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SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION
CODE

1. For the Fiscal Year ended : **31 December 2025**
2. SEC Identification Number : **14102**
3. BIR Tax Identification Number : **041-000-175-630**
4. Exact name of registrant as specified in its charter: **Anglo Philippine Holdings Corporation**
5. Province, Country or other jurisdiction of incorporation or organization: **Philippines**
6. Industry Classification Code : (SEC Use Only)
7. Address of principal office : **6th Floor Quad Alpha Centrum Building
125 Pioneer Street, Mandaluyong City 1550**
8. Registrant's telephone number, including area code : **(632) 8 631-8173**
9. Former name, former address, and former fiscal year if changed since last report: **N/A**
10. Securities registered pursuant to Sections 4 and 8 of the RSA:

Title of Each Class	Number of shares of common stock outstanding and amount of debt outstanding
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<u>Common stock (P1.00 par value)</u>	<u>3,003,302,538 shares</u>
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<u>Loans Payable and Long-Term Debt</u>	<u>N/A</u>
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11. Are any or all of these securities listed in the Philippine Stock Exchange: **YES**
12. Check whether the registrant:
 - a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and Rule 17(a)-1 thereunder and Sections 26 and 141 of the Corporation Code during the preceding 12 months (or for such shorter period that the registrant was required to file such reports).
Yes [X] No []
 - b) has been subject to such filing requirement for the past 90 days.
Yes [X] No []
13. Aggregate market value of the voting stock held by non-affiliates: **374,903,033**
(535,575,762 Shares @ P0.70/share as of December 31, 2025)
14. Document incorporated by reference: **2025 Audited Financial Statements**

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business and General Information

(a) Description of Business

(1) Business Development

Anglo Philippine Holdings Corporation (the “Company”) was incorporated in 1958, originally as an oil and mineral exploration company with the corporate name of “*Anglo Philippine Oil Corp.*” In 1996, the Company changed its primary purpose to that of an investment holding firm focused on natural resources, property development and infrastructure, and changed its corporate name to “*Anglo Philippine Holdings Corporation*”. On September 14, 2006, the SEC approved the Company’s Amended Articles of Incorporation extending the life of the Company for another fifty (50) years from June 25, 2008.

On December 18, 2012, the Company acquired 100% ownership of Vulcan Materials Corporation (VMC). VMC was registered with the Philippine SEC on September 12, 1991 and is involved in the exploration and development of mineral and aggregates resources.

On December 21, 2015, the Company acquired 97.59% ownership of Tipo Valley Realty, Inc. (TVRI), a company involved in property development.

On September 26, 2016, SEC approved the incorporation of **Anglo Philippine Power Corporation (APPC)** (100% owned) to spearhead the Company’s foray into the power generation business and presently evaluating various renewable energy projects for future investment and is still in its pre-operating stage. Subsequently, **APPC** formed a new wholly-owned subsidiary, **Bataan Aggregates Corp. (BAC)**, which will engage in sand and gravel quarrying. SEC approved the incorporation of BAC on May 4, 2017.

Natural Resources

Vulcan Materials Corporation (VMC) (100% owned) posted a net loss of P0.06 million for the years 2025 and 2024, respectively.

VMC ceased its operations effective December 2017 following the sale of its crushing plant and exploration/production rights over the Montalban quarry to Big Rock Aggregates Corporation.

On November 8, 2023, during the Special meeting of the Board of Directors held jointly with the Special Meeting of its Stockholders, the management proposed to permanently close VMC in order to cut its losses, since it has no operations since 4th quarter of 2016 to date and lacks any prospective business in the future. The Board of Directors and Stockholders approved the closure and dissolution of VMC effective November 15, 2023.

VMC is waiting for BIR clearance for permanent closure in order to proceed with its filing of closure/dissolution with the SEC.

Anglo Philippine Power Corporation (APPC) (100% owned) is presently evaluating various renewable energy projects for future investment and is still in its pre-operating stage.

APPC wholly-owned subsidiary, **Bataan Aggregates Corp. (BAC)**, commenced commercial operations in January 2018. On October 2019, BAC sold its quarry equipment to Concrete Stone Corp. and paid over the proceeds of the sale to APPC in settlement of BAC's debt. BAC registered a net loss of P0.06 million in 2025, compared to a net loss of P0.05 million for the year 2024.

For year 2025, **The Philodrill Corporation (OV)** (34.87% owned) registered a consolidated net income of P46.3 million, compared to a net income of P8.2 million 2024.

The Galoc wells continue to produce at an aggregate output of about 1,093.16 bopd and total production has reached about 25,333,168 barrels as of the end of December 2025.

United Paragon Mining Corporation (UPMC) (25.69% owned) UPMC posted a net loss of P23.4 million in 2025, compared to a net loss of P23.3 million in 2024. UPMC was granted a new exploration permit on August 24, 2018, and successfully completed its exploration work program in October 2020, which involved the drilling of three holes with a total depth of 604.9 meters. On February 4, 2021, the Company filed a Declaration of Mining Project Feasibility (DMPF). With the recent lifting of the moratorium on mining agreements under EO 130, UPMC is expected to expedite efforts to convert its exploration permit to a DMPF and subsequently into a mineral production sharing agreement to commence operations as soon as possible. Currently, both UPMC and Camarines Minerals, Inc. (CMI) have met the requirements for DMPF approval, and their joint MPSA application is pending with the MGB Central Office.

Atlas Consolidated Mining & Development Corp. (AT) (28.64% owned) posted a consolidated net loss of P246.2 million in 2025, compared to a net loss of P231.1 million in 2024.

Pending the transfer of its petroleum assets, the Company continues to participate in the following Oil Exploration contracts:

The Company continues to participate in the following Oil Exploration contracts:

Service Contract 53	Onshore Mindoro	18.52000%
SC 86 (ex-SC 6A)	Octon, NW Palawan	14.14600%
PCECP Area 7 (ex-SC 41)	Sulu Sea	1.67900%

SC-53 (Onshore Mindoro)

The JVP continues to coordinate with the National Commission on Indigenous People (NCIP) for the FPIC process in Cambayan, Occidental Mindoro. The JVP had been advised that the NCIP-San Jose Service Center is still awaiting instruction from the Regional Office on the way forward for the MOA with the Hagura IP.

On the Oriental side, the NCIP-Bulalacao Service Center is waiting for the resolution of the Magsaysay, Occidental Mindoro MOA review before proceeding with the FPIC process in Bulalacao, Oriental Mindoro.

As of the current reporting period there were no exploration done by the Company.

SC 86 (Formerly SC 6A- Octon Block)

On October 8, 2025, New Petroleum Service Contract signed by the President of the Republic of the Philippines in favor of Anglo Philippine Holdings Corporation (Anglo) and other Joint Venture Partners.

Nominated Area No. 10 (formerly SC 6A – Octon Block) was signed as Service Contract No. 86, located in Northwest Palawan, with a total contract area of 132,000 hectares. Anglo’s Participating Interest in the contract is 14.146%

The following are the participating interest of the joint venture partners to Service Contract No. 86:

Joint Venture Partners	Participating Interest (%)
Philodrill	72.1662
Anglo	14.1460
Forum	6.8439
PXP Energy	6.8439

As part of the proposed work program, the Joint Venture will focus on appraising the Octon discovery for a potential tie-back to the Galoc oil field and will also identify a drilling location to test the Malajon-Salvacion-Saddle Rock prospect.

The Department of Energy (DOE) will manage the contract under the Philippine Conventional Energy Contracting Program (PCECP). The new Petroleum Service Contract authorizes Anglo and its Joint Venture partners to explore, develop, and eventually produce petroleum resources within the specified area.

PCECP Area 7 (ex-SC 41) Sulu Sea

The JVP submitted on August 15, 2019 a joint bid over PCECP Area 7 in Sulu Sea. The DOE found the joint application satisfied the bid criteria set forth and, in September 2019, confirmed that the joint bid qualified for further substantive legal, financial, and technical evaluation.

However, the DOE held in abeyance the awarding of a new service contract pending the complete organization of Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) and the implementation of policies. As of December 31, 2023, however, the DOE has not sent any formal communication nor awarded any new service contract for PCECP Area 7.

Property Development

Tipo Valley Realty, Inc. (TVRI) (97.59% owned) – For year 2025, TVRI posted a net loss of P4.3 million, compared to a net loss of P4.6 million for the same period in 2024.

TVRI's conversion application covering 248 parcels of land with a total area of 272.2865 hectares in Hermosa, Bataan was granted with finality by the DAR Central Office on June 16, 2020. Despite pandemic-related challenges, TVRI pursued predevelopment studies and registered an 856,800-square-meter portion of its consolidated property with AFAB as a FAB Expansion Area, and itself as a FAB Developer, on April 6, 2021. However, the DAR five-year development period expired on June 16, 2025, while the AFAB three-year development period expired in 2024, with the project still in predevelopment and without commercial operations. AFAB has since granted TVRI an extension while TVRI's petition with DAR remains pending to date. TVRI has also acquired an additional 134,297 square meters for possible access connecting the consolidated properties to the intended DPWH bypass road, in line with its objective to develop the first phase into a viable mixed-use commercial and hospitality estate supporting ecotourism. TVRI is currently evaluating contractors aligned with its project requirements.

The Company likewise continues to maintain 15.79% interest in **MRT Development Corp.** which generates revenues from concessionaire rentals and advertising fees in the MRT stations.

Infrastructure

The Company continues to maintain its 18.6% equity in MRT Holdings, Inc., the indirect majority owner of the Metro Rail Transit Corporation (MRTC). The Metro Rail Transit Line 3 (MRT-3) serviced a total of 141,626,536 passengers from January 1 to December 31, 2025. This represents a 4.08% increase over 2024's total of 135,885,336, marking the highest ridership in eight years. The increase in ridership is attributed to continued rehabilitation efforts and improved operational capacity.

Investments

The Company has minority investment in **Brightnote Assets Corporation**, a holding company organized for the purpose of investing in the Calabarzon area.

Filipinas Energy Corporation (FEC) has not undertaken any business operation since its incorporation due to the deferment of the transfer of the Company's oil and mineral assets.

NO bankruptcy, receivership or similar proceeding has been filed by or against the Company and/or its subsidiary during the last three (3) years.

NO material reclassification, merger, consolidation, or purchase/sale of a significant amount of assets, not in the ordinary course of business, has been undertaken by the Company and/or its subsidiary during the last three (3) years.

(2) Business of Issuer

(A) Description of Business

The Company is an investment holding firm focused on, and maintaining investments in, natural resources, property development and infrastructure. The Company also maintains minor investments in diversified pioneer projects with attractive economic returns.

VMC is involved in the exploration and development of mineral and aggregates resources.

TVRI is involved in property development.

APPC intends to get involved in power generation.

FEC is a petroleum and mineral exploration company which has not undertaken any business operation since its incorporation due to the deferment of the transfer of the Company's petroleum and mineral assets.

- (if) Principal products or services and their markets - The Company, as an investments holding firm, does not generate sales or revenues from the sale of any product or service; rather, the Company generates revenues and income, principally: (a) from its investments by way of dividends received from, and/or equitizable share in the earnings of, investee companies; and, (b) sale of investments or of the securities to which the investment may have been converted, including interest income earned by such securities.

VMC holds an operating agreement to explore and develop the area covered by MPSA 070-97-IV located in Rodriguez, Rizal and to sell the aggregates products derived and processed therefrom. The principal buyers of VMC's aggregates are various local construction companies. The company ceased its operations effective December 2017 following the sale of its crushing plant and exploration/production rights over the Montalban quarry to Big Rock Aggregates Corporation.

TVRI is currently in the process of applying to develop about 201 hectares, more or less, of its land in Hermosa, Bataan, adjacent to the Subic Bay Freeport Zone, into a Special Economic Zone.

- (ii) Percentage of sales or revenues and net income contributed by foreign sales – The Company do not have foreign sales.

VMC, TVRI and APPC do not have foreign sales.

- (iii) Distribution methods of the products or services

VMC and BAC does not have any distribution method for its products.

TVRI has no products or services yet to sell or distribute.

- (iv) Status of any new product or service – Not applicable.

- (v) Competitive business conditions – With its avowed vision/mission of “*Helping Build the Filipino Future*”, the Company focuses its investments in natural resources, property development and infrastructure projects.
- (vi) Competitive business conditions – With its avowed vision/mission of “*Helping Build the Filipino Future*”, the Company focuses its investments in natural resources, property development and infrastructure projects.

The Covid-19 pandemic that gripped the world in 2020 continues to persist and significantly slowed down the progress of new property development in the country.

The natural resources sector was likewise adversely affected by the pandemic which saw the stoppage of most exploration and production operations, coupled with the general downtrend in the prices of commodities.

On the other hand, the Government-led infrastructure sector, especially those included in the Government’s Build-Build-Build program, pushed through the obstacles created by the pandemic and managed to record considerable progress.

The natural resources, infrastructure and property development industries are not confined within any specific geographic area. So far, the Company and its subsidiaries have participated in projects undertaken or to be undertaken in Metro Manila, Luzon, Visayas and Mindanao.

The Company generally participates in natural resources, infrastructure and property development projects as a pure equity holder without involving itself directly in the operations of the venture beyond the level of the board of directors or operating committees.

The Company invests only in projects that yield or would yield a return on investment consistent with the economic thresholds set by the Company which are, in turn, based on accepted investment grade standards set by the international business community.

- (vii) Sources and availability of raw materials – BAC’s main source of aggregates is in Mariveles, Bataan.

TVRI’s business of property development does not require any raw material.

- (viii) Major customers - The Company and TVRI are not dependent on any major customer. The Company’s revenues and income are dependent on the financial performance of its investee companies, while BAC sells its aggregates products to any buyer meeting its prices. TVRI has not commenced any property development yet pending completion of all necessary permits.
- (ix) Related party transactions – See Note 21 of the Company’s 2025 Audited Financial Statements.
- (x) Patents, etc. – NONE

- (xi) Government approvals - Not applicable.
- (xii) Effect of Government regulations - Existing government regulations do not adversely affect the business of the Company. Probable government regulation, if economically restrictive, may adversely affect the business of the Company and its subsidiary.
- (xiii) Research and development activities - The Company did not undertake any research and development activities and did not incur any expenses for such activities during the last three (3) years.

In the ordinary course of business, the projects in which the Company is, or becomes, involved in may incur expenses in commissioning feasibility and/or other similar studies. In cases where a separate entity specific to the project is formed, these expenses form part of project development costs of that entity and are, in turn, carried as part of project investment by the Company. In cases where no separate entity is formed or the proposed project is shelved for various reasons, such expenses are charged as ordinary operating expenses of the Company.

- (xiv) Costs and effects of compliance with environmental laws – Compliance with environmental laws have not, and are not anticipated to, adversely affect the businesses and financial conditions of the Company. Costs of compliance with environmental laws are either charged as ordinary operating expenses or credited as part of project investment by the Company and its subsidiary. The Company did not incur any expenses for such activities during the last three (3) years.

VMC maintains an account with Land Bank of the Philippines for its Mine Rehabilitation Fund (MRF) pursuant to the requirements of the Philippine Mining Act of 1995. The MRF shall be used for the physical and social rehabilitation of areas and communities affected by mining activities and for research in the social, technical and preventive aspects of rehabilitation.

- (xv) Employees - As of 31 December 2025 the Company has fourteen (14) full-time employees (including officers). TVRI has not engaged any employee yet.

(B) Additional Requirements as to Certain Issues or Issuers

- (i) Debt Issues – Not applicable.
- (ii) Investment Company Securities – Not applicable.
- (iii) Mining and Oil Companies – The Company, in line with its previous primary business purpose now retained as one of its secondary purposes, and VMC are participants in certain petroleum and/or mineral exploration and development ventures. These concession areas are provided in Item 1(a)1 above.

ITEM 2. PROPERTIES

Properties of the Company consist of condominium units and improvements and office equipment located at the principal office of the Company. Properties of subsidiary, TVRI, consist of office equipment located in its principal office Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City and approximately 300 hectares of land located at Bgys. Mabiga and Sacrifice Valley, Hermosa, Bataan. These properties are carried at cost less accumulated depreciation.

The Company does not own any plant, mine or other property. Subsidiary VMC owns exploration and development rights in certain mineral exploration areas covered by Mineral Production Sharing Agreements (MPSA), Applications for Production Sharing Agreements (APSA), exploration permits and industrial sand and gravel (ISAG) permit applications, while TVRI owns about 300 hectares of land located at Bgys. Mabiga and Sacrifice Valley, Hermosa, Bataan.

As discussed under the heading “Other Investments” above, the Company maintains participating interests in certain petroleum and mineral concession areas. To the extent of its Participating Interests in the petroleum and mineral exploration areas, the Company shares co-ownership rights with the other concessionaires over the respective Joint Accounts and Joint Properties pertaining to each concession area which are generally expressed in monetary terms as “Deferred Exploration Costs” in the Company’s books of accounts.

Similarly, subsidiary VMC maintains interests in certain mineral concession areas. To the extent of its participating interests in the mineral concession areas, VMC shares co-ownership rights with the other concessionaires over the respective Joint Accounts and Joint Properties pertaining to each concession area which are generally expressed in monetary terms as “Deferred Exploration Costs” in VMC’s books of accounts which are, in turn, consolidated into the Company’s books of accounts.

Owing to the intermittent nature of petroleum exploration, no permanent physical property, plant or equipment are situated or being maintained in the concession areas as they are brought in only, under lease or charter, whenever there is any exploration activity to be undertaken in the areas.

VMC sold its permanent physical property, plant and equipment, rights to explore, develop, operate and utilize, the Montalban Aggregates Project Area to Big Rock Aggregates Corporation through a Deed of Assignment dated December 19, 2017.

ITEM 3. LEGAL PROCEEDINGS

There is no material pending legal proceeding to which the Company or its subsidiary or affiliate is a party, or which any of their property is the subject, except the following:

In 2013, VMC filed a criminal case for qualified theft against Benjamin Villacarta, a former Assistant Manager of Finance and Accounting Department of VMC who converted several checks intended for tax payments into cash for personal gain. The case is currently archived after a hold-departure order was issued by court against Villacarta.

In July 2015, VMC filed a complaint affidavit with the prosecutor’s office for qualified theft against Raizel Ann Fortin, a former general accountant of VMC who took for personal gain certain monies intended as payments for various materials sold by VMC to clients. An Information was subsequently filed against her before the Regional Trial Court of San Mateo, which issued a warrant for her arrest. Unfortunately, the warrant went unserved and no return has been submitted by the local police in charge of service thereof.

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

NO matter was submitted to a vote of security holders during the fourth quarter of the fiscal year 2025

PART II –OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) Market Price of and Dividends on Common Equity and Related Stockholder Matters

(1) Market Information

The principal market where the issuer’s common equity is traded to the Philippine Stock Exchange. The high and low sale price of the Company’s shares for each quarter during the last two (2) fiscal years 2024 and 2025 and the first quarter of the current fiscal year 2026, expressed in Philippine Pesos, are as follows:

	<u>Stock Prices (Php)</u>	
	High	Low
2026- 1st quarter	1.15	0.70
2025 – 1st quarter	0.70	0.33
2 nd quarter	0.60	0.42
3 rd quarter	0.485	0.36
4 th quarter	0.72	0.385
2024 – 1st quarter	0.44	0.39
2 nd quarter	0.73	0.41
3 rd quarter	0.82	0.41
4 th quarter	0.58	0.36

(2) Holders

As of 31 December 2025, total number of shareholders of record is 3,074 while common shares outstanding were 3,003,302,538 shares. The Company’s top 20 Stockholders as of 31 December 2025 are as follows:

<u>Rank</u>	<u>Stockholders</u>	<u>Total Shares</u>	<u>Percentage</u>
1	PCD NOMINEE CORPORATION	2,960,114,468	98.562%
	RAMOS, MAUREEN ALEXANDRA		
2	CONSUELO S. RAMOS-PADILLA	8,540,645	0.2844%
	METRO GLOBAL HOLDINGS		
3	CORPORATION	4,693,332	0.1563%
4	PAJARILLO, MARIA TERESA H.	1,100,000	0.0366%
5	TANCHAN III, SANTIAGO	972,398	0.0324%
	JALANDONI, JAYME, ADAMS & Co.,		
6	INC.	964,700	0.0321%
7	TANCHAN, CONSTANTINE	881,466	0.0293%
8	GO BIAO, MARIANO	850,000	0.0283%
9	S.J. ROXAS & CO., INC. A/C # 2.19.038	850,000	0.0283%
	JACK F. CONLEY	825,000	0.0275%
10	ANSALDO, GODINEZ & CO, INC.	753,835	0.0251%
11	TBG MBTC FAO CARLOS EJERCITO	500,000	0.0166%
12	JESUS GARCIA	440,000	0.0147%
13	FRANCISCO A. NAVARRO	400,000	0.0133%
14	ALAKOR SECURITIES CORPORATION	390,000	0.0133%
15	SAN JOSE, ROBERTO V.	373,866	0.0124%
16	REGINA CAPITAL DEV. CORP. 00351	370,000	0.0123%
17	PANLILIO, JOSE MA	330,000	0.0110%
	C.A. PILE AS NOMINEE FOR HSBC		
	MANILAACC, MANUFACTURERS		
18	HANOVRA	319,000	0.0106%
19	TANCHAN, JENNIFER	293,332	0.0098%
20	ANSELMO TRINIDAD & CO., INC.	270,350	0.0090%

**Of the total 2,960,114,468 shares under the name of PCD Nominee Corp., 473,917,801 shares (15.78%) are under the name of BDO Securities Corp. (BDOSC), and 2,019,352,553 shares (67.24%) are under the name of Alakor Securities Corporation (ASC).*

**Of the 473,917,801 shares under the name of BDOSC, National Book Store Inc. (NBSI) owns 464,143,757 shares (15.45%) and of the 1,977,268,391 shares under the name of ASC, Alakor Corporation (AC) owns 1,630,037,486 shares (54.28%), while NBSI owns 275,712,708 shares (9.18%).*

(3) Dividends

Cash Dividend	Amount	Declaration Date	Record Date	Payment Date
2016 –CD 14	P0.015/share	November 3, 2016	November 18, 2016	December 15, 2016
2015 –CD 13	P0.02/share	June 01, 2015	June 16, 2015	July 10, 2015
2014 –CD 12	P0.015/share	October 29, 2014	November 12, 2014	December 8, 2014
2013 –CD 11	P0.03/share	October 22, 2013	November 8, 2013	December 4, 2013
2013 –CD 10	P0.03/share	March 19, 2013	April 05, 2013	May 3, 2013
2012 –CD 9	P0.02/share	October 19, 2012	Nov. 07, 2012	November 23, 2012
2012 –CD 8	P0.04/share	March 28, 2012	April 16, 2012	May 4, 2012
2011 –CD 7	P0.03/share	September 28, 2011	October 12, 2011	November 08, 2011
2011 –CD 6	P0.05/share	March 25, 2011	April 08, 2011	April 29, 2011
2010 –CD 5	P0.03/share	April 12, 2010	April 30, 2010	May 24, 2010
2009 –CD 4	P0.15/share	April 22, 2009	May 08, 2009	May 29, 2009
2008 - CD 3	P0.05/share	April 25, 2008	May 30, 2008	June 25, 2008
2007 –CD 2	P0.05/share	July 27, 2007	October 15, 2007	November 8, 2007
2007 - CD 1	P0.10/share	April 30, 2007	May 17, 2007	June 8, 2007
Stock Dividend	Rate	Declaration Date	Record Date	Payment Date
2008 - SD 1	10%	Sept. 19, 2008	October 31, 2008	Nov. 26, 2008

The Company's ability to declare and pay dividends on common equity is restricted by the availability of retained earnings and cash.

(4) Recent Sales of Unregistered Securities

NO unregistered securities were sold during the past 3 years. All of the Company's issued and outstanding shares of stock are duly registered in accordance with the provisions of the Securities Regulation Code (SRC).

- (a) Securities Sold – Not Applicable; NO securities were sold
- (b) Underwriters and Other Purchases – Not Applicable; NO securities were sold
- (c) Consideration – Not Applicable; NO securities were sold
- (d) Exemption from Registration Claimed – Not Applicable; NO securities were sold.

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

(A) Management's Discussion and Analysis or Plan of Operation

(1) Plan of Operation

To sustain business growth, the Company plans to focus and build on its core investments in natural resources (through investments in OV, UPM, AT and APPC), property development (through investment in TVRI and MRTDC), and infrastructure (through investment in MRTC). In addition, the Company will continue to take advantage of new business opportunities that may emerge in other investment areas which provide synergies with the Company's investment portfolio.

On the other hand, APPC's subsidiary, BAC, is preparing for full operations in its aggregates area.

- (B)** Owing to the nature of the business of the Company (investment holding), VMC (mineral and aggregates exploration and development), and TVRI (property development), and APPC (power generation) and aggregates through BAC), no product research and development is expected to be undertaken in the next twelve (12) months.

- (C)** The Company does not expect to make any purchase or sale of any plant and/or significant equipment within the next twelve (12) months.

On the other hand, any plant and/or equipment that may be purchased or otherwise acquired by BAC in the next twelve (12) months are charged as ordinary expenses and will be subsequently consolidated into APPC's financial statements.

- (D)** The Company and its subsidiaries, VMC, APPC and TVRI do not expect any significant change in the number of its employees in the next twelve (12) months.

The Company and its subsidiaries, VMC, APPC and TVRI, will continue to be affected by the Philippine business environment as may be influenced by any local/regional financial and political crises.

The Company's financial statements for the year ended 31 December 2025 reflect foreign exchange gain/losses on the Company's deposits.

2) Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial highlights for the years 2025, 2024 and 2023 are presented below:

	2025 (Consolidated)	2024 (Consolidated)	2023 (Consolidated)
Revenues	179,533,225	259,268,255	480,206,871
Net income/(loss)	(123,402,256)	(41,339,653)	331,952,404
Total assets	11,545,570,741	11,473,197,604	11,222,922,041
Total Liabilities	3,707,640,832	3,660,917,582	3,699,122,336
Net worth	7,837,929,909	7,812,280,022	7,523,799,705
Issued & subscribed capital	3,003,302,538	3,003,302,538	3,003,302,538

The top key performance indicators of the Company and its majority-owned subsidiary are as follows:

	<u>December 31,</u> <u>2025</u> <u>(Consolidated)</u>	<u>December 31,</u> <u>2024</u> <u>(Consolidated)</u>	<u>December 31,</u> <u>2023</u> <u>(Consolidated)</u>
Current Ratio	0.72:1	3.10:1	2.98:1
<u>Current Assets</u>	<u>744,134,973</u>	<u>760,992,490</u>	<u>772,231,676</u>
Current Liabilities	1,027,980,710	245,694,205	259,275,313
Assets to Equity Ratio	1.47:1	1.47:1	1.49:1
<u>Total Assets</u>	<u>11,545,570,741</u>	<u>11,473,197,604</u>	<u>11,222,922,041</u>
Stockholders' Equity	7,837,929,909	7,812,280,022	7,523,799,705
Debt to Equity Ratio	0.47:1	0.47:1	0.49:1

<u>Total Liabilities</u>	<u>3,707,640,832</u>	<u>3,660,917,582</u>	<u>3,699,122,336</u>
Stockholders' Equity	7,837,929,909	7, 812,280,022	7,523,799,705
Equity to Debt Ratio	2.11:1	2.13:1	2.03:1
<u>Stockholders' Equity</u>	<u>7,837,929,909</u>	<u>7,812,280,022</u>	<u>7,523,799,705</u>
Total Liabilities	3,707,640,832	3,660,917,582	3,699,122,336
Book Value per share	2.61	2.60	2.51
<u>Stockholders' Equity</u>	<u>7,837,929,909</u>	<u>7,812,280,022</u>	<u>7,523,799,705</u>
Shares Outstanding	3,003,302,538	3,003,302,538	3,003,302,538
Earnings/(Loss) per share	(0.04)	(0.01)	0.11
<u>Net Income/(Loss)</u>	<u>(123,402,256)</u>	<u>(41,339,653)</u>	<u>331,952,404</u>
Average Number of shares outstanding	3,003,302,538	3,003,302,538	3,003,302,538

Current Ratio decreased to 0.72:1 as compared to 3.10:1 in 2024 due to reclassification of its non current liabilities to current. Current Ratio increased to 3.10:1 in 2024 as compared to 2.98:1 in 2023 due to decrease in total current liabilities due to payment of accounts payable.

