744,232	(22,816,998)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of:				
Investment properties	10	258,000,000	–	–
Financial assets at FVOCI	5	56,743,534	77,471,957	169,927,430
Property and equipment	9	–	400,000	562,500
Dividends received from an associate	8	19,599,521	37,211,460	8,987,648
Distributions from financial assets at FVOCI	5	5,726,733	–	–
Additions to:				
Financial assets at FVOCI	5	(56,743,534)	(12,767,695)	(86,170,689)
Investment properties	10	(327,140)	(354,345)	(3,002,197)
Property and equipment	9	(157,090)	(1,836,081)	(164,641)
Investments in associates	8	–	(182,000,000)	–
Investments in rights issue subscription		–	–	(16,301,050)
Decrease (increase) in:				
Due from related parties		(126,779)	26,459	5,423,381
Other noncurrent assets		(14,139,286)	–	(16,987,143)
Net cash provided by (used in) investing activities		268,575,959	(81,848,245)	62,275,239

(Forward)

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	24	(₱75,913,853)	(₱57,053,485)	(₱64,503,831)
Dividends to noncontrolling interests		(5,630,000)	(1,013,595)	(2,815,543)
Decrease in due to related parties	24	-	-	(260,408)
Cash used in financing activities		(81,543,853)	(58,067,080)	(67,579,782)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
		4,958,164	6,600,638	(9,587,080)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		(102,545,462)	167,429,545	(37,708,621)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
		597,418,197	429,988,652	467,697,273
CASH AND CASH EQUIVALENTS AT END OF YEAR				
	4	₱494,872,735	₱597,418,197	₱429,988,652

See accompanying Notes to Consolidated Financial Statements.

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2025 AND 2024

AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

1. General Information

Corporate Information

F & J Prince Holdings Corporation (the “Parent Company”) 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.

As at December 31, 2025, 2024 and 2023, the subsidiaries of the Parent Company which are all incorporated and domiciled in the Philippines, are as follows:

	Industry	Percentage of Ownership
<i>Direct Ownership -</i>		
Magellan Capital Holdings Corporation (MCHC)*	Investment Holding Company	95%
<i>Indirect Ownership through MCHC</i>		
Pinamucan Industrial Estates, Inc. (PIEI)	Real Estate Investment and Development	95%
Malabrigo Corporation (MC)	Mining	95%
Magellan Capital Realty Development Corporation (MCRDC)**	Real Estate Investment and Development	95%
Magellan Capital Trading Corporation (MCTC)**	Wholesale and Retail Trading	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.

PIEI

PIEI was organized primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, sub-divide, sell, mortgage, exchange, lease, develop, and hold for investment or otherwise, real estate buildings, houses, apartments and other structures of whatever kind, together with their appurtenances. PIEI 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 December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issuance by the Board of Directors (BOD) on April 16, 2026.

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. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS), and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso (Peso), the Parent Company's functional 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 consolidated financial statements:

- Note 5, *Investment Securities*
- Note 10, *Investment Properties*
- Note 22, *Fair Value of Financial Instruments*

Adoption of Amendments to PFRS Accounting Standards

The material accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*, effective for annual periods beginning on or after January 1, 2025.

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.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the consolidated financial statements of the Group. Accordingly, no adjustment to the opening balance of retained earnings was recognized upon adoption. Additional disclosures have been included in the consolidated financial statements, where applicable.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective or Adopted

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective or adopted as at December 31, 2025 and have not been applied in preparing the consolidated financial statements, are summarized below.

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* – These amendments provide clarifications on the recognition and derecognition of financial instruments, including guidance on the derecognition of financial liabilities settled through electronic payment systems. The amendments also clarify the assessment of contractual cash flow characteristics, including guidance on contingent features, non-recourse loans and contractually linked instruments. In addition, new disclosure requirements are introduced for certain equity instruments measured at fair value through other comprehensive income (FVOCI). Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11 – These amendments provide clarifications to PFRS 7, PFRS 9, PFRS 10, *Consolidated Financial Statements* and PAS 7, *Statement of Cash Flows*. The amendments include guidance on the derecognition of financial instruments, consolidation assessments, and the presentation of cash flows, and remove certain obsolete references in the standards.

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 requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted.

The Group expects the adoption of PFRS 18 to result in changes in presentation and additional disclosures in the consolidated financial statements. The standard is not expected to have an impact on the recognition or measurement of the Group's assets, liabilities, income or expenses.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investment in Associates - 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.

Under prevailing circumstances, the adoption of the foregoing new and 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 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 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, 2025 and 2024, 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 (SPPI) 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, modified or impaired, or through amortization process.

Classified under this category are the Group's cash and cash equivalents, receivables, due from related parties, investments in rights issue subscription, convertible notes receivables and refundable deposits.

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 SPPI on the principal amount outstanding.

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

The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not measured at FVPL and for exposures arising from loan commitments and financial guarantee contracts. ECL is 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 and adjusted for forward-looking estimates, as appropriate. 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.

Classified under this category are the Group's investments in debt securities such as quoted bonds presented under "Financial assets at FVOCI" account.

Financial Assets at FVOCI - Equity Securities. 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 OCI 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 OCI 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 OCI 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 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 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.

Rent Receivables. The Group has applied the simplified approach in measuring the ECL on rent 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 tax recoverable from (payable to) the taxation authority is included as part of "Other current assets" account or "Accounts and other payables" account in the consolidated statements of financial position.

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

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

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

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

Investments in Associates

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

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

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

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

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

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

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

The Group has equity interest in the following associates as at December 31, 2025, 2024 and 2023:

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

**New investment in 2024*

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.

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:

<u>Asset Type</u>	<u>Number of Years</u>
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.

Deposits for Property Acquisition

Deposits for property acquisition represent advance payments made to secure the purchase of condominium unit and parking spaces. These deposits are initially recognized at cost and are presented as part of other noncurrent assets until the acquisition is completed. Upon transfer of control of the property, the deposits are reclassified to property and equipment or investment properties, depending on the intended use of the property. Deposits are assessed for impairment when indicators of non-recoverability.

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 Stock. 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 share in OCI of associates, cumulative unrealized gains (losses) on fair value changes of financial assets at FVOCI, and cumulative remeasurement gains of retirement liability.

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 and Income Recognition

The Group's income is derived primarily from investment and leasing activities, including gains on disposal of assets, share in net income of associates, fair value gains on financial assets at FVPL, rent income, foreign exchange gains, interest income and dividend income.

The Group has assessed that it does not have significant revenue streams within the scope of PFRS 15.

Gains on Disposal of Assets. Gain on disposal of assets, including investment properties, property and equipment, and financial assets, are recognized when control of the asset is transferred to the buyer, generally upon completion of the sale.

Share in Net Income of Associates. Share in net income of associates is recognized based on the Group's proportionate share in the results of operations of the associates under the equity method of accounting.

Fair Value Gains on Financial Assets at FVPL. Fair value gains on financial assets at FVPL are recognized in profit or loss as they arise.

Rent Income. Rent income from investment properties is recognized on a straight-line basis over the lease term.

Foreign Exchange Gains. Foreign exchange gains are recognized in profit or loss as they arise from the remeasurement of monetary assets and liabilities denominated in foreign currencies.

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

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.

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 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 OCI.

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.

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, accounting 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 Functional Currency. The Group has determined its functional currency to be the Peso. In making this judgment, the Group considered the primary economic environment in which it operates, including the currency in which it generates and expends cash, as well as the currency in which financing activities are denominated. While the Group holds certain foreign currency-denominated investments, these do not change the Group's overall functional currency.

Determining the Classification of Financial Assets. The Group exercises judgment in classifying financial assets based on its business model for managing the assets and the contractual cash flow characteristics of the instruments in accordance with PFRS 9.

In assessing the business model, the Group considers how financial assets are managed and evaluated, including how performance is reported to key management personnel, the risks affecting performance, and the expected frequency, value, and timing of sales.

The Group also assesses whether the contractual terms of financial assets give rise to cash flows that are SPPI. In making this assessment, the Group applies judgment and considers relevant factors such as the nature of the instrument, the currency in which it is denominated, and the period for which the interest rate is set. Financial assets with contractual terms that introduce exposure to risks or volatility inconsistent with a basic lending arrangement are classified at FVPL.

The Group classifies investments in pooled funds at FVPL as the returns on these instruments are based on the performance of underlying assets and do not meet the criteria for classification at amortized cost or FVOCI.

The Group also exercises judgment in designating certain equity instruments at FVOCI. Such designation is made on an instrument-by-instrument basis and is irrevocable. In making this determination, the Group considers the strategic nature of the investments and its intention to hold these investments for long-term purposes (see Note 5).

Determining Significant Influence over Investee Companies. The Group exercises judgment in determining whether it has significant influence over its investee companies in accordance with PAS 28, *Investments in Associates and Joint Ventures*.

The Group considers its investments in PTC, WCC and BPO as investments in associates. Given its ownership interests ranging from 30.0% to 35.0%, the Group concluded that it has significant influence over these investees, supported by factors such as board representation and participation in policy-making processes.

The Group also exercises judgment in assessing significant influence over its investment in a limited partnership, MPI, in which it holds a 7.813% interest. Despite holding less than 20%, the Group determined that it has significant influence based on its participation in the partnership's operating and financial policy decisions and other relevant facts and circumstances.

Relevant information and the carrying amount of investments in associates are disclosed in Note 8.

Determining the Classification of Properties. The Group exercises judgment in determining whether condominium units and other properties are classified as investment properties or property and equipment.

Judgment is applied in assessing the use and purpose of each property, particularly in distinguishing between owner-occupied units and those held to earn rental income and/or for capital appreciation. This assessment is based on factors such as the extent of owner-occupation and the nature of the Group's use of the property.

Changes in the use of properties may result in reclassification and corresponding changes in accounting treatment.

Details and carrying amount of property and equipment and investment properties are disclosed in Notes 9 and 10, respectively.

Determining the Classification of Lease Arrangements. The Group exercises judgment in determining whether lease arrangements, where it acts as a lessor, are classified as operating or finance.

This assessment involves evaluating whether substantially all the risks and rewards of ownership of the underlying properties are transferred to the lessees. In making this determination, the Group considers factors such as the lease term in relation to the economic life of the property, the present value of lease payments relative to the fair value of the asset, and other relevant terms of the lease arrangements.

Based on this assessment, the Group has determined that it retains substantially all the risks and rewards of ownership of its leased properties, and accordingly accounts for these lease arrangements as operating leases.

Relevant details of the lease commitments are disclosed in Note 20.

Determining Reportable Segment. The Group has determined that it operates in a single reportable segment, which is investing. This assessment is based on how management monitors and evaluates the performance of the Group and allocates resources, which is on a consolidated basis (see Note 19).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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, these 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 22.

Estimating ECL on Financial Assets. The Group exercises judgment and uses estimates in determining ECL on financial assets measured at amortized cost and at FVOCI in accordance with PFRS 9.

The Group applies the simplified approach in measuring lifetime ECL for rent receivables, while the general approach is applied to other financial assets, including debt instruments. Under the general approach, the Group assesses whether there has been a significant increase in credit risk since initial recognition and measures loss allowances based on either 12-month or lifetime ECL.

The estimation of ECL requires the use of key assumptions, including the probability of default, loss given default, and exposure at default, as well as forward-looking information such as macroeconomic factors. The Group also applies judgment in determining whether a significant increase in credit risk has occurred, including the use of internal and external credit ratings and other relevant indicators.

For debt instruments classified at FVOCI, the Group applies the low credit risk simplification. These instruments mainly comprise investment-grade bonds rated by reputable credit rating agencies and are considered to have low credit risk. Accordingly, the Group measures ECL on these instruments on a 12-month basis unless there has been a significant increase in credit risk since initial recognition. The assessment of whether these instruments continue to qualify as low credit risk involves judgment, particularly in monitoring changes in credit ratings and other market indicators.

Cash in banks and cash equivalents are held with reputable and financially sound institutions and are considered to have low credit risk. Accordingly, the expected credit losses on these balances are assessed to be insignificant.

Details of provision for ECL and the carrying amount of the Group's financial assets that were subjected to ECL assessment are disclose in the following notes:

	Note
Financial assets at amortized cost:	
Cash in banks and cash equivalents	4
Receivables	6
Due from related parties	17
Other noncurrent assets*	11
Financial assets at FVOCI -	
Debt instruments	5

**Excluding deposits for property acquisition and others.*

Estimating the Useful Lives of Investment Properties and Property and Equipment. The Group estimates the useful lives of the property and equipment and investment properties based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, estimation of the useful lives is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of property and equipment and investment properties in 2025, 2024 and 2023.

The carrying amount of property and equipment and depreciable investment properties are disclosed in Notes 9 and 10, respectively.

Assessing the Impairment of Investments in Associates. The Group assesses its investments in associates for impairment whenever indicators of impairment exist in accordance with PAS 36 *Impairment of Assets*. This requires the estimation of the recoverable amount of the investments, which is based on value in use. Estimating value in use involves significant judgment in forecasting future cash flows and selecting an appropriate discount rate.

The Group's associates, except for WCC and MUDC, are income-generating and did not exhibit indicators of impairment as at December 31, 2025 and 2024.

WCC is a recent investment that primarily holds shares in a technology company. Judgment is applied in assessing whether indicators of impairment exist for this investment, considering its investment-holding nature and reliance on the performance of its underlying investee.

The Group also has a 43% interest in MUDC, which has not yet commenced commercial operations as at December 31, 2025 and 2024. The recoverability of the Group's investment is dependent on the successful execution of future agreements and the viability of the investee's planned operations, indicating significant uncertainty over the recoverability of the investment.

Based on its assessment, the Group determined that the recoverable amount of its investment in MUDC is lower than its carrying amount. Accordingly, the Group recognized a full impairment loss on its investment in MUDC.

Relevant information and the carrying amount of investments in associates are disclosed in Note 8.

Estimating the Impairment of Other Nonfinancial Assets (except Investments in Associates). The Group determines whether other nonfinancial assets 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 of disposal 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 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 2025, 2024 and 2023.

The carrying amounts of nonfinancial assets are disclosed in the following notes to the consolidated financial statements:

	Note
Property and equipment	9
Investment properties	10
Other current assets	7
Other noncurrent assets	11
Deposits for property acquisition	
Others	

Assessing the Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount 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. The amount of deferred tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred tax assets can be utilized.

Details of recognized and unrecognized deferred tax assets are disclosed in Note 15.

4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks	₱77,314,502	₱101,013,590
Short-term placements	417,558,233	496,404,607
	₱494,872,735	₱597,418,197

Cash in banks earns interest at the respective bank deposit rates. Short-term placements are fixed rate time deposits denominated in United States Dollar (USD) and 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 5.00% in 2025 and 2.50% to 4.50% in 2024 and 2023.

Details of interest income recognized in profit or loss are as follows:

	Note	2025	2024	2023
Cash and cash equivalents		₱13,832,432	₱11,405,387	₱12,713,079
Financial assets at FVOCI	5	3,545,629	4,696,934	5,834,356
		₱17,378,061	₱16,102,321	₱18,547,435

5. Investment Securities

Movements and composition of this account are as follows:

	2025		
	Financial Assets at		
	FVPL	FVOCI	Total
Balance at beginning of year	₱112,755,674	₱268,084,982	₱380,840,656
Additions	2,434,411,745	56,743,534	2,491,155,279
Disposals	(2,113,988,323)	(64,839,697)	(2,178,828,020)
Distributions	-	(5,726,733)	(5,726,733)
Changes recognized in profit or loss	-	1,269,810	1,269,810
Net unrealized fair value gain (loss)	15,705,354	(15,301,668)	403,686
Balance at end of year	448,884,450	240,230,228	689,114,678
Current portion	448,884,450	13,366,744	462,251,194
Noncurrent portion	₱-	₱226,863,484	₱226,863,484

	2024		
	Financial Assets at		
	FVPL	FVOCI	Total
Balance at beginning of year	₱341,616,249	₱368,556,914	₱710,173,163
Additions	243,292,928	12,767,695	256,060,623
Disposals	(489,118,309)	(49,086,191)	(538,204,500)
Net unrealized fair value gain (loss)	16,964,806	(63,477,297)	(46,512,491)
Changes recognized in profit or loss	-	(676,139)	(676,139)
Balance at end of year	112,755,674	268,084,982	380,840,656
Current portion	112,755,674	-	112,755,674
Noncurrent portion	₱-	₱268,084,982	₱268,084,982

In 2025, the Group restructured certain investments resulting in the conversion of indirect holdings in an investee entity into direct investments in underlying pooled funds.

These transactions resulted in changes in the legal ownership, contractual rights, and nature of the financial assets. Accordingly, the Group derecognized its previous equity investments designated at FVOCI and recognized new financial assets at FVPL on the respective transaction dates, resulting in the derecognition of FVOCI investments amounting to ₱8.1 million and the recognition of FVPL financial assets of the same amount.

Financial Assets at FVPL

Financial assets at FVPL consist of:

	2025	2024
Quoted equity securities	₱423,325,739	₱112,755,674
Investments in pooled funds	25,558,711	–
	₱448,884,450	₱112,755,674

Quoted equity securities represent listed shares traded in active markets, including the PSE, New York Stock Exchange, Indonesia Stock Exchange, and the National Association of Securities Dealers Automated Quotations (NASDAQ). The fair values of these instruments are based on quoted market prices at the reporting date.

