



# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-Q

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

1. For the quarterly period ended..... **31 March 2026**
2. SEC Identification Number **43370** 3. BIR Tax Identification No. **000-829-097**

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

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

6. Industry Classification Code:  (SEC Use Only)

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

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

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

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

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

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

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

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

12. Indicate by check mark whether the registrant:

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

Yes [  ] No [  ]

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

Yes [  ] No [  ]

## **PART I**

### **FINANCIAL INFORMATION**

#### **ITEM I. FINANCIAL STATEMENTS**

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

- (1) Unaudited Interim Balance Sheet as of 31 March 2026 and Audited Balance Sheet as of 31 December 2025 as Annex “A”;
- (2) Unaudited Interim Statement of Income and Retained Earnings for the three (3) month period ending 31 March 2026 and the three (3) month period ending 31 March 2025 as Annex “B”;
- (3) Unaudited Interim Statement of Changes in Stockholders’ Equity for the three (3) months period ending 31 March 2026 and 31 March 2025 and Audited Statement of Changes in Stockholders’ Equity for the year ending 31 December 2025 as Annex “C”;
- (4) Unaudited Interim Consolidated Cash Flow Statement for the three (3) month period ending 31 March 2026 and the three (3) month period ending 31 March 2025 as Annex “D”;
- (5) Interim Cash Flow for the quarterly periods ending 30 June 2025 and 30 September 2025 Audited Cash Flow Statement for the year ended 31 December 2025 as Annex “E”; and
- (6) Consolidated Balance Sheet as of 31 March 2026 and 31 December 2025 with vertical and horizontal percentage analysis as Annex “F”.

## **ITEM II. MANAGEMENTS DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**

### **(1) Management's Discussion and Analysis**

The Company's consolidated revenue in 2025 increased to ₱425.06 million from ₱189.40 million in 2024. Equity in net earnings of associates increased from ₱32.3 million in 2024 to ₱35.8 million in 2025. Rent increased from ₱27.3 million in 2024 to ₱30.6 million in 2025. Fair Value Gain on Financial Assets at FVPL was ₱30.7 million in 2025 compared to ₱22.0 million in 2024. Dividend income increased to ₱2.3 million in 2025 from ₱1.9 million in 2024. Fair value gains on disposal of Financial Assets at FVOCI was zero in 2025 compared to a loss of ₱3.3 million in 2024. Net FX gain was ₱34.3 million in 2024 compared to a gain of ₱19.9 million in 2025. There was a one-time gain on disposal of investment properties of ₱220 million in 2025.

Total consolidated expenses of the Company increased to ₱115.26 million in 2025 compared to ₱72.4 million in 2024.

As a result of the above, total consolidated income before tax in 2025 totaled ₱294.7 million compared to ₱108.6 million in 2024. After provision for income tax, total consolidated net income after tax totaled ₱94.2 million in 2024 compared to ₱238.8 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 Company totaled ₱93.6 million in 2024 compared to ₱231.6 million in 2025.

The Company's financial position is very strong as it has substantial cash resources available to undertake its planned projects. As of December 31, 2024, the Company's consolidated cash and cash equivalent totaled ₱597.4 million compared to ₱494.9 million as of December 31, 2025. The Company 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 ₱1.80 billion as of the end of 2024 compared to ₱1.94 billion at the end of 2025.

The Company and its subsidiary and affiliates are substantially debt free except for MUDC which has loans and advances from its principal shareholders. The Company and its subsidiaries have more than enough cash resources to meet any expected requirements in the next twelve months. Total current assets totaled ₱760.9 million at year-end 2024 compared to

₱1,023 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 Company and its subsidiary, the Company is not aware of any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in its liquidity increasing or decreasing in any material way. Likewise, the Company does not know of any trends, events or uncertainties that have or that are reasonably expected to have a material favorable or unfavorable impact on the revenues or income from continuing operations.

**(2) Operating Results and Financial Condition for the First Quarter of 2026**

- (i) There are no known trends, demands, events or uncertainties that would have a material effect on the Issuer's liquidity.
- (ii) There are no known or anticipated events that would trigger direct or contingent financial obligation that is material to the Company including any default or acceleration of any obligation.
- (iii) There are no material off-balance sheet transaction, arrangements, obligations (including contingent obligations) and other relationship of the Company with unconsolidated entities or other persons created during first quarter of 2026 or in prior periods.
- (iv) There are no material commitments for capital expenditures, by the Company or its majority owned subsidiary.
- (v) There are no trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable impact on net revenues/income from continuing operations except for possible unrealized or realized foreign exchange gains from the dollar denominated investments of the Company and its majority owned subsidiary and unrealized gains on trading securities and equity in net earnings of associates. These are generally recognized in the year-end Audited Financial Statements except for realized foreign exchange gain which are reported in the period realized.
- (vi) The Company did not realize any non-operating income in the first quarter of 2026 or in the first quarter of 2025 aside from unrealized gain on trading securities, gain on disposal of AFS/HTM investments and net unrealized foreign exchange gains.

The following is a detailed discussion of the Registrant's operations and financial condition during the first quarter of 2026 and first quarter of 2025.

## Operating Results

Breakdown of Revenue for the Three-Month Periods Ending March 31, 2026 and March 31, 2025 with Vertical and Horizontal Percentage Analysis is shown below:

(P000)	FIRST QUARTER March 31, 2026	VERTICAL PERCENTAGE ANALYSIS March 31, 2026	FIRST QUARTER March 31, 2025	VERTICAL PERCENTAGE ANALYSIS March 31, 2025	INCREASE (DECREASE) AMOUNT March 31, 2026	INCREASE (DECREASE) PERCENTAGE March 31, 2026
INTEREST INCOME From Banks	₱ 4,439	5.5%	₱ 312	1.4%	₱ 4,127	1323%
From Securities	515	0.6%	2,882	13.4%	(2,367)	(8.2%)
<b>TOTAL</b>	<b>4,955</b>	<b>6.1%</b>	<b>3,194</b>	<b>14.8%</b>	1,761	<b>55.1%</b>
Dividend Income	580	7.2%	51	0.2%	529	1037%
Rent Income	7,558	9.3%	7,811	36.1%	(253)	(3.2%)
Unrealized Gain on Trading Securities	2,787	3.5%	9,593	44.9%	(6,806)	(7.1)%
Net Unrealized FX Gain	15,085	18.7%	856	4.0%	14,229	1,662%
Gain on Disposal of Financial Assets at FVTPL	49,747	61.6%	0	-	49,747	100%
<b>TOTAL</b>	<b>₱ 80,714</b>	<b>100%</b>	<b>₱ 21,605</b>	<b>100%</b>	<b>₱ 59,109</b>	<b>34.6%</b>

**Revenues.** Consolidated Revenues, during the 3-month period ended March 31, 2025, totaled ₱21.6 million compared to ₱80.7 million during the same 3-month period in 2026. The increase in Gain on Disposal of Financial Assets at FVTPL of ₱49.7 million, accounted for the bulk of the decrease.