Assets to Equity Ratio is at 1.47:1 during the years 2025 and 2024. In 2023, it increases to 1.49:1 due to increase in Stockholders Equity brought about by the increased net income generated by the Company during the period.

Debt-to-Equity Ratio remains unchanged at 0.47 in 2025 and 2024. The decreased in Debt-to-Equity Ratio in 2024 as compared to 2023 was due to the increase in Stockholders Equity as a result of Share in other comprehensive income of associates of the Company during the period.

Book Value per Share (BVPS) continuously increased from 2023 to 2025. The increase was due to the increase in Stockholders Equity due to the net income generated by the Company in 2023 and the share in other comprehensive income of associates in 2023 to 2025.

The Company's operations in 2025 and in 2024 resulted to a Loss per share of P0.04 and P0.01, respectively. The Net Loss was due to due to share in equity losses of associates during the period.

While in 2023, the Company's Earnings per share of P0.11 was due to share in equity income of associates.

In 2025, the Company posted a net loss of P123.4 million as compared to P41.3 million in 2024 due to share in equity losses of associates during the period. In 2023, Net Income of P331.95 million was brought about by the increase in share in equity income from associate during the period.

- (i) There are **NO** known trends, demands, commitments, events or uncertainties that have or are reasonably likely to have a material impact on the Company's short-term or long-term liquidity.
- (ii) The Company's internal source of liquidity comes, primarily, from revenues generated from operations. The Company's external source of liquidity comes, primarily, from loans/financing obtained from financial institutions and, alternatively, may also come from the collection of its accounts receivables.
- (iii) The Company has **NO** material commitments for capital expenditures but is expected to contribute its equity share in the capital expenditures of its investee companies. However, the bulk of the funding for such expenditures will be sourced from project financing.
- (iv) There are **NO** known trends, events or uncertainties that have had or are reasonably expected to have a material impact on the revenues or income from continuing operations.
- (v) There are **NO** significant elements of income or loss that did not arise from the Company's operations.
- (vi) There have been **NO** material changes from 2023-2025 in one or more-line items of the Company's financial statements, EXCEPT as disclosed below:
 - a. Total Revenue decreased to P179.5 million during to year 2025 as compared to P259.3 million in 2024 due the absence of share in net equity income of associates during the period. Total Revenues in 2023 amounting to P480.2 million was due to the higher equity share in net income of associates posted during the year 2023.
 - b. There were no sales recorded from 2023-2025 since BAC discontinued its operation in October 2019.
 - c. Costs and Expenses is at higher at P300.8 million in 2025 as compared to P288.4 million in 2024 due to Share in net equity losses of associates in during the period. Cost and expenses are lower in 2023 is at P157.4 million due the equity share in net income of associates posted during the year 2023
 - d. Net Income/Loss Before Income Tax. In 2025 the Company posted a Net loss of 123.4 million compared to P41.3 million in 2024 mainly due to the share in equity losses of associates during the period. In 2023, the Company posted a Net Income before income tax of P322.8 million due to a higher share in equity income of associates posted during the year.

- e. Basic and Diluted Earnings/(Loss) Per Share is (P0.041), (P0.01) and P011 for the year 2025, 2024 and 2023, respectively.
 - f. Retained Earnings is lower at P1.75 billion in 2025 compared to P1.87 billion in 2024 as compared to P1.9 billion in 2023 due to the Net losses posted by the Company during the year 2024 to 2025. In 2023, Retained Earnings is higher at P1.9 billion due to the Net Income posted by the Company in 2023.
 - g. Current Assets continue decreased in 2023-2025 due to decrease in cash and cash equivalent due to advances made to subsidiary and general administrative expenses.
 - h. Non-Current Assets increased in 2023 to 2025 mainly due the increase in Investment in associates brought about by the net income generated and other comprehensive income by its investee Company during the period.
 - i. Current Liabilities increased P1.01 billion in 2025 as compared to P245.7 million in 2024 due to reclassification of its non-current liabilities to current. Current Liabilities decreased to P245.7 million in 2024 as compared to P259.3 million in 2023 due to payment of accounts payable and other accrued expenses during the period.
 - j. Non-Current Liabilities decreased to P2.68 billion in 2025 as compared to P3.41 billion in 2024 due to reclassification of its non-current liabilities to current. Non-current liabilities decreased P3.41 billion in 2024 as compared to P3.44 billion in 2023 due to present value computation on the Company's subscription payable.
 - k. Stockholders' Equity continuously increased from 2023 to 2025 due the increase in share in other comprehensive income from associate during the year 2024 and 2025 and the net income generated by the Company during the year 2023.
- (vii) There have been NO seasonal aspects that had a material effect on the financial condition or results of operations of the Company.
- (viii) There are NO events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- (ix) There are NO material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

(2) Interim Periods

No interim financial statements are included in this report.

ITEM 7. FINANCIAL STATEMENTS

Refer to the Audited Financial Statements as of December 31, 2025, 2024, and 2023.

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

There have been **NO** changes in, nor disagreements with, accountants on accounting and financial disclosure for fiscal years 2025, 2024 and 2023

PART III - CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS

(a) Directors, Executive Officers, Promoters and Control Persons

(1) Directors and Executive Officers

(A) Names and Ages of Directors and Executive Officers

<u>Name</u>	<u>Age</u>	<u>Citizenship</u>	<u>Position</u>	<u>Period of Service</u>
Gerard Anton S. Ramos	51	Filipino	Chairman of the Board EVP-Investment Director	Jan 2023 to present July 2014 to present 2011 to Jan 2023
Adrian Paulino S. Ramos	47	Filipino	Director EVP/Treasurer President/COO	2006 to present July 2014 to 2016 Jan 2017 to present
Adrian S. Arias	63	Filipino	EVP Asst. Corporate Secretary EVP-Legal and Admin. Director	2005 to June 2014 1998 to 2016 July 2014 to present November 2014 to present
Christopher M. Gotanco	76	Filipino	Director President	1987 to present 1988 to 2016

Roberto V. San Jose	84	Filipino	Director Corporate Secretary	1998 to present 1979 to 2016
Reynaldo E. Nazarea	73	Filipino	Director	June 2017 to present
Presentacion S. Ramos	84	Filipino	Director	1984 to present
Maureen Alexandra S. Ramos- Padilla	53	Filipino	Director	2011 to present
Laurito E. Serrano	65	Filipino	Independent Director	2021 to present
Honorio A. Poblador	78	Filipino	Independent Director	2019 to present
Nicholas Justin H. Ang	48	Filipino	Independent Director	2023 to present
Iris Marie U. Carpio-Duque	47	Filipino	Asst. Corporate Secretary Corporate Secretary	July 2014 to May 2017 June 2017 to present
Josephine L. Ilas	52	Filipino	Asst. Corporate Secretary	Jan 29, 2021 to present
Gilbert V. Rabago	48	Filipino	Manager, Finance and Accounting Treasurer	July 2014 to present Jan 2017 to present

(B) Positions and offices that each person named above held with the Company

Mr. Gerard Anton S. Ramos has been elected as Chairman of the Board on January 16, 2023. He has been a director since 2011 and became the Executive Vice President for Investments in July 2014.

Mr. Adrian Paulino S. Ramos has been a director since 2006 and became Executive Vice President and Treasurer in July 2014. He became the President in January 2017.

Mr. Christopher M. Gotanco has been a director since 1987 and the President since 1988 up to 2016. He was previously the VP-Finance and Administration.

Atty. Roberto V. San Jose has been the Corporate Secretary from 1979 up to July 2016 and a Director since 1998.

Ms. Presentacion S. Ramos and Ms. Maureen Alexandra S. Ramos-Padilla have been Directors since 1984 and 2013, respectively.

Atty. Adrian S. Arias was elected Director in November 2015. He was appointed EVP-Legal and Administration in July 2014 and Corporate Secretary from July 2016-June 2017.

Mr. Reynaldo E. Nazarea was elected Director on June 2017.

Mr. Honorio A. Poblador III was elected Independent Director on July 2019. Mr. Poblador possesses all the qualifications and none of the disqualifications as Independent Director since his election in 2019.

Mr. Laurito E. Serrano was elected Independent Director on July 2021. Mr. Serrano has all the qualifications and none of the disqualifications as an Independent Director since his election in 2021.

Mr. Nicholas Justing H. Ang was elected Independent Director on July 2023. Mr. Ang possesses all the qualifications and none of the disqualifications as Independent Director since his election in 2023

(C) Term of Office as Director and Period of Service

The Directors of the Company are elected at the Company's annual stockholders' meeting to hold office until the next succeeding annual meeting and until their successors shall have been elected and qualified. Officers are appointed annually by the Board of Directors at the organizational meeting following the annual stockholders' meeting, to hold office until the next organizational meeting of the Board of Directors in the following year or until a successor shall have been appointed and qualified, in accordance with Company By-Laws.

(D) Business experience of directors/officers during the past five (5) years

Mr. Gerard Anton S. Ramos was elected as the Chairman of the Board on January 16, 2023. Prior to this, he was Executive Vice President for Investments of the Company. He serves as a director and/or executive officer, and maintains business interests, in companies engaged in the printing, publication, sale and distribution of books, magazines and other printed media (1996-present), securities (1996-present), property development and infrastructure (1996-present), investment holdings (2000-present) and mining (2008-present), among others.

Mr. Adrian Paulino S. Ramos is a Director and President and COO of the Company. He is the former EVP and Treasurer of the Company. He serves as a director and/or executive officer, and maintains business interests, in companies engaged in the printing, publication, sale and distribution of books, magazines and other printed media (1996-present), investment holdings (2005-present), securities (2005-present), property development and infrastructure (2006-present), mining (2006-present) and bulk water supply (2006-present), among others.

Mr. Christopher M. Gotanco is a director and former President and COO of the Company. He serves as a director and/or executive officer in companies engaged in oil and gas exploration (1982-present), mining (1993-present), investment holdings (1995-present), transportation (1996-present), property development (1996-present), investment house and financial services (2007-present), among others.

Atty. Adrian S. Arias is a Director of the Company. He is also the Company's Executive Vice President for Legal and Administration. He has been in active corporate law practice for more than thirty (30) years and serves as a director of an investment house (2006-present) and financial services (2006-present).

Atty. Roberto V. San Jose is a Director and the Corporate Secretary of the Company. He has been in the active practice of law for more than forty-five (45) years.

Ms. Presentacion S. Ramos is a Director of the Company. She serves as a director and/or executive officer, and maintains business interests, in companies engaged in the printing, publication, sale and distribution of books, magazines and other printed media (1975-present), oil and gas exploration (1984-present), department store (1993-present), mining (1993-present) and stock brokerage (1996-present), among others.

Mr. Reynaldo E. Nazarea is a Director of the Company. He also serves as a director and/or officer of companies involved in oil exploration and production, financial services, investment house, and property development

Mr. Laurito Serrano was elected independent director of the Company in July 31, 2021. For the past five (5) years, his professional experience has covered, among others, financial advisory, project development engagements, transaction structuring, public debt/equity offerings, asset securitization and monetization, business acquisitions, investment promotion, audit services and other similar financial advisory services. He concurrently sits as a member of the Board of Directors of companies involved in banking, mining, transportation, gaming and investment holding. He is a certified public accountant.

Mr. Honorio A. Poblador III is an incumbent independent director and is nominated as independent director of the Company for the ensuing fiscal year. He is a businessman who has been at the head of nine different companies, and presently serving as Chairman for companies involved in travel, human resources, paper milling and real property development, among others.

Ms. Maureen Alexandra S. Ramos-Padilla is a Director of the Company. She serves as a director and/or executive officer, and maintains business interests in companies engaged in department store, media and music distribution, securities brokerage property development, oil and gas exploration and development (2013-present), among others.

Mr. Nicholas Justin H. Ang was elected Independent Director for the company in July 2023. For the past five (5) years, he has served as a director and/or executive officer and maintained business interests in companies involved in real estate, ecommerce business solutions, provider of financial services and food and restaurant

Iris Marie U. Carpio-Duque, was elected Compliance Officer and Deputy Corporate Information Officer of the Company on October 22, 2012, and as Corporate Secretary on December 7, 2015. For the past five (5) years, she has served as officer and/or corporate secretary or assistant corporate secretary of companies involved in mining, investment holding, securities brokering, and real estate. She is a member of the Integrated Bar of the Philippines.

Josephine L. Ilas is the Assistant Corporate Secretary of the Company. For the past five (5) years, she has served as assistant corporate secretary and compliance officer of companies involved in oil and petroleum and natural resources. She is a member of the Integrated Bar of the Philippines.

(E) Directors with directorship(s) held in reporting companies

The following are the directorships held by the directors of the Company in other reporting companies in the past five (5) years:

<i>Gerard Anton S. Ramos</i>	<i>The Philodrill Corporation</i>	<i>United Paragon Mining Corp</i>
	<i>Atlas Consolidated Mining & Dev't. Corp</i>	
<i>Adrian Paulino S. Ramos</i>	<i>Alakor Securities Corporation</i>	<i>The Philodrill Corporation.</i>
	<i>East Coast Vulcan Mining Corp.</i>	<i>United Paragon Mining Corp.</i>
	<i>Atlas Consolidated Mining & Dev't. Corp</i>	
<i>Christopher M. Gotanco</i>	<i>Penta Capital Finance Corp.</i>	<i>The Philodrill Corporation</i>
	<i>Boulevard Holdings, Inc.</i>	<i>United Paragon Mining Corp.</i>
	<i>Penta Capital Investment Corp.</i>	
<i>Presentacion S. Ramos</i>	<i>Alakor Securities Corporation</i>	<i>The Philodrill Corporation</i>
<i>Roberto V. San Jose</i>	<i>Atlas Resources Management Group</i>	<i>CP Equities Corporation</i>
	<i>CP Group of Companies</i>	<i>Mabuhay Holdings Corporation</i>
<i>Maureen Alexandra S. Ramos-Padilla</i>	<i>Anglo Philippine Holdings Corporation</i>	<i>The Philodrill Corporation</i>
	<i>United Paragon Mining Corporation</i>	<i>Alakor Securities Corporation</i>
<i>Adrian S. Arias</i>	<i>Penta Capital Investment Corp</i>	<i>Penta Capital Finance Corp.</i>

<i>Reynaldo E. Nazarea</i>	<i>Penta Capital Holdings, Inc.</i>	<i>Penta Capital Investment Corp</i>
	<i>Penta Capital Finance Corp.</i>	<i>The Philodrill Corporation</i>
<i>Laurito E. Serrano</i>	<i>Atlas Consolidated Mining & Development Corp. (ID)</i>	<i>Pacific Online Systems Corporation (ID)</i>
	<i>2GO Group, Inc. (ID)</i>	<i>Rizal Commercial Banking Corporation (ID)</i>
	<i>MRT Development Corporation (RD)</i>	<i>Axelum Resources Group (RD)</i>
<i>Honorio A. Poblador III</i>	<i>Alsons Consolidated Resources</i>	<i>The Philodrill Corporation (ID)</i>
<i>Nicholas Justin H. Ang</i>	<i>United Paragon Mining Corp. (ID)</i>	

**RD – Regular Director, ID – Independent Director*

(2) Significant Employees

Other than the current officers and employees, the Company has not engaged the services of any person who is expected to make significant contributions to the business of the Company.

(3) Family Relationships

Ms. Maureen Alexandra Ramos-Padilla (Director), Mr. Adrian Paulino S. Ramos (President/COO/Director) and Mr. Gerard Anton S. Ramos (Chairman, /EVP-Investments) are the children of Mrs. Presentacion S. Ramos.

There are no other family relationships known to the registrant other than the ones disclosed herein.

(4) Involvement in Certain Legal Proceedings

The Company is not aware of: (1) any bankruptcy petition filed by or against any business of which a director, person nominated to become a director, executive officer, promoter, or control person of the Company was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior that time; (2) any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses of any director, person nominated to become a director, executive officer, promoter, or control person, EXCEPT That (a) Ms. Presentacion S. Ramos, Ms. Maureen Alexandra S. Ramos-Padilla, Mr. Gerard Anton S. Ramos, Mr. Christopher M. Gotanco, and Mr. Reynaldo E. Nazarea, as directors, and Atty. Adrian S. Arias, as Corporate Secretary, all of Philodrill have been sued for alleged violation of Secs. 28 and 144 of the Corporation Code (Illegal removal of director), and (b) Mr. Reynaldo E. Nazarea and Atty. Adrian S. Arias have been sued for alleged violation of Art. 172 of the Revised Penal Code (Falsification of a Public Document). The Office of the City Prosecutor of Mandaluyong has dismissed these

cases for lack of merit in separate resolutions and are now the subject of a Petition for Review filed by complainant Francisco Navarro with the Department of Justice; (c) Mr. Reynaldo E. Nazarea has filed separate cases of perjury and attempted estafa against Mr. Francisco Navarro, which are similarly the subject of a Petition for Review with the Department of Justice; (3) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement in any type of business, securities, commodities or banking activities of a director, person nominated to become a director, executive officer, promoter, or control person of the Company; and, (4) judgment against a director, person nominated to become a director, executive officer, promoter, or control person of the Company found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

ITEM 10. EXECUTIVE COMPENSATION

(1) Summary Compensation Table

The aggregate compensation paid to the Company's Chief Executive Officer and other four (4) most highly compensated executive and non-executive officers named below as a group for the two most recently completed fiscal years (2022 and 2023) and the ensuing fiscal year (2024) are:

Name	Position	Year	Salary	Bonus	Other Annual Compensation
Gerard Anton S. Ramos	Chairman/EVP-Investments				
Adrian Paulino S. Ramos	President/COO				
Adrian S. Arias	EVP-Legal and Administration				
Gilbert V. Rabago	Treasurer				
Iris Marie U. Marie-Duque	Corporate Secretary				
		2024	11,834,666	1,939,164	
		2025	11,834,666	1,939,164	
		2026 (est)	13,018,132	2,133,080	

All officers and directors as a group unnamed	2024	12,354,666	1,939,164
	2025	12,354,666	1,939,164
	2026 (est)	13,590,132	2,133,080

In 2024 to 2025, executive officers were paid the 13th month pay and bonuses.

(2) Compensation of Directors

(A) Standard Arrangement

For the most recently completed fiscal year and the ensuing fiscal year, directors received and will receive a per diem of P5,000 per month to defray their expenses in attending board meetings. There are no other arrangements for compensation of directors, as such, during the last fiscal year and for the ensuing fiscal year.

(B) Other Arrangements

There are no other arrangements for compensation of directors during the last fiscal year and for the ensuing fiscal year.

(3) Employment Contracts and Termination of Employment and Change-in-Control

(A) The Company maintains standard employment contracts with its executive officers which provide for compensation and benefits, including entitlement to health benefits, representation expenses and company car plan.

(B) Other than what is provided under applicable labor laws, there are no compensatory plans or arrangements with executive officers entitling them to receive more than P2,500,000.00 as a result of their resignation or any other termination of employment, or from a change in control of the Company, or a change in the executive officers' responsibilities following a change in control of the Company.

The Company maintains a retirement plan pursuant to which an eligible employee will receive one month's pay for every year of service for the first 10 years and two month's pay for every year of service beyond the first 10 years. Based on this policy, the retirement pay of some officers of the Company may exceed P2,500,000.00.

(C) There are no warrants or options outstanding in favor of directors and officers of the Company.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(1) Security Ownership of Certain Record and Beneficial Owners

As of 31 December 2025, the Company is not aware of anyone who beneficially owns more than 5% of its outstanding stock, except as set forth below:

<u>Title of Class</u>	<u>Name and address of record owner and relationship with Issuer</u>	<u>Name of Beneficial Owner and Relationship with Record Owner</u>	<u>Citizen ship</u>	<u>No. of shares held</u>	<u>Perce ntag e Owner ship</u>
Common	Alakor Securities Corporation 9 th Floor, Quad Alpha Centrum 125 Pioneer St., Mandaluyong City Stockholder	Alakor Corporation Client (see Note B)	Filipin o	1,630,037,486	54.27%
Common	PCD Nominee Corporation Makati Stock Exchange Bldg. 6767 Ayala Avenue, Makati City Stockholder	PCD Participants (see note A)	Filipin o/ non-Filipin o	466,844,114*	15.54%
Common	BDO Securities Corporation 27 Tower 1 Exchange Plaza Ayala Ave., Makati City Stockholder	National Book Store Inc. Client (see Note B)	Filipin o	464,143,757*	15.45%
Common	Alakor Securities Corporation 9 th Floor, Quad Alpha Centrum 125 Pioneer St., Mandaluyong City Stockholder	National Book Store Inc. Client (see Note B)	Filipin o	275,712,708	9.18%

**Of the total 2,960,114,468 shares under the name of PCD Nominee Corp., 473,917,801 shares (15.78%) are under the name of BDO Securities Corp. (BDOSC), and 2,019,352,553 shares (67.24%) are under the name of Alakor Securities Corporation (ASC).*

**Of the 473,917,801 shares under the name of BDOSC, National Book Store Inc. (NBSI) owns 464,143,757 shares (15.45%) and of the 1,977,268,391 shares under the name of ASC, Alakor Corporation (AC) owns 1,630,037,486 shares (54.28%), while NBSI owns 275,712,708 shares (9.18%).*

Note A: *The shares registered under the name of PCD Nominee Corporation (PCD) are beneficially owned by its participants. Based on PCD's books, there are 124 beneficial owners of the Company's voting stock of which BDOSC and ASC are the record owner of more than 5% of the Company's voting securities*

Note B: *Among the clients of BDOSC and ASC, NBSI and AC are the beneficial owners of more than 5% of the Company's voting securities.*

Note C: *As a matter of practice, PCD itself does not vote the number of shares registered in its name; instead, PCD issues a general proxy constituting and appointing each of its participants as PCD's proxy to vote for the number of shares owned by such participant in PCD's books as of Record Date.*

(2) Security Ownership of Management

As of 31 December 2025, the Company's directors and officers own the following number of shares registered in their respective names:

<u>Title of Class</u>	<u>Name of beneficial owner</u>	<u>Amount and nature of Beneficial ownership</u>		<u>Citizenship</u>	<u>Percent Of Class</u>
		<u>Direct</u>	<u>Indirect</u>		
Common	Gerard Anton S. Ramos (D/O/N)	1,000	8,320,645	Filipino	0.18%
Common	Adrian Paulino S. Ramos (D/O/N)	18,000	8,573,644	Filipino	0.29%
Common	Presentacion S. Ramos (D/N)	55,000	53,103,602	Filipino	1.77%
Common	Maureen Alexandra S. Ramos-Padilla (D/N)	8,562,645	873,066	Filipino	0.31%
Common	Christopher M. Gotanco (D//N)	110	17,830,540	Filipino	0.59%
Common	Adrian S. Arias (D/O/N)	1,000	19,000	Filipino	0.00%
Common	Roberto V. San Jose (D//N)	373,866	59,386	Filipino	0.01%

Common	Reynaldo E. Nazarea (D/N)	10,000	10,000	Filipino	0.01%
Common	Laurito E. Serrano (ID/N)	-	10,000	Filipino	<0.01%
Common	Honorio A. Poblador (ID/N)	-	1	Filipino	<0.01%
Common	Nicholas Justin H. Ang (ID/N)	10,000	0	Filipino	<0.01%

There are no additional shares of the Company which the above listed directors and officers have the right to acquire beneficial ownership of from options, warrants, conversion privileges, or similar obligations.

(3) Voting Trust Holders of 5% or More

To the extent known to the Company, there is no person holding more than 5% of the Company's securities under a voting trust or similar arrangement.

(4) Changes in Control

To the extent known to the Company, there are no arrangements which may result in a change in control of the Company.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(1) Related Transactions

Except as disclosed in Note 21 of the 2025 Audited Financial Statements hereto attached, there had been NO transactions during the last two (2) years to which the Company was or is to be a party in which any director or executive officer of the Company, or nominee for election as a director, or owner of more than 5% of the Company's voting securities, or voting trust holder of 5% or more of any class of the Company's securities, or any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the foregoing persons had or is to have a direct or indirect material interest.

In the ordinary and regular course of business, the Company had or may have transactions with other companies in which some of the foregoing persons may have an interest.

(2) Not Applicable

(3) Parent of the Company

As of December 31, 2025, Alakor Corporation holds 54.27% of the Company's outstanding capital stock.

(4) Transaction with Promoters

The Company has had no transaction with promoters during the last (5) years.

PART 1V –CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

(a) The Company uses the evaluation system established by the SEC in this Memorandum Circular No. 5 series of 2003, including the accompanying Corporate Governance Self Rating Form (CG-SRF) to measure or determine the level of compliance of the Board of Directors and top-level management with the Company's Corporate Governance Manual.

(b) The Company undertakes as self-evaluation process regularly and any deviation from the Company's Corporate Governance Manual is reported to the Management and the Board together with the proposed measures to achieve compliance.

(c) The Company is in full compliance with the leading practices on good corporate governance as embodied in its Revised Manual on Corporate Governance (May 2017).

1. The Company has adopted a Code of Conduct for the Board and its employees, and is being assessed regularly to cope with the dynamics of the business. The Company has existing policies and procedures that can identify and resolve potential conflicts of interest.

2. Employees and officers undergo professional development programs subject to meeting the criteria set by the Company. The Compensation & Remuneration Committee (CRC) is engaged, in the Succession Planning of the Executive officers, including the President. In the latter case, the CRC coordinates closely with the Chairman any and all activities involved in planning for the President's succession.

(d) The Company shall adopt improvement measures on its corporate governance as the exigencies of its business will require from time to time.

(e) The Company filed a copy of its 2024 Integrated Annual Corporate Governance Report (I-ACGR) to the SEC on May 30, 2025 and is posted in the Company's website. The I-ACGR for 2025 will be filed on or before it falls due for submission.


ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

- | | | |
|----|-------------------------|---|
| A. | Exhibits | see Index to Financial Statement and Supplementary Schedule |
| B. | Report on SEC Form 17-C | - Already filed with the SEC |

SIGNATURES

Pursuant to the requirement of Section 17 of the SRC and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Mandaluyong on _____.


GERARD ANTON S. RAMOS
 Chairman of the Board

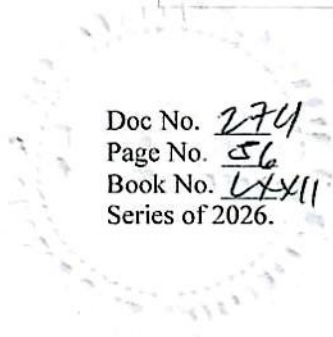

ADRIAN PAULINO S. RAMOS
 President/Director/COO


IRIS MARIE U. CARPIO-DUQUE
 Corporate Secretary,
 Compliance Officer and
 Corporate Information Officer



GILBERT V. RABAGO
 Treasurer

SUBSCRIBED AND SWORN to before me this 13 **MAY 2026** day of _____ 2026, affiant exhibited to me his Community Tax Certificates, as follows:

Names	Passport Number/ Government Issued ID	Issue /Expiry Date	Place of Issue
Names	ID No.	Date of Issue/Expiry	Place of Issue
Gerard Anton S. Ramos	PASSPORT – P7752563A	July 30, 2018/ 29 June 2028	DFA NCR South
Adrian Paulino S. Ramos	PASSPORT – P63688018	Feb. 23, 2021/ Feb 22, 2031	DFA NCR East
Iris Marie U. Carpio-Duque	Multi-purpose ID No. CRN – 0111- 2628925-4		
Gilbert V. Rabago	DL No. E09-09-000229	Expiring on March 24, 2032	



Doc No. 274
 Page No. 56
 Book No. 6411
 Series of 2026.