Investments in pooled funds pertain to investments in foreign funds, with fair values determined based on the Group's proportionate interest in the net asset value (NAV) of the funds as reported by the fund manager.

Fair value changes on financial assets at FVPL recognized in profit or loss consist of:

	2025	2024	2023
Fair value gains	₱30,772,809	₱22,013,948	₱94,321,443
Fair value losses	(15,067,455)	(5,049,142)	(41,506,504)
	₱15,705,354	₱16,964,806	₱52,814,939

The Group recognized gains (losses) on disposal of financial assets at FVPL amounting to ₱68.2 million, ₱53.8 million and (₱319,149) in 2025, 2024 and 2023, respectively.

Financial Assets at FVOCI

Composition of financial assets at FVOCI are as follows:

	2025	2024
Equity securities	₱196,549,263	₱222,537,754
Debt instruments	43,680,965	45,547,228
	₱240,230,228	₱268,084,982

Equity Securities

Investments in equity securities carried at fair value comprise quoted and unquoted shares of stock over which the Group does not have control or significant influence.

The fair values of quoted equity securities are determined based on published prices in active markets as at December 31, 2025 and 2024.

For unquoted equity securities where market prices are not readily available, the Group uses valuation techniques in which the lowest level input that is significant to the fair value measurement is unobservable.

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

	2025	2024	2023
Balance at beginning of year	(P55,069,521)	P17,218,747	P1,328,334
Movements in fair value attributable to:			
Equity holders of the Parent			
Company	(12,856,804)	(66,212,922)	19,511,938
NCI	774,163	(2,695,942)	(3,621,525)
Effect of change in tax rate	(6,890,848)	-	-
Reclassification to retained earnings	4,925,625	(3,379,404)	-
Balance at end of year	(69,117,385)	(55,069,521)	17,218,747
Less amount attributable to NCI	13,174,687	11,809,554	14,505,496
Balance attributable to equity holders of the Parent Company	(P82,292,072)	(P66,879,075)	P2,713,251

The Group disposed certain financial assets at FVOCI and recognized a loss from disposal amounting to nil, P3.3 million and P23.9 million in 2025, 2024 and 2023, respectively. Proceeds from disposal amounted to P56.7 million, P77.5 million and P169.9 million in 2025, 2024 and 2023, respectively.

Debt Instruments

Investments in debt instruments are primarily denominated in various foreign currencies and are measured at fair value based on quoted market prices. The instruments bear fixed interest rates per annum as follows: 5.875% to 6.750% in 2025, 5.375% to 6.750% in 2024, and 4.625% to 6.750% in 2023, and have maturities ranging from 2026 to 2030, with interest income earned semi-annually in the respective currencies of denomination.

The Group also holds a Peso-denominated government debt security, representing a Philippine Treasury Note with an interest rate of 8.125% per annum and a maturity in 2035.

Interest income earned from debt instruments classified as financial assets at FVOCI amounted to P3.5 million, P4.7 million and P5.8 million in 2025, 2024 and 2023, respectively, and is presented under "Interest income" account in the consolidated statements of income (see Note 4).

The movements in allowance for ECL on debt instruments as at December 31 are as follows:

	Note	2025	2024	2023
Balance at beginning of year		P2,604,696	P2,127,676	P2,127,676
Provision for ECL	13	-	477,020	-
Balance at end of year		P2,604,696	P2,604,696	P2,127,676

Details of dividend income recognized in profit or loss from investment securities are as follows:

	2025	2024	2023
Financial assets at FVPL	₱2,117,068	₱1,758,568	₱3,495,920
Financial assets at FVOCI	169,757	161,050	730,163
	₱2,286,825	₱1,919,618	₱4,226,083

6. Receivables

This account consists of:

	Note	2025	2024
Dividends receivable	17	₱46,407,405	₱19,144,620
Accrued interest		1,792,698	2,117,288
Rent receivable	20	377,212	372,346
Others		45,237	63,483
		48,622,552	21,697,737
Allowance for ECL		(1,066,068)	(1,066,068)
		₱47,556,484	₱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.

Movements in allowance for ECL on receivables are as follows:

	Note	2025	2024
Balance at beginning of year		₱1,066,068	₱1,007,000
Provision for ECL	13	-	59,068
Balance at end of year		₱1,066,068	₱1,066,068

7. Other Current Assets

This account consists of:

	2025	2024
Input VAT	₱12,762,887	₱24,202,044
Deposits on contracts	3,117,794	3,103,771
Prepaid expenses	1,162,474	1,668,818
Prepaid income tax	467,522	148,492
CWT	40,402	258,914
Deferred input VAT	97,253	116,938
Others	385,389	385,389
	₱18,033,721	₱29,884,366

Deposits on contracts are recouped when goods are delivered, or services are rendered.

Prepaid expenses pertain to prepaid realty taxes, condo and membership dues and others.

8. Investments in Associates

The Group has equity interest in the following associates:

	2025	2024
PTC	P153,078,692	P164,479,980
WCC	181,907,788	182,000,000
BPO	115,205,177	112,987,991
MUDC	94,830,129	94,830,129
MPI	8,031,978	6,170,921
	553,053,764	560,469,021
Allowance for impairment losses	(94,830,129)	(94,830,129)
	P458,223,635	P465,638,892

Movements in this account are as follows:

	2025	2024
Acquisition cost		
Balance at beginning of year	P387,189,635	P205,189,635
Additions	–	182,000,000
Balance at end of year	387,189,635	387,189,635
Accumulated equity in net earnings		
Balance at beginning of year	173,279,386	191,874,313
Share in dividends declared	(46,862,306)	(56,356,080)
Share in net income of associates	35,801,634	32,372,222
Share in other comprehensive income (loss)	1,445,317	(2,741,681)
Translation adjustment	2,200,098	8,130,612
Balance at end of year	165,864,129	173,279,386
	553,053,764	560,469,021
Allowance for impairment losses	(94,830,129)	(94,830,129)
	P458,223,635	P465,638,892

As at December 31, 2025 and 2024, the Group has dividends receivable amounting to P46.4 million and P19.1 million, respectively (see Note 6).

At reporting date, the assets and liabilities of PTC and MPI, associates whose functional currency is in USD, are translated into the presentation currency of the Group using the foreign exchange closing rate at the reporting date, components of equity using historical exchange rate, and the statements of comprehensive income are translated at the weighted average daily foreign exchange rates for the year. The exchange differences arising from translation are taken as “Translation adjustment” in the consolidated statements of comprehensive income.

PTC

The Group has a 30% interest in 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 USA.

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

	2025	2024
Total assets	₱794,819	₱790,438
Total liabilities	295,284	253,845
Equity	499,535	536,593
Net income	104,536	99,840
OCI	4,791	(6,260)
Group's share in net income	31,361	30,213
Group's share in OCI	1,437	(1,878)

WCC

The Group has a 33% interest in WCC, an investment company which 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. The Group's investment in WCC amounted to ₱182.0 million as at December 31, 2025 and 2024. WCC's main asset pertains to investment in shares of stock of a domestic tech ware entity amounting to ₱540.0 million.

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

	2025	2024
Total assets	₱546,004	₱546,004
Total liabilities	531,280	531,280
Equity	14,724	14,724
Net loss	(0.3)	(24)
Group's share in net loss	(0.1)	(8)

BPO

The Group has a 35% interest in 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):

	2025	2024
Total assets	₱382,187	₱415,466
Total liabilities	204,290	155,320
Equity	177,897	260,146
Net income	6,138	12,700
OCI	-	(1,832)
Group's share in net income	2,217	4,445
Group's share in OCI	-	(641)

MUDC

The Group holds a 43% interest in MUDC. As at December 31, 2025 and 2024, MUDC has not commenced commercial operations since incorporation. MUDC has incurred project development costs amounting to ₱207.1 million and is in the process of securing a supply agreement with a public utility firm and a purchase agreement with certain oil companies. The successful execution of these agreements is critical to the viability of its future operations.

These conditions indicate the existence of material uncertainty that may cast significant doubt on MUDC's ability to continue as a going concern and on the recoverability of the Group's exposure to MUDC.

The Group's investment in MUDC amounted to ₱94.8 million as at December 31, 2025 and 2024. In addition, the Group has advances to MUDC amounting to ₱188.7 million and ₱188.5 million as at December 31, 2025 and 2024, respectively.

Based on management's assessment, the Group determined that its investment in MUDC is not recoverable and has recognized a full impairment loss on the investment. The Group has also recognized a substantial impairment on the advances to MUDC, reflecting the uncertainty over recoverability.

The Group has no further obligation to provide financial support to MUDC, and its exposure to losses is limited to its investment and outstanding advances as at December 31, 2025 and 2024.

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):

	2025	2024
Total assets	₱634,960	₱537,920
Total liabilities	553,669	438,176
Equity	81,291	99,744
Net income	29,642	21,815
Group's share in net income	2,316	1,704

The reconciliation of the share in net assets of the investments in associates and the carrying amount of the investments in associates are as follows ('000):

	2025			
	PTC	WCC	BPO	MPI
Net assets of associates at end of year	₱499,535	₱14,723	₱177,897	₱81,291
Equity interest	30.00%	33.33%	35.00%	7.813%
Proportionate share in net assets of associate	149,861	4,908	62,264	6,351
Adjustments to reconcile to carrying amount	3,218	177,000	52,941	1,681
Carrying amount	₱153,079	₱181,908	₱115,205	₱8,032

	2024			
	PTC	WCC	BPO	MPI
Net assets of associates at end of year	₱536,593	₱15,000	₱171,562	₱99,743
Equity interest	30.00%	33.33%	35.00%	7.813%
Proportionate share in net assets of associate	160,978	5,000	60,047	7,793
Adjustments to reconcile to carrying amount	3,502	177,000	52,941	(1,622)
Carrying amount	₱164,480	₱182,000	₱112,988	₱6,171

The adjustments represent reconciling items between the Group's proportionate share in the net assets of the associates and the carrying amount of the investments. These include adjustments arising on initial recognition and timing differences from the date of acquisition.

For WCC, the carrying amount also includes advances made by the Group that are presented as liabilities in WCC's financial statements and are pending conversion into equity. Accordingly, these amounts are not reflected in the Group's share in the net assets of WCC but are included in the carrying amount of the investment.

9. Property and Equipment

The movements in this account are as follows:

	2025				Total
	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	
Cost					
Balance at beginning of year	₱20,755,943	₱10,050,133	₱3,858,641	₱3,269,734	₱37,934,451
Additions	-	-	-	157,090	157,090
Balance at end of year	20,755,943	10,050,133	3,858,641	3,426,824	38,091,541
Accumulated Depreciation					
Balance at beginning of year	20,133,573	9,395,170	1,708,193	2,965,407	34,202,343
Depreciation	622,370	252,856	360,690	122,090	1,358,006
Balance at end of year	20,755,943	9,648,026	2,068,883	3,087,497	35,560,349
Carrying Amount	₱-	₱402,107	₱1,789,758	₱339,327	₱2,531,192

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

The Group disposed of fully depreciated property and equipment for proceeds amounting to ₱400,000 and ₱562,500 in 2024 and 2023, respectively, resulting in a gain on disposal of ₱357,143 and ₱562,500, respectively.

Depreciation and amortization are as follows (see Note 13):

	Note	2025	2024	2023
Investment properties	10	₱15,470,985	₱16,566,912	₱16,273,634
Property and equipment		1,358,006	1,379,953	1,530,751
		₱16,828,991	₱17,946,865	₱17,804,385

10. Investment Properties

The movement in this account is as follows:

		2025		
	Note	Land	Condominium and Improvements	Total
Cost				
Balance at beginning of year		₱46,319,625	₱400,544,670	₱446,864,295
Additions		-	327,140	327,140
Disposals		-	(65,859,884)	(65,859,884)
Balance at end of year		46,319,625	335,011,926	381,331,551
Accumulated Depreciation				
Balance at beginning of year		-	117,265,852	117,265,852
Depreciation and amortization	9	-	15,470,985	15,470,985
Disposals		-	(27,892,780)	(27,892,780)
Balance at end of year		-	104,844,057	104,844,057
Carrying Amount		₱46,319,625	₱230,167,869	₱276,487,494

	Note	2024		Total
		Land	Condominium and Improvements	
Cost				
Balance at beginning of year		₱46,319,625	₱400,190,325	₱446,509,950
Additions		–	354,345	354,345
Balance at end of year		46,319,625	400,544,670	446,864,295
Accumulated Depreciation				
Balance at beginning of year		–	100,698,940	100,698,940
Depreciation and amortization	9	–	16,566,912	16,566,912
Balance at end of year		–	117,265,852	117,265,852
Carrying Amount		₱46,319,625	₱283,278,818	₱329,598,443

Condominium units are being leased to third parties and related parties as office space. Rental income generated from these properties amounted to ₱30.6 million, ₱27.3 million and ₱22.1 million in 2025, 2024 and 2023, respectively (see Note 20).

Direct operating expenses arising from investment properties that generated rental income, including depreciation and condominium dues, amounted to ₱23.7 million, ₱23.6 million and ₱24.4 million in 2025, 2024 and 2023, respectively.

In 2025, the Group disposed of certain condominium and parking units with a carrying amount of ₱38.0 million for proceeds of ₱258.0 million, resulting in a gain on disposal of ₱220.0 million.

The fair value of the investment properties amounted to ₱1,871.7 million and ₱2,072.6 million as at December 31, 2025 and 2024, respectively. The fair values were determined based on valuations performed by an accredited independent valuer in January and February 2024, using valuation techniques consistent with those recommended by the International Valuation Standards.

The 2024 valuation was used as a basis for the 2025 fair value. Management assessed that there were no significant changes in market conditions or in the characteristics of the properties that would materially affect the valuation as at December 31, 2025. Accordingly, the prior year valuation was considered representative of fair value at the reporting date, with adjustments made, where necessary, to reflect current market conditions.

The valuations were primarily based on the Sales Comparison Approach, which considers recent transactions of similar properties and adjusts for differences in key factors such as location, size, condition, and other relevant attributes. The valuation involves the use of significant unobservable inputs, including price per square meter ranging from ₱130,830 to ₱932,000 and adjustment factors ranging from 2% to 22% applied to comparable properties for difference in location and physical characteristics. Accordingly, these fair value measurements are classified under Level 3 of the fair value hierarchy.

The fair value of the investment properties is sensitive to changes in the significant unobservable inputs. Higher (lower) price per square meter and more favorable (less favorable) adjustment factors would result in higher (lower) fair values.

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

11. Other Noncurrent Assets

This account consists of:

	2025	2024
Deposits for property acquisition	P 31,106,429	P16,967,143
Investments in rights issue subscription	30,129,600	30,129,600
Convertible notes receivables	5,612,000	5,612,000
Refundable deposits	595,780	595,780
Others	2,281,306	2,281,306
	69,725,115	55,585,829
Allowance for impairment losses	(35,741,600)	(35,741,600)
	P33,983,515	P19,844,229

The Group has investments in Xen Technologies Pte. Ltd. (“Xen”), a FinTech company domiciled in Singapore, comprising rights issue subscriptions and convertible notes receivable. As at December 31, 2025 and 2024, the total exposure amounted to P35.7 million.

Xen is currently not operating. Accordingly, the Group assessed that these investments are not recoverable and recognized a full allowance for impairment losses as at December 31, 2025 and 2024.

Provision for ECL recognized in 2024 amounted to P5.6 million (see Note 13).

12. Accounts and Other Payables

This account consists of:

	Note	2025	2024
Statutory payables		P 23,142,757	P2,841,057
Deposits payable	20	12,336,005	12,308,930
Accounts payable		1,248,884	1,500,445
Accrued expenses		817,601	910,809
		P37,545,247	P17,561,241

Statutory payables pertain to amounts due to various government agencies and are normally settled in the following month.

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. Noncurrent portion of deposits payable amounted to P20,000 as at December 31, 2025 and 2024 (see Note 20).

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

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

13. Operating Expenses

This account consists of:

	Note	2025	2024	2023
Transfer charges		₱44,111,831	₱8,510,291	₱1,029,191
Foreign exchanges losses		19,533,623	5,580,700	11,964,411
Depreciation and amortization	9	16,828,991	17,946,865	17,804,385
Personnel expenses:				
Salaries and allowances		12,028,819	11,840,877	10,791,574
Retirement benefits	14	1,200,401	1,206,092	2,070,563
Other employee benefits		2,375,070	2,331,757	2,096,108
Condominium dues		8,262,017	7,074,497	8,159,391
Professional fees		3,473,050	4,428,185	3,686,773
Taxes and licenses		1,623,416	1,556,747	4,767,274
Entertainment, amusement and recreation		651,807	499,076	576,589
Utilities		300,572	343,946	466,043
Provision for ECL:				
Other noncurrent assets	11	–	5,612,000	–
Investment securities	5	–	477,020	–
Due from related parties	17	–	237,702	–
Receivables	6	–	59,068	–
Others		4,868,418	4,729,129	2,400,625
		₱115,258,015	₱72,433,952	₱65,812,927

Transfer charges pertain to amounts charged to the Group for processing of additions, disposals and transfers of its investment securities.

Foreign exchanges mainly pertain to transactions in investment securities that are denominated in various foreign currencies.

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 noncontributory 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 latest actuarial valuation of the Company is at December 31, 2025.