**Expenses.** Consolidated General and Administrative Expenses in the first quarter of 2025 totaled ₱25.0 million compared to ₱79.7 million in the first quarter of 2026.

**Operating Income.** As a result of the factors discussed above, consolidated operating loss in first quarter 2025 totaled ₱3.3 million compared to a consolidated operating gain of ₱1.04 million in the same period of 2026.

**Net Income.** The Registrant had a net loss of ₱3.3 million during the first quarter of 2025 compared to a net gain ₱1.04 million in the first quarter of 2026. The net gain in the first quarter of 2026 attributable to shareholders of the Company totaled ₱0.9 million while ₱0.09 million in net gain was attributable to minority shareholders in the Company's majority owned subsidiary Magellan Capital Holdings Corporation.

## **BALANCE SHEET ACCOUNTS**

Annex “F” shows the Vertical and Horizontal Percentage Analysis of Balance Sheet Account for March 31, 2026 compared to December 31, 2025.

### **ASSETS**

**Current Assets.** Consolidated current assets as of March 31, 2026 totaled ₱660 million compared to ₱494 million as of December 31, 2025.

**Receivables from Related Parties.** This account was ₱0.43 million at March 31, 2026, versus ₱0.36 million at year-end 2025.

**Investments in Associates.** This account which consists of investment in Pointwest Technologies Corporation (PTC) and Business Process Outsourcing International, Inc. (BPOI) remained unchanged from year-end 2025 to March 31, 2026 at ₱458 million as equity in net earnings of associates is taken up at year-end.

**Financial Assets at FVOCI – Net of Current Portion.** This account, which consists mostly of corporate bonds and listed equities, totaled ₱265 million as of March 31, 2026 from ₱226 million at year-end 2025.

**Property and Equipment.** This account increased to ₱4.3 million as of March 31, 2026 from ₱2.5 million as of December 31, 2025.

**Investment in Property.** This account totaled ₱273 million as of March 31, 2026 from ₱276 million at year-end 2025 due to additional allowance for depreciation.

**Other Non-Current Assets.** This account totaled ₱48.1 million as of March 31, 2026, compared to ₱33.9 million at year-end 2025.

**Total Assets.** As a result of the foregoing, total assets decreased to ₱2,002.5 million as of March 31, 2026 from ₱2,021.2 million as of December 31, 2025.

### **LIABILITIES AND EQUITY**

**Current Liabilities.** Current liabilities was at ₱41.4 million as of March 31, 2026 compared to ₱62.1 million at year-end 2025.

**Non-Current Liabilities.** Non-current liabilities which consist mostly of retirement benefit obligation and deferred tax liability decreased to ₱55.3 million as of March 31, 2026 from ₱76.7 million at year-end 2025. The accrual of additional retirement benefit obligation is taken up at year-end based on actuarial studies commissioned at that time.

**Stockholder’s Equity.** Total stockholders’ equity increased to ₱1,947.2 million as of March 31, 2026 from ₱1,944.5 million at year-end 2025. Total equity attributable to stockholders of the company totaled ₱1881.4 million at March 31, 2026 from ₱1,878.8 million at December 31, 2025. Minority interest which represents the

share of minority shareholders of Magellan Capital Holdings Corporation was ₱65.8 million at March 31, 2026 compared to ₱65.7 million at December 31, 2025.

### Top Performance Indicators

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

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

**Change in Revenues.** Consolidated revenues in the first quarter of 2026 and 2025 are shown in Annex “B” and presented below in summary form:

(₱000)	1 <sup>st</sup> Quarter-2026	Percentage (%)	1 <sup>st</sup> Quarter-2025	Percentage (%)
Interest Income	₱ 4,439	5.5%	₱ 3,194	14.8%
Lease Rental Income	7,558	9.3%	7,811	36.1%
Dividend Income	580	7.2%	51	0.2%
Unrealized Gain on trading securities	2,787	3.5%	9,693	44.9%
Net Unrealized FX Gain	15,085	18.7%	856	4.0%
Gain on Disposal of Financial Assets at FVTPL	49,747	61.6%	0	-
<b>TOTAL INCOME</b>	₱ <b>80,714</b>	<b>100%</b>	₱ <b>21,605</b>	<b>100%</b>

Total revenue in the first quarter of 2025 was ₱21.6 million, versus ₱80.7 million in the first quarter of 2026. The increase from the Gain on Disposal of Financial Assets at FVTPL, accounted for the bulk of the increase.

**Change in Net Income.** The income statement in the first quarter of 2026 and 2025 are shown in Annex “B” and summarized below:

(₱000)	1 <sup>st</sup> Quarter 2026	Percentage (%)	1 <sup>st</sup> Quarter 2025	Percentage (%)
Revenues	₱ 80,714	100%	₱ 21,605	100%
Expenses	79,675	98.7%	25,045	115%
Net Income	1,039	1.3%	(3,440)	(15%)
Attributable to:				
- Minority Interest	85	0.1%	(224)	(1%)
- Stockholders of Company	954	1.2%	(3,216)	(14.1%)

The Registrant realized a net loss of ₱3.4 million in the first quarter of 2025 compared to a net income of ₱1.0 million in the first quarter of 2026. Net loss of ₱3.2 million was attributable to stockholders of the Company in the first quarter of 2025 compared to net income of ₱0.9 million in the first quarter of 2026.

**Earnings per Share.** The net loss per share attributable to shareholders of the Company during the first quarter of 2025 was ₱0.008 per share compared to net income per share of ₱0.002 in the first quarter of 2026.

**Current Ratio.** Current ratio as of March 31, 2026 was 26.6 X compared to 27.1 X as of December 31, 2025.

**Book Value Per Share.** Book value per share as of March 31, 2026 was flat at ₱5.12 per share compared to December 31, 2025.

## **PART II**

### **OTHER INFORMATION**

#### **Special Meeting of the Board of Directors held on January 29, 2026**

##### **Approval of Declassification of Shares and Amendment of the Articles VII of the Articles of Incorporation**

Upon motion made and duly seconded, the Board of Directors approved and adopted the following resolution:

**“RESOLVED**, the Corporation hereby authorized and empowered to declassify its shares, and according to amend the Seventh Article of its Article of Incorporation, as follows

“SEVENTH: That the capital stock of the said corporation is ONE BILLION PESOS (P1,000,000,000.00) Philippine Currency, and said capital stock is divided into One Billion (1,000,000,000) shares having a par value of One Peso (P1.00) Philippine Currency per share.