ATTY. MARK ANTHONY M. ALVARIO
 Notary Public for Quezon City
 Valid Until December 31, 2026
 Adm. Matter No. NP-364
 Unit 2625 Y2 Amala Skies Cubao, 5th Ave.,
 Brgy. Secoto, Quezon City
 Roll No. 91707
 MLE Compliance No. VIII-0013023
 PTR No. 8382404, 01/08/2026, QC
 IBP No. 590561, 01/06/2026, QC Chapter

**ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE
SEC FORM 17-A
DECEMBER 31, 2025**

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Management's Responsibility for Consolidated Financial Statements

Report of Independent Public Accountant

Consolidated Statements of Financial Position as at December 31, 2025 and 2024

Consolidated Statements of Comprehensive Income for the Years ended
December 31, 2025, 2024 and 2023

Consolidated Statements of Changes in Equity for the Years ended
December 31, 2025, 2024 and 2023

Consolidated Statements of Cash Flows for the Years ended
December 31, 2025, 2024 and 2023

Notes to Consolidated Financial Statements

SUPPLEMENTARY SCHEDULES

Report of Independent Auditors on Supplementary Schedules

SCHEDULE I Financial Ratios

SCHEDULE II Map of the Relationships of the Company within the Group

SCHEDULE III Reconciliation of Retained Earnings Available for Dividend Declaration

SCHEDULE A. Financial Assets in Equity Securities

SCHEDULE B. Amounts Receivable from Directors, Officers, Employees, Related Parties and
Principal Stockholders (other than Related Parties)

SCHEDULE C. Amounts Receivable from Related Parties which are Eliminated during the
Consolidation of Financial Statements

SCHEDULE D. Long-Term Debt

SCHEDULE E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

SCHEDULE F. Guarantees of Securities of Other Issuers

SCHEDULE G. Capital Stock

Supplementary Schedule of External Auditor Fee-Related Information

Your BIR AFS eSubmission uploads were received

From: eafs@bir.gov.ph (eafs@bir.gov.ph)

To: info@anglophil.com

Cc: sisonette@anglophil.com

Date: Wednesday, May 13, 2026 at 07:17 PM GMT+8

Hi ANGLO PHILIPPINE HOLDINGS CORPORATION,

Valid files

- EAFS000175630ITRTY122025.pdf
- EAFS000175630AFSTY122025.pdf
- EAFS000175630RPPTY122025.pdf
- EAFS000175630OTHTY122025.pdf

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- <None>

Transaction Code: **AFS-0-N3Q3ZSMP0AKKJ9EA8NSPX31SR067K5GH5A**

Submission Date/Time: **May 13, 2026 07:17 PM**

Company TIN: **000-175-630**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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

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

Q	u	a	d	A	l	p	h	a	C	e	n	t	r	u	m	,	1	2	5	P	i	o	n	e	e		
r	S	t	.	M	a	n	d	a	l	u	y	o	n	g	C	i	t	y									

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A C F S	C R M D	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
info@anglophil.com	(02) 8631-5139	0917-517-5021
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
3,079	Every Last Friday of July	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Gilbert V. Rabago	info@anglophil.com	(02) 8631-5139	0998-566-2034

CONTACT PERSON'S ADDRESS

6th Floor Quad Alpha Centrum, 125 Pioneer St. Mandaluyong City

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

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



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Anglo Philippine Holdings Corporation
Quad Alpha Centrum
125 Pioneer St. Mandaluyong City

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Anglo Philippine Holdings Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of Investments in Associates

The Group has effective ownership of 28.64% in Atlas Consolidated Mining and Development Corporation (ACMDC), 34.87% in The Philodrill Corporation (TPC), and 25.69% in United Paragon Mining Corporation (UPMC) as at December 31, 2025, which are accounted for using the equity method. The Group's investments in these associates amounting to ₱10.2 billion represent about 88.76% of its consolidated total assets as at December 31, 2025. In 2025, the Group's share in the net losses of associates amounted to ₱60.9 million, which is 49.37% of the Group's consolidated net losses.

In 2025, the results of operations of the associates are significantly affected by the following:

- Estimation of ore reserves by ACMDC and oil reserves by TPC, which are key inputs to depletion and impairment estimates, and require significant management estimates and assumptions and the involvement of external experts; and
- Judgment, estimation and assumptions about the future production levels and costs of UPMC, as well as external inputs such as gold prices and discount rate for the assessment the recoverable amount of property, plant and equipment related to Longos Mine project of UPMC.

In addition, PAS 36, *Impairment of Assets* requires that an impairment review of the investments in associates be performed when certain impairment indicators are present. We consider this matter as significant to our audit in view of the magnitude of the investments' carrying amounts and the share in the net losses of these associates and the significant management judgement and estimates applied in determining the recoverable amount of these investments for impairment testing purposes.

The Group's disclosure related to investments in associates are in Note 10 to the consolidated financial statements.

Audit Response

We obtained relevant financial information of the associates and recomputed the Group's share in equity in the associates' net earnings/losses for the year ended December 31, 2025.

On the estimation of oil reserves, we evaluated the competence, capabilities and objectivity of the external specialists engaged by TPC to perform an independent assessment of the oil reserves, by considering their qualifications, experience and reporting responsibilities. We read the external specialists' reports and obtained an understanding about the nature, scope and objectives of their work, and basis of the estimates including any changes in the oil reserves during the year. In addition, we also tested the oil reserves estimates applied to the relevant areas of the consolidated financial statements including depletion and impairment estimates.



In relation to the assessment of the recoverable amount of property, plant and equipment related to the Longos Mine project of UPMC, we involved our internal specialist in evaluating the methodologies and the assumptions used such as future production levels and costs as well as external inputs such as gold prices and discount rate. We compared the key assumptions used such as future production levels and costs against project feasibility report and key inputs such as gold prices against externally published data. We carried out an update discussion with the specialists who were part of the feasibility study team on the basis of the estimated production levels and costs and anticipated changes. We tested the parameters used in the determination of the discount rate against market data.

Further, we obtained and reviewed management's impairment analysis of investments in associates. We discussed with management the current and projected financial performance of the associates and the basis for the key assumptions used. We involved our internal specialist in evaluating the Group's methodology and the assumptions used in calculating the recoverable amount of the investments. These assumptions include the expected life of the project, future production levels and costs and contribution to Government based on current regulations as well as external inputs such as gold and copper prices and discount rates. We compared the key assumptions used such as expected mine life used against the mine life based on the ore reserve report, production reports from the operations departments, current tax laws and forecasted gold and copper prices. We compared future production levels and costs against the associates' historical performance.

We compared the key inputs such as gold and copper prices against externally published data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect in the determination of the recoverable amount of the investments in associates.

Other Information

Management is responsible for the other information. The other information comprises the information included in SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



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

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

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

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



The engagement partner on the audit resulting in this independent auditor's report is
Jhoanna Feliza C. Go

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go

Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

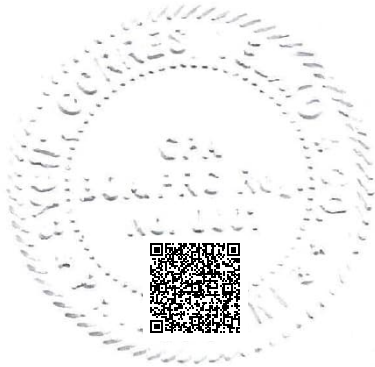
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

April 23, 2026



ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱11,177,099	₱82,298,173
Receivables (Note 5)	621,725,577	590,039,093
Financial assets at fair value through profit or loss (FVTPL; Note 6)	88,450,810	76,267,300
Prepaid expenses and other current assets (Note 7)	22,781,487	12,387,924
Total Current Assets	744,134,973	760,992,490
Noncurrent Assets		
Investments in associates (Note 10)	10,247,337,001	10,159,366,298
Long-term note receivable (Note 8)	60,000,000	60,000,000
Investment properties (Note 12)	313,352,242	313,057,242
Deferred exploration costs (Note 13)	73,754,474	73,256,283
Property and equipment (Note 11)	4,680,466	4,757,137
Net retirement benefit assets (Note 22)	7,934,879	7,945,147
Financial assets at fair value through other comprehensive income (FVOCI; Note 9)	521,260	521,260
Other noncurrent assets (Note 14)	93,855,446	93,301,747
Total Noncurrent Assets	10,801,435,768	10,712,205,114
TOTAL ASSETS	₱11,545,570,741	₱11,473,197,604
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 15)	₱983,963,799	₱201,677,294
Current portion of due to related parties (Note 21)	41,880,741	41,880,741
Current portion of subscription payable (Note 10)	2,136,170	2,136,170
Total Current Liabilities	1,027,980,710	245,694,205
Noncurrent Liabilities		
Subscription payable - net of current portion (Note 10)	2,664,047,542	2,646,633,159
Due to related parties - net of current portion (Note 21)	-	753,019,878
Deferred income tax liabilities – net (Note 23)	52,664	10,424
Other noncurrent liability (Note 15)	15,559,916	15,559,916
Total Noncurrent Liabilities	2,679,660,122	3,415,223,377
Total Liabilities	3,707,640,832	3,660,917,582

(Forward)



	December 31	
	2025	2024
Equity		
Capital stock - ₱1 par value (Note 17)		
Authorized - 4,000,000,000 shares		
Issued - 3,013,186,174 shares	₱3,013,186,174	₱3,013,186,174
Subscribed - 3,116,364 shares (net of subscriptions receivable of ₱1,367,687)	1,748,677	1,748,677
Additional paid-in capital	1,570,157,056	1,570,157,056
Net unrealized valuation loss on financial assets at FVOCI (Note 9)	(582,847)	(582,847)
Remeasurement gains on defined benefit obligation, net of deferred taxes	3,323,538	3,165,545
Share in other comprehensive income of associates (Note 10)	1,518,313,527	1,369,419,377
Retained earnings	1,753,009,309	1,876,307,639
Treasury stock - 13,000,000 shares at ₱2.12 cost per share (Note 17)	(27,566,075)	(27,566,075)
Equity attributable to equity holders of the Parent Company	7,831,589,359	7,805,835,546
Non-controlling interest	6,340,550	6,444,476
Total Equity	7,837,929,909	7,812,280,022
TOTAL LIABILITIES AND EQUITY	₱11,545,570,741	₱11,473,197,604

See accompanying Notes to Consolidated Financial Statements.



ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2025	2024	2023
INCOME			
Gains on:			
Day 1 gain (Notes 10 and 21)	₱123,761,352	₱196,308,269	₱155,734,496
Foreign exchange – net	4,435,490	130,111	497,075
Sale of financial assets at FVTPL (Note 6)	2,691,392	–	–
Fair value changes of financial assets at FVTPL (Note 6)	–	12,658,420	7,263,630
Interest income (Notes 4, 8, 19 and 21)	28,836,097	30,435,064	16,448,795
Revenue from contracts with customers:			
Royalty income (Note 16)	13,660,934	13,941,902	13,355,661
Dividend income (Notes 6 and 9)	5,099,926	5,794,489	5,826,366
Equity in net income of associates (Note 10)	–	–	281,080,848
Other income	1,048,034	–	–
	179,533,225	259,268,255	480,206,871
COST AND EXPENSES			
Accretion of discount (Notes 10 and 21)	185,203,737	171,674,198	114,351,774
Equity in net losses of associates (Note 10)	60,923,447	69,295,787	–
General and administrative expenses (Note 18)	47,316,522	47,440,655	43,074,554
Losses on fair value changes of financial assets at FVTPL (Note 6)	7,382,790	–	–
	300,826,496	288,410,640	157,426,328
INCOME (LOSS) BEFORE INCOME TAX	(121,293,271)	(29,142,385)	322,780,543
PROVISION FOR (BENEFIT FROM)			
INCOME TAX (Note 23)			
Current	2,108,985	1,890,872	1,134,535
Deferred	–	10,306,396	(10,306,396)
	2,108,985	12,197,268	(9,171,861)
NET INCOME (LOSS)	(123,402,256)	(41,339,653)	331,952,404

(Forward)



	Years Ended December 31		
	2025	2024	2023
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Share in other comprehensive income of associates (Note 10)	₱140,286,112	₱327,364,220	₱129,174,768
Remeasurement gains on retirement benefit, net of deferred tax (Note 22)	157,993	187,176	467,708
<i>Items that will be reclassified to profit or loss in subsequent periods:</i>			
Share in other comprehensive income (loss) of associates (Note 10)	8,608,038	2,268,574	(14,955,808)
	149,052,143	329,819,970	114,686,668
TOTAL COMPREHENSIVE INCOME	₱25,649,887	₱288,480,317	₱446,639,072
NET INCOME (LOSS) ATTRIBUTABLE TO:			
Equity holders of the Parent Company	(₱123,298,330)	(₱41,228,576)	₱332,056,458
Non-controlling interest	(103,926)	(111,077)	(104,054)
	(₱123,402,256)	(₱41,339,653)	₱331,952,404
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱25,753,813	₱288,591,394	₱446,743,126
Non-controlling interest	(103,926)	(111,077)	(104,054)
	₱25,649,887	₱288,480,317	₱446,639,072
Basic and Diluted Earnings (Loss) Per Share			
(Note 24)	(₱0.04)	(₱0.01)	₱0.11

See accompanying Notes to Consolidated Financial Statements.



ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

Attributable to Equity Holders of the Parent Company

	Issued	Subscribed	Subscriptions Receivable	Subscribed - net	Additional Paid-in Capital	Net Unrealized Gain (Loss) Financial Assets at FVOCI (Note 9)	Remeasurement Gains (Losses) on Defined Benefit Obligation - net	Share in Other Comprehensive Income (Loss) of Associates (Note 10)	Retained Earnings	Treasury Stock (Note 17)	Total	Non-controlling Interest	Total
Balances at January 1, 2023	₱3,008,919,508	₱7,383,030	(₱1,367,687)	₱6,015,343	₱1,570,157,056	(₱582,847)	₱2,510,661	₱925,567,623	₱1,585,479,757	(₱27,566,075)	₱7,070,501,026	₱6,659,607	₱7,077,160,633
Issuance of shares	4,266,666	(4,266,666)	-	(4,266,666)	-	-	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	-	-	332,056,458	-	332,056,458	(104,054)	331,952,404
Other comprehensive income (loss)	-	-	-	-	-	-	467,708	114,218,960	-	-	114,686,668	-	114,686,668
Total comprehensive income (loss)	-	-	-	-	-	-	467,708	114,218,960	332,056,458	-	446,743,126	(104,054)	446,639,072
Balances at December 31, 2023	3,013,186,174	3,116,364	(1,367,687)	1,748,677	1,570,157,056	(582,847)	2,978,369	1,039,786,583	1,917,536,215	(27,566,075)	7,517,244,152	6,555,553	7,523,799,705
Net loss	-	-	-	-	-	-	-	-	(41,228,576)	-	(41,228,576)	(111,077)	(41,339,653)
Other comprehensive income (loss)	-	-	-	-	-	-	187,176	329,632,794	-	-	329,819,970	-	329,819,970
Total comprehensive income (loss)	-	-	-	-	-	-	187,176	329,632,794	(41,228,576)	-	288,591,394	(111,077)	288,480,317
Balances at December 31, 2024	3,013,186,174	3,116,364	(1,367,687)	1,748,677	1,570,157,056	(582,847)	3,165,545	1,369,419,377	1,876,307,639	(27,566,075)	7,805,835,546	6,444,476	7,812,280,022
Net income	-	-	-	-	-	-	-	-	(123,298,330)	-	(123,298,330)	(103,926)	(123,402,256)
Other comprehensive income (loss)	-	-	-	-	-	-	157,993	148,894,150	-	-	149,052,143	-	149,052,143
Total comprehensive income (loss)	-	-	-	-	-	-	157,993	148,894,150	(123,298,330)	-	25,753,813	(103,926)	25,649,887
Balances at December 31, 2025	₱3,013,186,174	₱3,116,364	(₱1,367,687)	₱1,748,677	₱1,570,157,056	(₱582,847)	₱3,323,538	₱1,518,313,527	₱1,753,009,309	(₱27,566,075)	₱7,831,589,359	₱6,340,550	₱7,837,929,909

See accompanying Notes to Consolidated Financial Statements.



ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	(₱121,293,271)	(₱29,142,385)	₱322,780,543
Adjustments for:			
Accretion of discount (Notes 10 and 21)	185,203,737	171,674,198	114,351,774
Day 1 gain (Notes 10 and 21)	(123,761,352)	(196,308,269)	(155,734,496)
Equity in net losses (gains) of associates (Note 10)	60,923,447	69,295,787	(281,080,848)
Interest income (Notes 4, 8, 19 and 21)	(28,836,097)	(30,435,064)	(16,448,795)
Losses (gains) on fair value changes of financial assets at FVTPL (Note 6)	7,382,790	(12,658,420)	(7,263,630)
Dividend income (Notes 6 and 9)	(5,099,926)	(5,794,489)	(5,826,366)
Unrealized foreign exchange gains	(3,317,956)	(130,111)	(6,337,392)
Gain on sale of financial asset at FVTPL (Note 6)	(2,691,392)	–	–
Depreciation (Notes 11 and 18)	2,336,769	1,957,167	1,477,610
Pension cost (Notes 20 and 22)	220,925	186,580	135,057
Operating loss before working capital changes	(28,932,326)	(31,355,006)	(33,946,543)
Increase in:			
Trade and other receivables	(4,767,734)	(11,797,066)	(4,678,157)
Prepaid expenses and other current assets	(12,512,972)	(51,425)	(656,765)
Decrease in accounts payable and accrued expenses	(14,761,375)	(12,808,453)	(19,024,912)
Cash flows used in operations	(60,974,407)	(56,011,950)	(58,306,377)
Interest received	1,917,347	3,667,880	1,787,444
Benefits paid (Note 22)	–	(772,655)	–
Net cash flows used in operating activities	(59,057,060)	(53,116,725)	(56,518,933)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Financial assets at FVTPL (Note 6)	(23,652,900)	–	–
Property and equipment (Note 11)	(2,260,098)	(25,714)	(3,971,596)
Deferred exploration costs (Note 13)	(498,191)	(1,839,909)	(1,458,327)
Investment properties (Note 12)	(295,000)	(294,998)	(2,340,000)
Other noncurrent assets	(553,699)	(11,269,666)	(2,450,580)
Proceeds from:			
Sale of financial asset at FVTPL (Note 6)	6,777,992	–	4,656,896
Dividends received (Notes 6 and 9)	5,099,926	5,794,489	6,002,623
Advances to related parties (Note 21)	–	–	(300,000,000)
Net cash flows used in investing activities	(15,381,970)	(7,635,798)	(299,560,984)

(Forward)



	Years Ended December 31		
	2025	2024	2023
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	₱3,317,956	₱130,112	₱6,337,392
NET DECREASE IN CASH AND CASH EQUIVALENTS	(71,121,074)	(60,622,411)	(349,742,525)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	82,298,173	142,920,584	492,663,109
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱11,177,099	₱82,298,173	₱142,920,584

See accompanying Notes to Consolidated Financial Statements.



ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. General Information and Authorization for Issue of the Consolidated Financial Statements

Anglo Philippine Holdings Corporation

Anglo Philippine Holdings Corporation (the Parent Company; APHC) was registered with the Philippine Securities and Exchange Commission (SEC) on June 25, 1958 originally as an oil and mineral exploration entity with the corporate name of “Anglo Philippine Oil Corp.”. In 1996, the Parent Company changed its primary purpose to that of an investment holding firm focused on natural resources-based companies, infrastructure and property development. On September 14, 2006, the SEC approved the Parent Company’s amended Articles of Incorporation extending the life of the Parent Company for another fifty (50) years from June 25, 2008. The Parent Company is a Public Company under Section 17.2 of the Securities Regulation Code and its shares are listed on the Philippine Stock Exchange (PSE).

The Parent Company and its Subsidiaries (collectively referred to as the Group) are engaged in various business activities, through its subsidiaries and affiliates, namely metallic mineral mining and exploration, oil exploration and productions, infrastructure and property development and real estate.

The Parent Company is owned by Alakor Corporation (Alakor) and National Book Store, Inc. (NBS) with a combined ownership of 80.17%. Alakor and NBS are entities incorporated and domiciled in the Philippines. Alakor is the ultimate parent of the Group.

The registered office address of the Parent Company is Quad Alpha Centrum, 125 Pioneer St., Mandaluyong City.

Status of Operations

The Group’s current liabilities exceeded its current assets by ₱283.8 million as at December 31, 2025 and the Group has negative operating cash flows of ₱59.1 million, ₱53.1 million and ₱56.5 million in 2025, 2024 and 2023, respectively. These factors, among others, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern, and therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

However, the ultimate parent, Alakor, has undertaken and is able to provide financial support to the Group to enable it to continue its business operations, meet its financial obligations as they fall due, and enable the Group to operate as a going concern. As such, the accompanying financial statements have been prepared on a going concern basis of accounting.

Authorization for Issue of the Consolidated Financial Statements

The consolidated financial statements of the Group as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 were approved and authorized for issuance by the Board of Directors (BOD) on April 23, 2026.



2. **Basis of Preparation, Statement of Compliance and Summary of Material Accounting Policy Information**

Basis of Preparation

The consolidated financial statements have been prepared under the historical cost basis except for financial assets measured at fair value through profit-or-loss (FVTPL) and financial assets measured at fair value through other comprehensive income (FVOCI), which are carried at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the Group's functional and presentation currency under the Philippine Financial Reporting Standards (PFRS) Accounting Standards. All values are rounded off to the nearest Peso, except when otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with PFRS Accounting Standards. PFRS Accounting Standards include statements named PFRS Accounting Standards and Philippine Accounting Standards (PASs) and Philippine Interpretations from the International Financial Reporting Interpretation Committee (IFRIC) issued by the Philippine Financial Reporting Standards Council (FSRSC).

Basis for Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries.

The Group is considered to have control over an investee, if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and,
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group 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 Group's voting rights and potential voting rights.

The Group reassesses 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 the subsidiary begins when the Group obtains control, and continues to be consolidated until the date that such control ceases. 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 Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using consistent accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests (NCI), even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's



accounting policies. All intra-Group balances and transactions, including income, expenses, unrealized gains and losses and dividends, are eliminated in full consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any NCI;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and,
- Reclassifies the Parent Company's share of components previously recognized in other comprehensive income (OCI) or other comprehensive income to profit or loss or retained earnings, as appropriate.

NCI represent the portion of profit or loss and net assets in the subsidiaries not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the equity attributable to equity holders of the parent. Transactions with NCI are accounted for as equity transactions. On acquisitions of NCI, the difference between the consideration and the book value of the share of the net assets acquired is reflected as being a transaction between owners and recognized directly in equity. Gain or loss on disposals to NCI is also recognized directly in equity.

The consolidated financial statements include the accounts of the Parent Company and the subsidiaries listed below:

Group	Principal Activities	Percentage of Ownership	
		2025	2024
<i>Direct interest</i>			
Vulcan Materials Corporation (VMC)	Mining exploration and sale of aggregates	100%	100%
Tipo Valley Realty, Inc. (TVRI)	Real estate holding and development	97.59%	97.59%
Anglo Phil. Power Corp. (APPC)	Energy resources	100%	100%
<i>Indirect interest</i>			
Bataan Aggregates Corp. (BAC)	Sand and gravel quarrying	100%	100%

VMC was registered with the Philippine SEC on September 12, 1991 and was previously engaged in mining exploration and sale of aggregates. As at November 8, 2023, after careful evaluation of its present business, the members of the BOD and the stockholders unanimously authorized the management's proposal for the immediate closure and dissolution of VMC effective November 15, 2023. On the other hand, the APHC took steps to inform the SEC about the impending dissolution of VMC and submitted the SEC Form 17C detailing VMC's intended dissolution, an action that had the support of the Group's Board of Directors.

As at April 23, 2026, VMC is waiting for clearance from the BIR. Once the clearance is received, VMC plans to submit a formal Notice of Closure/Dissolution to the SEC, thereby concluding the legal process for its dissolution.



On December 22, 2015, the Parent Company acquired 97.59% of interest in TVRI which is engaged in real estate development. As at December 31, 2025, TVRI has not yet started commercial operations.

APPC was registered with the Philippine SEC on September 26, 2016 primarily to undertake the development, exploitation and processing of any energy resources.

BAC, a wholly-owned subsidiary of APPC, was registered with the Philippine SEC on May 4, 2017 and is primarily engaged in sand and gravel quarrying. BAC started commercial operations in January 2018. On September 24, 2019, the BOD of BAC authorized the termination of the Company's quarrying project and the execution of sale of the Company's machines, equipment and other inventories located in the quarry premises. As at December 31, 2025, BAC is not operating and is currently evaluating potential quarry prospects to support future group land development within the province of Bataan.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Group.

- Amendments to PAS 21, *Lack of Exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

Pronouncements Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a



matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards—Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.



- Amendments to PFRS 9
 - a) Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.
 - b) Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.
- Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.
- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.



- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.



Summary of Material Accounting Policy Information

The principal accounting and financial reporting adopted in reporting the Group's financial statements are as follows:

Current versus Noncurrent Classification

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

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

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities.

Fair Value Measurement

The Group measures financial instruments at fair value at each end of the reporting period.

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each end of the reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Presentation of Financial Statements

The Group has elected to present all items of recognized income and expense in single consolidated statement of comprehensive income.

Financial Instruments

Date of Recognition

The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial instruments on initial recognition and, where allowed and appropriate, re-evaluates this designation at each reporting date. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Initial Recognition

Financial instruments are recognized in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date (i.e., the date that the Group commits to purchase or sell the asset).

Financial assets and financial liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and liabilities, except for financial instruments measured at FVTPL.



Classification and Measurement

Classification of Financial Assets. Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Group's business model for managing the financial assets. The Group classifies its financial assets into the following measurement categories:

- Financial assets measured at amortized cost;
- Financial assets measured at FVTPL;
- Financial assets measured at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss; and,
- Financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss.

Contractual Cash Flows Characteristics. If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group assesses whether the cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI on the principal amount outstanding.

Business Model. The Group's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument.

The Group's business model refers to how it manages its financial assets in order to generate cash flows. The Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Group in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

- *Financial Assets at Amortized Cost.* A debt financial asset is measured at amortized cost if (a) it is held within a business model for which the objective is to hold financial assets in order to collect contractual cash flows and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate (EIR) method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization



is included in “Interest income” in the consolidated statement of comprehensive income and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (a) purchased or originated credit-impaired financial assets and (b) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in “Provision for bad debts” in the consolidated statement of comprehensive income.

As at December 31, 2025 and 2024, the Group has financial assets at amortized cost consisting of cash and cash equivalents, trade and other receivables, long-term note receivable and deposit under “Other noncurrent assets”.

- *Financial Assets at FVTPL.* Financial assets at FVTPL are measured at FVTPL unless these are measured at amortized cost or at FVOCI. Included in this classification are equity investments held for trading and debt instruments with contractual terms that do not represent solely payments of principal and interest. Financial assets held at FVTPL are initially recognized at fair value, with transaction costs recognized in the consolidated statement of comprehensive income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the consolidated statement of comprehensive income.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Group may choose at initial recognition to designate the financial asset at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the Group, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL, and the gains or losses from disposal of financial investments. The Group’s financial assets at FVTPL consists of investments in quoted equity shares that are held for trading as at December 31, 2025 and 2024.

- *Financial Assets at FVOCI.* A financial asset is measured at FVOCI if (a) it is held within a business model for which the objective is achieved by both collecting contractual cash flows and selling financial assets and (b) its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in OCI within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

The Group may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. Amounts recognized in OCI are not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.



Dividends are recognized in profit or loss only when:

- the Group's right to receive payment of the dividend is established;
- it is probable that the economic benefits associated with the dividend will flow to the Group; and,
- the amount of the dividend can be measured reliably.

As at December 31, 2025 and 2024, the Group's financial assets at FVOCI pertains to investments in unquoted equity shares that are not held for trading.

Classification of Financial Liabilities. Financial liabilities are measured at amortized cost, except for the following:

- Financial liabilities measured at fair value through profit or loss;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Group retains continuing involvement;
- Financial guarantee contracts;
- Commitments to provide a loan at a below-market interest rate; and,
- Contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- if a host contract contains one or more embedded derivatives; or,
- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at FVTPL, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in OCI.

As at December 31, 2025 and 2024, the Group's financial liabilities include accounts payable and accrued expenses (excluding nonfinancial liabilities), subscription payable and due to related parties.

Impairment of Financial Assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

The Group recognizes an allowance for ECL for all debt instruments not held at fair value through profit or loss. ECLs are 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, discounted at an approximation of the original EIR. 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.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss



allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

- *Determination of the Stage for Impairment.* At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

- *Simplified Approach.* The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL, is applied to 'Receivables'. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For any other financial assets carried at amortized cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month expected credit losses is the proportion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.



Derecognition of Financial Instruments

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 rights to receive cash flows from the asset have 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 rights 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.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement 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. In such case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or 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, and the difference in the respective carrying amounts is recognized in the Group’s consolidated statement of comprehensive income.