Changes in the retirement liability of the Group are as follows:

	2025	2024
Balances at beginning of year	₱10,895,498	₱10,391,366
<i>Retirement benefits recognized in profit or loss</i>		
Current service cost	526,418	532,741
Interest cost	673,983	673,351
	1,200,401	1,206,092
<i>Remeasurements recognized in OCI</i>		
Actuarial losses (gains) due to:		
Experience adjustments	530,626	(1,015,314)
Changes in financial assumptions	(345,390)	313,354
	185,236	(701,960)
Balances at end of year	₱12,281,135	₱10,895,498

Actuarial gains (loss) on retirement liability attributable to the equity holders of the Parent Company amounted to (₱130,371), ₱500,399 and ₱6.8 million in 2025, 2024 and 2023, respectively.

Movements of cumulative remeasurement gains on retirement liability are as follows:

	2025		
	Cumulative	Deferred Tax	Net
	Remeasurement Gains	(see Note 15)	
Balance at beginning of year	₱11,114,885	(₱2,778,722)	₱8,336,163
Remeasurement loss	(185,236)	46,309	(138,927)
Balance at end of year	₱10,929,649	(₱2,732,413)	₱8,197,236

	2024		
	Cumulative	Deferred Tax	Net
	Remeasurement Gains	(see Note 15)	
Balance at beginning of year	₱10,412,925	(₱2,603,232)	₱7,809,693
Remeasurement gain	701,960	(175,490)	526,470
Balance at end of year	₱11,114,885	(₱2,778,722)	₱8,336,163

Cumulative remeasurement gains on retirement liability attributable to the equity holders of the Parent Company amounted to ₱7.7 million and ₱7.8 million as at December 31 2025 and 2024, respectively.

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

	2025	2024
Discount rate	5.1% to 6.6%	6.00% to 6.20%
Salary increase rate	5.00%	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2025 and 2024, assuming if all other assumptions were held constant:

	Effect on Retirement Liability	
	2025	2024
Discount rate		
+100 basis points	(₱766,764)	(₱957,232)
-100 basis points	927,423	1,243,939
Salary increase rate		
+100 basis points	₱893,903	₱1,212,195
-100 basis points	(744,457)	(942,893)

The average duration of the retirement benefit obligation as at December 31, 2025 is 10 years.

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

	2025	2024
More than one year to five years	₱8,548,338	₱5,917,014
More than five years to 10 years	-	2,990,799
More than 10 years to 15 years	-	1,663,968
More than 15 years to 20 years	40,526,557	66,674,032
	₱49,074,895	₱77,245,813

15. Income Taxes

The reconciliation of provision for income tax at the statutory tax rate and the effective rates follows:

	2025	2024	2023
Provision for income tax at statutory income tax rate	₱90,092,532	₱42,469,412	₱26,090,629
Tax effects of:			
Dividend income exempt from tax	(40,489,765)	(23,370,555)	(23,439,902)
Nondeductible expenses	16,096,604	2,099,063	1,487,883
Effect of optional standard deduction	(8,283,196)	-	-
Nondeductible loss on fair value changes of financial assets at FVPL	(1,691,579)	-	-
Taxable distributions from investments	1,522,664	-	-
Tax rate difference on dividend income subjected to final tax	(598,974)	216,000	(802,669)
Share in net income of associates	(463,191)	(340,877)	-
Tax rate difference on interest income subjected to final tax	(352,209)	2,681,938	(503,497)
Impact of change in tax rate	276,812	-	-
Movements in unrecognized deferred tax assets	(171,993)	1,793,375	(1,651,674)
Expired excess MCIT over RCIT	166,427	-	-
Nontaxable income	(143,295)	(9,454,114)	(7,905,664)
Applied NOLCO	-	(1,435,522)	-
Applied MCIT	-	(216,152)	-
Provision for income tax at effective income tax rate	₱55,960,837	₱14,442,568	(₱6,724,894)

The Group's net deferred tax assets (liabilities) are as follows:

	2025	2024
Deferred tax assets		
Allowance for ECL	₱10,245,064	₱10,310,009
Unrealized valuation losses on financial assets at FVPL	5,228,681	–
Retirement liability	5,802,696	5,502,595
NOLCO	1,159,423	1,143,043
Unrealized foreign exchange losses	983,048	–
MCIT	581,491	668,892
	24,000,403	17,624,539
Deferred tax liabilities		
Unrealized valuation gains on investment securities	(23,513,736)	(15,456,814)
Cumulative remeasurement gain on retirement liability	(2,732,413)	(2,778,722)
Unrealized foreign exchange gains	–	(2,844,012)
	(26,246,149)	(21,079,548)
	(₱2,245,746)	(₱3,455,009)

Deferred tax assets arising from the carryforward benefit of unused NOLCO of a subsidiary amounting to ₱171,993 as at December 31, 2024 was not recognized since management believes that it is not probable that sufficient taxable profit will be available against which these can be utilized within the period allowed by the tax regulations.

As at December 31, 2025, the details of NOLCO which can be claimed as deduction from future taxable income are shown below.

Year Incurred	Beginning Balance	Incurred	Expired	Applied	Ending Balance	Valid Until
2025	₱–	₱301,867	₱–	₱–	₱301,867	2028
2024	595,600	–	–	(595,600)	–	2027
2023	4,389,782	–	–	(53,958)	4,335,824	2026
2022	49,700	–	–	(49,700)	–	2025
2021	17,842	–	–	(17,842)	–	2026
2020	29,958	–	–	(29,958)	–	2025
	₱5,082,882	₱301,867	₱–	(₱747,058)	₱4,637,691	

As at December 31, 2025, 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	Expired	Ending Balance	Valid Until
2025	₱–	₱79,026	₱–	₱79,026	2028
2024	487,763	–	–	487,763	2027
2023	14,702	–	–	14,702	2026
2022	166,427	–	(166,427)	–	2025
	₱668,892	₱79,026	(₱166,427)	₱581,491	

In 2025 and 2024, the current income tax rates used in preparing the consolidated 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

Capital Stock

The details of the Group's capital stock (number of shares and amounts) as at December 31, 2025, 2024 and 2023 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.

In accordance with the Revised SRC Rule 68, below is a summary of the Parent Company's track record of registration of securities.

	Number of Shares Registered	Issue/Offer Price	Date of Approval
Common shares	1,000,000,000	₱0.01	1979
Stock rights offering	192,413,090	₱1.00	April 5, 2002

In 1979, the Parent Company listed with the PSE its common stock under its previous name where it offered 1,000,000,000 shares to the public at the issue price of ₱0.01 per share.

On July 28, 1997, the SEC approved the increase in the Parent Company's authorized capital stock from 10,000,000,000, divided into 6,000,000,000 Class A common shares with par value of ₱0.01 per share and 4,000,000,000 Class B common shares with par value of ₱0.01 per share to 1,000,000,000 common shares, divided into 600,000,000 Class A common shares with par value of ₱1 per share and 400,000,000 Class B common shares with par value of ₱1 per share.

On November 26, 2000, the BOD approved a stock rights offering of 192,413,090 common shares at an offer price of ₱1.00 per share. The rights offering was subsequently approved by the PSE on February 27, 2002 and by the SEC on April 3, 2002. The rights were issued in two tranches and included detachable stock warrants. All warrants have either been exercised or expired.

Following the exercise and expiration of the stock rights and detachable stock warrants in 2008, the Parent Company had 481,827,653 outstanding shares, with no subsequent changes in the number of outstanding shares up to December 31, 2025.

The Parent Company has 473 stockholders as at December 31, 2025 and 2024.

Subsequent Event

On January 29, 2026, the BOD approved the amendment to Article Seventh of the Articles of Incorporation of the Parent Company to remove the classification of Common Class “A” and Common Class “B” shares and to reclassify all shares into a single class of common shares with the same rights and privileges. The amendment was likewise approved by stockholders representing at least two-thirds (2/3) of the outstanding capital stock on the same date.

Treasury Stock

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.

The movements in the Group’s treasury shares are as follows:

	2025		2024	
	Number of Shares	Amount	Number of Shares	Amount
Beginning of year	98,123,387	₱102,094,826	98,123,387	₱102,094,826
Addition	100,000	236,840	–	–
End of year	98,223,387	₱102,331,666	98,123,387	₱102,094,826

Retained Earnings

Following are the dividends declared by the Parent Company in 2025, 2024 and 2023:

	Declaration date	Record date	Payment date	Description	Per Share	Total
2025	August 22, 2025	September 22, 2025	October 8, 2025	Regular	₱0.20	₱96,365,531
2024	August 7, 2024	August 27, 2024	September 18, 2024	Regular	₱0.10	₱48,182,765
2024	August 7, 2024	October 7, 2024	October 30, 2024	Regular	0.05	24,091,383
						₱72,274,148
2023	June 27, 2023	July 9, 2023	July 27, 2023	Regular	₱0.10	₱48,182,765
2023	June 27, 2023	September 9, 2023	September 27, 2023	Regular	0.07	33,727,936
						₱81,910,701

The dividends presented above include dividends declared by the Parent Company to all its shareholders, including its subsidiaries with investment in the Parent Company.

Other adjustment to retained earnings arises from intercompany dividends. Dividends declared by the subsidiaries amounting to ₱94.4 million, ₱18.0 million and ₱2.8 million in 2025, 2024 and 2023, respectively, were eliminated in the consolidated financial statements.

Subsequent Event

On March 17, 2026, the Parent Company’s BOD approved the declaration of cash dividends of a total of ₱0.10 per share to stockholders of record as at April 10, 2026, aggregating ₱48.2 million payable on or before April 24, 2026.

17. Related Party Transactions and Balances

The Group, in its regular conduct of business, has transactions with its related parties. The following tables summarize the transactions with the related parties and outstanding balance arising from these transactions:

	Nature of Transactions	Note	Amount of Transactions		Outstanding Balance	
			2025	2024	2025	2024
Associates						
Receivables	Dividend declared	8	₱46,862,306	₱56,356,080	₱46,407,405	₱19,144,620
	Rental income	(a)	1,539,509	1,557,182	-	-
					₱46,407,405	₱19,144,620
Associates						
Due from related parties	Advances	(b)	₱126,779	₱162,144	₱189,254,716	₱189,127,937
Allowance for ECL	Provision for ECL	13	-	237,702	(188,893,988)	(188,893,988)
					₱360,728	₱233,949
Associates						
Accounts and other payables	Payroll service expenses	(c)	₱38,324	₱56,632	₱-	₱-

Terms and Conditions of Transactions with Related Companies

Outstanding balances as of year-end are generally collectible on demand, non-interest bearing, unsecured, and expected to be settled in cash.

Transactions with Related Companies

- The Group has a lease contract with BPO over one of its condominium units as office space. The lease contract is renewed annually with the same terms and conditions.
- Amounts owed by related parties pertain to reimbursements for expenses paid by the Group. The Group recognized provision for impairment on due from related parties amounting to ₱237,702 in 2024 (see Note 13). Allowance for impairment loss is mainly attributable to the advances to MUDC (see Note 8).
- 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.

Compensation of Key Management Personnel

Compensation of the key management personnel is as follows:

	2025	2024	2023
Salaries and wages	₱10,477,097	₱9,978,188	₱9,503,036
Other benefits	1,430,273	1,362,165	1,297,300
	₱11,907,370	₱11,340,353	₱10,800,336

18. Earnings Per Share

The following table presents information necessary to compute the basic/diluted earnings per share:

	2025	2024	2023
Net income attributable to equity holders of the parent (a)	₱231,568,466	₱93,566,249	₱62,262,774
Weighted average number of ordinary shares outstanding (b)	383,593,526	383,693,526	383,693,526
Basic and diluted earnings per share (a/b)	₱0.60	₱0.24	₱0.16

The weighted average number of common shares outstanding are computed as follows:

	2025	2024	2023
Number of outstanding shares at beginning of year	383,693,526	383,693,526	383,693,526
Shares acquired by a subsidiary	(100,000)	–	–
	383,593,526	383,693,526	383,693,526

The Group has no potential dilutive instruments issued as at December 31, 2025, 2024 and 2023.

19. Segment Information

The Group's primary purpose is to invest in real and personal properties, including investment securities, investment properties, and investments in associates. The Group operates in one reportable business segment, which is investing.

The Group's investment properties and investments in associates are primarily located in the Philippines, while a portion of its financial instruments are held in foreign markets.

The Group also has other business activities, such as the development of power generation, power utility distribution, coal mining, and trading, which are currently not in operation.

20. Commitments and Contingencies

Operating Lease - The Group as a Lessor

The Group leased out a portion of its condominium spaces. The Group recognized rent income amounting to ₱30.6 million, ₱27.3 million and ₱22.1 million in 2025, 2024 and 2023 (see Note 10). The lease agreements have terms of one to three years and can be renewed upon the written agreement of the Group and the lessees.

As at December 31, 2025 and 2024, the Group's rent receivable amounted to ₱377,212 and ₱372,346, respectively (see Note 6). Composition of deposits made by the tenants that will be returned after the lease term is as follows:

	Note	2025	2024
Current	12	₱12,336,005	₱12,308,930
Noncurrent		20,000	20,000
		₱12,356,005	₱12,328,930

The future minimum rental income is as follows:

	2025	2024
Within one year	₱15,928,827	₱23,322,156
After one year but not more than two years	9,322,743	17,125,422
	₱25,251,570	₱40,447,578

21. Financial Risk and Capital Management Objectives and Policies

Financial Risk Management

The Group's principal financial instruments comprise of cash and cash equivalents, investment securities, receivables, due from related parties, investments in rights issue subscription, convertible notes receivables, refundable deposits, accounts and other payables (excluding statutory payables), dividends payable, and deposits payable. The main purpose of these financial instruments is to provide funds for the Group's operations.

The BOD has overall responsibility for the establishment and oversight of the risk management framework of the Group. The risk management policies of the Group are established to identify and manage the exposure of the Group to the financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the activities of the Group.

The main risks arising from the financial instruments of the Group 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 these are summarized below.

Credit Risk

Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from cash in banks, cash equivalents, investment in debt instruments, rights issue subscription and convertible notes, receivables, due from related parties and refundable deposits. Equity securities are not subject to credit risk and are therefore excluded from the Group's credit risk exposure.

The Group manages credit risk by dealing only with recognized and creditworthy counterparties, including reputable financial institutions and investment-grade issuers. Investments in debt instruments are limited to those with strong credit profiles, while cash is maintained with established banks.

For receivables and amounts due from related parties, balances are monitored on an ongoing basis. Based on management's assessment, exposure to impairment losses from these assets is not significant.

Maximum Exposure to Credit Risk

The carrying amounts of financial assets, excluding equity securities, represent the Group's maximum exposure to credit risk as at the reporting date, net of any allowance for impairment losses and without taking into account the effect of any collateral or other credit enhancements, as shown below:

	Note	2025	2024
Financial Assets at Amortized Cost			
Cash in banks and cash equivalents	4	₱494,855,735	₱597,401,197
Receivables	6	47,556,484	20,631,669
Due from related parties	17	360,728	233,949
Refundable deposits*	11	595,780	595,780
Financial Assets at FVOCI			
Debt securities	5	43,680,965	45,547,228
		₱587,049,692	₱664,409,823

*Presented under "Other noncurrent assets".

In managing credit risk on investments, capital preservation is paramount. The Group invests only in highly rated debt instruments that provide satisfactory yields while maintaining credit quality.

The Group does not have significant concentrations of credit risk, as exposures are diversified across counterparties and financial institutions.

Credit Quality of Financial Assets.

The credit quality of financial assets is managed by the Group using internal credit ratings such as high grade, standard grade, past due but not impaired and impaired.

High Grade - pertains to deposits or placements to counterparties with good credit rating or bank standing. For receivables, this covers accounts of good paying customers, with good credit standing and are not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies.

Standard Grade - other financial assets not past due nor impaired and not belonging to high quality financial assets are included in this credit rating.

Past due but not impaired - pertains to financial assets where contractual payments are past due but the Group believes that impairment is not appropriate based on the probability of collection of amounts owed to the Group and the quality of the asset held as security.

Impaired - pertains to financial assets for which the Group determines that it is probable that it will not be able to collect the amount due based on the contractual terms and agreements.

As at December 31, the analysis of the carrying amount of the Group's financial assets classified according to credit quality is presented below:

	2025			Total
	Stage 1	Stage 2	Stage 3	
Financial Assets at Amortized Cost				
Cash in banks and cash equivalents				
High grade	₱494,855,735	₱-	₱-	₱494,855,735
Receivables				
High grade	47,556,484	-	-	47,556,484
Impaired	-	-	1,066,068	1,066,068
Due from related parties				
High grade	360,728	-	-	360,728
Impaired	-	-	188,893,988	188,893,988
Investments in rights issue subscription*				
Impaired	-	-	30,129,600	30,129,600
Convertible notes receivables*				
Impaired	-	-	5,612,000	5,612,000
Refundable deposits*				
High grade	595,780	-	-	595,780
Financial Assets at FVOCI				
Debt securities				
Investment grade	43,680,965	-	-	43,680,965
Impaired	-	-	2,604,696	2,604,696
	₱587,049,692	₱-	₱228,306,352	₱815,356,044

*Presented under "Other noncurrent assets".