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

No shareholder of this corporation shall have any preemptive or preferential right to subscribe for any increase thereof that may lawfully authorized.”

#### **Special Stockholders’ Meeting held on January 29, 2026**

##### **Ratification of Declassification of Shares and Amendment of the Articles of Incorporation**

Upon motion made and duly seconded, the Stockholders approved and adopted the following resolution:

**“RESOLVED**, the Corporation hereby authorized and empowered to declassify its shares, and according to amend the Seventh Article of its Article of Incorporation, as follows:

“SEVENTH: That the capital stock of the said corporation is ONE BILLION PESOS (P1,000,000,000.00) Philippine Currency, and said capital stock is divided into One Billion (1,000,000,000) shares having a par value of One Peso (P1.00) Philippine Currency per share.

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

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

### **Special Meeting of the Board of Directors held on March 17, 2026**

Upon motion made and duly seconded, the Board of Directors approved and adopted the following resolutions:

**(i) Declaration of Cash Dividend**

“**RESOLVED**, that the Corporation hereby declare out of its unrestricted retained earnings a cash dividend in an aggregate amount of Ten Centavos (PhP 0.10] per share, payable to stockholders of record as of April 10, 2026 (the “Record Date”) on or before April 24, 2026.

**(ii) Schedule of Annual Stockholders’ Meeting**

“**WHEREAS**, the By-Laws of the Corporation provides that the date of annual stockholders’ meeting shall be 15<sup>th</sup> of June of each year 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;

**WHEREAS**, as confirmed by the Board of Directors in a special meeting held on 19 March 2026, most of the members of the Board of Directors are unavailable on 15 June 2026;

**WHEREAS**, in view of such unavailability, the Board of Directors approved the rescheduling of the 2026 Annual Stockholders’ Meeting of the Corporation to 01 June 2026 at 1:30pm;

**RESOLVED, AS IT IS HEREBY RESOLVED**, that in view of the unavailability of some of the Board of Directors on 15 June 2026, the 2026 Annual Stockholders’ Meeting of the Corporation is rescheduled to 01 June 2026 at 1:30pm;

**RESOLVED, FURTHER**, that the Corporate Secretary is hereby directed to prepare and file the appropriate notices of the schedule of the annual stockholders’ meeting in compliance with the Revised Corporation Code, Securities Regulation Code and applicable rules and regulations.

## SIGNATURES

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


Issuer ..... *F & J Prince Holdings Corporation*

### Principal Executive Officer

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

Date ..... 15 May 2026

### Principal Financial/Accounting Officer/Controller

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

Date ..... 15 May 2026

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF MARCH 31, 2026 AND DECEMBER 31, 2025**

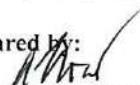
ANNEX "A"

Page 1

ASSETS	UNAUDITED MARCH 31, 2026	AUDITED DEC. 31, 2025
<i>Current Assets</i>		
Cash and cash equivalents	P 660,078,834	P 494,872,735
Current portion of investment securities	282,602,105	462,251,194
Convertible note receivable	0	0
Receivables-net :		
Advances to Officers & Employees	0	0
Interest Receivable	1,645,506	1,792,698
Dividends Receivable	0	46,407,405
Receivable from related parties	427,358	360,728
Others	409,569	422,449
Total Receivables	2,482,433	48,983,280
Allowance for impairment losses	1,066,068	1,066,068
<b>Total Receivables-Net</b>	<b>1,416,365</b>	<b>47,917,212</b>
<b>Prepaid expenses &amp; other current assets:</b>		
Input Tax	2,953,446	12,860,140
Prepaid Income Tax	467,522	467,522
Others	5,648,688	4,706,059
<b>Total Prepaid expenses and other current assets</b>	<b>9,069,656</b>	<b>18,033,721</b>
<b>Total Current Assets</b>	<b>P 953,166,960</b>	<b>P 1,023,074,862</b>
<i>Non-current Assets</i>		
Convertible notes receivable	0	0
Investments in associates	458,223,635	458,223,635
Investment in rights issue subscription	0	0
Investment securities-net of current portion	265,526,758	226,863,484
Investment in property	273,168,262	276,487,494
<b>Property and Equipment</b>		
Building	20,755,943	20,755,943
Building Improvements	10,050,133	10,050,133
Transportation equipment	5,858,641	3,858,641
Furniture and fixtures	3,429,129	3,426,824
Total	40,093,846	38,091,541
Less: Accumulated depreciation	35,790,460	35,560,349
Net Book Value	4,303,386	2,531,192
<b>Total Property and Equipment</b>	<b>4,303,386</b>	<b>2,531,192</b>
<b>Other non-current assets</b>	<b>48,122,800</b>	<b>33,983,515</b>
<b>Total Non-Current Assets</b>	<b>1,049,344,841</b>	<b>998,089,320</b>
<b>TOTAL ASSETS</b>	<b>P 2,002,511,801</b>	<b>P 2,021,164,182</b>

LIABILITIES & STOCKHOLDERS' EQUITY	UNAUDITED MARCH 31, 2026	AUDITED DEC. 31, 2025
<i>Current Liabilities</i>		
Accounts Payable and accrued expenses		
Accounts payable-trade	0	0
Accounts payable-others	962,774	1,268,462
Withholding taxes payable	249,890	551,294
SSS Premium Payable	34,746	63,476
HDMF Premium Payable	3,196	3,996
Philhealth Premium Payable	11,910	13,284
Deposit Payable	13,044,576	12,336,005
Output Vat Payable	2,132,385	22,491,129
Accrued expenses	410,681	817,601
<b>Total Accounts payable and accrued expenses</b>	<b>P 16,850,158</b>	<b>P 37,545,247</b>
Dividends Payable	8,810,842	8,810,842
Income Tax Payable	15,767,879	15,767,879
Provision for legal obligation	0	0
<b>Total Current Liabilities</b>	<b>P 41,428,879</b>	<b>P 62,123,968</b>
<i>Non-Current Liabilities</i>		
Deferred tax liabilities	2,245,746	2,245,746
Deposits payable	0	20,000
Retirement benefit obligation	11,661,155	12,281,135
<b>Total Non-Current Liabilities</b>	<b>13,906,901</b>	<b>14,546,881</b>
<b>Total Liabilities</b>	<b>55,335,780</b>	<b>76,670,849</b>
<i>Stockholders' Equity</i>		
Capital stock	481,827,653	481,827,653
Additional paid in capital	144,759,977	144,759,977
Treasury shares	(102,331,666)	(102,331,666)
Unrealized gain on financial assets at FVOCI	(80,648,935)	(82,292,072)
Actuarial loss on retirement benefit obligation	7,738,036	7,738,036
Accumulated share in other comprehensive income of associates	115,106,197	115,106,197
Retained earnings	1,314,957,677	1,314,003,491
<b>Total Equity Attributable to Stockholders of the Company</b>	<b>1,881,408,939</b>	<b>1,878,811,616</b>
Minority Interest	65,767,082	65,681,717
<b>Total Stockholders' Equity</b>	<b>1,947,176,021</b>	<b>1,944,493,333</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>P 2,002,511,801</b>	<b>P 2,021,164,182</b>