“Day 1” Difference

Where the transaction price in a non-active market is different from the fair value from 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 under “Interest income” and “Interest expense” accounts unless it qualifies for recognition as some other type of asset or liability. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognized 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 amount.

Cash and Cash Equivalents

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



Prepaid Expenses and Other Current Assets

Prepaid Expenses

Prepaid expenses include items of goods or services purchased by the Group for use in its operations but not fully consumed by the end of the accounting period. When goods or services are initially purchased, the amount is recorded in the asset account. At the end of the period, the Group determines the portion of such expenditures that is applicable to subsequent period and the portion used up during the current period. The used-up portion is recognized in profit or loss.

Advances to Suppliers

Advances to supplier represents prepayments relative to acquisitions of assets or operational agreements entered into by the Group and its suppliers. These advances will be reclassified to the specific asset account once the risks and rewards over the assets are transferred to the Group or charged to expense once the related services are rendered.

Prepaid expenses and advances to suppliers are included in current assets, except when the related goods services are expected to be received or rendered more than twelve (12) months after the reporting date which are classified as noncurrent assets.

Prepaid Taxes

Prepaid taxes consist substantially of creditable withholding taxes (CWTs) which are recognized as assets to the extent that it is probable that the benefit will flow to the Group. These are derecognized when there is a legally enforceable right to apply the recognized amounts against related liability with the period prescribed by the relevant tax laws.

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 using the equity method. Under the equity method, the investments in associates are carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate.

The consolidated statement of comprehensive income reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associates are prepared for the same reporting period as the Group. Where 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 the Group's investment in associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate



upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance, are normally charged to the consolidated statement of comprehensive income 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 costs of property and equipment.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation of other items of property and equipment is computed using the straight-line method over the estimated useful lives of the asset as follows:

<u>Category</u>	<u>Number of Years</u>
Condominium units and improvements	20
Machinery and equipment	3 - 15
Transportation equipment	3 - 5
Furniture, fixtures and office equipment	2 - 5

The assets residual values, useful lives and depreciation 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.

When property and equipment are retired or otherwise disposed of, both the cost and related accumulated depletion, depreciation and any impairment in value are removed from the accounts, and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Investment Properties

Investment properties pertain to the Group's investment in parcels of land and related improvements that are measured initially at cost, including transaction costs. Expenditures for the development and improvement of land are capitalized as part of the cost of the land. The carrying amounts include the costs of replacing part of an existing investment property at the time those costs are incurred if the recognition criteria are met, and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, these are carried at cost less any impairment in the books of the Group.



Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of comprehensive income in the period of derecognition.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the end of owner-occupation or the start of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by start of owner-occupation or of development with a view to sell.

Under the cost model, transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Deferred Exploration Costs

Exploration and evaluation activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, costs directly associated with exploration are capitalized under "Deferred exploration costs" account. The Group's deferred exploration costs are specifically identified for each Service Contract (SC) area. All oil exploration costs relating to each SC are deferred pending the determination of whether the contract area contains oil, gas and mineral reserves in commercial quantities. Capitalized expenditures include costs of license acquisition, technical services and studies, exploration drilling and testing, and appropriate technical and administrative expenses. General overhead or costs incurred prior to having obtained the legal rights to explore an area are recognized as expense in the consolidated statement of comprehensive income when incurred.

If no potentially commercial hydrocarbons are discovered, the deferred oil exploration costs are written off through the consolidated statement of comprehensive income. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), it is probable that they can be commercially developed, the costs continue to be carried under deferred exploration costs account while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalized as deferred exploration costs.

All such capitalized costs are subject to technical, commercial and management review, and assessed at each reporting period for possible indications of impairment. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case or is considered as areas permanently abandoned, the costs are written off through the consolidated statement of comprehensive income. Exploration areas are considered permanently abandoned if the related permits of the exploration have expired and/or there are no definite plans for further exploration and/or development.

At the completion of the exploration phase, if technical feasibility is demonstrated and commercial reserves are discovered, then, following the decision to continue into the development phase, the deferred exploration costs relating to the SC, where oil in commercial quantities are discovered, is first assessed for impairment and (if required) any impairment loss is recognized, then the remaining balance is transferred to property and equipment in the consolidated statement of financial position.



When proved reserves of oil and gas are identified and development is sanctioned by management, the relevant capitalized expenditure is first assessed for impairment and (if required) any impairment loss is recognized, then the remaining balance is transferred to oil and gas properties. Other than license costs, no amortization is charged during the exploration and evaluation phase. For exchanges/swaps or parts of exchanges/swaps that involve only exploration and evaluation assets, the exchange is accounted for at the carrying value of the asset given up and no gain or loss is recognized.

The recoverability of deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition of recoverable reserves.

Interest in Joint Arrangements

The Group undertakes a number of business activities through joint arrangements. A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

Joint Operation

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

In relation to its interests in joint operations, the Group recognizes its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

Other Noncurrent Assets

Advances for Future Land Acquisitions

Advances for future land acquisitions represent the advance payments to the land owners plus transaction costs. These are carried at undiscounted amounts.

Input Value-Added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable. When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When input VAT exceeds output VAT, the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

Leasehold Rights

Leasehold rights pertain to an interest in real property held under agreement by which the owner gives the Group the right to occupy or use the property for a period of time. This is amortized over the life of the contract.



Impairment of Nonfinancial Assets

Investments in Associates

The Group determines at each end of the reporting period whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Group calculates the amount of impairment being the difference between the recoverable amount of the investment and the carrying value and recognizes the amount in the consolidated statement of comprehensive income.

An assessment is made at the end of the reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indications exist, the recoverable amount is estimated. A previously recognized impairment loss is reverse only if there has been a change in the estimates used to determine the investment's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the investments is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the assets in prior years. Such reversal is recognized in the consolidated statement of comprehensive income.

Deferred Exploration Costs

An impairment review is performed, either individually or at the cash generating unit (CGU) level, when there are indicators that the carrying amount of the deferred oil exploration costs may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided in the reporting period in which this is determined. Deferred exploration costs are reassessed on a regular basis and these costs are carried forward provided that at least one of the following conditions is met:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or,
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned for the future.

Prepaid Expenses and Other Current Assets, Property and Equipment, Investment Properties and Other Noncurrent Assets (excluding Deposit)

The Group assesses at each reporting period whether there is an indication that a nonfinancial asset may be impaired when events or changes in circumstances indicate that the carrying value of 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 CGU's fair value less costs to sell 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. When 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 assessment of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.



As assessment is made at each end of the reporting period 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. However, the increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income. After such a reversal, the depreciation 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.

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 reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax amount that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as "Interest and other finance charges" in the consolidated statement of comprehensive income.

Equity

Capital Stock. The Group has issued capital stock that is classified as equity. Incremental costs directly attributable to the issue of new capital stock are shown in equity as a deduction, net of tax, from the proceeds.

Subscription Receivable. Subscription receivable pertains to the amount of subscribed capital stock less the amount paid-up. Subscription receivable is presented as deduction from capital stock.

Additional Paid-in Capital. Additional paid-in capital is the portion of paid-in capital received representing excess over par value.

Treasury Stock. Treasury stock is recorded at cost and is presented as a deduction from equity. Any consideration paid or received in connection with treasury stock is recognized directly in equity.

When the shares are retired, the capital stock account is reduced by its par value. The excess of cost over par value upon retirement is debited to the following accounts in the order given:

- Additional paid-in capital to the extent of the specific or average additional paid in capital when the shares are issued, and,
- Retained earnings.

When shares are sold, the treasury stock account is credited and reduced by the weighted average cost of the shares sold. The excess of any consideration over the cost is credited to additional paid-in capital.



Transaction costs incurred such as registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties (net of any related income tax benefit) in relation to the issuing or acquiring the treasury shares are accounted for as reduction from equity, which is disclosed separately.

Retained Earnings. Retained earnings represent the cumulative balance of periodic net income or loss, dividend declarations, prior period adjustments, effect of changes in accounting policy and other capital adjustments.

Dividend distribution to the Group's stockholders is recognized as a liability and deducted from retained earnings when they are approved by the Group's BOD. Dividends for the year that are approved after the end of the reporting period are dealt with as an event after the end of the reporting period.

OCI. OCI comprises items of income and expense (including items previously presented under the consolidated statement of changes in equity) that are not recognized in the profit or loss for the year in accordance with PFRS Accounting Standards.

Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation. The Group has concluded that it is the principal in its revenue arrangements because it controls the goods or services before these goods or services are transferred to the customer.

Revenue from Contracts with Customers

- *Sale of Aggregates.* Sale of aggregates is recognized when the goods are delivered to and accepted by the customer. Sale of aggregates is recognized when control passes to the customer, which occurs at a point in time when the aggregates are physically transferred and accepted by the customer. Selling prices are based on agreed prices between the customer and the Group.
- *Royalty Income.* Royalty income is recognized over time under PFRS 15 when earned.

Interest Income

Income is recognized as the interest accrues (using the EIR that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividend Income

Dividend income is recognized when the shareholder's right to receive payment is established.

Other Income

Income is recognized in the consolidated statement of comprehensive income as they are earned.



Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. General and administrative expenses are generally recognized when the services are used or the expenses arise while interest and other finance charges are accrued in the appropriate period.

Earnings (Loss) Per Share (EPS)

Basic EPS is computed based on the weighted average number of shares outstanding and subscribed for each respective period with retroactive adjustments for stock dividends declared, if any. When shares are dilutive, the unexercised portion of stock options is included as stock equivalents in computing diluted earnings per share.

Diluted EPS amounts are calculated by dividing the net income (loss) by the weighted average number of ordinary shares outstanding, adjusted for any stock dividends declared during the year plus weighted average number of ordinary shares that would be issued on the conversion of all the dilutive ordinary shares into ordinary shares, excluding treasury shares.

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

Business Segment

For management purposes, the Group is organized into two (2) major operating segments (mining and non-mining business) according to the nature of the products and the services provided with each segment representing a strategic business unit that offers different products and serves different markets. The entities are the basis upon which the Group reports its primary segment information. Financial information on business segments is presented in Note 27.

Retirement Benefits Plan

The Group has a defined retirement benefit plan which requires contributions to be made to a separately administered fund. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Re-measurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as "Personnel cost" under general and administrative expenses in the consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.



Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. These are retained in OCI until full settlement of the obligation.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

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 tax authority. The income tax rates and income tax laws used to compute the amount are those that have been enacted or substantively enacted as at the end of the reporting period.

The Group records uncertain tax positions on the basis of a two-step process whereby the Group determines whether it is more likely than not that the tax positions will be sustained based on technical merits of the position, and for those tax positions that meet the more likely than not criteria, the Group recognizes the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with related tax authority. The Group records interest and penalties on uncertain tax positions in "Income tax expense (benefit)" account in the consolidated statement of comprehensive income.

Deferred Tax

Deferred tax is provided using the liability method 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.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or 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 income nor taxable income or loss; and,



- in respect of taxable temporary differences associated with investments in foreign subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary difference 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 income nor taxable income or loss; and
- in respect of deductible temporary differences associated with investments in foreign subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each end of the reporting period and are recognized to the extent that it has become probable that sufficient future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the income tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on income tax rates (and income tax laws) that have been enacted or substantively enacted at each end of the reporting period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Foreign Currency Transactions

The consolidated financial statements are presented in Philippine peso, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing as at the date of the initial transactions. All differences are taken to "Foreign exchange gains (losses) - net" in the consolidated statement of comprehensive income.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to the 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 disclosed when an inflow of economic benefits is probable.



Events After the Reporting Period

Post year-end events that provide additional information on the Group's financial position at the reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. **Material Accounting Judgments and Estimates**

The Group's consolidated financial statements prepared in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect amounts reported in the consolidated financial statements and its accompanying notes. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcome can differ from these 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. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and Assumptions

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

Measurement of ECLs

ECLs are derived from unbiased and probability weighted estimates of expected loss, and are 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, discounted at the original EIR, or an approximation thereof.

For receivables, the Group uses the provision matrix which is based on the Group's historical observed loss rates with adjustment for forward-looking information and macroeconomic variables. At every reporting date, the historical observed loss rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed loss rates, forecast economic conditions and ECLs is a significant estimate which involves qualitative and quantitative thresholds in place. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

For other debt financial assets, the Group evaluates credit exposures and significant changes in credit risk with reference to comparable entities in the same industry, size and geographical operations. For credit exposures for which there has not been a significant increase in credit risk since initial



recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

Trade and other receivables, net of allowance for impairment loss on receivable and long-term note receivable amounted to ₱681.7 million and ₱650.0 million as at December 31, 2025 and 2024, respectively (see Notes 5 and 8).

Estimating Impairment on Investments in Associates

PFRS Accounting Standards require that an impairment review be performed when certain impairment indicators are present. In determining the recoverable amount of the investment in associates, the Group makes estimates and assumptions that can materially affect the consolidated financial statements. The Group considers the current and projected financial performance of the associates and determines future cash flows expected to be generated from the continued use and ultimate disposition of such assets.

Management performed impairment test as at December 31, 2025 and 2024. The recoverable amount of the Group's investment in associates has been determined using a discounted cash flow (DCF) projection.

The calculation of the value-in-use of the associates' underlying assets incorporates the following key assumptions:

- Expected life of the project;
- Future production levels and costs;
- Contribution to the Government;
- Commodity prices; and,
- Pre-tax discount rates.

The significant assumptions in the value-in-use calculation and sensitivity to changes in assumptions are disclosed in Note 10.

Investments in associates amounted to ₱10,247.3 million and ₱10,159.4 million as at December 31, 2025 and 2024, respectively. The Group did not recognize impairment losses in 2025 and 2024 (see Note 10).



Assessing Recoverability of Deferred Exploration Costs

The Group assesses impairment on deferred oil exploration costs when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Deferred oil exploration costs are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- The period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and,
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Key inputs and assumptions used in the assessment are as follows:

- Estimated reserves - which are based on oil resources reports based on the information gathered from seismic and geological data, analyses and evaluation activities;
- Discount rate of 11.26% in 2025 and 9.62% in 2024 - which represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is derived from the Group's weighted average cost of capital (WACC), with appropriate adjustments made to reflect the risks specific to the CGU and to determine pre-tax rate. The WACC takes into account both debt and equity. Adjustments to discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate; and
- Oil prices of \$70/bbl and \$75/bbl in 2025 and 2024, respectively - which are estimated with reference to external market forecasts of Brent crude prices.

The Group used a weighted average scenario probability in its calculation of value in use.

There were no provision for impairment of deferred exploration costs in 2025, 2024 and 2023 (see Note 13). The carrying value of deferred exploration costs amounted to ₱73.8 million and ₱73.3 million as at December 31, 2025 and 2024, respectively (see Note 13).

Management believes that no reasonably possible change in any of the key assumptions would result to further significant impairment.

Information on the carrying values of deferred oil exploration costs and allowance for unrecoverable deferred oil exploration costs is provided in Note 13.



Estimating Impairment of Property and Equipment, Investment Properties and Other Noncurrent Assets (excluding Deposit)

The Group assesses impairment on property and equipment, investment properties and other noncurrent assets (excluding deposit) whenever events or changes in circumstances indicate that the carrying amount of an asset 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.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs. For impairment loss on specific assets, the recoverable amount represents the net selling price.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that can materially affect the consolidated financial statements.

The aggregate carrying amount of nonfinancial assets amounted to ₱408.6 million and ₱407.8 million as at December 31, 2025 and 2024, respectively (see Notes 11, 12 and 14).

4. Cash and Cash Equivalents

	2025	2024
Cash on hand	₱20,000	₱20,000
Cash with banks	11,157,099	29,434,874
Short-term deposits	–	52,843,299
	₱11,177,099	₱82,298,173

Cash with banks earn interest at their respective bank deposit rates. Short-term deposits are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

In 2025, 2024 and 2023, interest income from cash with banks and short-term deposits, net of final tax, amounted to ₱1.9 million, ₱3.4 million, ₱1.6 million, respectively (see Note 19).



5. Receivables

	2025	2024
Receivables	₱23,678,856	₱23,678,856
Advances to:		
MRT Dev't. Corp. (MRTDC; see Note 16)	35,614,147	82,747,144
Related parties (see Note 21)	492,339,986	440,862,778
Accrued interest receivable (see Notes 8 and 21)	85,984,801	59,066,051
Others	9,644,011	9,220,488
	647,261,801	615,575,317
Less allowance for ECL	(25,536,224)	(25,536,224)
	₱621,725,577	₱590,039,093

Receivables are noninterest-bearing and generally have a thirty (30)-day term.

Others include advances to officers and employees which are non-interest bearing and are collectible within 12 months.

The receivables of the Group consist of individually significant accounts that were subjected to specific impairment approach. Others that were not individually significant for which no specific impairment were subjected to collective assessment. No provision for ECL was recognized in 2025 and 2024.

6. Financial Assets at FVTPL

	2025	2024
Shang Properties, Inc.	₱74,283,360	₱59,100,000
Aboitiz Power Corporation	4,708,000	4,033,900
Semirara Mining & Power Corporation	3,587,750	4,432,300
Citicore Energy REIT Corp.	1,963,500	1,677,500
DD Reit Inc.	1,632,000	1,648,000
Aboitiz Equity Ventures, Inc.	1,008,000	1,236,600
Bank of Commerce	607,200	-
Filinvest Reit	378,200	-
Acen Corp	244,800	-
Chelsea Logistics Holdings Corp.	38,000	52,400
Synergy Grid	-	4,086,600
	₱88,450,810	₱76,267,300

Movements in the financial assets at FVTPL as at December 31, 2025 and 2024 are as follows:

	2025	2024
Balances at beginning of year	₱76,267,300	₱63,608,880
Additions	23,652,900	-
Disposals	(4,086,600)	-
Changes in fair value of financial assets at FVTPL	(7,382,790)	12,658,420
Balances at end of year	₱88,450,810	₱76,267,300

In 2025, the Group sold the shares of investment in Synergy Grid at a gain of ₱2.7 million.



Dividend income recognized in 2025, 2024 and 2023 related to financial assets at FVTPL amounted to ₱5.1 million, ₱5.8 million and ₱5.8 million, respectively.

7. Prepaid Expenses and Other Current Assets

	2025	2024
Advances to suppliers	₱18,019,833	₱5,797,610
Creditable withholding taxes (CWTs)	4,406,555	6,200,343
Prepaid insurance	320,043	354,915
Input VAT	35,056	35,056
	<u>₱22,781,487</u>	<u>₱12,387,924</u>

8. Notes Receivable

On October 29, 2015, APHC signed an unsecured loan facility with Alakor for a total commitment of ₱60.0 million. The loan shall earn 4.25% fixed interest per annum for a term of two (2) years. The first drawdown amounting to ₱15.0 million was made on the same date. Additional drawdowns were made amounting to ₱15.0 million and ₱35.6 million in 2017 and 2016, respectively. In 2017, Alakor paid ₱5.6 million and renewed the facility for another term of two (2) years at a fixed interest rate of 4.25%.

The note receivable was subject to periodic renewals, with the most recent renewal occurring on December 27, 2024, under substantially the same terms and conditions, resulting in the extension of maturity date to December 31, 2027. As such, the loan was reclassified from current to noncurrent asset as at December 31, 2025 and 2024.

The outstanding note receivable from Alakor amounted to ₱60.0 million as at December 31, 2025 and 2024 (see Note 21).

Interest earned in 2025, 2024 and 2023 amounted to ₱2.6 million (see Notes 19 and 21). Accrued interest receivable amounted ₱25.0 million and ₱22.4 million as at December 31, 2025 and 2024, respectively (see Notes 5 and 21).

9. Financial Assets at FVOCI

Investments in unquoted financial assets pertain to investment in private local companies and have no fixed maturity date or coupon rate. These amounted to ₱0.5 million as at December 31, 2025 and 2024. The net unrealized valuation losses on financial assets at FVOCI amounted to ₱0.5 million as at December 31, 2025 and 2024.

No impairment loss was recognized in 2025, 2024 and 2023 on the Group's unquoted equity instruments.

No dividend income was recognized in 2025, 2024 and 2023 related to financial assets at FVOCI.



10. Investments in Associates

	2025	2024
Acquisition cost:		
Balances at beginning and end of year	₱8,976,473,224	₱8,976,473,224
Accumulated equity in net income (loss):		
Balances at beginning of year	758,793,697	828,089,484
Equity in net income (loss) during the year	(60,923,447)	(69,295,787)
Balances at end of year	697,870,250	758,793,697
Accumulated equity share in OCI:		
Balances at beginning of year	1,369,419,377	1,039,786,583
Equity share in other comprehensive income during the year	148,894,150	329,632,794
Balances at end of year	1,518,313,527	1,369,419,377
Less allowance for impairment	945,320,000	945,320,000
	₱10,247,337,001	₱10,159,366,298

The carrying values of investments in associates are as follows:

	Percentage of Ownership		Amount	
	2025	2024	2025	2024
Atlas Consolidated Mining and Development Corporation (ACMDC)	28.64%	28.64%	₱8,495,500,324	₱8,426,195,249
The Philodrill Corporation (TPC)	34.87%	34.87%	1,344,062,577	1,319,357,062
United Paragon Mining Corporation (UPMC)	25.69%	25.69%	407,774,100	413,813,987
			₱10,247,337,001	₱10,159,366,298

No dividend income was received from associates in 2025, 2024 and 2023. The principal place of business and country of incorporation of the Parent Company's associates is in the Philippines.

Investment in ACMDC

ACMDC is primarily engaged in metallic mineral mining and exploration, and currently produces copper concentrate (with gold and silver) and magnetite iron ore concentrate.

In 2017, APHC subscribed to an additional 845 million shares of ACMDC at ₱4.3842 per share and paid the corresponding paid-up capital of ₱926.2 million. As a result, the Group's percentage of ownership increased from 8.36% in 2016 to 28.64% in 2017.

On December 19, 2023, November 7, 2024 and December 16, 2025, ACMDC issued a memorandum addressed to APHC that the latter will not make a call in 2024, 2025 and 2026, respectively, in relation to its subscription of ACMDC's shares of stock. This is in accordance with the board resolution issued by ACMDC on the same dates. As a result of board resolution, the subscriptions payable is not expected to be paid within 12 months from reporting and accordingly, is presented as a noncurrent liabilities.

The subscription payable is carried at amortized cost which amounted to ₱2,664.0 million and ₱2,646.6 million, net of discount, as at December 31, 2025 and 2024, respectively. This also resulted to a recognition of day 1 gain which amounted to ₱123.8 million, ₱150.7 million and ₱155.7 million



in 2025, 2024 and 2023, respectively. Accretion of discount on subscription payable amounted to ₱141.2 million, ₱170.1 million, and ₱114.4 million in 2025, 2024 and 2023, respectively.

On February 21, 2017, the shareholders of ACMDC approved the issuance of warrants and corresponding underlying common shares. The warrants shall be issued by ACMDC to its major shareholders including the Parent Company or their assigns, among others. As at December 31, 2025, no warrants yet were issued by ACMDC as the related application with the SEC has not yet been filed.

On January 23, 2026, the BOD of ACMDC approved the cancellation of its authority to issue warrants, with the consent of major shareholders including the Parent Company, originally entitled to them. In return, ACMDC, through its subsidiary, Carmen Copper Corporation (CCC), will pay the shareholders over five years, while ensuring the payments do not impact CCC's cash flow or profitability. The warrant termination agreement is still undergoing review by ACMDC's principal and substantial shareholders including the Parent Company for signing and execution.

Key Assumptions Used in Value-in-Use Calculations and Sensitivity to Changes in Assumptions

The Group performed its impairment test in 2025, 2024 and 2023.

The recoverable amount of investment in associate has been determined based on a DCF calculation using cash flow projections from financial budgets approved by senior management.

The projected cash flows have been developed to reflect the expected mine production over the life of the mine adjusted by the effects of other factors such as inflation rate. The post-tax discount rate applied to the cash flow projections 9.08%, 9.19% and 8.16% in 2025, 2024 and 2023, respectively. As a result of this analysis, management concluded that the investment in ACMDC is not impaired as at December 31, 2025, 2024 and 2023.

The calculation of DCF is most sensitive to the following assumptions:

- a. **Expected life of the project**
ACMDC projected the expected life of the project based on the remaining mineral ore reserves of the project and their capacity to mine those remaining mineral reserves.
- b. **Future Production Levels and Costs**
Future production levels and costs include direct and indirect costs used to concentrate the mine ore reserves for the remaining life of the mine.
- c. **Contribution to the Government**
ACMDC assumes the prevailing tax rate imposed on an entity that is engaged in mining operations.
- d. **Copper Prices**
ACMDC considers the effect of commodity price changes. ACMDC considered the possible effect of the changes in the price of copper as it relates to the revenues that may be generated by ACMDC and the attainment of the cash flow projections. ACMDC used the data from the Wood Mackenzie Limited, a global mining and metals research and consultancy firm. The price is the function of a number of factors, which includes, among others, copper grade, moisture content and factor rate.



Generally, a higher grade and lower moisture content would yield higher recoverable amount otherwise, this may indicate impairment. ACMDC expects that the overall price of copper concentrate ore will improve throughout the life of mine.

e. Post-tax Discount Rate

Discount rate represents the current market assessment of the risks specific to the investment in associates taking into consideration the time value of money and the individual risks of the underlying assets that have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of ACMDC and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by ACMDC's investors. The cost of debt is based on the interest-bearing borrowings ACMDC is obliged to service. Specific risk is incorporated by applying individual beta factors and are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate. The post-tax discount rates used is 9.08%, 9.19% and 8.16% in 2025, 2024 and 2023, respectively.

Management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

No provision for impairment was recognized in 2025, 2024 and 2023.

Investment in TPC

TPC is primarily engaged in oil exploration and development, exploitation and processing of energy resources.

In 2018, the Group subscribed to an additional 130.48 million shares of TPC at ₱0.013 per share and paid the corresponding paid-up capital of ₱1.7 million. As a result, the Group's percentage of ownership increased from 34.32% in 2017 to 34.38% in 2018.

In 2020, the Group subscribed to an additional 984.8 million shares of TPC at ₱0.010 per share and paid the corresponding paid-up capital of ₱9.8 million. As a result, the Parent Company's percentage of ownership increased from 34.38% in 2019 to 34.87% in 2020.

In relation to the TPC's acquisition of Vulcan Industrial & Mining Corporation's (VIMC) interest in Octon block, TPC is contingently liable for \$500,000 which is payable within sixty (60) days from the date of commercial discovery in the contract areas. However, on December 28, 2018, VIMC waived its rights and interests with respect to this contingent liability in favor of TPC.

The Group's subscription payable to TPC as at December 31, 2025 and 2024 amounted to ₱2.1 million, which is due upon demand of TPC.

The Group has no outstanding capital commitments related to the investments in TPC as at December 31, 2025 and 2024.

Key Assumptions Used in Value in Use Calculations and Sensitivity to Changes in Assumptions

The Group performed its annual impairment test in 2025, 2024 and 2023.



The projected cash flows have been developed to reflect the expected oil reserve to be extracted over the life of the contract/project adjusted by the effects of other factors such as inflation rate. The post-tax discount rates used are 11.26%, 9.62% and 10.36% as at December 31, 2025, 2024 and 2023, respectively.

The calculation of DCF is most sensitive to the following assumptions:

a. Estimated reserves

TPC's estimated reserves are based on oil resources reports based on the information gathered from seismic and geological data, analyses and evaluation activities.

b. Post-tax Discount Rate

Discount rate represents the current market assessment of the risks specific to the investment in associates underlying assets taking into consideration the time value of money and the individual risks of the underlying assets that have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of TPC and is derived from its WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by TPC's investors. The cost of debt is based on the interest-bearing borrowings TPC is obliged to service. Specific risk is incorporated by applying individual beta factors and are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate. The post-tax discount rates used are 11.26%, 9.62%, and 10.36%, as at December 31, 2025, 2024 and 2023, respectively.

c. Oil Prices

Oil prices are at \$70, \$75 and \$75 in 2025, 2024 and 2023, respectively. Oil prices are estimated with reference to external market forecasts of Brent crude prices.

The Group did not recognize provision for impairment of investment in associate in relation to the investment in TPC in 2025, 2024, and 2023, respectively (see Note 18).

No provision for impairment loss was recognized in 2025, 2024 and 2023.