	2024			Total
	Stage 1	Stage 2	Stage 3	
Financial Assets at Amortized Cost				
Cash in banks and cash equivalents				
High grade	₱597,401,197	₱-	₱-	₱597,401,197
Receivables				
High grade	20,631,669	-	-	20,631,669
Impaired	-	-	1,066,068	1,066,068
Due from related parties				
High grade	233,949	-	-	233,949
Impaired	-	-	188,893,988	188,893,988
Investments in rights issue subscription*				
Impaired	-	-	30,129,600	30,129,600
Convertible notes receivables*				
Impaired	-	-	5,612,000	5,612,000
Refundable deposits*				
High grade	595,780	-	-	595,780
Financial Assets at FVOCI				
Debt securities				
Investment grade	45,547,228	-	-	45,547,228
Impaired	-	-	2,604,696	2,604,696
	₱664,409,823	₱-	₱228,306,352	₱892,716,175

*Presented under "Other noncurrent assets".

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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

The following table summarizes the maturity profile of the Group's financial liabilities as of December 31, 2025 and 2024 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.

	2025			Total
	On demand	Within one year	More than one year	
Financial Assets				
At amortized cost:				
Cash and cash equivalents	₱77,314,502	₱417,558,233	₱–	₱494,872,735
Receivables	–	47,556,484	–	47,556,484
Due from related parties	360,728	–	–	360,728
Refundable deposits*	–	–	595,780	595,780
Financial assets at FVPL	448,884,450	–	–	448,884,450
Financial assets at FVOCI	–	13,366,744	226,863,484	240,230,228
	526,559,680	478,481,461	227,459,264	1,232,500,405
Financial Liabilities				
Accounts and other payables**	–	14,402,490	–	14,402,490
Dividends payable	–	8,810,842	–	8,810,842
Noncurrent portion of deposits payable	–	–	20,000	20,000
	–	23,213,332	20,000	23,233,332
	₱526,559,680	₱455,268,129	₱227,439,264	₱1,209,267,073

*Presented under "Other noncurrent assets".

**Excluding statutory payables.

	2024			Total
	On demand	Within one year	More than one year	
Financial Assets				
At amortized cost:				
Cash and cash equivalents	₱101,013,590	₱496,404,607	₱–	₱597,418,197
Receivables	–	20,631,669	–	20,631,669
Due from related parties	233,949	–	–	233,949
Refundable deposits*	–	–	595,780	595,780
Financial assets at FVPL	112,755,674	–	–	112,755,674
Financial assets at FVOCI	–	–	268,084,982	268,084,982
	214,003,213	517,036,276	268,680,762	999,720,251
Financial Liabilities				
Accounts and other payables**	–	14,720,184	–	14,720,184
Dividends payable	–	8,005,989	–	8,005,989
Noncurrent portion of deposits payable	–	–	20,000	20,000
	–	22,726,173	20,000	22,746,173
	₱214,003,213	₱494,310,103	₱268,660,762	₱976,974,078

*Presented under "Other noncurrent assets".

**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 in 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:

	2025	2024
Change in interest rate (percentage):		
+10%	(P4,368,097)	(P4,554,723)
-10%	4,368,097	4,554,723

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 Peso equivalent are as follows:

		2025		
		Exchange Rate	Original Currency	Peso Equivalent
Cash and cash equivalents	USD	₱58.805	1,842,267	₱108,334,507
Receivables	USD	58.805	30,166	1,773,912
Financial assets at FVPL	USD	58.805	3,131,644	184,156,317
	IDR	0.004	1,076,916,000	3,769,206
Financial assets at FVOCI:				
Debt	USD	58.805	586,816	34,507,702
Equity	USD	58.805	3,220,376	189,374,186
				₱521,915,830
		2024		
		Exchange Rate	Original Currency	Peso Equivalent
Cash and cash equivalents	USD	₱58.014	1,005,710	₱58,345,274
Receivables	USD	58.014	6,377	369,938
Financial assets at FVPL	USD	58.014	1,569,535	91,055,003
	IDR	0.004	791,850,000	2,850,660
Financial assets at FVOCI:				
Debt	USD	58.014	626,118	36,323,611
Equity	USD	58.014	4,857,727	215,062,677
				₱404,007,163

The Group has no foreign currency denominated monetary liabilities as at December 31, 2025 and 2024.

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 2025 and 2024, with all other variables held constant, of the Group's 2025 and 2024 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	2025		2024	
	Strengthened by 5%	Weakened by 5%	Strengthened by 5%	Weakened by 5%
USD	₱27,141,501	(₱27,141,501)	₱24,622,552	(₱24,622,552)
IDR	188,460	(188,460)	142,533	(142,533)

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 FVPL 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, IDX, and NASDAQ 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 2025 and 2024, with all other variables held constant, of the Group's income before income tax and equity:

	2025	2024
<i>Effect on income before income tax:</i>		
Financial assets at FVPL:		
Change in stock market index		
+10%	₱44,888,445	₱11,275,567
-10%	(44,888,445)	(11,275,567)
<i>Effect on income equity:</i>		
Investment in equity securities (FVOCI):		
Change in equity prices		
+10%	₱19,654,926	₱22,253,775
-10%	(19,654,926)	(22,253,775)

22. Fair Value Measurements

The following table presents the carrying amounts and fair values of the Group's assets measured at fair value and the corresponding hierarchy:

	2025				Total
	Carrying Amount	Fair Value			
		Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial assets at FVPL:					
Quoted equity securities	₱423,325,739	₱423,325,739	₱-	₱-	₱423,325,739
Investments in pooled funds	25,558,711	-	-	25,558,711	25,558,711
Financial assets at FVOCI:					
Quoted debt instruments	43,680,965	43,680,965	-	-	43,680,965
Quoted equity securities	9,363,667	9,363,667	-	-	9,363,667
Unquoted equity securities	187,185,596	-	7,175,077	180,010,519	187,185,596
	₱689,114,678	₱474,775,320	₱7,175,077	₱205,569,230	₱689,114,678
	2024				
	Carrying Amount	Fair Value			Total
		Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial assets at FVPL -					
Quoted securities	₱112,755,674	₱112,755,674	₱-	₱-	₱112,755,674
Financial assets at FVOCI:					
Quoted debt instruments	45,547,228	45,547,228	-	-	45,547,228
Quoted equity securities	8,726,193	8,726,193	-	-	8,726,193
Unquoted equity securities	213,811,561	-	7,475,077	206,336,484	213,811,561
	₱380,840,656	₱164,714,104	₱7,475,077	₱206,336,484	₱380,840,656

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Quoted Equity Securities and Quoted Debt Instruments. Fair values are based on quoted market prices in active markets at the reporting date. These are classified under Level 1 of the fair value hierarchy.

Investments in Pooled Funds. Fair values are based on net asset values (NAV) per unit as reported by the fund managers. As the underlying investments of the funds are not quoted in active markets and involve significant unobservable inputs, these investments are classified under Level 3 of the fair value hierarchy.

Unquoted Equity Securities. Fair values are determined using valuation techniques, including reference to recent arm's length transactions, market-based multiples of comparable listed entities, and, where applicable, net asset values of the underlying investees. These measurements are classified under Level 2 or Level 3 of the fair value hierarchy depending on the significance of observable and unobservable inputs used.

There were no transfers between levels/hierarchies of fair value measurements in 2025 and 2024.

Other Financial Instruments

The carrying values of other financial instruments approximate their fair values due to the short-term nature of the transactions or demand feature of the financial instruments.

	2025	2024
Financial Assets		
Cash and cash equivalents	P494,872,735	P597,418,197
Receivables	47,556,484	20,631,669
Due from related parties	360,728	233,949
Refundable deposits*	595,780	595,780
	P543,385,727	P618,879,595
Financial Liabilities		
Accounts and other payables**	14,402,490	14,720,183
Dividends payable	8,810,842	8,005,989
	P23,213,332	P22,726,172

*Presented under "Other noncurrent assets".

**Excluding statutory payables.

23. 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, 2025 and 2024 are as follows:

	2025	2024
Common stock	₱481,827,653	₱481,827,653
Additional paid-in capital	144,759,977	144,759,977
Treasury stock	(102,331,666)	(102,094,826)
Retained earnings	1,314,003,491	1,165,721,230
	₱1,838,259,455	₱1,690,214,034

24. Supplemental Notes to Consolidated Statements of Cash Flows

Changes in Liabilities Arising from Financing Activities

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

	As at January 1, 2025	Dividends Paid	Dividend Declaration and Other Noncash Changes	As at December 31, 2025
Dividends payable	₱8,005,989	(₱75,913,853)	₱76,718,706	₱8,810,842

	As at January 1, 2024	Dividends Paid	Dividend Declaration and Other Noncash 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	Payments/ Settlements	Dividend Declaration and Other Noncash Changes	As at December 31, 2023
Dividends payable	₱6,964,039	(₱64,503,831)	₱84,645,237	₱27,105,445
Due to related parties	260,408	(260,408)	-	-
	₱7,224,447	(₱64,764,239)	₱84,645,237	₱27,105,445

Noncash Information

Details of noncash information affecting the consolidated statements of cash flows are presented below (see Note 5):

	2025	2024
Derecognition of financial assets at FVOCI	₱8,096,163	₱-
Recognition of financial assets at FVPL	(8,096,163)	-



INDEPENDENT AUDITORS' REPORT

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of F & J Prince Holdings Corporation and Subsidiaries (the Group) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 and have issued our report thereon dated April 16, 2026. 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, 2025
- Schedules required by Annex 68-J as at December 31, 2025
- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2025 and 2024
- Conglomerate Map as at December 31, 2025

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) Accounting Standards 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, 2025 and 2024.

REYES TACANDONG & Co.


GRACE M. ALBUNIAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 410-858-879-000

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

SEC Accreditation No. 144364-SEC Group A

Issued October 21, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-018-2024

Valid until November 25, 2027

PTR No. 10764003

Issued January 2, 2026, Makati City

April 16, 2026

Makati City, Metro Manila

**PARENT COMPANY'S RECONCILIATION OF
RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

F & J PRINCE HOLDINGS CORPORATION

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

		Amount
Unappropriated retained earnings, beginning of reporting period		₱180,372,730
Add: <i>Category A: Items that are directly credited to unappropriated retained earnings</i>		
Others:		
Unrealized foreign exchange gain for cash and cash equivalents	₱1,413,051	
Cumulative unrealized fair value adjustment - loss	5,533	1,418,584
Less: <i>Category B: Items that are directly debited to unappropriated retained earnings</i>		
Dividend declaration during the reporting period	(96,365,531)	
Others:		
Realized loss from sale of financial assets at fair value through other comprehensive income	(20,486,080)	(116,851,611)
Unappropriated retained earnings, as adjusted		64,939,703
Add net income for the current year		147,192,921
Less: <i>Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</i>		
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss		(8,463,324)
Adjusted net income		203,669,300
Add/less: <i>Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</i>		
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set up of asset and asset retirement obligation, and set up of service concession asset and concession payable		
	(2,063,540)	
Others:		
Realized loss from sale of financial assets at fair value through other comprehensive income	(123,983)	(2,187,523)
Total retained earnings, end of the reporting period available for dividend		₱201,481,777

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

AS AT AND FOR THE YEARS DECEMBER 31, 2025 AND 2024

Ratio	Formula	2025	2024
Current Ratio	Total Current Assets divided by Total Current Liabilities		
	Total current assets	₱1,023,074,862	₱760,923,855
	Divide by: Total current liabilities	62,123,968	28,044,334
		16.47	27.13
Acid Test Ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities		
	Total current assets	₱1,023,074,862	₱760,923,855
	Less: Other current assets	18,033,721	28,884,365
	Quick assets	1,005,041,141	732,039,490
	Divide by: Total current liabilities	62,123,968	28,044,334
		16.18	26.07
Debt-to-Equity Ratio	Total Liabilities divided by Total Equity		
	Total liabilities	₱76,670,849	₱42,414,841
	Total equity	1,944,493,333	1,805,407,668
		0.04	0.02
Asset-to-Equity Ratio	Total Assets divided by Total Equity		
	Total assets	₱2,021,164,182	₱1,847,822,509
	Total equity	1,944,493,333	1,805,407,668
		1.04	1.02
Return on Equity	Net Income divided by Average Total Equity		
	Net income	₱238,780,086	₱94,165,305
	Average Total Equity	1,874,950,501	1,812,424,468
		12.74%	5.20%

Ratio	Formula	2025	2024
Return on Assets	Net Income divided by Average Total Assets		
	Net income	₱238,780,086	₱94,165,305
	Average total assets	1,934,493,345	1,866,563,837
		12.37%	5.04%
Solvency Ratio	Net Income Before Non-Cash Expenses divided by Total Liabilities		
	Net income	₱238,780,086	₱94,165,305
	Add: Non-cash expenses	16,828,991	17,946,865
	Net loss before non-cash expenses	255,609,077	112,112,170
	Total liabilities	76,670,849	42,414,841
		3.33	2.64
Net Profit Margin	Net Income divided by Total Revenue		
	Net income	₱238,780,086	₱94,165,305
	Total revenue	425,066,393	189,408,317
		0.56	0.50

F&J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
DECEMBER 31, 2025 AND 2024

	2025	2024
Total Audit Fees	₱1,320,000	₱1,170,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees	-	-
Total Audit and Non-audit Fees	₱1,320,000	₱1,170,000
Audit and Non-audit Fees of Other Related Entities		
Audit fees	₱-	₱-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Audit and Non-audit Fees of Other Related Entities	₱-	₱-

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II OF
REVISED SRC RULE 68
DECEMBER 31, 2025

Table of Contents

<u>Schedule</u>	<u>Description</u>	<u>Page</u>
A	Financial Assets	<u>1</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>N/A</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 association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotations at balance sheet date	Interest received and accrued
Financial assets at fair value through profit or loss				
Aboitiz Equity	3,120	₱87,360	₱87,360	₱-
ABS-CBN Broadcasting	12,000	50,520	50,520	-
AC Energy Corporation	12,234	33,276	33,276	-
Advanced Micro Devices, Inc.	2,300	28,665,487	28,665,487	-
Amazon.com, Inc.	4,500	60,447,603	60,447,603	-
Apple, Inc.	3,600	56,956,192	56,956,192	-
Ayala Corporation	45,638	21,358,584	21,358,584	-
Ayala Land	145,781	3,272,783	3,272,783	-
Benguet Corporation	2,109	10,545	10,545	-
Berkshire Hathaway Inc	870	25,449,431	25,449,431	-
BUKALAPAK.com	6,334,800	3,503,144	3,503,144	-
G Squared V, LP	28,326,832	25,558,711	25,558,711	-
Meta Platforms, Inc.	1,600	61,463,356	61,463,356	-
Meralco	10,754	6,172,796	6,172,796	-
Oracle Corporation	4,600	52,177,719	52,177,719	-
Oriental Petroleum "B"	1,260,888,642	15,130,664	15,130,664	-
Petron Corporation	30,939	76,729	76,729	-
Philex Mining "A"	335,323	3,319,698	3,319,698	-
Philex Petroleum	41,915	99,758	99,758	-
Rockwell Land Corporation	28,616	52,940	52,940	-
San Miguel Corporation	24,704	2,025,728	2,025,728	-
SM Prime Holdings, Inc.	501,400	11,406,850	11,406,850	-
Taiwan Semiconductor Mfg., Co. Ltd.	4,000	71,481,006	71,481,006	-
Top Frontier Investment Holdings, Inc.	1,370	83,570	83,570	-
	1,296,767,647	₱448,884,450	₱448,884,450	₱-

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotations at balance sheet date	Interest received and accrued
Financial assets at fair value through other comprehensive income				
Australia And Newland Banking Group Ltd.	224,114	₱13,366,744	₱13,366,744	₱1,098,631
Ayala Corporation	2,110	2,110	2,110	–
Ayala Land Inc	144,000	9,767	9,767	–
Balesin Island Club	1	3,500,000	3,500,000	–
Calata Corporation	560,000	1,159,200	1,159,200	–
Global Dividends Fund	5,744	7,768,616	7,768,616	–
Greenland Global Investment	475,000	3,263,060	3,263,060	325,294
MWAM VC Brady SX, LLC	300,000	46,726,169	46,726,169	–
NBM US Holdings Inc.	300,000	17,877,898	17,877,898	1,471,704
PLDT, Inc.	400	4,000	4,000	–
Republic of the Philippines	80,000	9,173,263	9,173,263	650,000
Tagaytay Midlands	1	2,500,000	2,500,000	–
Unicorn Dynasty Ventures, Ltd.	1,062,857	62,501,282	62,501,282	–
XEN 500 Global VII SP	803,000	61,962,239	61,962,239	–
XEN Capital Asia	150,000	8,820,829	8,820,829	–
XEN One Limited	200,000	1,595,051	1,595,051	–
	4,307,227	₱240,230,228	₱240,230,228	₱3,545,629

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

Name and Designation of debtor	Balance of Beginning of Period	Additions	Amounts Collected	Allowance for Doubtful Accounts	Current	Not Current	Balance at end of period
Magellan Capital Holdings Corporation (MCHC) - Subsidiary	₱1,300	₱2,095	₱-	₱-	₱-	₱3,395	₱3,395

Schedule G. Capital Stock

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under statements of financial position	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Class "A"	600,000,000	292,610,118	-	60,355,148	22,562,431	116,453,816
Class "B"	400,000,000	189,217,535	-	37,878,979	30,392	11,379,494
	1,000,000,000	481,827,653	-	98,234,127	22,592,823	127,833,310

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

EXHIBIT "4"