See accompanying Notes to Consolidated Financial Statements

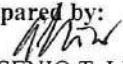
Prepared by:  
  
ARSENIO T. LIAO  
Accountant

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTHS PERIOD ENDING MARCH 31, 2026 AND MARCH 31, 2025**

	UNAUDITED MARCH 31, 2026	UNAUDITED MARCH 31, 2025
<b>REVENUES</b>		
Interest Income		
From Banks	P 4,439,680	P 311,497
From Securities	515,699	2,882,238
<b>Total Interest Income</b>	<b>4,955,379</b>	<b>3,193,735</b>
Unrealized gains on trading securities	2,787,410	9,693,282
Rental Income	7,558,087	7,811,158
Gains on disposal /redemption of financial assets at FVTPL	49,747,778	0
Realized gain on disposal of financial assets at FVOCI	0	0
Dividend Income	580,679	51,439
Net unrealized foreign exchange gain	15,085,484	855,559
Other income	0	0
	P 80,714,817	P 21,605,173
<b>EXPENSES</b>		
Net foreign exchange loss	9,520,202	0
Realized loss on disposal of FVPL investments	18,721,826	0
Salaries, wages and employees' benefits	3,336,621	3,064,755
Depreciation	3,549,344	4,516,486
Professional fees	704,479	566,643
Condominium dues	831,961	1,913,867
Repairs and maintenance	0	0
Taxes and licenses	1,685,310	940,553
Entertainment, amusement and recreation	13,042	51,595
Unrealized loss on financial assets at FVPL	4,485,220	0
Others	36,827,261	13,991,147
	79,675,266	25,045,046
<b>NET INCOME</b>	<b>P 1,039,551</b>	<b>P (3,439,873)</b>
<b>NET INCOME ATTRIBUTABLE TO:</b>		
<b>STOCKHOLDERS OF THE COMPANY</b>	<b>P 954,186</b>	<b>P (3,215,798)</b>
<b>MINORITY INTERESTS</b>	<b>85,365</b>	<b>(224,075)</b>
<b>EARNINGS PER SHARE</b>	<b>P 0.002</b>	<b>P (0.0085)</b>

*See accompanying Notes to Consolidated Financial Statements*

Prepared by:

  
 ARSENIO T. LIAO  
 Accountant

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS PERIOD ENDING MARCH 31, 2026 AND MARCH 31, 2025**

	UNAUDITED MARCH 31, 2026	UNAUDITED MARCH 31, 2025
<b>NET INCOME</b>	P 1,039,551	P (3,439,873)
<b>OTHER COMPREHENSIVE INCOME(LOSS)</b>		
Changes in fair value of AFS investments	-	-
Amortization of unrealized losses on changes in fair value of AFS investments		
Unrealized gains on financial assets at FVOCI	1,643,137	1,916,258
Impairment loss on AFS investments		
Others		
	1,643,137	1,916,258
<b>TOTAL COMPREHENSIVE INCOME(LOSS)</b>	P 2,682,688	P (1,523,615)
<b>TOTAL COMPREHENSIVE INCOME(LOSS)</b>		
<b>ATTRIBUTABLE TO:</b>		
<b>STOCKHOLDERS OF THE COMPANY</b>	P 2,548,554	P (1,447,434)
<b>MINORITY INTERESTS</b>	134,134	(76,181)
	P 2,682,688	P (1,523,615)

*See accompanying Notes to Consolidated Financial Statements*

Prepared by:

ARSENIO T. LIAO  
Accountant

ANNEX "C"

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND MARCH 31, 2025  
AND THE YEAR ENDED DECEMBER 31, 2025**

	UNAUDITED MARCH 31, 2026	UNAUDITED MARCH 31, 2025	AUDITED DEC. 31, 2025
<b>CAPITAL STOCK</b>			
Balance at beginning of year	P 481,827,653P	481,827,653 P	481,827,653
Issuance of additional shares of stock			
Subscription of additional shares of stock			
<b>Balance at end of period</b>	<b>481,827,653</b>	<b>481,827,653</b>	<b>481,827,653</b>
<b>ADDITIONAL PAID-IN CAPITAL</b>			
Treasury Shares	(102,331,666)	(102,094,826)	(102,331,666)
Unrealized gain on financial assets at FVOCI	(80,648,935)	(64,962,817)	(82,292,072)
Other Reserves			
Actuarial loss on retirement benefit obligation	7,738,036	7,868,407	7,738,036
Share in other comprehensive income of associates	115,106,197	111,460,782	115,106,197
<b>SHARE IN REVALUATION INCREMENT ON LAND OWNED BY MCHC's SUBSIDIARIES</b>			
<b>RETAINED EARNINGS</b>			
Balance at beginning of period, as restated	1,314,003,491	1,165,721,230	1,165,721,230
Net Income	954,186	(3,215,798)	231,568,466
Dividends declared			(76,718,706)
Other adjustments			(6,567,499)
<b>Balance at end of period</b>	<b>1,314,957,677</b>	<b>1,162,505,432</b>	<b>1,314,003,491</b>
Minority Interests	1,881,408,939	1,741,364,608	1,878,811,616
	65,767,082	62,519,447	65,681,717
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>P 1,947,176,021 P</b>	<b>1,803,884,055 P</b>	<b>1,944,493,333</b>

*See accompanying Notes to Consolidated Financial Statements*

Prepared by:


  
**ARSENIO T. LIAO**  
Accountant

**F & J PRINCE HOLDINGS CORPORATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS PERIOD ENDING MARCH 31, 2026 AND MARCH 31, 2025**