Investment in UPMC

UPMC's main business is the exploration, development, exploitation, recovery and sale of gold. UPMC was previously held under care and maintenance. Since 2003, no exploration activities were conducted in the area until the revised work programs were approved on February 10, 2020. With COVID-19, exploration were put on hold for most of 2020 and a 6-month extension of the Exploration Permit (EP) was granted until February 19, 2021. On February 3, 2021, the MGB certified the UPMC's compliance with the terms and conditions set forth in the exploration permit.

On February 4, 2021, the UPMC filed its Declaration of Mining Project Feasibility (DMPF) under EP-016-2016-V to MGB Regional Office prior to exploration permit expiration. The Exploration Permit is subject to automatic renewal while the processing of the DMPF approval is ongoing. Once approved, UPMC may file for Mineral Processing Sharing Agreement (MPSA).

On November 26, 2021, MPSA applications denominated as MPSA-V-0041 and AMA-V-0270 were converted into an Exploration Permit applications and was renumbered as EXPA-000233-V and EXPA-000234-V, respectively. Once the Exploration Permits are issued, it is valid for two years subject to renewal for another 2 years and a maximum of 6 years. UPMC is in the process of completing the mandatory requirements for Exploration Permit applications. Upon approval of the Exploration Permit applications, UPMC will file the DMPF application to MGB Regional Office.



Key Assumptions Used in Value in Use Calculations and Sensitivity to Changes in Assumptions

The Group performed an annual impairment test in 2025, 2024 and 2023.

The recoverable amount of investment in associate has been determined based on a DCF calculation using cash flow projections from the project feasibility study.

The projected cash flows have been developed to reflect the expected mine production over the life of the mine adjusted by the effects of other factors such as inflation rate. The post-tax discount rate applied to the cash flow projections as at December 31, 2025, 2024 and 2023 is 10.22%, 10.08% and 10.73%, respectively. As a result of this analysis, management concluded that investment in UPMC is not impaired as at December 31, 2025, 2024 and 2023.

The calculation of DCF is most sensitive to the following assumptions:

- a. **Future Production Levels and Costs**
Future production levels and costs include direct and indirect costs used to concentrate the mined ore reserves for the remaining life of the mine.
- b. **Gold Prices**
UPMC considers the effect of commodity price changes. UPMC considered the possible effect of the changes in the price of gold as it relates to the revenues that may be generated by UPMC and the attainment of the cash flow projections. UPMC used the data from the project feasibility study and was compared against externally published data.
- c. **Post-tax Discount Rate**
Discount rate represents the current market assessment of the risks specific to UPMC, taking into consideration the time value of money. The discount rate calculation is based on the specific circumstances of UPMC and is derived from its WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by UPMC's investors. The cost of debt is based on the risk free market rate available in the market. Specific risk is incorporated by applying individual beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate. The post-tax discount rates used are 10.22%, 10.08%, and 10.73% as at December 31, 2025, 2024 and 2023, respectively.

Management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of the investment in associates underlying assets to materially exceed its recoverable amount.

No provision for impairment was recognized in 2025, 2024 and 2023.



The summarized financial information of the associates as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, 2024 and 2023 are as follows (in thousands):

ACMDC

	2025	2024
Current assets	₱6,907,701	₱5,927,632
Noncurrent assets:		
Goodwill	19,026,119	19,026,119
Other noncurrent assets	42,439,005	44,905,535
Current liabilities	19,318,409	5,112,311
Noncurrent liabilities	2,527,657	18,464,135
Equity	46,526,759	46,282,840
Less: Noncontrolling interest	3,410	1,478
Equity attributable to equity holders of the parent company	46,523,349	46,281,362
Less: Goodwill	19,026,119	19,026,119
	27,497,230	27,255,243
Proportion of Group's ownership	28.64%	28.64%
Group's share in net identifiable assets excluding noncontrolling interest and goodwill	7,875,207	7,805,902
Goodwill	620,294	620,294
Carrying amount of investment	₱8,495,501	₱8,426,196

	2025	2024	2023
Revenue	₱17,192,348	₱18,634,220	₱18,865,013
Net income (loss)	(248,150)	(231,051)	1,117,556
Other comprehensive income	490,137	1,169,723	414,242
Total comprehensive income	241,987	938,672	1,531,798
Group's share in net income (loss)	(71,070)	(66,173)	320,068
Dividends received from ACMDC	-	-	-

TPC

	2025	2024
Current assets	₱740,666	₱747,418
Noncurrent assets	2,215,033	1,981,512
Current liabilities	70,300	54,287
Noncurrent liabilities	181,764	41,858
Equity	2,703,635	2,632,785
Proportion of Group's ownership	34.87%	34.87%
Group's share in equity of associate	942,758	918,052
Goodwill	401,305	401,305
Carrying amount of investment	₱1,344,063	₱1,319,357



	2025	2024	2023
Revenue	₱159,387	₱211,756	₱237,450
Net income (loss)	46,319	8,186	(32,113)
Other comprehensive income (loss)	24,531	(15,417)	(12,676)
Total comprehensive income (loss)	70,850	(7,231)	(44,789)
Group's share in net income (loss)	16,151	2,854	(11,198)
Dividends received from TPC	-	-	-

UPMC

	2025	2024
Current assets	₱814	₱814
Noncurrent assets	1,119,804	1,119,512
Current liabilities	561,342	1,542,017
Noncurrent liabilities	1,005,418	940
Equity	(446,142)	(422,631)
Proportion of Group's ownership	25.69%	25.69%
Group's share in equity of associate	(114,614)	(108,574)
Goodwill	522,388	522,388
Carrying amount of investment	₱407,774	₱413,814

	2025	2024	2023
Revenue	₱-	₱-	₱-
Net loss	(23,374)	(23,267)	(108,173)
Other comprehensive income	(137)	-	-
Total comprehensive loss	(23,511)	(23,267)	(108,173)
Group's share in net loss	(6,005)	(5,977)	(27,790)
Dividends received from UPMC	-	-	-

The Group has no outstanding contingent liabilities and capital commitments related to the investments in ACMDC, TPC, and UPMC as at December 31, 2025 and 2024.



11. Property and Equipment

<u>2025</u>	Condominium Units and Improvements	Transportation Equipment	Furniture, Fixtures and Office Equipment	Machinery and Equipment	Total
Cost:					
Balances at beginning of year	₱22,091,617	₱8,042,500	₱1,353,103	₱54,195,648	₱85,682,868
Additions	–	2,223,712	36,386	–	2,260,098
Retirements	–	(751,240)	–	(54,195,648)	(54,946,888)
Balances at end of year	22,091,617	9,514,972	1,389,489	–	32,996,078
Accumulated depreciation:					
Balances at beginning of year	20,107,853	5,482,976	1,139,254	54,195,648	80,925,731
Depreciation (Note 18)	1,105,211	1,084,904	146,654	–	2,336,769
Retirements	–	(751,240)	–	(54,195,648)	(54,946,888)
Balances at end of year	21,213,064	5,816,640	1,285,908	–	28,315,612
Net book values	₱878,553	₱3,698,332	₱103,581	₱–	₱4,680,466
<u>2024</u>					
	Condominium Units and Improvements	Transportation Equipment	Furniture, Fixtures and Office Equipment	Machinery and Equipment	Total
Cost:					
Balances at beginning of year	₱22,091,617	₱8,042,500	₱1,327,389	₱54,195,648	₱85,657,154
Additions	–	–	25,714	–	25,714
Balances at end of year	22,091,617	8,042,500	1,353,103	54,195,648	85,682,868
Accumulated depreciation:					
Balances at beginning of year	19,002,642	4,768,690	1,001,584	54,195,648	78,968,564
Depreciation (Note 18)	1,105,211	714,286	137,670	–	1,957,167
Balances at end of year	20,107,853	5,482,976	1,139,254	54,195,648	80,925,731
Net book values	₱1,983,764	₱2,559,524	₱213,849	₱–	₱4,757,137

The cost of fully depreciated property and equipment that is still used in operations amounted to ₱4.7 million and ₱5.5 million as at December 31, 2025 and 2024.



12. Investment Properties

Investment property represents parcels of land which are carried at cost, as follows:

	2025	2024
Balances at beginning of year	₱313,057,242	₱312,762,244
Additions	295,000	294,998
Balances at end of year	₱313,352,242	₱313,057,242

The fair market value of investment properties amounted to ₱4,677.5 million as at December 31, 2025 (see Note 26).

Cost incurred in maintaining these investment properties amounted to ₱3.3 million, ₱3.7 million and ₱3.5 million in 2025, 2024 and 2023, respectively.

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

13. Deferred Exploration Costs and Interest in Joint Operations

The Group is a participant in certain SC, MPSA, and ASEAN Petroleum Security Agreement (APSA) with the Philippine Government, through the Department of Energy (DOE) or Mines and Geosciences Bureau (MGB) for the exploration, development and exploitation of the contract areas situated in Northwest Palawan, Sulu Sea, Mindoro Island, Surigao City, Bataan and Batangas.

The aforementioned SCs, MPSAs and APSA provide for minimum work expenditure obligations and are covered by operating agreements which set forth the participating interests, rights, and obligations of the participants to the contracts. The deferred exploration costs represent the Group's share in the jointly controlled assets of the aforementioned SCs, MPSAs, and APSA. The full recovery of deferred exploration costs incurred in connection with the Group's participation in the exploration of the contract area is dependent upon the discovery of mineral resources from the respective contract areas and the success of the future development.

Under the SCs, MPSAs and APSA entered into with the DOE covering certain petroleum contract areas in various locations in the Philippines, the participating oil companies (collectively known as Contractors) are obliged to provide, at their sole risk, the services, technology and financing necessary in the performance of their obligations under these contracts. The Contractors are also obliged to spend specified amounts indicated in the contract in direct proportion to their work obligations.

However, if the Contractors fail to comply with their work obligations, they shall pay the government the amount they should have spent in direct proportion to their work obligations.

The Contractors have Operating Agreements among themselves which govern their rights and obligations under these contracts.



The percentage of participation in joint operations and the balances of the Group's deferred exploration costs as at December 31, 2025 and 2024 are as follows:

2025

Service Contract	Percentage of Participation	Amount	Allowance for Impairment	Net Amount
<i>Parent Company</i>				
SC 86 - Octon-Malajon Block (formerly SC 6A)*				
Block A (Octon)	14.146	₱63,910,259	(₱35,780,273)	₱28,129,986
Saddle Rock Prospect	14.146	7,325,361	–	7,325,361
Esperanza Prospect	14.146	823,118	–	823,118
PCECP Area 7 (Sulu Sea)	1.68	48,266,249	(48,266,249)	–
SC 53 - Mindoro Block	18.52	37,476,009	–	37,476,009
<i>VMC</i>				
MPSA 003-90-X (Comet Nickel-Chromite Project)		25,765,432	(25,765,432)	–
APSA 000328-III and ISAG III-02-08 (Bataan Aggregates Project)		1,748,121	(1,748,121)	–
MPSA 091-97-IV (Batangas Aggregates Project)		803,946	(803,946)	–
		₱186,118,495	(₱112,364,021)	₱73,754,474

*Newly signed Petroleum Service Contract which was signed by the President of the Republic of the Philippines on September 30, 2025

2024

Service Contract	Percentage of Participation	Amount	Allowance for Impairment	Net Amount
<i>Parent Company</i>				
Nominated Area 10 Malajon (formerly SC 6A)*				
Block A (Octon)	14.146	₱63,412,068	(₱35,780,273)	₱27,631,795
Saddle Rock Prospect	14.146	7,325,361	–	7,325,361
Esperanza Prospect	14.146	823,118	–	823,118
PCECP Area 7 (Sulu Sea)	1.68	48,266,249	(48,266,249)	–
SC 53 - Mindoro Block	18.52	37,476,009	–	37,476,009
<i>VMC</i>				
MPSA 003-90-X (Comet Nickel-Chromite Project)		25,765,432	(25,765,432)	–
APSA 000328-III and ISAG III-02-08 (Bataan Aggregates Project)		1,748,121	(1,748,121)	–
MPSA 091-97-IV (Batangas Aggregates Project)		803,946	(803,946)	–
		₱185,620,304	(₱112,364,021)	₱73,256,283

*Relinquished and awaiting DOE's approval of service contract application.

Movements in the deferred exploration cost as at December 31, 2025 and 2024 are as follows:

	2025	2024
Balances at beginning of year	₱73,256,283	₱71,416,374
Additions	498,191	1,839,909
Balances at end of year	₱73,754,474	₱73,256,283



Set out below is the movement in the allowance for impairment of deferred exploration cost:

	2025	2024	2023
Balances at beginning of year	₱112,364,021	₱112,364,021	₱139,134,579
Provision for impairment loss (see Note 18)	-	-	-
Write-off	-	-	(26,770,558)
Balances at end of year	₱112,364,021	₱112,364,021	₱112,364,021

Parent Company

SC 86 Octon - Malajon Block (formerly SC 6A)

Following the JV's proactive decision to relinquish SC 6, the DOE approved a new service contract over the area. The new contract, SC 86, covering approximately 160,000 hectares, was signed by the President of the Republic of the Philippines on September 30, 2025.

The members of the JV under the new service contract are as follows:

Joint Venture Members	Participating Interest (%)
The Philodrill Corporation	72.1662
Anglo Philippine Holdings Corporation	14.1460
Forum Energy Philippines Corporation	6.8439
PXP Energy Corporation (PXP)	6.8439
Total	100.0000

TPC remains the operator of the block.

Under the terms of the new service contract, TPC will continue to mature exploration prospects in the northern block to drillable status. Work will focus on de-risking and high-grading identified prospects, with particular emphasis on the older syn-rift sections, which remain prospective for additional exploration targets.

In the southern portion of the block, efforts will continue to evaluate and define a commercially viable development concept for the marginal Octon discovery. This will include further technical and economic assessment to determine the most appropriate development strategy, given the current resource base and subsurface uncertainty.

PCECP Area 7 Sulu Sea (formerly Service Contract 41)

TPC Group, together with bid partner PXP, submitted on August 15, 2019, a joint bid over PCECP Area 7 in Sulu Sea, one of the 14 pre-determined areas on offer under PECP. The joint application was found to be in order and satisfied the criteria set forth by the DOE. This was confirmed in writing by the DOE in September that the joint bid qualified for further substantive legal, financial, and technical evaluation. The DOE held in abeyance the awarding of a new service contract pending the complete organization of Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) and the implementation of policies.



As at December 31, 2022, the DOE has not sent any formal communication to TPC and PXP nor awarded any new service contract for PCECP Area 7. It is also uncertain under the new policies of BARMM, if the historical costs in the area will be recognized under the new service contract. On September 23, 2023, the DOE issued a termination of the processing of application for Petroleum Service Contract. The Group did not recognize an impairment loss in 2025, 2024 and 2023, respectively. The capitalized deferred exploration costs were fully provided as of December 31, 2025 and 2024.

SC 53 - Mindoro Block

The Certificate of Non-Coverage (CNC) for the Progreso Drilling Project was issued by the DENR - Environmental Management Bureau (EMB) on April 28, 2023.

TPC also continued engagement with the National Commission on Indigenous Peoples (NCIP) for the Certification Precondition (CP) application covering the Cambayan Project. As the project area straddles Occidental and Oriental Mindoro, coordination has been undertaken with both NCIP offices:

Occidental Mindoro: TPC and the DOE are coordinating with NCIP for the inclusion of the CP application in a Commission En Banc meeting.

Oriental Mindoro: To avoid further delays, TPC filed an amended Certificate of Non-Overlap (CNO) application through the DOE's Energy Virtual One-Stop Shop (EVOSS) platform. The CNO was subsequently issued on May 22, 2025 (Control No. CNO R4B-2025-013).

Reservoir remapping of the Progreso Prospect using the 2023 reprocessed seismic data was completed under the approved 2024 WP&B. The improved subsurface imaging enabled better delineation of structural closures across multiple reservoir levels, resulting in an uplift in estimated resources.

As of December 31, 2025, a technical report incorporating the updated seismic interpretation, mapping, and revised resource estimates is being finalized for submission to the Joint Venture (JV) partners and the DOE.

An initial well plan and design for Progreso-2, developed in collaboration with CWT Consultancy (CWT), has also been completed. A final drilling program will be prepared upon a decision to proceed. Based on current well objectives, drilling to a proposed total depth of 1,600 meters is estimated to require 21 days, with an estimated cost of \$6.139 million.

In 2025, TPC entered into a Farm-in Agreement (FIA) with Gas2Grid Ltd., followed by the execution of a Deed of Assignment, which still needs formal approval from DOE. Upon approval, TPC's participating interest will be reduced from 81.48% to 40.74%, effectively mitigating its exposure to exploration risk associated with the two commitment wells under the service contract.

VMC

MPSA 003-90-X (Comet Nickel-Chromite Project)

VMC and Comet Mining Corp. signed a Memorandum of Agreement (MOA) on December 4, 2007, to process, occupy, use and control explore, develop, conduct mining, mine, process and market any product from the MPSA 003-90-X area which was registered with the DENR-Region VI at Surigao City on January 22, 2008.



On March 25, 2010, the MGB responded to Comet's concern, regarding the application for renewal of the MPSA in subject, stating that the same was already approved through a letter dated November 20, 2009. However, Comet responded through a letter to MGB on April 7, 2010 objecting to the further evaluation and eventual approval of the MPSA. On May 13, 2014, the Group sent a letter with intent to renew. The declaration of mining project feasibility for nickel was approved on September 16, 2014. In 2018, management assessed that no future value will be realized in this project and a full allowance was provided. As at December 31, 2025 and 2024, allowance recognized for this project amounted to ₱25.8 million.

APSA 000328-III and ISAG III-02-08 (Bataan Aggregates Project)

The Bataan Aggregates Project is located in Barangay Nagbalayong, Municipality of Morong, Bataan. In 2018, management assessed that no future value will be realized in this project and a full allowance was provided. As at December 31, 2025 and 2024, allowance recognized for this project amounted to ₱1.7 million.

MPSA No. 091-97-IV (Batangas Aggregates Project)

The Batangas Aggregates Project is located in Barangay San Miguel, Batangas City, Batangas. It is covered by MPSA No. 091-97-IV granted on November 20, 1997 with an area of 332.3980 hectares.

In 2018, management assessed that no future value will be realized in this project and a full allowance was provided. As at December 31, 2025 and 2024, allowance recognized for this project amounted to ₱0.8 million.

14. Other Noncurrent Assets

	2025	2024
Advances for future land acquisitions	₱79,373,320	₱78,563,067
Advance royalties	14,336,742	14,336,742
Advances for solar power project	9,097,643	9,097,643
Deposit	3,309,844	3,309,844
Input VAT	2,074,639	2,331,193
Advances to suppliers	63,422	63,422
	108,255,610	107,701,911
Less allowance for impairment losses	14,400,164	14,400,164
	₱93,855,446	₱93,301,747

Advance royalties pertain to advances made to Comet Mining Exploration Corporation and Asencio Pinzon Aggregates Corporation (APAC), owner of the mining rights in Loreto, Dinagat Islands and Rodriguez, Rizal, respectively, amounting to ₱11.5 million. VMC conducts exploration activities in those locations. It also includes advances made to Vinc Vita Mining Corporation (VVMC) amounting to ₱2.9 million which pertains to the acknowledgment of VMC to develop and exploit the area in Bolinao, Pangasinan upon securing the necessary application and exploration permit by VVMC. These advance royalties amounting to ₱14.3 million have been fully provided with allowance for impairment losses as at December 31, 2025 and 2024 since VMC assessed that these are no longer recoverable since the operating agreement for the exploration activities was transferred to Solid Integrated Co., Inc. (SICI).



The deposit pertains to the cash bond paid to Department of Agrarian Reform (DAR) as required by DAR Administrative Order No. 01-99 in application for the conversion of land use from idle to industrial. The amount paid is equivalent to 2.5% of the total zonal value of the land. As at December 31, 2025 and 2024, deposit amounted to ₱3.3 million.

15. Accounts Payable and Accrued Expenses and Other Noncurrent Liability

a. Accounts payable and accrued expenses

	2025	2024
Trade	₱2,152,314	₱2,152,314
Due to third party (see Note 21)	797,047,880	–
Deposits from third parties	89,419,422	89,419,422
Due to NTDCC (see Note 16)	66,041,694	80,177,394
Accrued expense	15,578,407	16,115,503
Dividends payable (see Note 17)	8,382,145	8,382,145
Payable to regulatory agencies	3,885,243	3,973,822
Accrued interest (see Note 21)	1,346,127	1,346,127
Others	110,567	110,567
	₱983,963,799	₱201,677,294

Trade payables relate to payables to suppliers and relate to transactions in the ordinary course of business. Trade payables are noninterest-bearing and generally settled within thirty (30) days.

Due to third party relates to the receivables of Alakor assigned to Romer Mercantile Inc. (see Note 21).

Deposits from third parties include advances received amounting to ₱89.4 million in relation to the potential acquisition of a Group's investment, subject to the completion of certain closing requirements.

Dividends payable amounted to ₱8.4 million as at December 31, 2025 and 2024, which are payable on demand, pertains to cash dividends declared in 2016 (see Note 17).

Accrued expenses include professional fees and utilities that are noninterest-bearing and are normally settled within one year from the reporting date.

Payable to regulatory agencies includes withholding taxes and other government contributions related to employees of the Group that are payable within thirty (30) days from the close of each month.

Others include various deposits received from customers.

b. Other noncurrent liability (under "Noncurrent Liability" account)

Angat Rockbase Concrete Aggregates, Inc. (ARCAI)

Deposit from customers classified as noncurrent substantially pertains to a deposit received from ARCAI amounting to ₱5.4 million as at December 31, 2025 and 2024. On August 8, 2008, VMC and ARCAI entered into a MOA wherein VMC warrants the delivery of approximately 2,000-2,200 LCM per day of blasted materials to ARCAI at the agreed price equivalent to VMC's prevailing material cost plus ₱20 per LCM. ARCAI also agreed to pay ₱20.0 million as



contribution to the costs incurred by VMC and to develop the quarry and cost to prepare the area to be designated for use by ARCAI.

The amount is payable as follows:

- ₱5.0 million front end signing of contract; and
- ₱15.0 million to be built in the cost of raw materials and amortized over three years at the committed volume of 600,000 LCM per annum or ₱8.33 per LCM.

On July 24, 2012, VMC and ARCAI signed a MOA extending the term of the original agreement by another five years from the original expiration date. For and in consideration of the renewal, ARCAI agreed to pay VMC ₱1.5 million upon signing to pay for the historical development cost on the last year of the extended agreement. In 2016, the MOA was terminated and the operating agreement was transferred to SICI.

Comet Project

Deposits from customers include a refundable deposit made by third party amounting to \$0.2 million (₱10.2 million) as agreed in the exclusive marketing agreement for the future extracted mines related to the VMC's Comet Project.

The outstanding deposits from customers amounted to ₱15.6 million as at December 31, 2025 and 2024.

16. Significant Agreements

Funding and Repayment Agreement

On December 17, 2014, APHC [as a shareholder of MRTDC (included and accounted as financial assets at FVOCI)] and other MRTDC shareholders, MRTDC and North Triangle Depot Commercial Corp. (NTDCC) executed a "Funding and Repayment Agreement" wherein the MRTDC shareholders agreed to repay NTDCC, for the account of MRTDC, their respective pro rata share in the total depot Development Rights Payments (DRP) Advances (the pre-2006 DRP Payables and the residual depot DRP, including 15% interest rate accrued on such DRP payables).

The funding and repayment agreement resulted in the recognition of a DRP payable to NTDCC, included under "Accounts payable and accrued expenses" account, which amounted to ₱66.0 million and ₱80.2 million as at December 31, 2025 and 2024, respectively (see Note 15). This also resulted in the recognition of a receivable from MRTDC, included under "Trade and other receivables" account, which amounted to ₱35.6 million and ₱82.7 million as at December 31, 2025 and 2024, respectively (see Note 5).

Commencing on January 1, 2015, APHC and other MRTDC shareholders (except Fil Estate Properties, Inc. and Metro Global Holdings Corporation) shall effect the repayment of their respective pro rata share in the total depot DRP Payables, through a set-off against their respective share in the commercial center royalties to be received from NTDCC (representing 5% of the gross rental income of the commercial center, less reasonable administrative costs and management fees). Royalty income received amounted to ₱13.7 million, ₱13.9 million and ₱13.4 million in 2025, 2024 and 2023, respectively.



The set-off shall be effective as at the beginning of every calendar month, commencing January 30, 2015 and shall result in the settlement of the portion of the total DRP Payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders.

The following table set forth the offsetting of financial assets and liabilities recognized as at December 31, 2025 and 2024:

	Gross amounts of recognized financial assets and liabilities	Gross amounts of recognized financial assets and liabilities offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position
2025			
<i>Asset</i>			
Commercial center royalty receivable (DRP payables)	₱14,135,700	(₱14,135,700)	₱-
<i>Liability</i>			
Due to NTDCC (see Note 15)	80,177,394	(14,135,700)	66,041,694
 2024			
<i>Asset</i>			
Commercial center royalty receivable (DRP payables)	₱14,917,835	(₱14,917,835)	₱-
<i>Liability</i>			
Due to NTDCC (see Note 15)	95,095,229	(14,917,835)	80,177,394

17. Equity

Capital Stock

The movements in capital stock of the Parent Company are as follows:

	2025		2024	
	Shares	Amount	Shares	Amount
Issued and outstanding				
Balances at beginning and end of year	3,013,186,174	₱3,013,186,174	3,013,186,174	₱3,013,186,174
Subscribed				
Balances at beginning and end of year	3,116,364	₱3,116,364	3,116,364	₱3,116,364
Less subscriptions receivable	(1,367,687)	(1,367,687)	(1,367,687)	(1,367,687)
	1,748,677	₱1,748,677	1,748,677	₱1,748,677

The par value of the shares of stock is ₱1.



Below is the Parent Company's track record of registration of securities under the Securities Regulation Code of the SEC:

Date of Registration (SEC Approval)	Description	Number of Shares Registered	Par value Per Share	Total Amount
June 25, 1958	Initial capital	50,000,000	₱0.01	₱500,000
November 5, 1958	Increase in authorized capital stock	1,000,000,000	0.01	10,000,000
		1,050,000,000		10,500,000
February 26, 1970	Increase in authorized capital stock	1,000,000,000	0.01	10,000,000
		2,050,000,000		20,500,000
March 22, 1979	Increase in authorized capital stock	8,000,000,000	0.01	80,000,000
		10,050,000,000		100,500,000
September 14, 1990	Increase in authorized capital stock	19,950,000,000	0.01	199,500,000
		30,000,000,000		300,000,000
March 13, 1996	Change of par value from ₱0.01 to ₱1.00	300,000,000	1.00	300,000,000
March 13, 1996	Increase in authorized capital stock	1,700,000,000	1.00	1,700,000,000
		2,000,000,000		2,000,000,000
September 23, 2014	Increase in authorized capital stock	2,000,000,000	1.00	2,000,000,000
		4,000,000,000		₱4,000,000,000

For the years ended December 31, 2025 and 2024, there were no movements in the Parent Company's registered securities. There are 3,079 shareholders who hold 3.0 billion shares as at December 31, 2025 and 2024.

On March 12, 2014, the Parent Company's BOD resolved to increase the authorized capital stock from 2 billion to 4 billion common stock with par value of ₱1 per share. On September 23, 2014, the SEC approved the increase in authorized capital stock. The shares issued from the increase in authorized capital stock were approved for listing in the PSE on August 29, 2019 and were eligible for trading on February 26, 2020.

Treasury Stock

In 2007, the BOD approved to reacquire shares totalling 13 million common shares, which were reacquired in 2008 and were stated at acquisition cost amounting to ₱27.6 million.

The balance of retained earnings includes the accumulated equity in net earnings associates amounting to ₱697.9 million and ₱758.8 million as of December 31, 2025 and 2024, respectively. Such amounts are not available for distribution until such time that the Group receives the dividends from the respective associates (see Note 10).

Dividends Payable

Dividends payable from the declaration made in 2016 amounted to ₱8.4 million as at December 31, 2025 and 2024 (see Note 15). The Group did not declare dividends in 2025, 2024 and 2023.