	AUDITED DEC. 31,2025	VERTICAL PERCENTAGE ANALYSIS DEC. 31,2025	AUDITED DEC. 31,2024	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2024
ASSETS				
Current Assets				
Cash and cash equivalents	494,872,735	24.48%	597,418,197	32.33%
Current portion of investment securities	462,251,194	22.88%	112,755,674	6.11%
Receivables-net	47,556,484	2.35%	20,631,669	1.12%
Due from related parties	360,728	0.02%	233,949	0.01%
Other current assets	18,033,721	0.89%	29,884,366	1.62%
Total Current Assets	1,023,074,862	50.63%	760,923,855	41.19%
Noncurrent Assets				
Investment securities- net of current portion	226,863,484	11.22%	268,084,982	25.20%
Investment in associates	458,223,635	22.67%	465,638,892	14.51%
Investment properties	276,487,494	13.68%	329,598,443	17.84%
Property and Equipment-net	2,531,192	0.13%	3,732,108	0.20%
Other Noncurrent Assets	33,983,515	1.68%	19,844,229	1.07%
Total Non-Current Assets	998,089,320	49.37%	1,086,898,654	58.81%
TOTAL ASSETS	2,021,164,182	100.00%	1,847,822,509	100.00%

	AUDITED DEC. 31,2025	VERTICAL PERCENTAGE ANALYSIS DEC. 31,2025	AUDITED DEC. 31,2024	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2024
LIABILITIES & STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts Payable and accrued expenses	37,545,247	1.86%	17,561,241	0.95%
Dividends payable	8,810,842	0.44%	8,005,989	0.43%
Income Tax Payable	15,767,879	0.78%	2,477,104	0.13%
Total Current Liabilities	62,123,968	3.07%	28,044,334	1.52%
Non-Current Liabilities				
Retirement benefit obligation	12,281,135	0.61%	10,895,498	0.59%
Net deferred tax liabilities	2,245,746	0.11%	3,455,009	0.19%
Non-current portion of deposits payable	20,000	0.00%	20,000	0.00%
Total Non-Current Liabilities	14,546,881	0.73%	14,370,507	0.79%
Total liabilities	76,670,849	3.79%	42,414,841	2.30%
Stockholders' Equity				
Capital stock	481,827,653	23.84%	481,827,653	26.08%
Additional paid in capital	144,759,977	7.16%	144,759,977	7.83%
Treasury shares	-102,331,666	-5.06%	-102,094,826	-5.53%
Other equity reserves	40,552,161	2.01%	52,450,114	2.84%
Retained earnings	1,314,003,491	65.00%	1,165,721,230	63.08%
Total Equity Attributable to Stockholders of the Company	1,878,811,616	92.96%	1,742,664,148	94.31%
Minority Interests	65,681,717	3.25%	62,743,520	3.40%
Total Stockholders' Equity	1,944,493,333	96.21%	1,805,407,668	97.70%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	2,021,164,182	100.00%	1,847,822,509	100.00%

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

EXHIBIT "4"

	AUDITED	VERTICAL	AUDITED	VERTICAL
	DEC. 31,2025	PERCENTAGE	DEC. 31,2024	PERCENTAGE
		ANALYSIS		ANALYSIS
	DEC. 31,2025	DEC. 31,2025	DEC. 31,2024	DEC. 31, 2024
ASSETS				
Current Assets				
Cash and cash equivalents	494,872,735	24.48%	597,418,197	32.33%
Current portion of investment securities	462,251,194	22.88%	112,755,674	6.11%
Receivables-net	47,556,484	2.35%	20,631,669	1.12%
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Other current assets	18,033,721	0.89%	29,884,366	1.62%
Total Current Assets	1,023,074,862	50.63%	760,923,855	41.19%
Noncurrent Assets				
Investment securities- net of current portion	226,863,484	11.22%	268,084,982	25.20%
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Investment properties	276,487,494	13.68%	329,598,443	17.84%
Property and Equipment-net	2,531,192	0.13%	3,732,108	0.20%
Other Noncurrent Assets	33,983,515	1.68%	19,844,229	1.07%
Total Non-Current Assets	998,089,320	49.37%	1,086,898,654	58.81%
TOTAL ASSETS	2,021,164,182	100.00%	1,847,822,509	100.00%

	AUDITED	VERTICAL	AUDITED	VERTICAL
	DEC. 31,2025	PERCENTAGE	DEC. 31,2024	PERCENTAGE
		ANALYSIS		ANALYSIS
	DEC. 31,2025	DEC. 31,2025	DEC. 31,2024	DEC. 31, 2024
LIABILITIES & STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts Payable and accrued expenses	37,545,247	1.86%	17,561,241	0.95%
Dividends payable	8,810,842	0.44%	8,005,989	0.43%
Income Tax Payable	15,767,879	0.78%	2,477,104	0.13%
Total Current Liabilities	62,123,968	3.07%	28,044,334	1.52%
Non-Current Liabilities				
Retirement benefit obligation	12,281,135	0.61%	10,895,498	0.59%
Net deferred tax liabilities	2,245,746	0.11%	3,455,009	0.19%
Non-current portion of deposits payable	20,000	0.00%	20,000	0.00%
Total Non-Current Liabilities	14,546,881	0.73%	14,370,507	0.79%
Total liabilities	76,670,849	3.79%	42,414,841	2.30%
Stockholders' Equity				
Capital stock	481,827,653	23.84%	481,827,653	26.08%
Additional paid in capital	144,759,977	7.16%	144,759,977	7.83%
Treasury shares	-102,331,666	-5.06%	-102,094,826	-5.53%
Other equity reserves	40,552,161	2.01%	52,450,114	2.84%
Retained earnings	1,314,003,491	65.00%	1,165,721,230	63.08%
Total Equity Attributable to Stockholders of the Company	1,878,811,616	92.96%	1,742,664,148	94.31%
Minority Interests	65,681,717	3.25%	62,743,520	3.40%
Total Stockholders' Equity	1,944,493,333	96.21%	1,805,407,668	97.70%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	2,021,164,182	100.00%	1,847,822,509	100.00%

EXHIBIT "5"
Schedule 1

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
BREAKDOWN OF RECEIVABLES
AS OF DECEMBER 31, 2025, 2024 AND 2023

	2025	2023	2023
Receivables:			
Receivable from Related Parties:			
Business Process Outsourcing, International	₱18,338	₱89,044	
Magellan Utilities Development Corporation	23,176	62,399	185,732
Pointwest Technologies Corporation	0	0	
Others	319,214	82,506	74,676
Total Receivables from Related Parties	₱360,728	₱233,949	₱260,408
Interest/Dividends Receivable	48,200,103	21,261,908	₱2,753,965
Rent Receivables	377,212	372,346	547,629
Receivable from Philippine Depositary Insurance Corporation (PDIC)	-	-	-
Others	45,237	63,483	246,441
Total Receivables from Third Parties	₱48,622,552	₱21,697,737	₱3,548,035

EXHIBIT "5"
Schedule 2

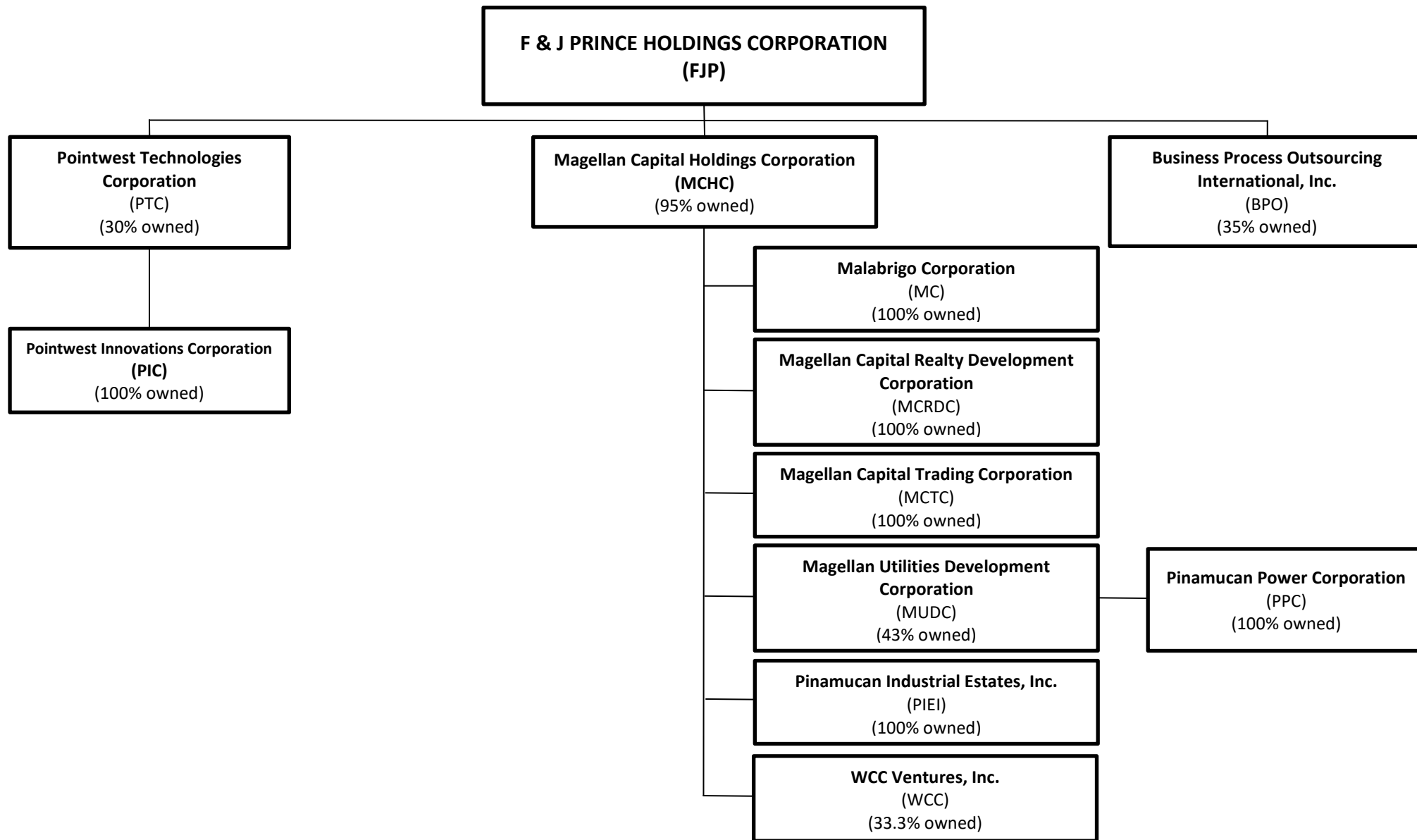
F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
BREAKDOWN OF ACCOUNTS PAYABLE AND ACCRUED EXPENSES
AS OF DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Accounts payable	₱1,248,884	₱1,500,445	₱611,011
Deposit payable	12,336,005	12,308,930	7,667,504
Government payable	23,142,757	2,841,057	3,003,607
Deferred rental income	-	-	-
Accrued expenses			
Professional fees (legal and audit fees)	817,601	910,809	724,329
Other operating expenses	0	0	0
Total Accounts Payable and Accrued Expenses	37,545,247	17,561,241	₱12,006,451

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

CONGLOMERATE MAP

DECEMBER 31, 2025



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Submission Date/Time: **Apr 28, 2026 02:53 PM**

Company TIN: **000-829-097**

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- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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

The management of **F& J Prince Holdings Corporation** is responsible for the preparation and fair presentation of the financial statements including the statements attached therein, for the years ended December 31, 2025, 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.

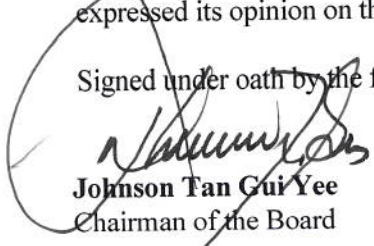


In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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:

 Johnson Tan Gui Yee Chairman of the Board	 Mark Ryan Cokeng President	 Mary K. Cokeng Treasurer/CFO
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SUBSCRIBED AND SWORN to before me this 28 day of APR 2026, affiants exhibiting to me their Drivers' License/National IDs, as follows:

<u>Names</u>	<u>Competent Evidence of Identity</u>	<u>Date Issued</u>	<u>Place of Issue</u>
Johnson Tan Gui Yee	N07-70-022770	01 April 2024	Makati City
Mark Ryan Cokeng	X01-09-003590	23 January 2024	Quezon City
Mary K. Cokeng	2632-8401-5647-6912	10 October 2022	NCR

Doc.No. 36 ;
 Page No. 9 ;
 Book No. XIV ;
 Series of 2026

NOTARY PUBLIC
ATTY. RYAN ANTONIO G. PEREÑA
 NOTARY PUBLIC for MAKATI CITY
 Commission No. M-012 until Dec. 31, 2027
 Roll of Attorneys 77327
 PTR No. 10764513; 01/02/2026; Makati City
 IBP OR No. 566188 12/16/2025; Pasig City
 MCLE Compliance No. VIII-0000389
 6553 San Jose St., Calasiao Nueva, Makati City



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the separate financial statements of F & J Prince Holdings Corporation (the Company), which comprise the separate statements of financial position as at December 31, 2025 and 2024, and the separate statements of income, separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes to separate financial statements, including summary of material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2025 and 2024, and its separate financial performance and its separate cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

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

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



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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

- Identify and assess risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

REYES TACANDONG & Co.

GRACE M. ALBUNIAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 410-858-879-000

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

SEC Accreditation No. 144364-SEC Group A

Issued October 21, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-018-2024

Valid until November 25, 2027

PTR No. 10764003

Issued January 2, 2026, Makati City

April 16, 2026

Makati City, Metro Manila

F & J PRINCE HOLDINGS CORPORATION
SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4	₱78,879,797	₱62,631,314
Financial assets at fair value through profit or loss (FVPL)	5	22,033,839	13,570,515
Receivables	6	46,546,296	19,262,307
Prepayments and other current assets	7	3,315,743	3,181,477
Total Current Assets		150,775,675	98,645,613
Noncurrent Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	8	17,329,620	18,862,905
Investments in:			
A subsidiary - at cost	9	537,514,860	537,514,860
Associates - at cost	10	98,930,006	98,930,006
Property and equipment	11	–	3,934
Net deferred tax assets	13	6,576,691	9,290,187
Total Noncurrent Assets		660,351,177	664,601,892
		₱811,126,852	₱763,247,505
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other liabilities		₱634,689	₱615,993
Dividends payable	14	8,810,842	8,005,989
Total Current Liabilities		9,445,531	8,621,982
Noncurrent Liability			
Retirement liability	12	811,356	769,295
Total Liabilities		10,256,887	9,391,277
Equity			
Capital stock	14	481,827,653	481,827,653
Additional paid-in capital	14	144,759,977	144,759,977
Retained earnings		199,789,942	149,086,535
Other comprehensive loss		(25,507,607)	(21,817,937)
Total Equity		800,869,965	753,856,228
		₱811,126,852	₱763,247,505

See accompanying Notes to Separate Financial Statements.

F & J PRINCE HOLDINGS CORPORATION
SEPARATE STATEMENTS OF INCOME

	Note	Years Ended December 31	
		2025	2024
INCOME			
Dividend income	5	P 141,529,902	P74,138,625
Fair value gains on financial assets at FVPL	5	8,549,181	370,994
Interest income	4	2,804,228	2,414,289
Foreign exchange gains		407,356	2,151,588
Gain on disposal of FVPL	5	–	4,782
		153,290,667	79,080,278
EXPENSES			
Taxes and licenses		3,081,567	313,572
Professional fees		1,644,131	2,001,538
Personnel expenses:			
Salaries and allowances		556,441	556,622
Retirement benefits	12	84,990	80,140
Other employee benefits		61,688	68,501
Annual stockholders' meeting		136,011	44,406
Fair value losses on financial assets at FVPL	5	85,857	1,180,191
Trainings and seminars		44,000	50,608
Depreciation and amortization	11	3,934	6,682
Bank charges		1,488	10,340
Foreign exchange losses		–	2,005
Others		180,604	160,014
		5,880,711	4,474,619
INCOME BEFORE INCOME TAX		147,409,956	74,605,659
PROVISION FOR (BENEFIT FROM) INCOME TAX	13		
Current:			
Regular		52,566	450,239
Final		516,501	418,947
Deferred		(352,032)	(731,200)
		217,035	137,986
NET INCOME		P147,192,921	P74,467,673
Basic/Diluted Earnings per Common Share	20	P0.31	P0.15

See accompanying Notes to Separate Financial Statements.

F & J PRINCE HOLDINGS CORPORATION
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31	
		2025	2024
NET INCOME		₱147,192,921	₱74,467,673
OTHER COMPREHENSIVE LOSS			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Effect of change in tax rate		(3,208,976)	–
Net unrealized fair value losses on financial assets at FVOCI, net of tax	8	(555,526)	(26,251,919)
Remeasurement gains on retirement liability, net of tax	12	32,197	5,056
<i>Item that will be reclassified to profit or loss in subsequent periods -</i>			
Net unrealized fair value losses on financial assets at FVOCI	8	(50,353)	(203,447)
		(3,782,658)	(26,450,310)
TOTAL COMPREHENSIVE INCOME		₱143,410,263	₱48,017,363

See accompanying Notes to Separate Financial Statements.