	UNAUDITED MARCH 31, 2026	UNAUDITED MARCH 31, 2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	P 954,186	(3,215,798)
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority Interest	85,365	(224,075)
Depreciation and amortization	3,549,344	4,516,486
Net unrealized gains on financial assets at FVOCI	1,643,137	1,916,258
Amortization of unrealized loss/gain on FV of AFS inv.		
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	46,500,847	18,513,141
Prepaid expenses and other current assets	8,964,065	(1,013,963)
Increase (decrease) in accounts payable and accrued expenses	(20,695,089)	33,635
<i>Net cash provided by operating activities</i>	41,001,855	20,525,684
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions/disposals of property and equipment	(2,002,306)	(39,369)
Investment in issue rights subscriptions	0	0
Financial assets at FVOCI and FVPL	140,985,815	(89,327,462)
Decrease (increase) in:		
Investment in property	0	0
Other assets	(14,139,285)	(14,139,286)
<i>Net cash provided by (used in) investing activities</i>	124,844,224	(103,506,117)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in:		
Deposits payable	(20,000)	0
Retirement benefit obligation	(619,980)	0
<i>Net cash provided by (used in) financing activities</i>	(639,980)	0
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>P 165,206,099 P</b>	<b>(82,980,433)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>494,872,735</b>	<b>597,418,197</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>P 660,078,834 P</b>	<b>514,437,764</b>

See accompanying Notes to Consolidated Financial Statements

Prepared by:

  
 ARSENIO T. LIAO  
 Accountant

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTERS ENDING JUNE 30, 2025 AND SEPTEMBER 30, 2025**

	UNAUDITED SEPTEMBER 30, 2025	UNAUDITED JUNE 30, 2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	P 273,048,593	P 31,041,673
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in net earnings in associate	0	0
Minority interest	13,586,160	1,401,477
Depreciation and amortization	13,129,923	9,032,973
Net unrealized gains on financial assets at FVOCI	(5,152)	1,883,369
Gain on sale of investment in property	(220,032,896)	
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	(171,029,326)	18,968,119
Prepaid expenses and other current assets	(14,569,289)	(865,462)
Increase (decrease) in:		
Accounts payable and accrued expenses	28,655,624	(3,245,163)
<b>Net cash provided by operating activities</b>	<b>(77,216,363)</b>	<b>58,216,986</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions/disposals of property and equipment	69,509,149	(437,722)
Investment in rights issue subscription	0	0
Financial assets at FVOCI and FVPL	(311,105,312)	(119,118,198)
Proceeds on sale of investment in property	258,000,000	0
Decrease(increase) in		
Other assets	(14,139,286)	(14,139,286)
<b>Net cash provided by (used in) investing activities</b>	<b>2,264,551</b>	<b>(133,695,206)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in:		
Deposits payable	0	0
Cash dividends declared and paid	(82,340,706)	0
Dividends payable	0	0
Income tax payable	(2,477,104)	(2,477,104)
<b>Net cash provided by (used in) financing activities</b>	<b>(84,817,810)</b>	<b>(2,477,104)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>P (159,769,622)</b>	<b>P (77,955,324)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>597,418,197</b>	<b>597,418,197</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>P 437,648,575</b>	<b>P 519,462,873</b>

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDING DECEMBER 31, 2025**

**ANNEX "E"**  
**Page 2**  
**Audited**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Income (loss) before income tax from continuing operations	P	294,740,923
Adjustments for:		
Losses/gains in disposal of:		
Investment properties		(220,032,896)
Financial assets at FVPL		(68,230,779)
Share in net income of associates		(35,801,634)
Interest income		(17,378,061)
Depreciation and amortization		16,828,991
Net fair value losses (gains) on financial assets at FVPL		(15,705,354)
Dividend income		(2,286,825)
Net foreign exchange losses(gains)		(367,534)
Retirement benefits expense		1,200,401
<b>Operating loss before working capital changes</b>		<b>(47,032,768)</b>
Decrease (increase) in:		
Receivables		13,380
Financial assets at FVPL		(249,257,328)
Other assets		11,850,644
Increase (decrease) in trade and other payables		19,956,932
Increase (decrease) in deposits payable		27,075
<b>Net cash flows used in operations</b>		<b>(264,442,065)</b>
Interest received		17,003,056
Dividends received		2,286,825
Income taxes paid		(49,383,548)
<b>Net cash flows from operating activities</b>		<b>(294,535,732)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from disposal of :		
Investment properties		258,000,000
Financial assets at FVOCI		56,743,534
Distribution from financial assets at FVOCI		5,726,733
Dividends received from associate		19,599,521
Additions to:		
Financial assets at FVOCI		(56,743,534)
Investment properties		(327,140)
Property and equipment		(157,090)
Increase(decrease) in:		
Due from related parties		(126,779)
Other current assets		(14,139,286)
<b>Net cash provided by (used) in investing activities</b>		<b>268,575,959</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Dividends paid		(75,913,853)
Dividends to non-controlling interest		(5,630,000)
Acquisition of treasury shares		0
<b>Net cash flows from financing activities</b>		<b>(81,543,853)</b>

**EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND**

<b>CASH EQUIVALENTS</b>		<b>4,958,164</b>
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<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>		<b>(102,545,462)</b>
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<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>597,418,197</b>
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<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>P</b>	<b>494,872,735</b>
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F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2026 AND DECEMBER 31, 2025  
WITH VERTICAL AND HORIZONTAL PERCENTAGE ANALYSIS

"ANNEX F"