18. General and Administrative Expenses

	2025	2024	2023
Personnel costs (see Note 20)	₱21,740,645	₱22,582,438	₱20,915,088
Outside services	9,012,925	9,592,717	9,474,604
Entertainment, amusement and representation	7,823,292	7,894,690	6,191,979
Depreciation (see Note 11)	2,336,769	1,957,167	1,477,610
Taxes and licenses	912,215	1,334,516	1,369,069
Membership fees	902,969	855,299	753,333
Communication, light and water	715,054	652,967	593,123
Insurance	701,284	625,182	627,946
Transportation and travel	629,939	516,261	476,381
Office supplies	300,966	346,346	359,196
Seminars and trainings	296,423	170,962	204,490
Repairs and maintenance	234,724	224,634	59,019
Professional fees	124,504	118,486	162,201
Others	1,584,813	568,990	410,515
	₱47,316,522	₱47,440,655	₱43,074,554

Others mainly consist of legal fees, donations and miscellaneous expenses.

19. Interest Income

The breakdown of interest income is as follows:

	2025	2024	2023
Cash with banks and short-term deposits (see Note 4)	₱1,917,347	₱3,442,564	₱1,596,712
Accrued interest:			
Long-term note receivable (see Notes 8 and 21)	2,585,417	2,592,500	2,585,416
Advances to related parties (see Note 21)	24,333,333	24,400,000	12,266,667
	₱28,836,097	₱30,435,064	₱16,448,795

20. Personnel Costs

	2025	2024	2023
Salaries and wages	₱18,179,517	₱17,385,955	₱16,232,646
Pension cost (see Note 22)	220,925	186,580	135,057
Other employee benefits	3,340,203	5,009,903	4,547,385
	₱21,740,645	₱22,582,438	₱20,915,088

Other employee benefits are composed of various benefits given to employees, such as medical benefits, uniform allowance, and other bonuses.



21. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprises and its key management personnel, directors or its stockholders. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Group, in its regular course of business, has entered into transactions with related parties at terms and conditions agreed upon by the parties.

Category	Year	Transactions During the Year	Advances to Related Parties (see Note 5)	Accrued Interest Receivable (see Note 5)	Long-term Note Receivable (see Note 8)	Terms & Conditions
Advances to related parties						
Ultimate Parent (Alakor)						
Advances (see Note 21a)	2025	₱-	₱8,069,612	₱-	₱-	On demand;
	2024	₱-	₱8,069,612	₱-	₱-	Noninterest-bearing; Unsecured; Unimpaired
Long-term note receivable (see Note 8)	2025	-	-	-	60,000,000	3 years; Interest-bearing; Unsecured; Unimpaired
	2024	-	-	-	60,000,000	
Accrued interest (see Notes 5 and 19)	2025	2,585,417	-	24,984,801	-	On demand; Interest-bearing; Unsecured
	2024	2,592,500	-	22,399,384	-	
Affiliate (NBS) Advances (see Note 21b)	2025	-	10,000,000	-	-	On demand; Noninterest-bearing; Unsecured; Unimpaired
	2024	-	10,000,000	-	-	
Affiliate (Abacus) Advances (see Note 21g)	2025	-	300,000,000	-	-	90-day term and automatically extended for a period of one (1) year; 8% interest-bearing; Unsecured; Unimpaired
	2024	-	300,000,000	-	-	
Accrued interest (see Notes 5 and 19)	2025	24,333,333	-	61,000,000	-	On demand; Interest-bearing; Unsecured
	2024	24,400,000	-	36,666,667	-	
Affiliate (VIMC) Advances (see Note 21b)	2025	-	3,178,882	-	-	On demand; Noninterest-bearing; Unsecured; Unimpaired
	2024	-	3,178,882	-	-	
Associate (UPMC) Advances (see Note 21c)	2025	51,477,208	171,091,492	-	-	On demand; Noninterest-bearing; Unsecured; Unimpaired
	2024	16,200,000	119,614,284	-	-	
	2025		₱492,339,986	₱85,984,801	₱60,000,000	
	2024		₱440,862,778	₱59,066,051	₱60,000,000	



Category	Year	Transactions During the Year	Current portion of Due to Related Parties	Due to Related Parties - net of Current Portion	Accrued Interest (see Note 15)	Terms & Conditions
Due to related parties						
Ultimate Parent (Alakor)						
Advances (see Note 21a)	2025	₱-	₱13,835,036	₱-	₱-	On demand;
	2024	₱-	₱13,835,036	₱-	₱-	Noninterest-bearing; Unsecured
Loan (see Note 21d)	2025	-	4,000,000	-	-	On demand; 8% interest-bearing; Unsecured
	2024	-	4,000,000	-	-	
Accrued interest (see Note 15)	2025	-	-	-	1,346,127	On demand; Noninterest-bearing; Unsecured
	2024	-	-	-	1,346,127	
Advances (see Note 21e)	2025	-	-	-	-	2 years; Noninterest-bearing; Unsecured
	2024	44,028,002	-	753,019,878	-	
Affiliate (VIMC)						
Advances (see Note 21f)	2025	-	24,045,705	-	-	On demand; Noninterest-bearing; Unsecured
	2024	-	24,045,705	-	-	
	2025		₱41,880,741	₱-	₱1,346,127	
	2024		₱41,880,741	₱753,019,878	₱1,346,127	

- a. Advances from Alakor pertains to cash provided to TVRI for working capital purposes.
- b. The Group made advances to Alakor, NBS and VIMC for additional working capital.
- c. The Group made advances to UPMC for additional working capital.
- d. Loan pertains to the funding obtained by TVRI from Alakor for capital expenditures with interest equivalent to 91-day Treasury bill for each quarter plus 2% spread.
- e. In 2017, the Parent Company received advances from Alakor amounting to ₱797.0 million to fund the acquisition of ACMDC shares. In 2024 and 2023, the Parent Company secured a commitment from Alakor Corporation that the latter will not to demand payment until December 31, 2025 and December 31, 2024, respectively. The advances from Alakor is carried at amortized cost which amounted to nil and ₱753.0 million, net of discount, as at December 31, 2025 and 2024, respectively. This also resulted to a recognition of day 1 gain which amounted to nil, ₱45.6 million and nil in 2025, 2024 and 2023, respectively. Accretion of discount on advances amounted to ₱44.0 million, ₱1.6 million and nil in 2025, 2024 and 2023, respectively. As at December 31, 2024, advances from Alakor is presented under “Noncurrent Liabilities” account.

On December 4, 2025, Alakor entered into an assignment of receivable agreement with Romer Mercantile Inc. to assign, transfer and convey, in favor of the Romer Mercantile Inc., all its rights, title and interest over a certain receivable from the Parent Company. As at December 31, 2025, due to third party amounted to ₱797.0 million is presented under “Accounts Payable and Accrued Expenses” account (see Note 15).



- f. Due to VIMC pertains to advances for working capital purposes of VMC.
- g. On June 30, 2023, the Parent Company has extended its credit line of up to ₱300.0 million in favor of Abacus Book & Card Corporation (Abacus) at 90-day term at an interest rate of 8% per annum. The credit line is automatically extended for a period of one (1) year, and every year thereafter if the amount remains unpaid upon maturity. The credit line will provide short-term funding of the operations of National Book Store, Inc. (NBS) and Abacus.

Total interest earned amounted to ₱24.3 million, ₱24.4 million and ₱12.3 million in 2025, 2024 and 2023, respectively (see Note 19). Accrued interest receivable as at December 31, 2025 and 2024 amounted to ₱61.0 million and ₱36.7 million, respectively (see Note 5).

All outstanding balances with related parties are expected to be settled in cash.

Compensation of Key Management Personnel

The compensation of the Parent Company's key management personnel by benefit type as follows:

	2025	2024	2023
Short-term employee benefits	₱13,773,830	₱13,773,830	₱12,905,050
Post-employment pension benefits	220,925	186,580	135,057
	₱13,994,755	₱13,960,410	₱13,040,107

22. Retirement Benefits

The Group has a funded, non-contributory defined retirement plan covering all its regular employees. The benefit is based on certain percentage of the member's final monthly salary and length of service with the Group. The retirement benefit plan obligation is determined using the projected unit credit method. There was no plan of termination or curtailment for the years ended December 31, 2025 and 2024.

Under the existing regulatory framework, Republic Act No. 7641, *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 following tables summarize the funded status and the amounts recognized in the consolidated statements of financial position, the components of net retirement benefit expense (income) recognized in consolidated statements of comprehensive income and the changes in the present value of the defined benefit obligation and the fair value of plan assets.



Changes in the defined benefit obligation and fair value of plan assets are as follows:

2025

	Defined Benefit Liability	Fair Value of Plan Asset	Effect of the Asset Ceiling	Net Defined Benefit Asset
Balances at beginning of year	₱18,239,836	(₱30,354,717)	₱4,169,734	(₱7,945,147)
Current service cost	707,168	–	–	707,168
Net interest	1,116,278	(1,857,709)	255,188	(486,243)
Pension cost (benefit) charged to profit or loss	1,823,446	(1,857,709)	255,188	220,925
Remeasurement loss - change in the effect of the asset ceiling	–	–	(660,800)	(660,800)
Remeasurement gain on plan assets (excluding amount included in net interest)	–	555,199	–	555,199
Remeasurement changes arising from changes in financial assumptions	115,164	–	–	115,164
Remeasurement changes arising from experience adjustments	(220,220)	–	–	(220,220)
Pension cost (benefit) charged to OCI	(105,056)	555,199	(660,800)	(210,657)
Balances at end of year	₱19,958,226	(₱31,657,227)	₱3,764,122	(₱7,934,879)

2024

	Defined Benefit Liability	Fair Value of Plan Asset	Effect of the Asset Ceiling	Net Defined Benefit Asset
Balances at beginning of year	₱16,522,713	(₱29,102,595)	₱4,489,850	(₱8,090,032)
Current service cost	671,982	–	–	671,982
Net interest	991,363	(1,746,156)	269,391	(485,402)
Pension cost (benefit) charged to profit or loss	1,663,345	(1,746,156)	269,391	186,580
Remeasurement loss - change in the effect of the asset ceiling	–	–	(589,507)	(589,507)
Remeasurement gain on plan assets (excluding amount included in net interest)	–	494,034	–	494,034
Remeasurement changes arising from changes in financial assumptions	(59,983)	–	–	(59,983)
Remeasurement changes arising from experience adjustments	886,416	–	–	886,416
Pension cost (benefit) charged to OCI	826,433	494,034	(589,507)	730,960
Benefits received directly from book reserve	(772,655)	–	–	(772,655)
Balances at end of year	₱18,239,836	(₱30,354,717)	₱4,169,734	(₱7,945,147)

The assets of the Plan are being held by Sun Life Financial Plans, Inc. The investing decisions of the Plan are made by certain officers of the Parent Company duly authorized by the BOD.



The Plan is composed of 100% insurance as at December 31, 2025 and 2024. The Retirement Trust Fund assets are valued by the fund manager at fair value using the mark-to-market valuation.

The principal assumptions used to determine retirement benefit plan obligation are as follows:

	2025	2024
Discount rates	5.83%	6.12%
Wage and salary increase	5.00%	5.00%
Average expected future service years of active plan members	27.2	25.2

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	Increase (decrease)	2025	2024
Discount rates	+100 basis points	(P386,311)	(P477,567)
	-100 basis points	418,458	518,973
Salary increase rates	+100 basis points	417,761	519,585
	-100 basis points	(392,845)	(486,907)

The Group does not expect to contribute to the defined benefit pension plan in 2026.

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

	2025	2024
One year to five years	P20,096,233	P19,942,747
More than five years	227,825	166,807
	P20,324,058	P20,109,554

The average duration of the defined retirement benefit obligation as at December 31, 2025 and 2024 is 2.0 years and 2.7 years, respectively.

23. Income Taxes

The provision for current income tax in 2025 and 2024 represents RCIT and in 2023 represents MCIT for the Parent Company. All subsidiaries have no provision for current income tax in 2025, 2024 and 2023 since they are in a taxable loss position.



The reconciliation between the provision for (benefit from) income tax computed at the statutory income taxes rates and the provisions for income tax as shown at the effective income tax rates in the consolidated statements of comprehensive income as follows:

	2025	2024	2023
Income tax at statutory rate at 25%	(P30,323,318)	(P7,285,596)	P80,695,136
Adjustments to income tax resulting from:			
Accretion of discount	46,300,934	42,918,550	28,587,944
Day 1 gain	(30,940,338)	(49,077,067)	(38,933,624)
Equity in net losses (gains) of associates	15,230,862	17,323,947	(70,270,212)
Nondeductible expenses	2,358,305	2,232,309	1,641,141
Fair value changes of financial assets at FVTPL	1,845,699	(3,164,605)	(1,815,908)
Dividend income exempt from tax	(1,274,982)	(1,448,622)	(1,456,592)
Gain on sale of financial asset at FVTPL	(672,848)	-	-
Interest income subjected to final tax	(479,337)	(860,641)	(399,179)
Change in temporary differences, NOLCO and MCIT	64,008	11,558,993	(7,220,567)
	P2,108,985	P12,197,268	(P9,171,861)

The components of the Group's net deferred income tax assets (liabilities) are as follows:

	2025	2024
Deferred income tax liabilities recognized in profit or loss:		
Retirement benefit plan asset	P-	(P10,424)
Deferred income tax liability on remeasurement gains on defined benefit plan recognized in other comprehensive income	(52,664)	-
	(P52,664)	(P10,424)

As at December 31, 2025 and 2024, the Group did not recognize deferred income tax assets on the following deductible temporary differences and carryforward benefits of MCIT and NOLCO since management believes that it is not probable that sufficient taxable profit will be available against which the benefits can be utilized:

	2025	2024
Deductible temporary differences on:		
Allowance for impairment losses on:		
Deferred exploration costs	P112,364,021	P112,364,021
Trade and other receivables	4,515,035	4,515,035
Other noncurrent assets	14,336,742	14,336,742
NOLCO	20,446,640	27,494,738
MCIT	1,134,535	1,306,833



24. Basic and Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the net income (loss) for the year attributable to equity holders of the Parent Company divided by the weighted average number of common shares outstanding during the year (adjusted for any stock dividends).

Basic and diluted earnings (loss) per share are computed as follows:

	2025	2024	2023
Net income (loss) attributable to equity holders of the Parent Company	(₱123,298,330)	(₱41,228,576)	₱332,056,458
Weighted average number of common shares	3,013,186,174	3,013,186,174	3,010,341,730
Basic and diluted earnings (loss) per share	(₱0.04)	(₱0.01)	₱0.11

The resulting per share amounts are the same for both basic and diluted earnings per share in 2025, 2024 and 2023 since the Group does not have any debt or equity securities that will potentially cause an earnings per share dilution.

25. Financial Risk Management and Capital Management

The Group's main financial instruments are cash and cash equivalents, trade and other receivables, financial assets at FVTPL, financial assets at FVOCI, long-term note receivable, and deposit under "Other noncurrent assets". The main purpose of these financial instruments is to raise funds and maintain continuity of funding and financial flexibility for the Group. The Group has various other financial assets and liabilities such as accounts payable and accrued expenses, due to related parties, loans payable, finance lease liability and subscription payable which arise directly from its operations and investing activities.

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

The Group has exposure to liquidity risk, credit risk, foreign currency risk and equity price risk from the use of its financial instruments. The Board reviews and approves the policies for managing each of these risks and they are summarized below.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Management is responsible for liquidity, funding as well as settlement management. In addition, liquidity and funding risks, related processes and policies are overseen by the management.

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely



monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.

The Group's financial assets used for liquidity management are its cash and cash equivalents, trade and other receivables, financial assets at FVTPL and financial assets at FVOCI.

As at December 31, 2025 and 2024, the Group's cash and cash equivalents may be withdrawn anytime, while its financial assets at FVTPL are traded in the stock exchange and may be converted to cash by selling them during the normal trading hours on any business day.

The following tables summarize the Group's financial assets that can be used to manage its liquidity risk and the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as at December 31 (including interest as applicable):

2025

	On Demand	More than Three (3) Months but Less than One (1) year	More than One (2) year	Total
Financial Assets at Amortized Cost				
Cash and cash equivalents	₱11,177,099	₱-	₱-	₱11,177,099
Trade and other receivables	278,324,787	385,281,531	-	663,606,318
Notes receivable	-	-	60,000,000	60,000,000
Financial assets at FVTPL	88,450,810	-	-	88,450,810
Financial assets at FVOCI	-	-	521,260	521,260
	377,952,696	385,281,531	60,521,260	823,755,487
Financial Liabilities				
Accounts payable and accrued expenses*	890,659,134	89,419,422	-	980,078,556
Due to related parties	43,226,868	-	(43,226,868)	-
Subscription payable	-	2,136,170	2,664,047,542	2,666,183,712
	933,886,002	91,555,592	2,620,820,674	3,646,262,268
Net Financial Assets (Liabilities)	(₱555,933,306)	₱293,725,939	(₱2,560,299,414)	(₱2,822,506,781)

*Excluding nonfinancial liabilities

2024

	On Demand	More than Three (3) Months but Less than One (1) year	More than One (1) year	Total
Financial Assets at Amortized Cost				
Cash and cash equivalents	₱82,298,173	₱-	₱-	₱82,298,173
Trade and other receivables	-	590,039,093	-	590,039,093
Notes receivable	-	-	60,000,000	60,000,000
Financial assets at FVTPL	76,267,300	-	-	76,267,300
Financial assets at FVOCI	-	-	521,260	521,260
	158,565,473	590,039,093	60,521,260	809,125,826
Financial Liabilities				
Accounts payable and accrued expenses*	108,284,050	-	89,419,422	197,703,472
Due to related parties	41,880,741	-	753,019,878	794,900,619
Subscription payable	2,136,170	-	2,778,487,710	2,780,623,880
	152,300,961	-	3,620,927,010	3,773,227,971
Net Financial Assets (Liabilities)	₱6,264,512	₱590,039,093	(₱3,560,405,750)	(₱2,964,102,145)

*Excluding nonfinancial liabilities



Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily from cash and cash equivalents and trade and other receivables.

The Group ensures that its financial assets are considered high grade by transacting only with top banks in the Philippines and maintaining good relationships with related parties, key employees and debtors who are highly reputable and with good credit standing.

Customer credit risk is managed through the Group's established policy, procedures and control relating to customer risk management including credit review and analysis of trade and other receivables on a continuous basis.

With respect to credit risk arising from cash and cash equivalents and trade and other receivables, long-term note receivable, financial assets at FVTPL and financial assets at FVOCI, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Since the Group trades only with recognized and established counterparties, there is no requirement for collateral.

The maximum exposure to credit risk, net of allowance for impairment losses, amounted to ₱692.9 million and ₱732.3 million as at December 31, 2025 and 2024, respectively.

There are no significant concentrations of credit risk within the Group.

The Group writes-off a financial asset, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

The Group writes off an account when all of the following conditions are met:

- the asset is in past due for over 90 days, or is already an item-for-forfeiture
- contract restructuring is no longer possible

The Group may also write-off financial assets that are still subject to enforcement activity. The Group has not written off outstanding loans and trade and other receivables that are still subject to enforcement activity as at December 31, 2025 and 2024.

The following are the details of the Group's assessment of credit quality and the related ECLs as at December 31, 2025 and 2024:

General approach

- *Cash and cash equivalents.* As at December 31, 2025 and 2024, the ECL relating to the cash and cash equivalents of the Group is minimal as these are deposited in reputable banks which have good bank standing, and is considered to have low credit risk.
- *Receivables Other Than Trade and Long-term Note Receivable.* No ECL is recognized for these receivables since there were no history of default payments. As at December 31, 2025 and 2024, allowance for impairment losses pertain to individually impaired accounts of other receivables. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.



Simplified approach

- *Receivables* - The Group applied the simplified approach under PFRS 9, using a ‘provision matrix’. As at December 31, 2025 and 2024, no allowance for impairment losses was recognized as a result of performing collective impairment test. Management evaluated that the Group’s receivables are of high grade and of good credit quality.

2025

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
High grade	₱11,157,099	₱-	₱-	₱-	₱11,157,099
Medium grade	60,000,000	-	25,536,224	621,725,577	707,261,801
Gross carrying amount	71,157,099	-	25,536,224	621,725,577	718,418,900
Loss allowance	-	-	(25,536,224)	-	(25,536,224)
Carrying amount	₱71,157,099	₱-	₱-	₱621,725,577	₱692,882,676

2024

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
High grade	₱82,278,173	₱-	₱-	₱-	₱82,278,173
Medium grade	60,000,000	-	25,536,224	590,039,093	675,575,317
Gross carrying amount	142,278,173	-	25,536,224	590,039,093	757,853,490
Loss allowance	-	-	(25,536,224)	-	(25,536,224)
Carrying amount	₱142,278,173	₱-	₱-	₱590,039,093	₱732,317,266

The credit quality of financial assets is managed by the Group using high, medium and low grades as internal credit ratings.

High grade - pertains to counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and government agencies.

Medium and low grades - other financial assets not belonging to high grade financial assets are included in either of these categories.

The Group has assessed the credit quality of the following financial assets:

- Cash and cash equivalents are classified as high grade since these are deposited with reputable banks.
- Trade and other receivables are classified medium grade since these are receivables from related parties taking into account the related parties’ financial standing and ability to pay.
- Long-term note receivable and deposit are classified as medium grade since these belongs to companies which have good financial conditions and operate in an industry which has potential growth.

The Group’s maximum exposure to credit risk is equal to the aggregate carrying amount of its financial assets.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and other market variables which will adversely affect the Group’s total comprehensive income or value of its financial instruments. The objective of the Group’s market risk management is to manage



and control market risk exposures within acceptable parameters. The exposures to specific market risks are as follows:

Foreign Exchange Risk

The Group uses the Philippine peso as its functional currency and is therefore exposed to foreign exchange movements, primarily in US\$ currency. The Group follows a policy to manage its foreign exchange risk by closely monitoring its cash flow position and by providing forecast on all other exposures in non-peso currencies.

Information on the Group's US\$-denominated monetary assets and liabilities and their ₱ equivalent are as follows:

	2025		2024	
	US\$	₱	US\$	₱
Financial assets:				
Cash in banks	\$52,419	₱3,032,299	\$274,223	₱15,862,436

The following table demonstrates the sensitivity to a reasonably possible change in Philippine ₱/US\$, with all other variables held constant, of the Group's income before income tax.

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

	Change in ₱/US\$ exchange rate	
	US\$ strengthens by 5%	US\$ weakens by 5%
Increase (decrease) in income/loss before income tax and in equity		
2025	₱151,615	(₱151,615)
2024	793,122	(793,122)
2023	6,331,144	(6,331,144)

As at December 31, 2025 and 2024, the exchange rate of the Philippine peso to the US\$ is ₱58.75.

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of the listed shares. The equity price risk exposure arises from the Group's investment in financial assets at FVTPL and quoted financial assets at FVOCI. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instrument.



The effects on equity and income before income tax, (as a result of a change in the fair value of financial assets at FVOCI and financial assets at FVTPL due to a reasonably possible change in close market prices, with all other variables held constant), are as follows:

	Change in fair market value	
	Increase in market indices by 5%	Decrease in market indices by 5%
Financial Assets at FVTPL		
Increase (decrease) in income/loss before income tax and in equity:		
2025	(₱4,422,541)	₱4,422,541
2024	(3,813,365)	3,813,365
2023	(3,180,444)	3,180,444
Financial Assets and FVOCI		
2025	(₱26,063)	₱26,063
2024	(26,063)	26,063
2023	(26,063)	26,063

The impact on the Group's equity already excludes the impact on transactions affecting the consolidated statements of comprehensive income.

Capital Management

The Group's objectives when managing capital is to maintain a capital structure that provides a balance between the risk associated with higher level of borrowings and the advantages and security of a sound capital position.

The BOD has overall responsibility in monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Parent Company's business operations and industry.

The Group monitors capital on the basis of the debt-equity ratio which is calculated as total debt divided by total equity. Total debt is equivalent to accounts payable and others, income tax payable, long-term debt, pension liability and deferred tax liability. Total equity comprises all components of equity including capital stock, additional paid-in capital, net unrealized valuation gain on financial assets at FVOCI and retained earnings, reduced by treasury shares.

There were no changes in the Group's approach to capital management in 2025 and 2024. The Group is also not subject to any externally-imposed capital requirements.

The debt-to-equity ratio as at December 31, 2025 and 2024 is as follows:

	2025	2024
Total liabilities	₱3,707,640,832	₱3,660,917,582
Total equity	7,837,929,909	7,812,280,022
Debt-to-equity ratio	0.47	0.47

The Parent Company considers the Group's equity amounting to ₱7.8 billion as at December 31, 2025 and 2024 as its core capital.



26. Fair Value Measurement

Fair Values of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash and Cash Equivalents, Trade and Other Receivables, Accounts Payable and Accrued Expenses and Due to Related Parties

The carrying amount of cash and cash equivalents, receivables, accounts payable and accrued expenses and due to related parties approximate their fair values due to their short-term maturities.

Long-term Note Receivable

The fair value of long-term note receivable is determined based on Level 3 inputs using the present value of future cash flows discounted using current rates available for note with the same profile as at reporting date. The fair value of long-term note receivable as at December 31, 2025 and 2024 amounted to ₱60.0 million. Discount rates used ranged from 4.69% to 5.04% and 4.69% to 6.14% in 2025 and 2024. The carrying amount of long-term note receivable amounted to ₱60.0 million as at December 31, 2025 and 2024.

Financial Assets at FVTPL and Financial Assets at FVOCI

The fair values of publicly traded instruments and similar investments are determined based on Level 1 inputs using the quoted closing market prices at the end of the reporting period. Fair value of unquoted equity shares is determined based on Level 2 inputs using adjusted net value asset approach.

For the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of the Level 3 measurements.

Deposit

The carrying amount of deposit amounted to ₱3.3 million as at December 31, 2025 and 2024 approximates its fair value. The timing and related amounts of future cash flows relating to deposit cannot be reasonably and reliably estimated for purposes of establishing the fair value using an alternative valuation technique.

Subscription Payable

The fair value of subscription payable is determined based on Level 3 inputs using the present value of future cash flows discounted using current rates available for note with the same profile as at reporting date. The fair value of subscription payable as at December 31, 2025 and 2024 amounted to ₱2,918.8 million and ₱2,936.0 million, respectively. Discount rates used ranged from 4.62% to 5.04% in 2025 and from 5.45% to 5.74% in 2024. The carrying amount of subscription payable amounted to ₱2,666.4 million and ₱2,649.0 million as at December 31, 2025 and 2024, respectively.

Investment Properties

The carrying value of investment properties amounted to ₱313.4 million and ₱313.1 million as at December 31, 2025 and 2024, respectively. The fair value of investment properties amounted ₱4,677.5 million as at December 31, 2025 (see Note 12).

As at December 31, 2025, the fair value of the investment properties was based on valuations performed by an accredited independent appraiser, with a recognized and relevant professional qualification and with recent experience in the locations and categories of the investment properties being valued. The appraisal report provided determined that valuation date for the appraisal of investment properties was July 31, 2025. The valuation models has been prepared in accordance with



International Valuation Standards (IVS), set forth by the International Valuation Standards Council (IVSC), as well as local standards, the Philippine Valuation Standards (PVS).

The fair value of investment properties is determined using the Market Approach. The Market Approach provides an indication of value by comparing the assets with identical or comparable (that is similar) assets for which the price information is available. Moreover, it is a method of comparing prices paid for comparable properties sold or offering price in the market against the subject property. This approach is an empirical investigation in which the Valuer collects, classifies, analyzes, and interprets market data and predicts the most probable market value of a property.

The fair value measurements for investment properties is categorized under Level 3 of the fair value hierarchy. The current use of these properties is their highest and best use. The key unobservable inputs used in the fair value measurement include price per square meter, discount rates for similar lease contracts, market rent levels, expected vacancy and expected maintenance.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

27. Segment Reporting

The primary segment reporting format is determined to be the business segments since the Group is organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit. The mining segment is engaged in exploration and mining operations. Meanwhile, the non-mining segment is engaged in realty or acts as holding Group.

The Group's operating business segments remain to be neither organized nor managed by geographical segment.