F & J PRINCE HOLDINGS CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31	
		2025	2024
CAPITAL STOCK			
Balance at beginning and end of year	14	₱481,827,653	₱481,827,653
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning and end of year	14	144,759,977	144,759,977
RETAINED EARNINGS			
Balance at beginning of year		149,086,535	167,379,090
Net income		147,192,921	74,467,673
Dividends declared	14	(96,365,531)	(72,274,148)
Transfer from other comprehensive income upon disposal of financial assets at FVOCI	8	(123,983)	(20,486,080)
Balance at end of year		199,789,942	149,086,535
OTHER COMPREHENSIVE LOSS			
Cumulative Unrealized Changes in Fair Values of Financial Asset at FVOCI			
Balance at beginning of year	8	(22,381,161)	(12,880,298)
Net unrealized changes in fair values of financial assets at FVOCI		(605,879)	(26,455,366)
Transfer to retained earnings upon disposal		92,988	16,954,503
Effect of change in tax rate		(3,208,976)	–
Balance at end of year		(26,103,028)	(22,381,161)
Cumulative Remeasurement Gains on Retirement Liability			
Balance at beginning of year	12	563,224	558,168
Remeasurement gain		32,197	5,056
Balance at end of year		595,421	563,224
		(25,507,607)	(21,817,937)
		₱800,869,965	₱753,856,228

See accompanying Notes to Separate Financial Statements.

F & J PRINCE HOLDINGS CORPORATION
SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱147,409,956	₱74,605,659
Adjustments for:			
Dividend income	5	(141,529,902)	(74,138,625)
Net fair value gains on financial assets at FVPL	5	(8,463,324)	809,197
Interest income	4	(2,804,228)	(2,414,289)
Net foreign exchange gains		(407,356)	(2,149,583)
Retirement benefits	12	84,990	80,140
Depreciation and amortization	11	3,934	6,682
Gain on disposal of financial assets at FVPL	5	–	(4,782)
Operating loss before working capital changes		(5,705,930)	(3,205,601)
Decrease (increase) in:			
Receivables		(5,000)	165,000
Financial assets at FVPL		–	(58,177)
Prepayments and other current assets		(134,266)	(95,693)
Increase in accrued expenses and other liabilities		18,696	600,419
Net cash used for operations		(5,826,500)	(2,594,052)
Dividends received		114,267,117	54,994,005
Interest received		2,788,024	2,457,208
Income taxes paid		(569,067)	(418,947)
Net cash flows provided by operating activities		110,659,574	54,438,214
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to financial assets at FVOCI	8	(7,401,331)	–
Proceeds from disposal of financial assets at FVOCI	8	7,401,331	–
Distributions from financial assets at FVOCI	8	742,231	–
Net cash flows provided by (used in) investing activities		742,231	–
CASH FLOWS FROM A FINANCING ACTIVITY			
Payment of dividends	21	(95,560,678)	(71,773,604)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		407,356	2,149,583
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		16,248,483	(15,185,807)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		62,631,314	77,817,121
CASH AND CASH EQUIVALENTS AT END OF YEAR		₱78,879,797	₱62,631,314

See accompanying Notes to Separate Financial Statements.

F & J PRINCE HOLDINGS CORPORATION

NOTES TO SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

1. General Information

Corporate Information

F & J Prince Holdings Corporation (the “Company”) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on February 18, 1971. Its primary purpose is to purchase, subscribe for or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal 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 Company is a public company under Section 17.2 of the Revised Securities Regulation Code and its shares of stock are listed in and traded through the Philippine Stock Exchange, Inc. (PSE).

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

Approval of the Separate Financial Statements

The separate financial statements as at and for the years ended December 31, 2025 and 2024 were approved and authorized for issuance by the Board of Directors (BOD) on April 16, 2026.

2. Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

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

The Company also prepares and issues consolidated financial statements for the same year in accordance with PFRS Accounting Standards. In the consolidated financial statements, the undertakings of the subsidiaries have been fully consolidated. Users of the separate financial statements should read the consolidated financial statements simultaneously in order to obtain full information on the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its subsidiaries. The consolidated financial statements are available for public use and may be obtained at the Company’s registered office address and at the SEC.

Measurement Bases

The separate financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All amounts are stated in absolute values, unless otherwise stated.

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

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

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

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

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

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

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

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

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

- Note 5, *Financial Assets at FVPL*
- Note 8, *Financial Assets at FVOCI*
- Note 17, *Fair Value Measurement*

Adoption of Amendments to PFRS Accounting Standards

The material accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*, effective for annual periods beginning on or after January 1, 2025.

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 separate financial statements assess the impact when a currency is not exchangeable.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the separate financial statements of the Company. Accordingly, no adjustment to the opening balance of retained earnings was recognized upon adoption. Additional disclosures were included in the separate financial statements, as applicable.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective or Adopted

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the separate financial statements, are summarized below.

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* – These amendments provide clarifications on the recognition and derecognition of financial instruments, including guidance on the derecognition of financial liabilities settled through electronic payment systems. The amendments also clarify the assessment of contractual cash flow characteristics, including guidance on contingent features, non-recourse loans and contractually linked instruments. In addition, new disclosure requirements are introduced for certain equity instruments measured at FVOCI. Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11 – These amendments provide clarifications to PFRS 7, PFRS 9 and PAS 7, *Statement of Cash Flows*. The amendments include guidance on the derecognition of financial instruments, consolidation assessments, and the presentation of cash flows, and remove certain obsolete references in the standards.

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 requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the separate statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted.

The Company expects the adoption of PFRS 18 to result in changes in presentation and additional disclosures in the separate financial statements. The standard is not expected to have an impact on the recognition or measurement of the Company's assets, liabilities, income or expenses.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards did not have any material effect on the separate financial statements of the Company. Additional disclosures will be included in the separate financial statements, as applicable.

Current versus Noncurrent Classification

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

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

All other assets are classified as noncurrent.

A liability is classified as current when it is:

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

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

The Company classifies all other liabilities as noncurrent.

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

Financial Instruments

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

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

Initial Recognition. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at 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 Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transactions price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

Classification of Financial Instruments. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at 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 Company’s business model for managing them.

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

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

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

As at December 31, 2025 and 2024, 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. Derivatives, including separated embedded derivatives, are also classified as held for trading unless these are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

Classified under this category are the Company’s investments in listed equity securities presented under “Financial asset 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, modified, impaired, or through the amortization process.

Classified under this category are the Company's cash and cash equivalents and receivables.

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from date of placements and that are subject to an insignificant risk of change in value.

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

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

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

The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not measured at FVPL and for exposures arising from loan commitments and financial guarantee contracts. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate and adjusted for forward-looking estimates, as appropriate. 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.

Classified under this category are the Company's investment in quoted debt securities such as quoted bonds presented under "Financial assets at FVOCI" account.

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

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 Comprehensive Loss” account in the equity section of the separate 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 changes in fair values 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 separate statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent years. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are not reclassified from equity to profit or loss.

Classified under this category are the Company’s investment in equity securities presented under “Financial assets at 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 Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

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

Classified under this category are the Company’s accrued expenses and other liabilities (excluding statutory payables) and dividends payable.

Impairment of Financial Assets at Amortized Cost

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

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

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

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

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

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

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

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

Offsetting Financial Assets and Liabilities

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

Classification of Financial Instrument between Liability and Equity

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

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

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

Investment in a Subsidiary

A subsidiary is an entity that is controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as obtain benefits from its activities.

Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. That presumption may be overcome in exceptional circumstances if it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the parent owns half or less of the voting power of an entity but it has:

- (a) power over more than half of the voting rights by of an agreement with other investors;
- (b) power to govern the financial and operating policies of the entity under a statute or an agreement;
- (c) power to appoint or remove the majority of the members of the BOD equivalent governing body and control of the entity is by that board or body; or
- (d) power to cast the majority of votes at meetings of the BOD or equivalent governing body and control of the entity is by that board or body.

Control can also be achieved by having options or convertible instruments that are currently exercisable or by having an agent with the ability to direct the activities for the benefit of the controlling entity.

The investment in subsidiary is carried in the separate statements of financial position at cost plus post-acquisition changes arising only from additional investments less subsequent withdrawal of shares. The Company recognizes income from the investment only to the extent that the Company receives distributions from accumulated profits of the investee arising after the date of acquisition.

Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment. After application of the cost method, the Company determines whether it is necessary to recognize any additional impairment loss with respect to the Company's net investment in the subsidiary.

Investments in Associates

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

Under the cost method, the investments in associates are carried in the separate statements of financial position at cost plus post-acquisition changes arising only from additional investments less subsequent withdrawal of shares. The Company recognizes income from the investment only to the extent that the Company receives distributions from accumulated profits of the investee arising after the date of acquisition.

Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment. After application of the cost method, the Company determines whether it is necessary to recognize any additional impairment loss with respect to the Company's net investment in the associate. The reporting dates of the associates and the Company are identical and the associates' accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

Impairment of Nonfinancial Assets

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

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

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

Equity

Capital Stock and Additional Paid-in Capital. 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.

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 Company'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.

Other Comprehensive Loss. Other comprehensive loss primarily comprises of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS Accounting Standards. Other comprehensive loss mainly pertains to cumulative unrealized changes in fair values of financial assets at FVOCI and cumulative remeasurement gains on retirement liability.

Revenue Recognition

The Company's income is derived primarily from investment, including gains on disposal of assets, fair value gains on financial assets at FVPL, foreign exchange gains, interest income and dividend income.

The Company has assessed that it does not have significant revenue streams within 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.

Fair Value Gains on Financial Assets at FVPL. Fair value gains on financial assets at FVPL are recognized in profit or loss as these arise.

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

Foreign Exchange Gains. Foreign exchange gains are recognized in profit or loss as they arise from the remeasurement of monetary assets and liabilities denominated in foreign currencies.

Gains on Disposal of Assets. Gain on disposal of assets are recognized when control of the asset is transferred to the buyer, generally upon completion of the sale.

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 Company or when the expenses are incurred.

Employee Benefits

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

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

Retirement Benefits. The Company has unfunded defined benefit retirement plan covering a regular and permanent employee. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

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

The Company recognizes service costs, comprising of current service costs and past service costs and interest costs in profit or loss. Interest cost is calculated by applying the discount rate to the retirement liability.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Remeasurements comprising actuarial gains and losses are recognized immediately in other comprehensive income 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 separate 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 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 Company plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Value-Added Tax (VAT)

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

- where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority; or
- receivables and payables that are stated with the amount of VAT included.

The net amount of input VAT is included as part of “Prepayments and other current assets” account in the separate statements of financial position.

Related Parties and Transactions

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

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

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

Earnings per Share

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

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

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

Provisions

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

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

Contingencies

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

Events after the Reporting Date

Events after the reporting date that provide additional information about the Company's financial position at reporting date (adjusting events) are reflected in the separate financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to separate financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

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

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

Judgments

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

Determining Functional Currency. The Company has determined its functional currency to be the Peso. In making this judgment, the Company considered the primary economic environment in which it operates, including the currency in which it generates and expends cash, as well as the currency in which financing activities are denominated. While the Company holds certain foreign currency-denominated investments, these do not change the Company's overall functional currency.

Determining the Classification of Financial Assets. The Company exercises judgment in classifying financial assets based on its business model for managing the assets and the contractual cash flow characteristics of the instruments in accordance with PFRS 9.

In assessing the business model, the Company considers how financial assets are managed and evaluated, including how performance is reported to key management personnel, the risks affecting performance, and the expected frequency, value, and timing of sales.

The Company also assesses whether the contractual terms of financial assets give rise to cash flows that are SPPI. In making this assessment, the Company applies judgment and considers relevant factors such as the nature of the instrument, the currency in which it is denominated, and the period for which the interest rate is set. Financial assets with contractual terms that introduce exposure to risks or volatility inconsistent with a basic lending arrangement are classified at FVPL.

The Company exercises judgment in designating certain equity instruments at FVOCI. Such designation is made on an instrument-by-instrument basis and is irrevocable. In making this determination, the Company considers the strategic nature of the investments and its intention to hold these investments for long-term purposes (see Note 8).

Determining Significant Influence over Investee Companies. The Company exercises judgment in determining whether it has significant influence over its investee companies in accordance with PAS 28, *Investments in Associates and Joint Ventures*.

The Company considers its investments in Pointwest Technologies Corporation (PTC) and Business Process Outsourcing International, Inc. (BPO) as investments in associates. Given its 30% and 35% ownership interest in PTC and BPO, respectively, the Company concluded that it has significant influence over these investees, supported by factors such as board representation and participation in policy-making processes.

Relevant information and the carrying amount of investments in associates are disclosed in Note 10.

Estimates and Assumptions

The estimates and key assumptions concerning the future and other key sources of estimation uncertainty at financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

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

Details of the fair values of the Company's financial assets and liabilities are presented in Note 17.

Estimating ECL on Financial Assets. The Company exercises judgment and uses estimates in determining ECL on financial assets measured at amortized cost and at FVOCI in accordance with PFRS 9.

The Company applies the general approach in measuring other financial assets, including debt instruments. Under the general approach, the Company assesses whether there has been a significant increase in credit risk since initial recognition and measures loss allowances based on either 12-month or lifetime ECL.

The estimation of ECL requires the use of key assumptions, including the probability of default, loss given default, and exposure at default, as well as forward-looking information such as macroeconomic factors. The Company also applies judgment in determining whether a significant increase in credit risk has occurred, including the use of internal and external credit ratings and other relevant indicators.

For debt instruments classified at FVOCI, the Company applies the low credit risk simplification. These instruments mainly comprise investment-grade bonds rated by reputable credit rating agencies and are considered to have low credit risk. Accordingly, the Company measures ECL on these instruments on a 12-month basis unless there has been a significant increase in credit risk since initial recognition. The assessment of whether these instruments continue to qualify as low credit risk involves judgment, particularly in monitoring changes in credit ratings and other market indicators.

Cash in banks and short-term placements are held with reputable and financially sound institutions and are considered to have low credit risk. Accordingly, the expected credit losses on these balances are assessed to be insignificant.

Details of provision for ECL and the carrying amount of the Company's financial assets that were subjected to ECL assessment are disclose in the following notes:

	Note
Financial assets at amortized cost:	
Cash in banks and short-term placements	4
Receivables	6
Financial assets at FVOCI -	
Debt instruments	8

Assessing the Impairment of Investments in Associates. The Company assesses its investments in associates for impairment whenever indicators of impairment exist in accordance with PAS 36 *Impairment of Assets*. This requires the estimation of the recoverable amount of the investments, which is based on value in use. Estimating value in use involves significant judgment in forecasting future cash flows and selecting an appropriate discount rate.

The Company's associates are income-generating and did not exhibit indicators of impairment as at December 31, 2025 and 2024.

Relevant information and the carrying amount of investments in associates are disclosed in Note 10.

Estimating the Impairment of Other Nonfinancial Assets (except Investments in Associates). The Company determines whether other nonfinancial assets are impaired whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

The factors that the Company 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 of disposal or value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the Company's 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 Company's nonfinancial assets. Accordingly, no impairment loss was recognized in 2025 and 2024.

The carrying amount of nonfinancial assets are disclosed in the following notes to separate financial statements:

	Note
Prepayments and other current assets	7
Investments in a subsidiary	9
Property and equipment	11

Estimating the Retirement Liability. The determination of the obligation and cost for retirement benefit is dependent on the selection of certain assumptions determined by management and used by the actuary in calculating such amounts. Those assumptions are described in Note 12 and include, among others, discount rate and salary increase rate. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

Details of retirement liability are disclosed in Note 12.

Assessing the Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount 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. The amount of deferred tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred tax assets can be utilized.

Details of recognized deferred tax assets are disclosed in Note 13.

4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks	₱11,060,164	₱23,225,435
Short-term placements	67,819,633	39,405,879
	₱78,879,797	₱62,631,314

Cash in banks earns interest at the respective bank deposit rates. Short-term placements are fixed rate time deposits denominated in United States Dollar (USD) and Peso, made for varying periods of up to three months or less subject to roll-over requirements and depending on the immediate cash requirements of the Company. Short-term placements earn interest at the respective bank rates ranging from 2.5% to 4.5% in 2025 and 2024.

Details of interest income recognized in profit or loss are as follows:

	Note	2025	2024
Cash and cash equivalents		₱2,154,228	₱1,764,289
Financial assets at FVOCI	8	650,000	650,000
		₱2,804,228	₱2,414,289

Accrued interest from short-term placements amounted to ₱105,109 and ₱88,905 as at December 31, 2025 and 2024, respectively (see Note 6).

5. Financial Assets at FVPL

Financial assets at FVPL consist of listed securities which are traded in the Philippine Stock Exchange (PSE). Fair values of listed equity securities are based on quoted market prices in the PSE.

Movements in financial assets at FVPL are as follows:

	2025	2024
Balance at beginning of year	₱13,570,515	₱14,316,753
Net unrealized fair value gain (loss)	8,463,324	(809,197)
Additions	–	120,334
Disposals	–	(57,375)
Balance at end of year	₱22,033,839	₱13,570,515

In 2024, proceeds from disposal of listed securities amounted to ₱62,157, which resulted to a gain of ₱4,782.