Page 1

	UNAUDITED MARCH 31, 2026	VERTICAL PERCENTAGE ANALYSIS MARCH 31, 2026	AUDITED DEC. 31,2025	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2025	INCREASE (DECREASE) AMOUNT MARCH 31, 2026	INCREASE (DECREASE) PERCENTAGE ANALYSIS MARCH 31, 2026
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	660,078,834	32.96%	494,872,735	24.48%	165,206,099	33.38%
Current portion of investment securities	282,602,105	14.11%	462,251,194	22.88%	(179,649,089)	-38.86%
Short-term investments	-	-	-	-	--	-
Receivables :						
Advances to Officers & Employees	0	0.00%	0	0.00%	0	0.00%
Interest Receivable	1,645,506	0.08%	1,792,698	0.09%	(147,192)	-8.21%
Dividends Receivable	0	0.00%	46,407,405	2.29%	(46,407,405)	-100.00%
Receivable from related parties	427,358	0.02%	360,728	0.02%	66,630	18.47%
Others	409,569	0.02%	422,449	0.02%	(12,880)	-3.05%
Total Receivables	2,482,433	0.12%	48,983,280	2.42%	(46,500,847)	-94.93%
Allowance for impairment losses	1,066,068	-0.05%	1,066,068	-0.05%	0	0.00%
Total Receivables-Net	1,416,365	0.07%	47,917,212	2.37%	(46,500,847)	-97.04%
Current portion of HTM investments	0	0.00%	0	0.00%	0	0.00%
Current portion of AFS investments	0	0.00%	0	0.00%	0	0.00%
Prepaid expenses & other current assets:						
Others	5,648,688	0.28%	4,706,059	0.23%	942,629	20.03%
Input Tax	2,953,446	0.15%	12,860,140	0.64%	(9,906,694)	-77.03%
Prepaid Income Tax	467,522	0.02%	467,522	0.02%	0	0.00%
Total Prepaid expenses & other current assets	9,069,656	0.45%	18,033,721	0.89%	(8,964,065)	-49.71%
<b>Total Current Assets</b>	<b>953,166,960</b>	<b>47.59%</b>	<b>1,023,074,862</b>	<b>50.62%</b>	<b>(69,907,902)</b>	<b>-6.83%</b>
<b>Non-current Assets</b>						
Convertible notes receivable	0	0.00%	0	0.00%	0	0.00%
Investments in associates	458,223,635	22.88%	458,223,635	22.67%	0	0.00%
Investment in rights issue subscription	0	0.00%	0	0.00%	0	0.00%
Investment securities-net of current portion	265,526,758	13.26%	226,863,484	11.22%	38,663,274	17.04%
Investment in properties	273,168,262	13.65%	276,487,494	13.68%	(3,319,232)	-1.20%
Property and Equipment						
Building	20,755,943	1.04%	20,755,943	1.03%	0	0.00%
Building Improvements	10,050,133	0.50%	10,050,133	0.50%	0	0.00%
Transportation equipment	5,858,641	0.30%	3,858,641	0.19%	2,000,000	51.83%
Furniture and fixtures	3,429,129	0.17%	3,426,824	0.17%	2,305	0.07%
Total Property and Equipment	40,093,846	2.01%	38,091,541	1.89%	2,002,305	5.26%
Less: accumulated depreciation	35,790,460	-1.79%	35,560,349	-1.76%	230,111	0.65%
Net Book Value	4,303,386	0.22%	2,531,192	0.13%	1,772,194	70.01%
Total Property and Equipment	4,303,386	0.22%	2,531,192	0.13%	1,772,194	70.01%
Deferred income tax assets-net	0	0.00%	0	0.00%	0	0.00%
Other Assets – net	48,122,800	2.40%	33,983,515	1.68%	14,139,285	41.61%
<b>Total Non-Current Assets</b>	<b>1,049,344,841</b>	<b>52.41%</b>	<b>998,089,320</b>	<b>49.38%</b>	<b>51,255,521</b>	<b>5.14%</b>
<b>TOTAL ASSETS</b>	<b>2,002,511,801</b>	<b>100.00%</b>	<b>2,021,164,182</b>	<b>100.00%</b>	<b>(18,652,381)</b>	<b>-0.92%</b>

	UNAUDITED MARCH 31, 2026	VERTICAL PERCENTAGE ANALYSIS MARCH 31, 2026	AUDITED DEC. 31, 2025	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2025	INCREASE (DECREASE) AMOUNT MARCH 31, 2026	INCREASE (DECREASE) PERCENTAGE ANALYSIS MARCH 31, 2026
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>						
<b>Current Liabilities</b>						
<b>Accounts Payable and accrued expenses</b>						
Accounts payable-others	962,774	0.05%	1,268,462	0.06%	(305,688)	-24.10%
Withholding taxes payable	249,890	0.01%	551,294	0.03%	(301,404)	-54.67%
SSS Premium Payable	34,746	0.00%	63,476	0.00%	(28,730)	-45.26%
HDMF Premium Payable	3,196	0.00%	3,996	0.00%	(800)	-20.02%
Philhealth Premium Payable	11,910	0.00%	13,284	0.00%	(1,374)	-10.34%
Deposit Payable	13,044,576	0.65%	12,336,005	0.62%	708,571	5.74%
Output Vat Payable	2,132,385	0.11%	22,491,129	1.11%	(20,358,744)	-90.52%
Accrued expenses	410,681	0.02%	817,601	0.04%	(406,920)	-49.77%
<b>Total Accounts payable &amp; accrued expenses</b>	<b>16,850,158</b>	<b>0.84%</b>	<b>37,545,247</b>	<b>1.86%</b>	<b>(20,695,089)</b>	<b>-55.12%</b>
Dividends Payable	8,810,842	0.44%	8,810,842	0.44%	0	0.00%
Income Tax Payable	15,767,879	0.79%	15,767,879	0.78%	0	0.00%
Provision for legal obligation		0.00%		0.00%	0	0.00%
<b>Total Current Liabilities</b>	<b>41,428,879</b>	<b>2.07%</b>	<b>62,123,968</b>	<b>3.08%</b>	<b>(20,695,089)</b>	<b>-33.31%</b>
<b>Non-Current Liabilities</b>						
Deposits payable	0	0.00%	20,000	0.00%	(20,000)	-100.00%
Deferred tax liabilities	2,245,746	0.11%	2,245,746	0.11%	0	0.00%
Retirement benefit obligation	11,661,155	0.58%	12,281,135	0.61%	(619,980)	-5.05%
<b>Total Non-Current Liabilities</b>	<b>13,906,901</b>	<b>0.69%</b>	<b>14,546,881</b>	<b>0.72%</b>	<b>(639,980)</b>	<b>-4.40%</b>
<b>Total liabilities</b>	<b>55,335,780</b>	<b>2.76%</b>	<b>76,670,849</b>	<b>3.80%</b>	<b>(21,335,069)</b>	<b>-27.83%</b>
<b>Stockholders' Equity</b>						
Capital stock	481,827,653	24.06%	481,827,653	23.83%	0	0.00%
Additional paid in capital	144,759,977	7.23%	144,759,977	7.16%	0	0.00%
Unrealized gain on fin. assets at FVOCI	(80,648,935)	-4.03%	(82,292,072)	-4.07%	1,643,137	2.00%
Actuarial loss on retirement obligation	7,738,036	0.39%	7,738,036	0.38%	0	0.00%
Accumulated share in OCI of associates	115,106,197	5.75%	115,106,197	5.70%	0	0.00%
Treasury shares	(102,331,666)	-5.11%	(102,331,666)	-5.06%	0	0.00%
Retained earnings	1,314,957,677	65.67%	1,314,003,491	65.01%	954,186	0.07%
<b>Total Equity Attributable to Stockholders of the Company</b>	<b>1,881,408,939</b>	<b>93.96%</b>	<b>1,878,811,616</b>	<b>92.95%</b>	<b>2,597,323</b>	<b>0.14%</b>
Minority Interest	65,767,082	3.28%	65,681,717	3.25%	85,365	0.13%
<b>Total Stockholders' Equity</b>	<b>1,947,176,021</b>	<b>97.24%</b>	<b>1,944,493,333</b>	<b>96.20%</b>	<b>2,682,688</b>	<b>0.14%</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>2,002,511,801</b>	<b>100.00%</b>	<b>2,021,164,182</b>	<b>100.00%</b>	<b>(18,652,381)</b>	<b>-0.92%</b>

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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.