2025

	Mining	Non-Mining	Total	Eliminations	Consolidated
Segment revenue					
From external customers	₱-	₱-	₱-	₱-	₱-
Segment results					
Income (loss) before income tax	(₱61,049,913)	(₱60,243,358)	(₱121,293,271)	-	(₱121,293,271)
Provision for income tax	-	(2,108,985)	(2,108,985)	-	(2,108,985)
Net income (loss)	(₱61,049,913)	(₱62,352,343)	(₱123,402,256)	-	(₱123,402,256)
Assets					
Segment assets	₱9,813,133	₱1,690,585,294	₱1,700,398,427	(₱402,164,687)	₱1,298,233,740
Investments	-	10,247,337,001	10,247,337,001	-	10,247,337,001
Liabilities					
Segment liabilities	101,955,684	3,796,541,292	3,898,496,976	(190,856,144)	3,707,640,832
Other segment information					
Depreciation, depletion and amortization	-	2,336,769	2,336,769	-	2,336,769
Impairment of investment in associate	-	-	-	-	-
Impairment of deferred exploration costs	-	-	-	-	-
Finance charges	-	-	-	-	-



2024

	Mining	Non-Mining	Total	Eliminations	Consolidated
Segment revenue					
From external customers	P-	P-	P-	P-	P-
Segment results					
Income (loss) before income tax	(P69,407,930)	P40,265,546	(P29,142,384)	-	(P29,142,384)
Provision for income tax	-	(12,197,268)	(12,197,268)	-	(12,197,268)
Net income (loss)	(P69,407,930)	P28,068,278	(P41,339,652)	-	(P41,339,652)
Assets					
Segment assets	P9,872,898	P1,700,135,314	P1,710,008,212	(P396,166,482)	P1,313,841,730
Investments	-	10,159,355,874	10,159,355,874	-	10,159,355,874
Liabilities					
Segment liabilities	101,888,982	3,743,907,387	3,845,796,369	(184,878,787)	3,660,917,582
Other segment information					
Depreciation, depletion and amortization	-	1,957,167	1,957,167	-	1,957,167
Impairment of investment in associate	-	-	-	-	-
Impairment of deferred exploration costs	-	-	-	-	-
Finance charges	-	-	-	-	-

The consolidated revenue in the above tables includes the non-mining revenue, which consist of interest income, royalty income, dividend income and gains.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
Anglo Philippine Holdings Corporation
Quad Alpha Centrum
125 Pioneer St. Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the accompanying consolidated financial statements of Anglo Philippine Holdings Corporation and Subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025 included in this SEC Form 17-A, and have issued our report thereon dated April 23, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibilities of the Group's management. These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go
Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

April 23, 2026



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and the Stockholders
Anglo Philippine Holdings Corporation
Quad Alpha Centrum
125 Pioneer St. Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the accompanying consolidated financial statements of Anglo Philippine Holdings Corporation and Subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 23, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go
Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

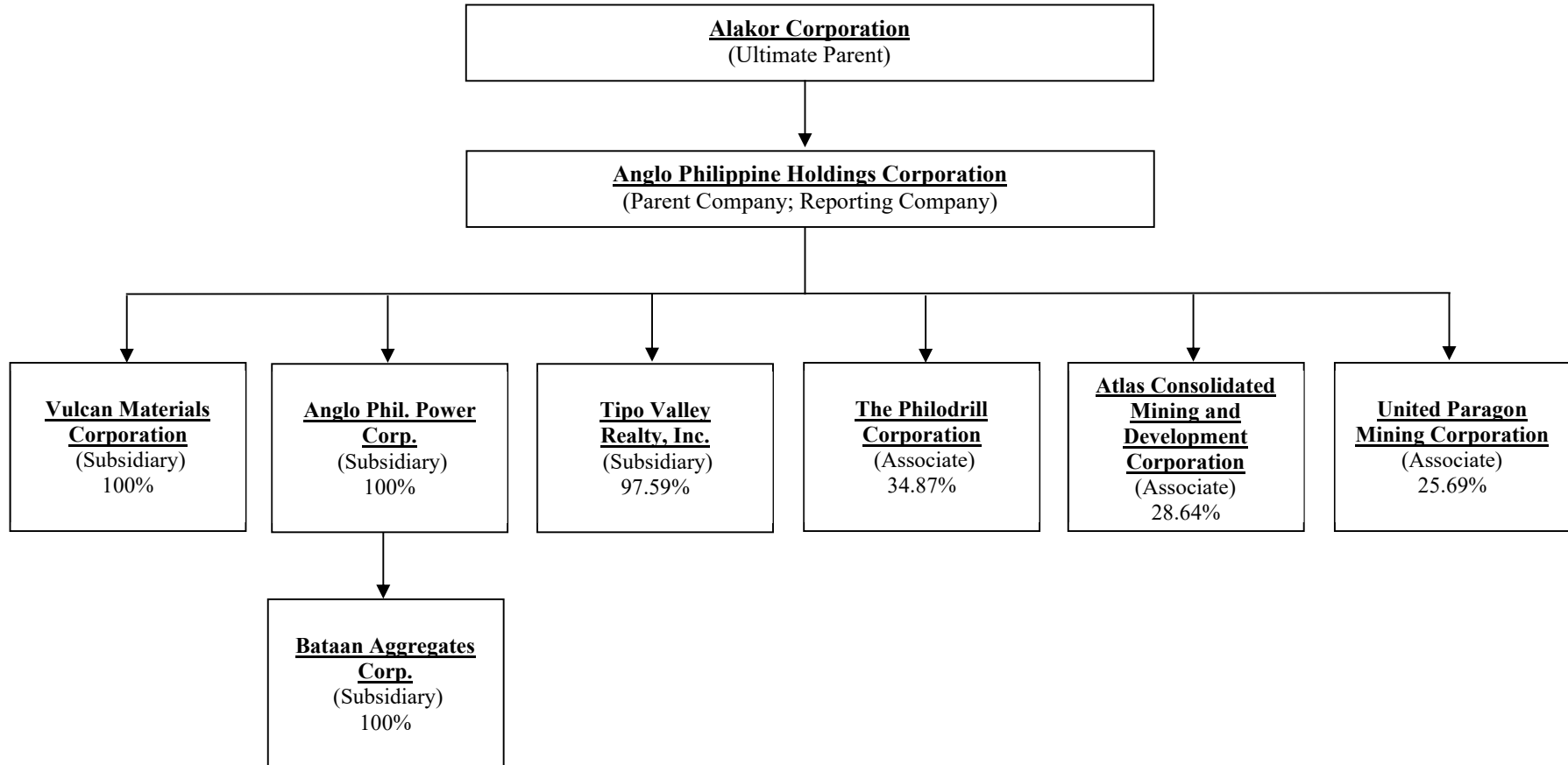
April 23, 2026



SCHEDULE I
ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
FINANCIAL RATIOS PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2025

	2025	2024
<u>Profitability Ratios:</u>		
Return on assets	-1.07%	-0.36%
Return on equity	-1.57%	-0.53%
Gross profit margin	—	—
Net profit (loss) margin	-68.74%	-15.94%
<u>Liquidity and Solvency Ratios:</u>		
Current ratio	0.72:1	3.10:1
Quick ratio	0.70:1	3.05:1
Solvency ratio	-3.11:1	-3.13:1
<u>Financial Leverage Ratios:</u>		
Asset to equity ratio	1.47:1	1.47:1
Debt ratio	0.32:1	0.32:1
Debt to equity ratio	0.47:1	0.47:1
Interest coverage ratio	—	—

SCHEDULE II
ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP
PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2025



SCHEDULE III
ANGLO PHILIPPINE HOLDINGS CORPORATION
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
PURSUANT TO REVISED SRC RULE 68 AND
SEC MEMORANDUM CIRCULAR NO. 11
December 31, 2025

	Amount
Unappropriated Retained Earnings, beginning of reporting period	₱1,251,151,606
Add: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	₱—
Effect of restatement or prior-period adjustments	—
Others: Deferred income tax asset	—
	—
Less: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	—
Retained Earnings appropriated during the period	—
Effect of restatements or prior-period adjustments	—
Others: Treasury shares	27,566,075
Others: Deferred income tax asset	—
	27,566,075
Unappropriated Retained Earnings, as adjusted	1,223,585,531
Add/Less: Net income (loss) actually earned/realized during the period	(59,018,419)
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/ joint venture, net of dividends declared	—
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Unrealized fair value gain of Investment Property	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—
Sub-total	—
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Realized fair value gain of Investment Property	—
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—
Sub-total	—

(Forward)

	Amount
Add: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	P-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of Investment Property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-
Sub-total	<u>P-</u>
Adjusted Net Income (Loss)	(59,018,419)
Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	-
Depreciation on revaluation increment (after tax)	-
Others: Equity in net loss of associate/ joint venture, net of dividends declared	-
Sub-total	<u>-</u>
Add/Less: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others	-
Sub-total	<u>-</u>
Add/Less: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/ GAAP - gain (loss)	-
Others	-
Sub-total	<u>-</u>
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND DECLARATION	<u><u>₱1,164,567,112</u></u>

SCHEDULE A

**ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
FINANCIAL ASSETS IN EQUITY SECURITIES
DECEMBER 31, 2025**

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in the balances sheet (figures in thousands)	Income received and accrued
<div style="border: 1px solid black; padding: 5px; display: inline-block;">NOT APPLICABLE</div>			

SCHEDULE B

**ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)
DECEMBER 31, 2025**

Name and designation of debtor	Balance at beginning period	Additions	Amounts collected / settlements	Amounts written-off	Current	Not current	Balance at end period
			NOT APPLICABLE				

SCHEDULE C

**ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Name and designation of debtor	Balance at beginning period	Additions	Amounts collected/ settlements	Amounts written-off	Current	Not current	Balance at end period
Vulcan Materials Corp.	₱28,284,570	₱59,752	₱–	₱–	₱28,344,322	₱–	₱28,344,322
Tipo Valley Realty, Inc.	99,514,377	5,915,655	–	–	105,430,032	–	105,430,032
Anglo Phil. Power Corp.	35,354,240	100	–	–	35,354,340	–	35,354,340

SCHEDULE D

ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
INTANGIBLE ASSETS - OTHER ASSETS
DECEMBER 31, 2025

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending balance
NOT APPLICABLE						

ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
LONG-TERM DEBT
DECEMBER 31, 2025
(Amounts in Thousands)

Title of Issue and type of obligation	Amount authorized by: Indenture	Amount shown under the caption “Current Portion of long-term borrowings” in related balance sheet	Amount shown under the caption “Long-term borrowings- net of current portion” in related balance sheet
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NOT APPLICABLE

SCHEDULE F

**ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2025**

Name of Related Party

Balance at beginning of period

Balance at end of period

NOT APPLICABLE

SCHEDULE G

**ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2025**

Name of issuing entity of securities guaranteed by the Parent Company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
<div style="border: 1px solid black; padding: 5px; display: inline-block;">NOT APPLICABLE</div>				

**ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
CAPITAL STOCK
DECEMBER 31, 2025**

Group's authorized share capital is ₱4 billion divided into 4 billion shares at ₱1.00 par value. As at December 31, 2025, total shares issued and outstanding is 3,013,186,174 held by 3,079 shareholders, and treasury shares is 13,000,000 shares.

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial condition caption	Number of shares reserved for option, warrants, conversions and other rights	Directors and Officers	Principal/ Substantial Stockholders	No of shares held by Government	Banks	Others
Common Stock	4,000,000,000	3,026,186,174*	–	98,041,505	2,384,734,951	–	1,320	520,524,762

*Including 13,000,000 shares in Treasury Stock

ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED
INFORMATION
DECEMBER 31, 2025

Audit and Non-audit fees of related entities

	Current Year 2025	Prior Year 2024
Total Audit Fees	₱6,637,100	₱6,260,150
Non-audit service fees:		
Tax services	₱180,000	₱200,000
All other services	382,500	–
Total Non-audit Fees	562,500	200,000
Total Audit and Non-audit Fees	₱7,199,600	₱6,460,150

Audit and Non-audit fees of other related entities

	Current Year 2025	Prior Year 2024
Total Audit Fees	₱–	₱–
Non-audit service fees:		
Tax services	₱–	₱–
All other services	–	–
Total Non-audit Fees	–	–
Total Audit and Non-audit Fees	₱–	₱–

ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A
DECEMBER 31, 2025

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Management's Responsibility for Consolidated Financial Statements

Report of Independent Auditor

Consolidated Statements of Financial Position as at December 31, 2025 and 2024

Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2025, 2024 and 2023

Consolidated Statements of Changes in Equity for the Years Ended December 31, 2025, 2024 and 2023

Consolidated Statements of Cash Flows for the Years Ended December 31, 2025, 2024 and 2023

Notes to Consolidated Financial Statements

SUPPLEMENTARY SCHEDULES

Report of Independent Auditors on Supplementary Schedules

Report of Independent Auditor's on Components of Financial Soundness Indicators

SCHEDULE I Financial Ratios

SCHEDULE II Map of the Relationships of the Companies within the Group

SCHEDULE III Reconciliation of Retained Earnings Available for Dividend Declaration

SCHEDULE A. Financial Assets in Equity Securities

SCHEDULE B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than Related Parties)

SCHEDULE C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

SCHEDULE D. Intangible Assets - Other Assets

SCHEDULE E. Long-Term Debt

SCHEDULE F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

SCHEDULE G. Guarantees of Securities of Other Issuers

SCHEDULE H. Capital Stock

Supplementary Schedule of External Auditor Fee-Related Information

Your BIR AFS eSubmission uploads were received

From: eafs@bir.gov.ph (eafs@bir.gov.ph)

To: info@anglophil.com

Cc: sisonette@anglophil.com

Date: Wednesday, May 13, 2026 at 07:17 PM GMT+8

Hi ANGLO PHILIPPINE HOLDINGS CORPORATION,

Valid files

- EAFS000175630ITRTY122025.pdf
- EAFS000175630AFSTY122025.pdf
- EAFS000175630RPPTY122025.pdf
- EAFS000175630OTHTY122025.pdf

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- <None>

Transaction Code: **AFS-0-N3Q3ZSMP0AKKJ9EA8NSPX31SR067K5GH5A**

Submission Date/Time: **May 13, 2026 07:17 PM**

Company TIN: **000-175-630**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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ANGLO PHILIPPINE HOLDINGS CORPORATION
AN INFRASTRUCTURE AND PROPERTY DEVELOPMENT COMPANY

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


The management of **Anglo Philippine Holdings Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

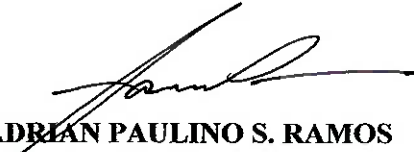
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


GERARD ANTON S. RAMOS
Chairman of the Board


ADRIAN PAULINO S. RAMOS
President



GILBERT V. RABAGO
Treasurer

SUBSCRIBED AND SWORN to before me this 13 day of MAY 2026, affiant exhibited to me his Community Tax Certificates, as follows:

Names	Passport Number/ Government Issued ID	Issue Date/Expiry Date	Place of Issue
Gerard Anton S. Ramos	P7752563A	July 30, 2018/June 29, 2028	DFA NCR South
Adrian Paulino S. Ramos	P6368801B	Feb 23, 2021/Feb 22, 2031	DFA NCR East
Gilbert V. Rabago	DL No. E09-09-000229	expiring on March 24, 2032	

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Series of 2025.




ATTY. IRIS MARIE U. CARPIO
NOTARY PUBLIC – CITY OF MANDALUYONG
APPT. NO. 0374-26 / UNTIL DECEMBER 31, 2027
QUAD ALPHA CENTRUM, 125 PIONEER STREET
MANDALUYONG CITY 1550
PTR NO. 6035246/ MANDALUYONG CITY / 01-06-2026
IBP NO. 590814 / 01-07-2026 / QC CHAPTER
MCLE COMPLIANCE NO. VIII-0015359 / 04-14-2028
ROLL NO. 51028 (2005)

"Helping Build the Filipino Future"

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Anglo Philippine Holdings Corporation
Quad Alpha Centrum
125 Pioneer St. Mandaluyong City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Anglo Philippine Holdings Corporation (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2025 and 2024, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

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

Basis for Opinion

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

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

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



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

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

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

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

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



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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 25 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Anglo Philippine Holdings Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is
Jhoanna Feliza C. Go.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go

Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

April 23, 2026



ANGLO PHILIPPINE HOLDINGS CORPORATION
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱9,256,183	₱82,642,934
Receivables (Note 5)	788,196,604	750,534,613
Financial assets at fair value through profit or loss (FVTPL; Note 6)	88,450,810	76,267,300
Prepaid expenses and other current assets (Note 7)	22,730,862	11,294,854
Total Current Assets	908,634,459	920,739,701
Noncurrent Assets		
Investments in associates (Note 9)	8,031,153,224	8,031,153,224
Investment in subsidiaries (Note 10)	300,524,914	300,524,914
Long-term note receivable (Notes 13 and 19)	60,000,000	60,000,000
Deferred exploration costs (Note 12)	73,754,474	73,256,283
Property and equipment (Note 11)	4,680,466	4,757,137
Net retirement benefit plan assets (Note 20)	7,934,879	7,945,147
Financial assets at fair value through other comprehensive income (FVOCI; Note 8)	521,260	521,260
Input value-added tax (VAT)	561,057	981,521
Total Noncurrent Assets	8,479,130,274	8,479,139,486
TOTAL ASSETS	₱9,387,764,733	₱9,399,879,187
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and others (Note 14)	₱969,676,545	₱187,377,742
Current portion of subscription payable (Notes 9 and 10)	2,323,666	2,323,666
Total Current Liabilities	972,000,211	189,701,408
Noncurrent Liabilities		
Due to a related party (Note 19)	–	753,019,878
Deferred income tax liabilities (Note 21)	52,664	–
Subscription payable - net of current portion (Note 9)	2,664,047,542	2,646,633,159
Total Noncurrent Liabilities	2,664,100,206	3,399,653,037
Total Liabilities	3,636,100,417	3,589,354,445

(Forward)



	December 31	
	2025	2024
Equity		
Capital stock - ₱1 par value (Note 16)		
Authorized - 4,000,000,000 shares		
Issued - 3,013,186,174 shares	₱3,013,186,174	₱3,013,186,174
Subscribed - 3,116,364 shares (net of subscriptions receivable of ₱1,367,687)	1,748,677	1,748,677
Additional paid-in capital	1,570,157,056	1,570,157,056
Net unrealized valuation loss on financial assets at FVOCI (Note 8)	(582,847)	(582,847)
Remeasurement gains on defined benefit assets, net of deferred taxes (Notes 20 and 21)	2,588,144	2,430,151
Retained earnings	1,192,133,187	1,251,151,606
Treasury stock - 13,000,000 shares at ₱2.12 per share (Note 16)	(27,566,075)	(27,566,075)
Total Equity	5,751,664,316	5,810,524,742
TOTAL LIABILITIES AND EQUITY	₱9,387,764,733	₱9,399,879,187

See accompanying Notes to Parent Company Financial Statements.



ANGLO PHILIPPINE HOLDINGS CORPORATION
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2025	2024
INCOME		
Gains on:		
Day 1 gain (Notes 9 and 19)	₱123,761,352	₱196,308,269
Foreign exchange – net	4,435,490	1,568,396
Sale of financial assets at FVTPL (Note 6)	2,691,392	–
Fair value changes on financial assets at FVTPL (Note 6)	–	12,658,420
Interest income (Note 17)	28,834,493	31,076,399
Revenue from contracts with customers		
Royalty income (Note 15)	13,660,934	13,941,902
Dividend income (Notes 6 and 8)	5,099,926	5,794,489
	178,483,587	261,347,875
EXPENSES		
Accretion of discount (Notes 9 and 19)	185,203,737	171,674,198
General and administrative expense (Note 18)	42,806,494	41,882,049
Loss on fair value changes of financial assets at FVTPL (Note 6)	7,382,790	–
	235,393,021	213,556,247
INCOME (LOSS) BEFORE INCOME TAX	(56,909,434)	47,791,628
PROVISION FOR INCOME TAX (Note 21)		
Current	2,108,985	2,933,316
Deferred	–	10,333,233
	2,108,985	13,266,549
NET INCOME (LOSS)	(59,018,419)	34,525,079
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement gains (losses) on retirement benefit, net of deferred tax amounting to ₱52,664 and ₱182,740 in 2025 and 2024, respectively	157,993	(548,220)
TOTAL COMPREHENSIVE INCOME (LOSS)	(₱58,860,426)	₱33,976,859
Basic and Diluted Earnings (Loss) Per Share (Note 23)	(₱0.020)	₱0.011

See accompanying Notes to Parent Company Financial Statements.



ANGLO PHILIPPINE HOLDINGS CORPORATION
PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Capital Stock (Note 16)				Additional Paid – in Capital	Net Unrealized Loss on Financial Assets at FVOCI (Note 8)	Remeasurement Gain on Defined Benefit Assets (Note 20)	Retained Earnings	Treasury Stock (Note 16)	Total
	Issued	Subscribed	Subscriptions Receivable	Subscribed - net						
Balances at January 1, 2024	₱3,013,186,174	₱3,116,364	(₱1,367,687)	₱1,748,677	₱1,570,157,056	(₱582,847)	₱2,978,371	₱1,216,626,527	(₱27,566,075)	₱5,776,547,883
Net income	–	–	–	–	–	–	–	34,525,079	–	34,525,079
Other comprehensive loss	–	–	–	–	–	–	(548,220)	–	–	(548,220)
Total comprehensive income	–	–	–	–	–	–	(548,220)	34,525,079	–	33,976,859
Balances at December 31, 2024	₱3,013,186,174	₱3,116,364	(₱1,367,687)	₱1,748,677	₱1,570,157,056	(₱582,847)	₱2,430,151	₱1,251,151,606	(₱27,566,075)	₱5,810,524,742
Balances at January 1, 2025	₱3,013,186,174	₱3,116,364	(₱1,367,687)	₱1,748,677	₱1,570,157,056	(₱582,847)	₱2,430,151	₱1,251,151,606	(₱27,566,075)	₱5,810,524,742
Net income	–	–	–	–	–	–	–	(59,018,419)	–	(59,018,419)
Other comprehensive income	–	–	–	–	–	–	157,993	–	–	157,993
Total comprehensive income	–	–	–	–	–	–	157,993	(59,018,419)	–	(58,860,426)
Balances at December 31, 2025	₱3,013,186,174	₱3,116,364	(₱1,367,687)	₱1,748,677	₱1,570,157,056	(₱582,847)	₱2,588,144	₱1,192,133,187	(₱27,566,075)	₱5,751,664,316

See accompanying Notes to Parent Company Financial Statements.



ANGLO PHILIPPINE HOLDINGS CORPORATION
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(₱56,909,434)	₱47,791,628
Adjustments for:		
Day 1 gain (Notes 9 and 19)	(123,761,352)	(196,308,269)
Accretion of discount (Notes 9 and 19)	185,203,737	171,674,198
Interest income (Note 17)	(28,834,493)	(31,076,399)
Losses (gains) on fair value changes of financial assets at FVTPL (Note 6)	7,382,790	(12,658,420)
Dividend income (Notes 6 and 8)	(5,099,926)	(5,794,489)
Unrealized foreign exchange losses	(3,317,956)	(143,090)
Gain on sale of financial asset at FVTPL (Note 6)	(2,691,392)	-
Depreciation (Notes 11 and 18)	2,336,769	1,957,166
Pension cost (Notes 18 and 20)	220,925	185,580
Operating loss before working capital changes	(25,470,332)	(24,371,095)
Increase in:		
Receivables	(37,661,991)	(24,608,079)
Prepaid expenses and other current assets	(13,544,993)	(45,313)
Input VAT	420,464	(594,365)
Decrease in accounts payable and others	(14,749,077)	(13,402,918)
Net cash used in operations	(91,005,929)	(63,021,770)
Interest received	28,834,493	4,309,216
Net cash flows used in operating activities	(62,171,436)	(58,712,554)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from:		
Sale of financial asset at FVTPL (Note 6)	6,777,992	-
Dividends received	5,099,926	5,794,489
Additions to:		
Financial assets at FVTPL (Note 6)	(23,652,900)	-
Property and equipment (Note 11)	(2,260,098)	(25,713)
Deferred exploration costs (Note 12)	(498,191)	(1,839,909)
Net cash flows generated from (used in) investing activities	(14,533,271)	3,928,867
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	3,317,956	143,090
NET DECREASE IN CASH AND CASH EQUIVALENTS	(73,386,751)	(54,640,597)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	82,642,934	137,283,531
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱9,256,183	₱82,642,934

See accompanying Notes to Parent Company Financial Statements.



ANGLO PHILIPPINE HOLDINGS CORPORATION

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information and Authorization for Issue of the Financial Statements

Corporate Information

Anglo Philippine Holdings Corporation (the Parent Company) was registered with the Philippine Securities and Exchange Commission (SEC) on June 25, 1958 originally as an oil and mineral exploration entity with the corporate name of “Anglo Philippine Oil Corp.”. In 1996, the Parent Company changed its primary purpose to that of an investments holding firm focused on natural resources-based companies, infrastructure and property development. The Parent Company is a public entity under Section 17.2 of the Securities Regulation Code and its shares are listed on the Philippine Stock Exchange (PSE).

The Parent Company is owned by Alakor Corporation (Alakor) and National Book Store, Inc. (NBS) with a combined ownership of 80.17%. Alakor and NBS are entities incorporated and domiciled in the Philippines. Alakor is the ultimate parent of the Parent Company.

The registered office address of the Parent Company is 6th Floor, Quad Alpha Centrum, 125 Pioneer St. Mandaluyong City.

Status of Operations

The Parent Company’s current liabilities exceeded its current assets by ₱63.4 million as at December 31, 2025 and the Parent Company has negative operating cash flows of ₱62.2 million and ₱58.7 million in 2025 and 2024, respectively. These factors, among others, indicate that a material uncertainty exists that may cast significant doubt on the Parent Company’s ability to continue as a going concern, and therefore, the Parent Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

However, the ultimate parent, Alakor, has undertaken and is able to provide financial support to the Parent Company to enable it to continue its business operations, meet its financial obligations as they fall due, and enable the Parent Company to operate as a going concern. As such, the financial statements have been prepared on a going concern basis of accounting.

Authorization for Issue of the Financial Statements

The financial statements of the Parent Company as at and for the years ended December 31, 2025 and 2024 were approved and authorized for issuance by the Board of Directors (BOD) on April 23, 2026.

2. Basis of Preparation, Statement of Compliance and Summary of Material Accounting Policy Information

Basis of Preparation

The Parent company financial statements have been prepared under the historical cost basis except for financial assets at FVTPL and financial assets at FVOCI, which are carried at fair value. The financial statements are presented in Philippine Peso (₱), which is the Parent Company’s functional and presentation currency under the Philippine Financial Reporting Standards (PFRS) Accounting Standards. All values are rounded off to the nearest Peso, except when otherwise indicated.



The Parent Company also prepares and issues consolidated financial statements for the same period as the parent company financial statements. These financial statements are presented in compliance with PFRS Accounting Standards. The consolidated financial statements may be obtained at the Parent Company's principal place of business (see Note 1).

Statement of Compliance

The financial statements of the Parent Company have been prepared in compliance with PFRS Accounting Standards. PFRS Accounting Standards include statements named PFRS Accounting Standards and Philippine Accounting Standards (PASs) and Philippine Interpretations from the International Financial Reporting Interpretation Committee (IFRIC) issued by the Philippine Financial Reporting Standards Council (FSRSC).

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Parent Company.

- Amendments to PAS 21, *Lack of Exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

Pronouncements Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Parent Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Parent Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.



▪ Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the ‘settlement date’, i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

▪ Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

The amendments clarify the application of the ‘own-use’ requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

▪ Annual Improvements to PFRS Accounting Standards—Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

○ Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

○ Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

○ Amendments to PFRS 9

a) Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

b) Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15



was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.
- Amendments to PAS 7, *Cost Method*
The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

Effective beginning on or after January 1, 2027

▪ PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

▪ PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation



- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Summary of Material Accounting Policy Information

The principal accounting and financial reporting policies adopted in preparing the parent company financial statements are as follows:

Current versus Noncurrent Classification

The Parent Company presents assets and liabilities in the parent company statement of financial position based on current or noncurrent classification. An asset is current when it is:

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

All other assets are classified as noncurrent.



A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting date; or,
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

The Parent Company classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities.

Fair Value Measurement

The Parent Company measures financial instruments at fair value at each end of the reporting period.

Fair value at 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Parent Company at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Parent Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the parent company financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each end of the reporting period.