Details of dividend income recognized in profit or loss are as follows:

	Note	2025	2024
Investments in a subsidiary	9	₱94,370,000	₱16,986,409
Investments in associates	10	46,407,405	56,356,080
Financial assets at FVPL		752,497	796,136
		₱141,529,902	₱74,138,625

6. Receivables

This account consists of:

	Note	2025	2024
Dividends receivable	15	₱46,407,405	₱19,144,620
Accrued interest	4, 8	132,192	115,988
Advances to a related party	15	106,699	101,699
Advances to officers and employees		23,862	23,862
		46,670,158	19,386,169
Allowance for expected credit loss		(123,862)	(123,862)
		₱46,546,296	₱19,262,307

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

As at December 31, 2025 and 2024, advance to a related party amounting to ₱100,000 are provided by allowance for expected credit loss (see Note 15).

7. Prepayments and Other Current Assets

This account consists of:

	2025	2024
Input VAT	₱2,913,144	₱2,749,070
Prepaid income tax	379,340	431,906
Others	23,259	501
	₱3,315,743	₱3,181,477

8. Financial Assets at FVOCI

This account consists of:

	2025	2024
Debt instruments	₱9,173,263	₱9,223,617
Equity securities	8,156,357	9,639,288
	₱17,329,620	₱18,862,905

Movements in this account are as follows:

	2025	2024
Beginning at beginning of year	₱18,862,905	₱54,068,911
Additions	7,401,331	–
Disposals	(7,401,331)	–
Net unrealized fair value losses	(791,054)	(35,206,006)
Distributions	(742,231)	–
	₱17,329,620	₱18,862,905

Movements in the net unrealized valuation losses on financial assets under FVOCI are as follows:

	2025	2024
Balance as at beginning of year	(₱22,381,161)	(₱12,880,298)
Changes in fair value	(605,879)	(26,455,366)
Transfer to retained earnings	92,988	16,954,503
Effect of change in tax rate	(3,208,976)	–
Balance as at end of year	(₱26,103,028)	(₱22,381,161)

Fair value changes transferred from other comprehensive income amounted to ₱123,983 and ₱20.5 million in 2025 and 2024, respectively, upon realization.

Debt Instruments

The Company holds a Peso-denominated government debt security, representing a Philippine Treasury Note with an interest rate of 8.125% per annum and a maturity in 2035.

Interest income earned from debt instruments classified as financial assets at FVOCI amounted ₱650,000 in 2025 and 2024, respectively (see Note 4). Accrued interest from debt securities amounted to ₱27,083 as at December 31, 2025 and 2024, respectively (see Note 6).

Equity Securities

Investments in equity securities carried at fair value comprise unquoted shares of stock over which the Company does not have control or significant influence.

The Company uses valuation techniques in which the lowest level input that is significant to the fair value measurement is unobservable for the fair values of unquoted equity securities where market prices are not readily available.

9. Investments in a Subsidiary

The Company has a 94.37% interest in the unquoted equity securities of Magellan Capital Holdings Corporation (MCHC), a holding company incorporated in the Philippines involved in investing in real and personal properties of every kind, including, but not limited to, land, building, condominium units, shares of stock, bonds, and other securities of any corporation or association, domestic or foreign. The cost of investment in MCHC amounted to ₱537.5 million as at December 31, 2025 and 2024.

MCHC has investments in the following subsidiaries:

	Country of Incorporation	Percentage of Ownership
Pinamucan Industrial Estates, Inc. (PIEI)	Philippines	100%
Malabrigo Corporation (MC)	Philippines	100%
Magellan Capital Realty Development Corporation (MCRDC)*	Philippines	100%
Magellan Capital Trading Corporation (MCTC)*	Philippines	100%

**Non-operational since incorporation*

The Company recognized dividend income from MCHC amounting to ₱94.4 million and ₱17.0 million in 2025 and 2024, respectively (see Note 5).

PIEI

PIEI was organized primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, sub-divide, sell, mortgage, exchange, lease, develop, and hold for investment or otherwise, real estate buildings, houses, apartments and other structures of whatever kind, together with their appurtenances. PIEI was registered with the SEC on May 5, 1993.

MC

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

MCRDC

MCRDC was organized to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances. MCRDC was registered with the SEC on November 14, 1990 and has been non-operational since incorporation.

MCTC

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

10. Investments in Associates

The Company has equity interest in the unquoted equity securities of the following associates as at December 31, 2025 and 2024:

	Country of Incorporation	Percentage of Ownership	Cost
BPO	Philippines	35%	₱50,705,006
PTC	Philippines	30%	48,225,000
			₱98,930,006

BPO

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

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

	2025	2024
Total assets	₱382,187	₱415,466
Total liabilities	204,290	155,320
Equity	177,897	260,146
Net income	6,138	12,700
OCI	–	(1,832)

PTC

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

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

	2025	2024
Total assets	₱794,819	₱790,439
Total liabilities	295,284	253,845
Equity	499,535	536,594
Net income	104,536	99,840
Other comprehensive loss	4,791	(6,260)

Dividends

On December 11, 2025 and December 9, 2024, PTC declared and paid cash dividends. Dividend income amounted to ₱46.4 million and ₱56.4 million, respectively (see Note 5).

11. Property and Equipment

Movements in this account follows:

	2025			Total
	Transportation Equipment	Furniture, Fixtures and Equipment	Condominium Improvements	
Cost				
Balance at beginning and end of year	₱335,493	₱206,414	₱248,337	₱790,244
Accumulated Depreciation and Amortization				
Balance at beginning of year	335,493	202,480	248,337	786,310
Depreciation and amortization	–	3,934	–	3,934
Balance at end of year	335,493	206,414	248,337	₱790,244
Carrying Amount	₱–	₱–	₱–	₱–

	2024			Total
	Transportation Equipment	Furniture, Fixtures and Equipment	Condominium Improvements	
Cost				
Balance at beginning and end of year	₱335,493	₱206,414	₱248,337	₱790,244
Accumulated Depreciation and Amortization				
Balance at beginning of year	335,493	195,798	248,337	779,628
Depreciation and amortization	–	6,682	–	6,682
Balance at end of year	335,493	202,480	248,337	₱786,310
Carrying Amount	₱–	₱3,934	₱–	₱3,934

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

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

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

In 2025 and 2024, there are no items of property and equipment used as security for loans. Management believes that there is no indication that impairment loss has occurred on its property and equipment.

12. 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 Company has an unfunded noncontributory 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 latest actuarial valuation of the Company is at December 31, 2025.

Changes in the retirement liability of are as follows:

	2025	2024
Balance at beginning of year	₱769,295	₱695,896
<i>Retirement benefits recognized in profit or loss</i>		
Interest cost	46,158	43,146
Current service cost	38,832	36,994
	84,990	80,140
<i>Remeasurements recognized in other comprehensive income</i>		
Actuarial gains due to experience adjustments	(42,929)	(6,741)
Balance at end of year	₱811,356	₱769,295

Movements of cumulative remeasurement gains on retirement liability are as follows:

	2025		
	Cumulative Remeasurement Gains	Deferred Tax	Net
Balance at beginning of year	₱709,378	(₱146,154)	₱563,224
Remeasurement gain	42,929	(10,732)	32,197
Balance at end of year	₱752,307	(₱156,886)	₱595,421

	2024		
	Cumulative Remeasurement Gains	Deferred Tax	Net
Balance at beginning of year	₱702,637	(₱144,469)	₱558,168
Remeasurement gain	6,741	(1,685)	5,056
Balance at end of year	₱709,378	(₱146,154)	₱563,224

The principal actuarial assumptions used in determining retirement liability are as follows:

	2025	2024
Discount rate	5.10%	6.00%
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, 2025 and 2024, assuming if all other assumptions were held constant:

	<u>Effect on Defined Benefit Obligation</u>	
	2025	2024
Discount rate:		
+100 basis points	(₱7,647)	(₱1,743)
-100 basis points	7,794	1,765

The average duration of the defined benefit obligation is 1 year in 2025 and 2024.

Maturity analysis of the undiscounted benefit payments of more than one year to five years as at December 31, 2025 and 2024 amounted to ₱826,335 and 789,722, respectively.

13. Income Taxes

The reconciliation of provision for income tax at statutory income tax rate of 25% and the effective rates follows:

	2025	2024
Provision for income tax at statutory income tax rate	₱36,852,489	₱18,651,415
Tax effects of:		
Dividend income exempt from tax	(35,382,475)	(18,534,656)
Nondeductible net fair value losses (gains) on fair value changes of financial assets at FVPL	(2,115,831)	202,299
Other nondeductible expenses	695,424	4,750
Income from distribution of investments	185,558	-
Interest income subjected to final tax	(184,556)	(184,626)
Expired excess MCIT over RCIT	166,426	-
Nontaxable gain on sale of listed securities	-	(1,196)
Provision for income tax at effective income tax rate	₱217,035	₱137,986

The Company's net deferred tax assets are as follows:

	2025	2024
Deferred tax assets		
Unrealized valuation losses on financial assets at FVOCI	₱4,813,463	₱7,868,260
NOLCO	1,159,423	1,083,956
MCIT	502,805	616,665
Retirement liability	202,839	192,323
	6,678,530	9,761,204
Deferred tax liability		
Unrealized foreign exchange gains	101,839	471,017
	₱6,576,691	₱9,290,187

As at December 31, 2025, 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
2025	₱-	₱301,867	₱-	₱301,867	2028
2023	4,335,824	-	-	₱4,335,824	2026
	₱4,335,824	₱301,867	₱-	₱4,637,691	

As at December 31, 2025, 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	Expired	Ending Balance	Valid Until
2025	₱-	₱52,566	₱-	₱52,566	2028
2024	450,239	-	-	450,239	2027
2022	166,426	-	(166,426)	-	2025
	₱616,665	₱52,566	(₱166,426)	₱502,805	

In 2025 and 2024, the current income tax rates used in preparing the separate financial statements is 2% MCIT.

14. Equity

Common Stock

The details of the Company's capital stock (number of shares and amounts) as at December 31, 2025 and 2024 are as follows:

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

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

In accordance with the Revised SRC Rule 68, below is a summary of the Parent Company's track record of registration of securities.

	Number of Shares Registered	Issue/Offer Price	Date of Approval
Common shares	1,000,000,000	₱0.01	1979
Stock rights offering	192,413,090	₱1.00	April 5, 2002

In 1979, the Company listed with the PSE its common stock under its previous name where it offered 1,000,000,000 shares to the public at the issue price of ₱0.01 per share.

On July 28, 1997, the SEC approved the increase in the Company's authorized capital stock from 10,000,000,000, divided into 6,000,000,000 Class A common shares with par value of ₱0.01 per share and 4,000,000,000 Class B common shares with par value of ₱0.01 per share to 1,000,000,000 common shares, divided into 600,000,000 Class A common shares with par value of ₱1 per share and 400,000,000 Class B common shares with par value of ₱1 per share.

On November 26, 2000, the BOD approved a stock rights offering of 192,413,090 common shares at an offer price of ₱1.00 per share. The rights offering was subsequently approved by the PSE on February 27, 2002 and by the SEC on April 3, 2002. The rights were issued in two tranches and included detachable stock warrants. All warrants have either been exercised or expired.

Following the exercise and expiration of the stock rights and detachable stock warrants in 2008, the Parent Company had 481,827,653 outstanding shares with additional paid-in capital of ₱144.8 million, with no subsequent changes in the number of outstanding shares up to December 31, 2025.

The Company has 473 stockholders as at December 31, 2025 and 2024.

Subsequent Event

On January 29, 2026, the BOD approved the amendment to Article Seventh of the Articles of Incorporation of the Parent Company to remove the classification of Common Class “A” and Common Class “B” shares and to reclassify all shares into a single class of common shares with the same rights and privileges. The amendment was likewise approved by stockholders representing at least two-thirds (2/3) of the outstanding capital stock on the same date.

Retained Earnings

Following are the dividends declared by the Company in 2025 and 2024:

	Declaration date	Record date	Payment date	Description	Per Share	Total
2025	August 22, 2025	September 22, 2025	October 8, 2025	Regular	₱0.20	₱96,365,531
2024	August 7, 2024	August 23, 2024	September 18, 2024	Regular	₱0.10	₱48,182,765
2024	August 7, 2024	October 7, 2024	October 30, 2024	Regular	0.05	24,091,383
						₱72,274,148

Dividends payable amounted to ₱8.8 million and ₱8.0 million as at December 31, 2025 and 2024, respectively.

Subsequent Event

On March 17, 2026, the Parent Company’s BOD approved the declaration of cash dividends of a total of ₱0.10 per share to stockholders of record as at April 10, 2026, aggregating ₱48.2 million payable on or before April 24, 2026.

15. Related Party Transactions and Balances

The Company, in its regular conduct of business, has transactions with its related parties. The following tables summarize the transactions with the related parties and outstanding balance arising from these transactions:

	Note	Nature of Transaction	Amount of Transaction		Outstanding Balance	
			2025	2024	2025	2024
Receivables (see Note 6)						
Dividends Receivables Subsidiary	9	Dividends	₱94,370,000	₱16,986,409	₱-	₱-
Associates	10	Dividends	46,407,405	56,356,080	46,407,405	19,144,620
Advances to a Related Party Subsidiary		Advances	5,000	-	106,699	101,699
					46,514,104	19,246,319
Allowance for expected credit loss	6				(100,000)	(100,000)
					₱46,414,104	₱19,146,319

Terms and Conditions

Outstanding balances as of year-end are generally collectible on demand, non-interest bearing, unsecured, and are expected to be settled in cash.

Compensation of Key Management Personnel

Key management personnel of the Company are also officers of MCHC, an entity under common control. These key management personnel do not receive direct compensation from the Company but from MCHC.

16. Financial Risk Management Objectives and Policies

Financial Risk Management

The Company's principal financial instruments comprise of cash and cash equivalents, receivables, financial assets at FVPL, financial assets at FVOCI, accrued expenses and other liabilities (excluding statutory payables) and dividends payable. The main purpose of these financial instruments is to provide funds for the Company's operations.

The BOD has overall responsibility for the establishment and oversight of the risk management framework of the Company. The risk management policies of the Company are established to identify and manage the exposure of the Company to the financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the activities of the Company.

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

Credit Risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises primarily from cash in banks, short-term placements, investment in debt instruments, and receivables. Equity securities are not subject to credit risk and are therefore excluded from the Company's credit risk exposure.

The Company manages credit risk by dealing only with recognized and creditworthy counterparties, including reputable financial institutions and investment-grade issuers. Investments in debt instruments are limited to those with strong credit profiles, while cash is maintained with established banks.

For receivables, balances are monitored on an ongoing basis. Based on management's assessment, exposure to impairment losses from these assets is not significant.

Maximum Exposure to Credit Risk

The carrying amounts of financial assets, excluding equity securities, represent the Company's maximum exposure to credit risk as at the reporting date, net of any allowance for impairment losses and without taking into account the effect of any collateral or other credit enhancements, as shown below:

	Note	2025	2024
Financial Assets at Amortized Cost			
Cash in banks and cash equivalents	4	₱78,874,797	₱62,626,314
Receivables	6	46,546,296	19,262,307
Financial Assets at FVOCI			
Debt instruments	8	9,173,263	9,223,617
		₱134,594,356	₱91,112,238

In managing credit risk on investments, capital preservation is paramount. The Company invests only in highly rated debt instruments that provide satisfactory yields while maintaining credit quality.

The Company does not have significant concentrations of credit risk, as exposures are diversified across counterparties and financial institutions.

Credit Quality of Financial Assets.

The credit quality of financial assets is managed by the Company using internal credit ratings such as high grade, standard grade, past due but not impaired and impaired.

High Grade - pertains to deposits or placements to counterparties with good credit rating or bank standing. For receivables, this covers accounts of good paying customers, with good credit standing and are not expected by the Company to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies.

Standard Grade - other financial assets not past due nor impaired and not belonging to high quality financial assets are included in this credit rating.

Past due but not impaired - pertains to financial assets 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 and the quality of the asset held as security.

Impaired - pertains to financial assets for which the Company determines that it is probable that it will not be able to collect the amount due based on the contractual terms and agreements.

As at December 31, the analysis of the carrying amount of the Company's financial assets classified according to credit quality is presented below:

	2025			Total
	Stage 1	Stage 2	Stage 3	
Financial Assets at Amortized Cost				
Cash in banks and short-term placements				
High grade	₱78,874,797	₱-	₱-	₱78,874,797
Receivables				
High grade	46,546,296	-	-	46,546,296
Impaired	-	-	123,862	123,862
Financial Assets at FVOCI				
Debt instruments				
Investment grade	9,173,263	-	-	9,173,263
	₱134,594,356	₱-	₱123,862	₱134,718,218

	2024			Total
	Stage 1	Stage 2	Stage 3	
Financial Assets at Amortized Cost				
Cash in banks and short-term placements				
High grade	₱62,626,314	₱-	₱-	₱62,626,314
Receivables				
High grade	19,262,307	-	-	19,262,307
Impaired	-	-	123,862	123,862
Financial Assets at FVOCI				
Debt instruments				
Investment grade	9,223,617	-	-	9,223,617
	₱91,112,238	₱-	₱123,862	₱91,236,100

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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

The following table summarizes the maturity profile of the Company's financial liabilities as of December 31, 2025 and 2024 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 Company'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.

	2025			Total
	On demand	Within One year	More than One year	
Financial assets				
At amortized cost:				
Cash and cash equivalents	₱11,060,164	₱67,819,633	₱-	₱78,879,797
Receivables	23,862	46,522,434	-	46,546,296
Financial assets at FVPL	22,033,839	-	-	22,033,839
Financial assets at FVOCI	-	-	17,329,620	17,329,620
	33,117,865	114,342,067	17,329,620	164,789,552

	2025			
	On demand	Within One year	More than One year	Total
Financial Liabilities				
Accrued expenses and other liabilities*	P-	P604,601	P-	P604,601
Dividends payable	-	8,810,842	-	8,810,842
	-	9,415,443	-	9,415,443
	P33,117,865	P104,926,624	P17,329,620	P155,374,109

*Excluding statutory payables.