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

### **Basis of Preparation and Statement of Compliance**

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. 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.

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### **3. Significant Judgments, Accounting Estimates and Assumptions**

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

The judgment, 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:

	March, 2026	2025
Cash on hand and in banks	P92,296,966	P77,314,502
Short-term placements	567,781,868	417,558,233
	<b>P660,078,834</b>	<b>P494,872,735</b>

Cash in banks earns interest at the respective bank deposit rates. Short-term placements are fixed rate time deposits denominated in United States Dollar (USD) and 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		P13,832,432	P11,405,387	P12,713,079
Financial assets at FVOCI	5	3,545,629	4,696,934	5,834,356
		<b>P17,378,061</b>	<b>P16,102,321</b>	<b>P18,547,435</b>

#### 5. Investment Securities

Movements and composition of this account are as follows:

	March, 2026		
	Financial Assets at		Total
	FVPL	FVOCI	
Balance at beginning of year	P448,884,450	P240,230,228	P689,114,678
Additions		36,934,038	36,934,038
Disposals	(177,865,180)	0	(177,865,180)
Distributions	-	0	0
Changes recognized in profit or loss	-	1,643,137	1,643,137
Net unrealized fair value gain (loss)	(1,697,810)		(1,697,810)
Balance at end of year	269,321,460	278,807,403	548,128,863
Current portion	269,321,460	13,280,645	282,602,105
Noncurrent portion	P-	P265,526,758	P265,526,758

	2025		
	Financial Assets at		Total
	FVPL	FVOCI	
Balance at beginning of year	P112,755,674	P268,084,982	P380,840,656
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	P-	P226,863,484	P226,863,484

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 P8.1 million and the recognition of FVPL financial assets of the same amount.

#### **Financial Assets at FVPL**

Financial assets at FVPL consist of:

	March, 2026	2025
Quoted equity securities	P243,762,749	P423,325,739
Investments in pooled funds	25,558,711	25,558,711
	<b>P269,321,460</b>	<b>P448,884,450</b>

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	P30,772,809	P22,013,948	P94,321,443
Fair value losses	(15,067,455)	(5,049,142)	(41,506,504)
	<b>P15,705,354</b>	<b>P16,964,806</b>	<b>P52,814,939</b>

The Group recognized gains (losses) on disposal of financial assets at FVPL amounting to P68.2 million, P53.8 million and (P319,149) in 2025, 2024 and 2023, respectively.

#### **Financial Assets at FVOCI**

Composition of financial assets at FVOCI are as follows:

	2025	2024
Equity securities	P196,549,263	P222,537,754
Debt instruments	43,680,965	45,547,228
	<b>P240,230,228</b>	<b>P268,084,982</b>

#### *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

Movement in fair value changes of financial assets at FVOCI amounted to unrealized gains/ losses of P80,648,935 as of March 31, 2026.

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		<b>₱2,604,696</b>	₱2,127,676	₱2,127,676
Provision for ECL	13	–	477,020	–
Balance at end of year		<b>₱2,604,696</b>	₱2,604,696	₱2,127,676

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

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

## 6. Receivables

This account consists of:

	Note	March, 2026	2025
Dividends receivable	17	-	₱46,407,405
Accrued interest		1,645,506	1,792,698
Rent receivable	20	270,513	377,212
Others		139,056	45,237
		<b>2,055,075</b>	48,622,552
Allowance for ECL		<b>(1,066,068)</b>	(1,066,068)
		<b>₱989,007</b>	₱47,556,484

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		<b>₱1,066,068</b>	₱1,007,000
Provision for ECL	13	–	59,068
Balance at end of year		<b>₱1,066,068</b>	₱1,066,068

## 7. Other Current Assets

This account consists of:

	March, 2026	2025
Input VAT	<b>₱2,953,446</b>	₱12,762,887
Deposits on contracts	3,168,124	3,117,794
Prepaid expenses	1,737,408	1,162,474
Prepaid income tax	467,522	467,522
CWT	260,514	40,402
Deferred input VAT	97,253	97,253
Others	385,389	385,389
	<b>₱9,069,656</b>	₱18,033,721

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:

	March, 2026	2025
PTC	₱153,078,692	₱153,078,692
WCC	181,907,788	181,907,788
BPO	115,205,177	115,205,177
MUDC	94,830,129	94,830,129
MPI	8,031,978	8,031,978
	553,053,764	553,053,764
Allowance for impairment losses	(94,830,129)	(94,830,129)
	₱458,223,635	₱458,223,635

Movements in this account are as follows:

	2025	2024
<b>Acquisition cost</b>		
Balance at beginning of year	₱387,189,635	₱205,189,635
Additions	–	182,000,000
Balance at end of year	387,189,635	387,189,635
<b>Accumulated equity in net earnings</b>		
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)
	₱458,223,635	₱465,638,892

As at December 31, 2025 and 2024, the Group has dividends receivable amounting to ₱46.4 million and ₱19.1 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	<b>₱794,819</b>	₱790,438
Total liabilities	<b>295,284</b>	253,845
Equity	<b>499,535</b>	536,593
Net income	<b>104,536</b>	99,840
OCI	<b>4,791</b>	(6,260)
Group’s share in net income	<b>31,361</b>	30,213
Group’s share in OCI	<b>1,437</b>	(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	<b>₱546,004</b>	₱546,004
Total liabilities	<b>531,280</b>	531,280
Equity	<b>14,724</b>	14,724
Net loss	<b>(0.3)</b>	(24)
Group’s share in net loss	<b>(0.1)</b>	(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	<b>₱382,187</b>	₱415,466
Total liabilities	<b>204,290</b>	155,320

	2025	2024
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
<b>Carrying amount</b>	<b>₱153,079</b>	<b>₱181,908</b>	<b>₱115,205</b>	<b>₱8,032</b>

	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)
<b>Carrying amount</b>	<b>₱164,480</b>	<b>₱182,000</b>	<b>₱112,988</b>	<b>₱6,171</b>