	2024			
	On demand	Within One year	More than One year	Total
Financial assets				
At amortized cost:				
Cash and cash equivalents	P23,225,435	P39,405,879	P-	P62,631,314
Receivables	23,862	19,238,445	-	19,262,307
Financial assets at FVPL	13,570,515	-	-	13,570,515
Financial assets at FVOCI	-	-	18,862,905	18,862,905
	36,819,812	58,644,324	18,862,905	114,327,041
Financial Liabilities				
Accrued expenses and other liabilities*	-	595,289	-	595,289
Dividends payable	-	8,005,989	-	8,005,989
	-	8,601,278	-	8,601,278
	P36,819,812	P50,043,046	P18,862,905	P105,725,763

*Excluding statutory payables.

Market Risk

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

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

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

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

	2025	2024
Change in interest rate (in basis points)		
+10%	(P917,326)	(P922,362)
-10%	917,326	922,362

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

Foreign Currency Risk

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

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

Information on the Company's foreign currency denominated monetary assets and their Peso equivalent are as follows:

		2025			2024		
		Exchange Rate	Original Currency	Peso Equivalent	Exchange Rate	Original Currency	Peso Equivalent
Cash in banks	USD	58.790	105,001	₱6,173,009	58.014	46,891	₱2,720,334
Cash equivalents	USD	58.790	758,505	44,592,509	58.014	496,016	28,775,872
Financial assets at FVOCI -							
Equity securities	USD	58.790	128,983	7,582,911	58.014	803,313	46,603,400
				₱58,348,429			₱78,099,606

The Company has no foreign currency denominated monetary liabilities as at December 31, 2025 and 2024.

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 2025 and 2024, with all other variables held constant, of the Company's 2025 and 2024 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	2025		2024	
	Strengthened by 5%	Weakened by 5%	Strengthened by 5%	Weakened by 5%
USD	₱2,538,276	(₱2,538,276)	₱1,574,811	(₱1,574,811)

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

Equity Price Risk

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

The Company measures the sensitivity of its equity securities by using PSE 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 2025 and 2024, with all other variables held constant, of the Company's income before income tax and equity:

	2025	2024
<i>Effect on income before income tax</i>		
Financial assets at FVPL:		
Change in stock market index		
+10%	₱2,203,384	₱1,357,052
-10%	(2,203,384)	(1,357,052)
<i>Effect on equity</i>		
Financial assets at FVOCI:		
Change in equity prices		
+10%	₱815,636	₱963,929
-10%	(815,636)	(963,929)

17. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Company's assets measured at fair value and the corresponding hierarchy:

	2025				Total Fair Value
	Carrying Value	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial assets at FVPL	₱22,033,839	₱22,033,839	₱-	₱-	₱22,033,839
Financial assets at FVOCI:					
Debt instruments	9,173,263	9,173,263	-	-	9,173,263
Equity securities	8,156,357	-	4,000	8,152,357	8,156,357
	₱39,363,459	₱31,207,102	₱4,000	₱8,152,357	₱39,363,459
	2024				
	Carrying Value	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Financial assets at FVPL	₱13,570,515	₱13,570,515	₱-	₱-	₱13,570,515
Financial assets at FVOCI:					
Debt securities	9,223,617	9,223,617	-	-	9,223,617
Equity securities	9,639,288	-	4,000	9,635,288	9,639,288
	₱32,433,420	₱22,794,132	₱4,000	₱9,635,288	₱32,433,420

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Quoted Equity Securities and Quoted Debt Instruments. Fair values are based on quoted market prices in active markets at the reporting date. These are classified under Level 1 of the fair value hierarchy.

Unquoted Equity Securities. Fair values are determined using valuation techniques, including reference to recent arm's length transactions, market-based multiples of comparable listed entities, and, where applicable, net asset values of the underlying investees. These measurements are classified under Level 2 or Level 3 of the fair value hierarchy depending on the significance of observable and unobservable inputs used.

There were no transfers between levels/hierarchies of fair value measurements in 2025 and 2024.

Other Financial Instruments

The carrying values of other financial instruments approximate their fair values due to the short-term nature of the transactions or demand feature of the financial instruments.

The carrying values of cash and cash equivalents, receivables, accrued expenses and other liabilities (excluding statutory payables) and dividends payable approximate their fair values due to the short-term nature of the transactions or demand feature of the financial instruments.

	2025	2024
Financial Assets		
Cash and cash equivalents	₱78,879,797	₱62,631,314
Receivables	46,546,296	19,262,307
	₱125,426,093	₱81,893,621
Financial Liabilities		
Accrued expenses and other liabilities*	604,601	595,289
Dividends payable	8,810,842	8,005,989
	₱9,415,443	₱8,601,278

*Excluding statutory payables.

18. Segment Information

The primary purpose of the Company is to invest in real and personal properties. The Company operates mainly in one reportable business segment which is investing and one reportable geographical segment which is the Philippines.

19. Capital Risk Management Objective and Policies

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

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

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

The total core capital considered by the Company are as follows:

	2025	2024
Capital stock	P481,827,653	P481,827,653
Additional paid-in capital	144,759,977	144,759,977
Retained earnings	199,789,942	149,086,535
	P826,377,572	P775,674,165

20. Earnings per Share

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

	2025	2024
Net income	P147,192,921	P74,467,673
Weighted average number of common shares outstanding	481,827,653	481,827,653
Basic/diluted EPS	P0.31	P0.15

The Company has no potentially dilutive instruments issued as at December 31, 2025 and 2024.

21. Supplemental Notes to Separate Statements of Cash Flows

Changes in Liabilities Arising from Financing Activities

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

	As at January 1, 2025	Cash Flows	Dividend Declaration	As at December 31, 2025
Dividends payable	P8,005,989	(P95,560,678)	P96,365,531	P8,810,842
	As at January 1, 2024	Cash Flows	Dividend Declaration	As at December 31, 2024
Dividends payable	P7,505,445	(P71,773,604)	P72,274,148	P8,005,989

In addition, the 2024 separate statement of cash flows has been reclassified to present the movements of financial assets at FVPL amounting to P58,177 from investing activities to operating activities to conform with the current year presentation.



**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

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

We have audited the accompanying separate financial statements of F & J Prince Holdings Corporation (the Company), as at and for the year ended December 31, 2025, on which we have rendered our report dated April 16, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has 473 stockholders owning 100 or more shares each.

REYES TACANDONG & Co.

GRACE M. ALBUNIAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 410-858-879-000

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

SEC Accreditation No. 144364-SEC Group A

Issued October 21, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-018-2024

Valid until November 25, 2027

PTR No. 10764003

Issued January 2, 2026, Makati City

April 16, 2026
Makati City, Metro Manila



**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULE**

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

We have audited in accordance with Philippine Standards on Auditing the separate financial statements of F & J Prince Holdings Corporation (the Company) as at and for the year ended December 31, 2025, and have issued our report thereon dated April 16, 2026. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Supplementary Schedule of Retained Earnings Available for Dividend Declaration for the year ended December 31, 2025 is the responsibility of the Company's management. The schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic financial statements.

The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & Co.


GRACE M. ALBUNIAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 410-858-879-000

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

SEC Accreditation No. 144364-SEC Group A

Issued October 21, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-018-2024

Valid until November 25, 2027

PTR No. 10764003

Issued January 2, 2026, Makati City

April 16, 2026
Makati City, Metro Manila

F & J PRINCE HOLDINGS CORPORATION

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

		Amount
Unappropriated retained earnings, beginning of reporting period		₱180,372,730
Add: <i>Category A: Items that are directly credited to unappropriated retained earnings</i>		
Others:		
Unrealized foreign exchange gain for cash and cash equivalents	₱1,413,051	
Cumulative unrealized fair value adjustment - loss	5,533	1,418,584
Less: <i>Category B: Items that are directly debited to unappropriated retained earnings</i>		
Dividend declaration during the reporting period	(96,365,531)	
Others:		
Realized loss from sale of financial assets at fair value through other comprehensive income	(20,486,080)	(116,851,611)
Unappropriated retained earnings, as adjusted		64,939,703
Add net income for the current year		147,192,921
Less: <i>Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</i>		
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss		(8,463,324)
Adjusted net income		203,669,300
Add/less: <i>Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</i>		
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set up of asset and asset retirement obligation, and set up of service concession asset and concession payable	(2,063,540)	
Others:		
Realized loss from sale of financial assets at fair value through other comprehensive income	(123,983)	(2,187,523)
Total retained earnings, end of the reporting period available for dividend		₱201,481,777

F & J Prince Holdings Corporation

May 14, 2026

SECURITIES AND EXCHANGE COMMISSION

7909 Makati Avenue, Salcedo Village,
Bel-Air, Makati City

Attention : **DIR. OLIVER O. LEONARDO**
Markets and Securities Regulation Department

Subject : Sustainability Report

Gentleman:

In compliance with SEC Memorandum Circular No. 4 on Sustainability Reporting Guidelines for Publicly-Listed Companies, we are submitting herewith our Sustainability Report for 2025.

Thank you.

Very truly yours,


(ATTY.) ANNE JAYCELLE C. SACRAMENTO

Corporate Secretary

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	F&J Prince Holdings Corporation
Location of Headquarters	5/F BDO Towers Paseo, 8741 Paseo de Roxas, Makati City
Location of Operations	5/F BDO Towers Paseo, 8741 Paseo de Roxas, Makati City
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Magellan Capital Holdings Corporation
Business Model, including Primary Activities, Brands, Products, and Services	
Reporting Period	January 1 to December 31
Highest Ranking Person responsible for this report	Atty. Anne Jaycelle C. Sacramento

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. ¹
<p>The organization is a holding company with investments in in real estate, information technology and business process outsourcing companies which have experienced strong growth in the last few years.</p> <p>It is committed to invest in companies that will not just make positive returns for stakeholders but will also stimulate and uplift the national and local economy. Its goal is to engage in investment ventures that contribute to nation-building and to continuously support component companies in venturing into expansion initiatives which further improve its economic contribution. One of its investee companies – Pointwest Technologies Corporation – prides itself in being an award-winning all-Filipino IT company.</p>

¹ See [GRI 102-46](#) (2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	144,334,140	
Direct economic value distributed:		
a. Operating costs	2,010,168	
b. Employee wages and benefits	703,119	
c. Payments to suppliers, other operating costs	0	
d. Dividends given to stockholders and interest payments to loan providers	95,560,678	
e. Taxes given to government	3,081,567	
f. Investments to community (e.g. donations, CSR)	0	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> <p>As a holding company, its indirect economic impacts primarily occur through its subsidiaries and other related companies and the supply chain which includes both customers and suppliers.</p>	<p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> <p>Its investee company, Pointwest Technologies Corporation, has about 500 employees. The business of the company generates employment.</p>	<p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> <p>To sustain the viability of the company's core competence, its investee company, Pointwest Technologies Corporation, continually conducts training programs for its work force.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p><i>Identify risk/s related to material topic of the organization</i></p> <p>As to its investment in IT-related companies</p> <p>Any technology-related business is fluid and there is the constant resurgence of</p>	<p>The employees</p>	<p>Management remains keenly aware and monitors identifies risks. It has diversified its clientele and continues to invest in the education of its employees with respect to technological advances and recurring innovations.</p>

newer trends and practices. The risk lies in not being able to cope with the constant disruptors that permeate the industry.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		

Climate-related risks and opportunities²

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities. The nature of the business is such that there are no climate-related risks and opportunities.	Disclose the organization's governance around climate-related risks and opportunities. The nature of the business is such that there are no climate-related risks and opportunities.	Disclose the organization's governance around climate-related risks and opportunities. The nature of the business is such that there are no climate-related risks and opportunities.	Disclose the organization's governance around climate-related risks and opportunities. The nature of the business is such that there are no climate-related risks and opportunities.
Recommended Disclosures			
Disclose the organization's governance around climate-related risks and opportunities. The nature of the business is such that there are no climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	a) Describe the organization's processes for identifying and assessing climate-related risks	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
Recommended Disclosures	b) Describe the impact of climate-related risks and opportunities on the organization's businesses,	b) Describe the organization's processes for managing climate-related risks	b) Describe the targets used by the organization to manage climate-related risks and opportunities and

²Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

	strategy and financial planning.		performance against targets
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	No Data	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	No Data	%
Percentage of directors and management that have received anti-corruption training	No Data	%
Percentage of employees that have received anti-corruption training	No Data	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p>	<p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p>	<p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p><i>Identify risk/s related to material topic of the organization</i></p>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p><i>Identify the opportunity/ies related to material topic of the organization</i></p>		

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#
Number of incidents in which employees were dismissed or disciplined for corruption	None	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	No Data	GJ
Energy consumption (gasoline)	No Data	GJ
Energy consumption (LPG)	No Data	GJ
Energy consumption (diesel)	No Data	GJ
Energy consumption (electricity)	No Data	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	No Data	GJ
Energy reduction (LPG)	No Data	GJ
Energy reduction (diesel)	No Data	GJ
Energy reduction (electricity)	No Data	kWh
Energy reduction (gasoline)	No Data	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Disclose the organization's governance around climate-related risks and opportunities. The nature of the business is such that there are no climate-related risks and opportunities.	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
Recommended Disclosures	Which stakeholders are affected?	Management Approach
Disclose the organization's governance around climate-related risks and opportunities. The nature of the business is such that there are no climate-related risks and opportunities.		
Recommended Disclosures	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	No Data	Cubic meters
Water consumption	8	Cubic meters
Water recycled and reused	No Data	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i>	<i>(e.g. employees, community, suppliers,</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects,</i>

<i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>government, vulnerable groups)</i>	<i>programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume	No Data	
<ul style="list-style-type: none"> renewable 	No Data	kg/liters
<ul style="list-style-type: none"> non-renewable 	No Data	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	No Data	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No Data	
Habitats protected or restored	No Data	ha
IUCN ³ Red List species and national conservation list species with habitats in areas affected by operations	No Data	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		

³International Union for Conservation of Nature

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	No Data	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	No Data	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	No Data	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p>	<p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p>	<p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p><i>Identify risk/s related to material topic of the organization</i></p>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p><i>Identify the opportunity/ies related to material topic of the organization</i></p>		

Air pollutants

Disclosure	Quantity	Units
NO _x	No Data	kg
SO _x	No Data	kg
Persistent organic pollutants (POPs)	No Data	kg
Volatile organic compounds (VOCs)	No Data	kg
Hazardous air pollutants (HAPs)	No Data	kg
Particulate matter (PM)	No Data	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	No Data	kg
Reusable	No Data	kg
Recyclable	No Data	kg
Composted	No Data	kg
Incinerated	No Data	kg
Residuals/Landfilled	No Data	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or</i>	Not applicable <i>(e.g. employees, community, suppliers,</i>	Not applicable <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>

<i>linked to impacts through its business relationship)</i>	<i>government, vulnerable groups)</i>	
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	No data	kg
Total weight of hazardous waste transported	No data	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	No data	Cubic meters
Percent of wastewater recycled	No data	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p>	<p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p>	<p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p><i>Identify risk/s related to material topic of the organization</i></p>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p><i>Identify the opportunity/ies related to material topic of the organization</i></p>		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p><i>The company's operations have no direct impact on the environment other than the adherence to measures that protect health and sanitation.</i></p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p>	<p><i>Employees</i></p> <p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p>	<p><i>Management ensures that measures to safeguard health and safety of its employees are in place.</i></p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p><i>Identify risk/s related to material topic of the organization</i></p>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p><i>Identify the opportunity/ies related to material topic of the organization</i></p>		

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁴		
a. Number of female employees		#
b. Number of male employees	1	#
Attrition rate ⁵		rate
Ratio of lowest paid employee against minimum wage		ratio

⁴Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁵Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y		
PhilHealth	Y		
Pag-ibig	Y		
Parental leaves	N		
Vacation leaves	Y		
Sick leaves	Y		
Medical benefits (aside from PhilHealth)	Y		
Housing assistance (aside from Pag-ibig)	N		
Retirement fund (aside from SSS)	N		
Further education support	N		
Company stock options	N		
Telecommuting	N		
Flexible-working Hours	N		
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	N/A	hours
b. Male employees	N/A	hours
Average training hours provided to employees		
a. Female employees	N/A	hours/employee
b. Male employees	N/A	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	N/A	%
Number of consultations conducted with employees concerning employee-related policies	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	0%	%
% of male workers in the workforce	100%	%
Number of employees from indigenous communities and/or vulnerable sector*	N/A	#

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	N/A	Man-hours
No. of work-related injuries	N/A	#
No. of work-related fatalities	N/A	#
No. of work-related ill-health	N/A	#
No. of safety drills	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>

What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	None	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Employment generation	Metro Manila	N/A	No		N/A

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	Quantity	Units
FPIC process is still undergoing	No data	#
CP secured	No data	#

What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	No Data	#
No. of complaints addressed	No Data	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	No Data	#
No. of complaints addressed	No Data	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>

What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None	#
No. of complaints addressed	None	#
No. of customers, users and account holders whose information is used for secondary purposes	None	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	No Data	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
<i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
No Data			

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*