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:

	March, 2026				Total
	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	
<b>Cost</b>					
Balance at beginning of year	₱20,755,943	₱10,050,133	₱3,858,641	₱3,426,824	₱38,091,541
Additions	–	–	2,000,000	2,305	2,002,305
Balance at end of year	20,755,943	10,050,133	5,858,641	3,429,128	40,093,846
<b>Accumulated Depreciation</b>					
Balance at beginning of year	20,755,943	9,648,026	2,068,883	3,087,497	35,560,349
Depreciation	0	63,214	140,178	26,719	230,111
Balance at end of year	20,755,943	9,711,240	2,209,061	3,114,216	35,790,460
<b>Carrying Amount</b>	<b>₱–</b>	<b>₱338,893</b>	<b>₱3,649,581</b>	<b>₱314,912</b>	<b>₱4,303,386</b>

	2025				Total
	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	
<b>Cost</b>					
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
<b>Accumulated Depreciation</b>					
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
<b>Carrying Amount</b>	<b>₱–</b>	<b>₱402,107</b>	<b>₱1,789,758</b>	<b>₱339,327</b>	<b>₱2,531,192</b>

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
		<b>₱16,828,991</b>	<b>₱17,946,865</b>	<b>₱17,804,385</b>

## 10. Investment Properties

The movement in this account is as follows:

	Note	March, 2026		Total
		Land	Condominium and Improvements	
<b>Cost</b>				
Balance at beginning of year		₱46,319,625	₱335,011,926	₱381,331,551
Additions		–	–	–
Disposals		–	–	–
Balance at end of year		46,319,625	335,011,926	381,331,551
<b>Accumulated Depreciation</b>				
Balance at beginning of year		–	104,844,057	104,844,057
Depreciation and amortization	9	–	3,319,232	3,319,232
Disposals		–	–	–
Balance at end of year		–	–	108,163,289
<b>Carrying Amount</b>		<b>₱46,319,625</b>	<b>₱226,848,637</b>	<b>₱273,168,262</b>

	Note	2025		Total
		Land	Condominium and Improvements	
<b>Cost</b>				
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
<b>Accumulated Depreciation</b>				
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
<b>Carrying Amount</b>		₱46,319,625	₱230,167,869	₱276,487,494

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:

	March, 2026	2025
Deposits for property acquisition	P45,245,714	P31,106,429
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
	<b>83,864,400</b>	69,725,115
Allowance for impairment losses	<b>(35,741,600)</b>	(35,741,600)
	<b>P48,122,800</b>	P33,983,515

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	March, 2026	2025
Statutory payables		P2,443,177	P23,142,757
Deposits payable	20	13,044,576	12,336,005
Accounts payable		962,774	1,248,884
Accrued expenses		399,631	817,601
		<b>P16,850,158</b>	P37,545,247

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 ₱20,000 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. 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
	<b>₱49,074,895</b>	<b>₱77,245,813</b>

#### 14. 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	<b>₱55,960,837</b>	<b>₱14,442,568</b>	<b>(₱6,724,894)</b>

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

	2025	2024
<b>Deferred tax assets</b>		
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
	<b>24,000,403</b>	<b>17,624,539</b>
<b>Deferred tax liabilities</b>		
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)
	<b>(26,246,149)</b>	<b>(21,079,548)</b>
	<b>(₱2,245,746)</b>	<b>(₱3,455,009)</b>

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.

## 15. 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
		₱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 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.

## 16. 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	
			March, 2026	2025	March, 2026	2025
<b>Associates</b>						
Receivables	Dividend declared	8	–	₱46,862,306	–	₱46,407,405
	Rental income	(a)	408,760	1,539,509	–	–
					–	₱46,407,405
<b>Associates</b>						
Due from related parties	Advances	(b)	₱60,780	₱126,779	₱189,321,346	₱189,254,716
Allowance for ECL	Provision for ECL	13	–	–	(188,893,988)	(188,893,988)
					₱427,358	₱360,728

	Nature of Transactions	Note	Amount of Transactions		Outstanding Balance	
			March, 2026	2025	March, 2026	2025
<i>Associates</i>						
Accounts and other payables	Payroll service expenses	(c)	<b>₱25,646</b>	₱38,324	<b>₱-</b>	₱-

#### 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

- (a) 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.
- (b) 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).
- (c) 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	<b>₱10,477,097</b>	₱9,978,188	₱9,503,036
Other benefits	<b>1,430,273</b>	1,362,165	1,297,300
	<b>₱11,907,370</b>	₱11,340,353	₱10,800,336

## 17. 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)	<b>₱231,568,466</b>	₱93,566,249	₱62,262,774
Weighted average number of ordinary shares outstanding (b)	<b>383,593,526</b>	383,693,526	383,693,526
Basic and diluted earnings per share (a/b)	<b>₱0.60</b>	₱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.

#### 18. 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.

#### 19. 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

## 20. 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	P481,827,653	P481,827,653
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
	<b>P1,838,259,455</b>	<b>P1,690,214,034</b>

## 21. 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	P8,005,989	(P75,913,853)	P76,718,706	P8,810,842

	As at January 1, 2024	Dividends Paid	Dividend Declaration and Other Noncash Changes	As at December 31, 2024
Dividends payable	P27,105,445	(P57,053,485)	P37,954,029	P8,005,989

	As at January 1, 2023	Payments/ Settlements	Dividend Declaration and Other Noncash Changes	As at December 31, 2023
Dividends payable	P6,964,039	(P64,503,831)	P84,645,237	P27,105,445

Due to related parties	260,408	(260,408)	—	—
	<b>₱7,224,447</b>	<b>(₱64,764,239)</b>	<b>₱84,645,237</b>	<b>₱27,105,445</b>

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	<b>₱8,096,163</b>	₱—
Recognition of financial assets at FVPL	<b>(8,096,163)</b>	—

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY**  
**AGING OF ACCOUNTS RECEIVABLE**  
**AS OF MARCH 31, 2026**

Name	Beginning Balance	Additions	Deductions		Current 30 days	60 days or over	Over 120 days	Ending Balance
			Amount Collected	Amount Written-Off				
Magellan Capital Corporation	146,007	150			150		146,007	146,157
Magellan Utilities Development Corp.	0							0
Business Process Outsourcing International	18,338	457,812	457,812				18,338	18,338
Pinamucan Power Corporation	123,329						123,329	123,329
Pointwest Technologies Corporation	46,407,405	497,360	46,904,765					0
Others								0
	46,695,079	955,322	47,362,577		150		287,674	287,824