For the purpose of fair value disclosures, the Parent Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Financial Instruments

Date of Recognition

The Parent Company recognizes a financial asset or a financial liability in the parent company statement of financial position when it becomes a party to the contractual provisions of the instrument. The Parent Company determines the classification of its financial instruments on initial recognition and, where allowed and appropriate, re-evaluates this designation at each reporting date. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Initial Recognition

Financial instruments are recognized in the parent company statement of financial position when the Parent Company becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date (i.e., the date that the Parent Company commits to purchase or sell the asset).

Financial assets and financial liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and liabilities, except for financial instruments measured at FVTPL.

Classification and Measurement

Classification of Financial Assets. Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Parent Company's business model for managing the financial assets. The Parent Company classifies its financial assets into the following measurement categories:

- Financial assets measured at amortized cost;
- Financial assets measured at FVTPL;
- Financial assets measured at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss; and,
- Financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss.

Contractual Cash Flows Characteristics. If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Parent Company assesses whether the cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

In making this assessment, the Parent Company determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI on the principal amount outstanding.



Business Model. The Parent Company's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Parent Company's business model does not depend on management's intentions for an individual instrument.

The Parent Company's business model refers to how it manages its financial assets in order to generate cash flows. The Parent Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Parent Company in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Parent Company's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

- *Financial Assets at Amortized Cost.* A debt financial asset is measured at amortized cost if (a) it is held within a business model for which the objective is to hold financial assets in order to collect contractual cash flows and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate (EIR) method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in "Interest income" in the statement of comprehensive income and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (a) purchased or originated credit-impaired financial assets and (b) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset.

As at December 31, 2025 and 2024, the Parent Company has financial assets at amortized cost consisting of cash and cash equivalents, receivables and long-term note receivable.

- *Financial Assets at FVTPL.* Financial assets at FVTPL are measured at FVTPL unless these are measured at amortized cost or at FVOCI. Included in this classification are equity investments held for trading and debt instruments with contractual terms that do not represent SPPI. Financial assets held at FVTPL are initially recognized at fair value, with transaction costs recognized in the statement of comprehensive income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the statement of comprehensive income.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Parent Company may choose at initial recognition to designate the financial asset at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the Parent Company, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL, and the gains or losses from disposal of financial investments.

The Parent Company's financial assets at FVTPL consists of investments in quoted equity shares that are held for trading as at December 31, 2025 and 2024.



- *Financial Assets at FVOCI.* A financial asset is measured at FVOCI if (a) it is held within a business model for which the objective is achieved by both collecting contractual cash flows and selling financial assets and (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

The Parent Company may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. Amounts recognized in OCI are not subsequently transferred to profit or loss. However, the Parent Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

Dividends are recognized in profit or loss only when:

- the Parent Company's right to receive payment of the dividend is established;
- it is probable that the economic benefits associated with the dividend will flow to the Parent Company; and,
- the amount of the dividend can be measured reliably.

As at December 31, 2025 and 2024, the Parent Company's financial assets at FVOCI pertains to investments in unquoted equity shares that are not held for trading.

Classification of Financial Liabilities. Financial liabilities are measured at amortized cost, except for the following:

- Financial liabilities measured at fair value through profit or loss;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Parent Company retains continuing involvement;
- Financial guarantee contracts;
- Commitments to provide a loan at a below-market interest rate; and,
- Contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- if a host contract contains one or more embedded derivatives; or,
- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.



Where a financial liability is designated at FVTPL, the movement in fair value attributable to changes in the Parent Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

As at December 31, 2025 and 2024, the Parent Company's financial liabilities include accounts payable and others (excluding statutory payables), subscription payable and due to a related party.

Impairment of Financial Assets. The Parent Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

The Parent Company recognizes an allowance for ECL for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company expects to receive, discounted at an approximation of the original EIR. 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.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Parent Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

- *Determination of the Stage for Impairment.* At each reporting date, the Parent Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Parent Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

- *Simplified Approach.* The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL. The Parent Company has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Parent Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis,



based on the Parent Company's historical experience and informed credit assessment including forward-looking information.

The Parent Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Parent Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the parent company statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Parent Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Parent Company and all of the counterparties.

Derecognition of Financial Instruments

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 rights to receive cash flows from the asset have expired; or
- the Parent Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or,
- the Parent Company has transferred its rights 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.

Where the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement 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 Parent Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Parent Company could be required to repay. In such case, the Parent Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Parent Company has retained.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or 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, and the difference in the respective carrying amounts is recognized in the parent company statement of comprehensive income.

“Day 1” Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Parent Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss under “Interest income” and “Interest expense” accounts unless it qualifies for recognition as some other type of asset or liability. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Parent Company determines the appropriate method of recognizing the “Day 1” difference amount.

Cash and Cash Equivalents

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

Prepaid Expenses

Prepaid expenses include items of goods or services purchased by the Parent Company for use in its operations but not fully consumed by the end of the accounting period. When goods or services are initially purchased, the amount is recorded in the asset account. At the end of the period, the Parent Company determines the portion of such expenditures that is applicable to subsequent period and the portion used up during the current period. The used-up portion is recognized in profit or loss.

Advances to Suppliers

Advances to supplier represents prepayments relative to acquisitions of assets or operational agreements entered into by the Parent Company and its suppliers. These advances will be reclassified to the specific asset account once the risks and rewards over the assets are transferred to the Parent Company or charged to expense once the related services are rendered.

Prepaid expenses and advances to suppliers are included in current assets, except when the related goods services are expected to be received or rendered more than twelve (12) months after the reporting date which are classified as noncurrent assets.

Investments in Subsidiaries and Associates

Investments in Subsidiaries

Subsidiaries are entities over which the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if and only if the Parent Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns.



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.

Investments in Associates

An associate is an entity over which the Parent Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Distributions from accumulated profits of the investee arising after the date of acquisition are recognized as income from the investments. Any distribution in excess of the investee's accumulated profits is regarded as recovery of investments and is recognized as reduction of the costs of investments.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance, are normally charged to the parent company statement of comprehensive income 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 costs of property and equipment.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation and amortization of other items of property and equipment is computed using the straight-line method over the estimated useful lives of the asset as follows:

<u>Category</u>	<u>Number of Years</u>
Condominium units and improvements	20
Transportation equipment	3 - 5
Office equipment	2 - 5
Furniture and fixtures	2 - 5

The assets residual values, 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.

When property and equipment are retired or otherwise disposed of, both the cost and related accumulated depletion, depreciation, amortization and any impairment in value are removed from the accounts, and any resulting gain or loss is credited to or charged against current operations.



Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Deferred Exploration Costs

Exploration and evaluation activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, costs directly associated with exploration are capitalized under "Deferred exploration costs" account. The Group's deferred exploration costs are specifically identified for each Service Contract (SC) area. All oil exploration costs relating to each SC are deferred pending the determination of whether the contract area contains oil, gas and mineral reserves in commercial quantities. Capitalized expenditures include costs of license acquisition, technical services and studies, exploration drilling and testing, and appropriate technical and administrative expenses. General overhead or costs incurred prior to having obtained the legal rights to explore an area are recognized as expense in the consolidated statement of comprehensive income when incurred.

If no potentially commercial hydrocarbons are discovered, the deferred exploration costs are written off through the consolidated statement of comprehensive income. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), it is probable that they can be commercially developed, the costs continue to be carried under deferred exploration costs account while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalized as deferred exploration costs.

All such capitalized costs are subject to technical, commercial and management review, and assessed at each reporting period for possible indications of impairment. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case or is considered as areas permanently abandoned, the costs are written off through the statement of comprehensive income. Exploration areas are considered permanently abandoned if the related permits of the exploration have expired and/or there are no definite plans for further exploration and/or development.

At the completion of the exploration phase, if technical feasibility is demonstrated and commercial reserves are discovered, then, following the decision to continue into the development phase, the deferred exploration costs relating to the SC, where oil in commercial quantities are discovered, is first assessed for impairment and (if required) any impairment loss is recognized, then the remaining balance is transferred to property and equipment in the consolidated statement of financial position.

When proved reserves of oil and gas are identified and development is sanctioned by management, the relevant capitalized expenditure is first assessed for impairment and (if required) any impairment loss is recognized, then the remaining balance is transferred to oil and gas properties. Other than license costs, no amortization is charged during the exploration and evaluation phase. For exchanges/swaps or parts of exchanges/swaps that involve only exploration and evaluation assets, the exchange is accounted for at the carrying value of the asset given up and no gain or loss is recognized.



The recoverability of deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition of recoverable reserves.

Interest in Joint Arrangements

The Parent Company undertakes a number of business activities through joint arrangements. A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

Joint Operation

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

In relation to its interests in joint operations, the Parent Company recognizes its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

Input Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable. When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When input VAT exceeds output VAT, the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

Impairment of Nonfinancial Assets

Investments in Associates

The Parent Company determines at each end of the reporting period whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Parent Company calculates the amount of impairment being the difference between the recoverable amount of the investment and the carrying value and recognizes the amount in the statement of comprehensive income.

An assessment is made at the end of the reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indications exist, the recoverable amount is estimated. A previously recognized impairment loss is reverse only if there has been a change in the estimates used to determine the investment's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the investments is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the assets in prior years. Such reversal is recognized in the statement of comprehensive income.



Deferred Exploration Costs

An impairment review is performed, either individually or at the CGU level, when there are indicators that the carrying amount of the deferred exploration costs may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the reporting period in which this is determined. Deferred exploration costs are reassessed on a regular basis and these costs are carried forward provided that at least one of the following conditions is met:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or,
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing or planned for the future.

Other Nonfinancial Assets (Investment in Associates, Investment in Subsidiaries, and Property and Equipment)

The Parent Company assesses at each reporting period whether there is an indication that a nonfinancial asset may be impaired when events or changes in circumstances indicate that the carrying value of an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Parent Company makes an estimate of the asset's recoverable amount. As asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell 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 group of assets. When 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 assessment of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the parent company statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

As assessment is made at each end of the reporting period 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. However, the increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of comprehensive income. After such a reversal, the depreciation 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.

Provisions

Provisions are recognized when the Parent Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax amount that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.



Where discounting is used, the increase in the provision due to the passage of time is recognized as “Interest and other finance charges” in the parent company statement of comprehensive income.

Equity

Common Stock. The Parent Company has issued common stock that is classified as equity. Incremental costs directly attributable to the issue of new capital stock are shown in equity as a deduction, net of tax, from the proceeds.

Subscription Receivable. Subscription receivable pertains to the amount of subscribed capital stock less the amount paid-up. Subscription receivable is presented as deduction from capital stock.

Additional Paid-in Capital. Additional paid-in capital is the portion of paid-in capital received representing excess over par value.

Treasury Stock. Treasury stock is recorded at cost and is presented as a deduction from equity. Any consideration paid or received in connection with treasury stock is recognized directly in equity.

When the shares are retired, the capital stock account is reduced by its par value. The excess of cost over par value upon retirement is debited to the following accounts in the order given:

(1) additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares are issued, and (2) retained earnings. When shares are sold, the treasury stock account is credited and reduced by the weighted average cost of the shares sold. The excess of any consideration over the cost is credited to additional paid-in capital.

Transaction costs incurred such as registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties (net of any related income tax benefit) in relation to the issuing or acquiring the treasury shares are accounted for as reduction from equity, which is disclosed separately.

Retained Earnings. Retained earnings represent the cumulative balance of periodic net income or loss, dividend declarations, prior period adjustments, effect of changes in accounting policy and other capital adjustments.

Dividend distribution to the Parent Company’s stockholders is recognized as a liability and deducted from retained earnings when they are approved by the Parent Company’s BOD. Dividends for the year that are approved after the end of the reporting period are dealt with as an event after the end of the reporting period.

Other Comprehensive Income. Other comprehensive income comprises items of income and expense (including items previously presented under the statement of changes in equity) that are not recognized in the profit or loss for the year in accordance with PFRS Accounting Standards.

Earnings (Loss) Per Share

Basic earnings (loss) per share is computed based on the weighted average number of shares outstanding and subscribed for each respective period with retroactive adjustments for stock dividends declared, if any. When shares are dilutive, the unexercised portion of stock options is included as stock equivalents in computing diluted earnings per share.



Diluted EPS amounts are calculated by dividing the net income (loss) by the weighted average number of ordinary shares outstanding, adjusted for any stock dividends declared during the year plus weighted average number of ordinary shares that would be issued on the conversion of all the dilutive ordinary shares into ordinary shares, excluding treasury shares.

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

Operating Segments

For management purposes, the Parent Company is the parent of Anglo Philippine Holdings Corporation and Subsidiaries (collectively referred to as the Group) that is organized into two (2) major operating segments (mining and non-mining businesses) according to the nature of the services provided, with each segment representing a significant business segment. The Parent Company's identified operating segments are consistent with the segments reported to the BOD.

Revenue Recognition

Revenue is measured based on the consideration to which the Parent Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Parent Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation. The Parent Company has concluded that it is the principal in its revenue arrangements because it controls the goods or services before these goods or services are transferred to the customer.

Dividend Income

Dividend income is recognized when the shareholder's right to receive payment is established.

Interest Income

Income is recognized as the interest accrues (using the EIR that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Other Income and Royalty Income

Income is recognized in the parent company statement of comprehensive income as they are earned.

Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. General and administrative expenses are generally recognized when the services are used or the expenses arise.

Retirement Benefits Plan

The Parent Company has a defined retirement benefit plan which requires contributions to be made to a separately administered fund. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.



The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as "Personnel cost" under general and administrative expenses in the parent company statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. These are retained in OCI until full settlement of the obligation.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Parent Company, nor can they be paid directly to the Parent Company. Fair value of plan assets is based on market price information.

When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Parent Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Income Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The income tax rates and income tax laws used to compute the amount are those that have been enacted or substantively enacted as at the end of the reporting period.



The Parent Company records uncertain tax positions on the basis of a two-step process whereby the Parent Company determines whether it is more likely than not that the tax positions will be sustained based on technical merits of the position, and for those tax positions that meet the more likely than not criteria, the Parent Company recognizes the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with related tax authority. The Parent Company records interest and penalties on uncertain tax positions in "Income tax expense (benefit)" account in the parent company statement of comprehensive income.

Deferred Income Tax

Deferred tax is provided using the liability method 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.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or 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 income nor taxable income or loss; and,
- in respect of taxable temporary differences associated with investments in foreign subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary difference 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 income nor taxable income or loss; and
- in respect of deductible temporary differences associated with investments in foreign subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each end of the reporting period and are recognized to the extent that it has become probable that sufficient future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the income tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on income tax rates (and income tax laws) that have been enacted or substantively enacted at each end of the reporting period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.



Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Foreign Currency Transactions

The parent company financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing as at the date of the initial transactions. All differences are taken to "Foreign exchange gains (losses) - net" in the parent company statement of comprehensive income.

Contingencies

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

Events After the Reporting Period

Post year-end events that provide additional information on the parent company financial position at the reporting period (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed in the notes to parent company financial statements when material.

3. Material Accounting Judgments, Estimates and Assumptions

The parent company financial statements prepared in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect amounts reported in the parent company financial statements and its accompanying notes. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the parent company financial statements as they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcome can differ from these estimates.

Judgments

In the process of applying the Parent Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and Assumptions

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



Measurement of ECL

ECLs are derived from unbiased and probability weighted estimates of expected loss, and are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company expects to receive, discounted at the original EIR, or an approximation thereof.

For receivables, the Parent Company uses the provision matrix which is based on the Parent Company's historical observed loss rates with adjustment for forward-looking information and macroeconomic variables. At every reporting date, the historical observed loss rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed loss rates, forecast economic conditions and ECLs is a significant estimate which involves qualitative and quantitative thresholds in place. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

For other debt financial assets, the Parent Company evaluates credit exposures and significant changes in credit risk with reference to comparable entities in the same industry, size and geographical operations. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Parent Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

No provision for impairment loss on receivables and long-term note receivable was recognized in 2025 and 2024. The receivables and long-term receivable amounted to ₱848.2 million and ₱810.5 million as at December 31, 2025 and 2024, respectively (see Notes 5, 13 and 19).

Estimating Impairment of Investments in Associates

PFRS Accounting Standards require that an impairment review be performed when certain impairment indicators are present. In determining the recoverable amount of the investment in associates, the Parent Company makes estimates and assumptions that can materially affect the financial statements. The Parent Company considers the current and projected financial performance of the associates and determines future cash flows expected to be generated from the continued use and ultimate disposition of such assets.

Management performed impairment test as at December 31, 2025 and 2024. The recoverable amount of the Parent Company's investment in associates has been determined using a discounted cash flow (DCF) projection.

The calculation of the value-in-use of the associates' underlying assets incorporates the following key assumptions:

- Expected life of the project;
- Future production levels and costs;
- Contribution to the Government;
- Commodity prices; and,
- Pre-tax discount rates.



The significant assumptions in the value-in-use calculation and sensitivity to changes in assumptions are disclosed in Note 9.

No provision for impairment of investments in associates was recognized in 2025 and 2024. Investments in associates amounted to ₱8,031.2 million as at December 31, 2025 and 2024 (see Note 9).

Estimating Impairment of Investments in Subsidiaries

The Parent Company assesses at each reporting date whether there is an indication that the investments in subsidiaries may be impaired. If any such indication exists, the Parent Company estimates the investments in subsidiaries' recoverable amounts. In determining the recoverable amount of the investments in subsidiaries, the Parent Company makes estimates and assumptions that can materially affect the financial statements. The Parent Company considers the current and projected financial performance of the subsidiaries and determines future cash flows expected to be generated from the continued use and ultimate disposition of such assets.

No provision for impairment of investments in subsidiaries was recognized in 2025 and 2024. Investments in subsidiaries amounted to ₱300.5 million as at December 31, 2025 and 2024 (see Note 10).

Assessing Recoverability of Deferred Exploration Costs

The Parent Company assesses impairment on deferred exploration costs when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Deferred exploration costs are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- The period for which the Parent Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Key inputs and assumptions used in the assessment are as follows:

- Estimated reserves - which are based on oil resources reports based on the information gathered from seismic and geological data, analyses and evaluation activities;
- Discount rate of 11.26% and 9.62% in 2025 and 2024, respectively - which represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is derived from the Parent Company's weighted average cost of capital (WACC), with appropriate adjustments made to reflect the risks specific to the CGU and to determine pre-tax rate. The WACC takes into account both debt and equity. Adjustments to discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate; and



- Oil prices of \$70/bbl and \$75/bbl in 2025 and 2024, respectively which are estimated with reference to external market forecasts of Brent crude prices.

The Parent Company used a weighted average scenario probability in its calculation of value in use.

There were no provision for impairment of deferred exploration costs in 2025 and 2024. The carrying value of deferred exploration costs amounted to ₱73.8 million and ₱73.3 million as at December 31, 2025 and 2024, respectively (see Note 12).

Management believes that no reasonably possible change in any of the key assumptions would result to further significant impairment.

Information on the carrying values of deferred exploration costs and allowance for unrecoverable deferred exploration costs is provided in Note 12.

4. Cash and Cash Equivalents

	2025	2024
Cash on hand	₱10,000	₱10,000
Cash with banks	9,246,183	27,004,517
Short-term deposits	–	55,628,417
	₱9,256,183	₱82,642,934

Cash with banks earn interest at their respective bank deposit rates. Short-term deposits are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Parent Company and earn interest at the respective short-term deposit rates.

In 2025 and 2024, interest income from cash with banks and short-term deposits, net of final tax, amounted to ₱1.9 million and ₱4.1 million, respectively (see Note 17).

5. Receivables

	2025	2024
Advances to:		
MRT Dev't. Corp. (MRTDC; see Note 15)	₱35,614,147	₱82,747,144
Related parties (see Note 19)	661,468,680	604,015,965
Accrued interest receivable (see Notes 13 and 19)	85,984,801	59,066,051
Others	5,128,976	4,705,453
	₱788,196,604	₱750,534,613

Others include advances to officers and employees which are non-interest bearing and are collectible within 12 months.

The receivables of the Parent Company consist of individually significant accounts that were subjected to specific impairment approach. Others that were not individually significant for which no specific impairment were subjected to collective assessment. Based on the assessment done, the Parent Company has not recognized any provision for impairment losses as at December 31, 2025 and 2024.



6. Financial Assets at FVTPL

	2025	2024
Shang Properties, Inc.	₱74,283,360	₱59,100,000
Aboitiz Power Corporation	4,708,000	4,033,900
Semirara Mining & Power Corporation	3,587,750	4,432,300
Citicore Reit	1,963,500	1,677,500
DD Reit Inc.	1,632,000	1,648,000
Aboitiz Equity Ventures, Inc.	1,008,000	1,236,600
Bank of Commerce	607,200	-
Filinvest Reit	378,200	-
Acen Corporation	244,800	-
Chelsea Logistics Holdings Corp.	38,000	52,400
Synergy Grid	-	4,086,600
	₱88,450,810	₱76,267,300

Movements in the financial assets at FVTPL as at December 31, 2025 and 2024 are as follows:

	2025	2024
Balances at beginning of year	₱76,267,300	₱63,608,880
Additions	23,652,900	-
Disposals	(4,086,600)	-
Changes in fair value of financial assets at FVTPL	(7,382,790)	12,658,420
Balances at end of year	₱88,450,810	₱76,267,300

In 2025, the Parent Company sold the shares of investment in Synergy Grid at a gain of ₱2.7 million.

Dividend income recognized in 2025 and 2024 related to financial assets at FVTPL amounted to ₱5.1 million and ₱5.8 million, respectively.

7. Prepaid Expenses and Other Current Assets

	2025	2024
Advances to suppliers	₱18,004,262	₱5,782,041
Prepaid expenses	320,045	354,916
Creditable withholding taxes (CWTs)	4,406,555	5,157,898
	₱22,730,862	₱11,294,854

Advances to suppliers consist of payments made for future purchases of goods and services.

8. Financial Assets at FVOCI

Investments in unquoted financial assets pertain to investment in private local companies and have no fixed maturity date or coupon rate. These amounted to ₱0.5 million as at December 31, 2025 and 2024. The net unrealized valuation losses on financial assets at FVOCI amounted to ₱0.5 million as at December 31, 2025 and 2024.

No impairment loss was recognized in 2025 and 2024 on the Parent Company's unquoted equity instruments.



No dividend income was recognized in 2025 and 2024 related to financial assets at FVOCI.

9. Investments in Associates

The acquisition cost of investments in associates are as follows:

	Percentage of Ownership		Amount	
	2025	2024	2025	2024
Atlas Consolidated Mining and Development Corporation (ACMDC)	28.64%	28.64%	₱5,770,398,794	₱5,770,398,794
The Philodrill Corporation (TPC)	34.87%	34.87%	1,592,673,681	1,592,673,681
United Paragon Mining Corporation (UPMC)	25.69%	25.69%	668,080,749	668,080,749
			₱8,031,153,224	₱8,031,153,224

Dividends received from associates are recorded as dividend income in the statements of comprehensive income. No dividend income was received from associates in 2025 and 2024. The principal place of business and country of incorporation of the Parent Company's associates is in the Philippines.

Investment in ACMDC

ACMDC is primarily engaged in metallic mineral mining and exploration, and currently produces copper concentrate (with gold and silver) and magnetite iron ore concentrate.

In 2017, APHC subscribed to an additional 845 million shares of ACMDC at ₱4.3842 per share and paid the corresponding paid-up capital of ₱926.2 million. As a result, the Parent Company's percentage of ownership increased from 8.36% in 2016 to 28.64% in 2017.

On November 7, 2024 and December 16, 2025, ACMDC issued a memorandum addressed to APHC that the latter will not make a call in 2025 and 2026, respectively, in relation to its subscription of ACMDC's shares of stock. This is in accordance with the board resolution issued by ACMDC on the same dates. As a result of board resolution, the subscriptions payable is not expected to be paid within 12 months from reporting and accordingly, is presented as noncurrent liabilities.

The subscription payable is carried at amortized cost which amounted to ₱2,664.0 million and ₱2,646.6 million, net of discount, as at December 31, 2025 and 2024, respectively. This also resulted to a recognition of day 1 gain which amounted to ₱123.8 million and ₱150.7 million in 2025 and 2024, respectively. Accretion of discount on subscription payable amounted to ₱141.2 million and ₱170.1 million in 2025 and 2024, respectively.

On February 21, 2017, the shareholders of ACMDC approved the issuance of warrants and corresponding underlying common shares. The warrants shall be issued by ACMDC to its major shareholders including the Parent Company or their assigns, among others. As at December 31, 2025, no warrants yet were issued by ACMDC as the related application with the SEC has not yet been filed.



On January 23, 2026, the BOD of ACMDC approved the cancellation of its authority to issue warrants, with the consent of major shareholders including the Parent Company, originally entitled to them. In return, ACMDC, through its subsidiary, Carmen Copper Corporation (CCC), will pay the shareholders over five years, while ensuring the payments do not impact CCC's cash flow or profitability. The warrant termination agreement is still undergoing review by ACMDC's principal and substantial shareholders including the Parent Company for signing and execution.

Key Assumptions Used in Value in Use Calculations and Sensitivity to Changes in Assumptions

The Parent Company performed its impairment test in 2025 and 2024.

The recoverable amount of investment in associate has been determined based on a DCF calculation using cash flow projections from financial budgets approved by senior management.

The projected cash flows have been developed to reflect the expected mine production over the life of the mine adjusted by the effects of other factors such as inflation rate. The post-tax discount rate applied to the cash flow projections are 9.08% and 9.19% in 2025 and 2024, respectively. As a result of this analysis, management concluded that the investment in ACMDC is not impaired as of 2025 and 2024.

The calculation of DCF is most sensitive to the following assumptions:

- a. **Expected life of the project**
ACMDC projected the expected life of the project based on the remaining mineral ore reserves of the project and their capacity to mine those remaining mineral reserves.
- b. **Future Production Levels and Costs**
Future production levels and costs include direct and indirect costs used to concentrate the mined ore reserves for the remaining life of the mine.
- c. **Contribution to the Government**
ACMDC assumes the prevailing tax rate imposed on an entity that is engaged in mining operations.
- d. **Copper Prices**
ACMDC considers the effect of commodity price changes. ACMDC considered the possible effect of the changes in the price of copper as it relates to the revenues that may be generated by ACMDC and the attainment of the cash flow projections. ACMDC used the data from the Wood Mackenzie Limited, a global mining and metals research and consultancy firm. The price is the function of a number of factors, which includes, among others, copper grade, moisture content and factor rate.
Generally, a higher grade and lower moisture content would yield higher recoverable amount otherwise, this may indicate impairment. ACMDC expects that the overall price of copper concentrate ore will improve throughout the life of mine.
- e. **Post-tax Discount Rate**
Discount rate represents the current market assessment of the risks specific to the investment in associates taking into consideration the time value of money and the individual risks of the underlying assets that have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of ACMDC and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by ACMDC's investors. The cost of debt is based on the interest-bearing borrowings ACMDC is obliged to service. Specific risk is



incorporated by applying individual beta factors and are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate. The post-tax discount rates used is 9.08% and 9.19% in 2025 and 2024.

Management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of the cash-generating unit to materially exceed its recoverable amount.

No provision for impairment was recognized in 2025 and 2024.

Investment in TPC

TPC is primarily engaged in oil exploration and production and the development, exploitation, and processing of energy resources.

In 2018, the Parent Company subscribed to an additional 130.48 million shares of TPC at ₱0.013 per share and paid the corresponding paid-up capital of ₱1.7 million. As a result, the Parent Company's percentage of ownership increased from 34.32% in 2017 to 34.38% in 2018.

In 2020, the Parent Company subscribed to an additional 984.8 million shares of TPC at ₱0.010 per share and paid the corresponding paid-up capital of ₱9.8 million. As a result, the Parent Company's percentage of ownership increased from 34.38% in 2019 to 34.87% in 2020.

In relation to the TPC's acquisition of Vulcan Industrial & Mining Corporation's (VIMC) interest in Octon block, TPC is contingently liable for \$500,000 which is payable within sixty (60) days from the date of commercial discovery in the contract areas. However, on December 28, 2018, VIMC waived its rights and interests with respect to this contingent liability in favor of TPC.

The Parent Company's subscription payable to TPC as at December 31, 2025 and 2024 amounted to ₱2.1 million, which is due upon demand of TPC.

The Parent Company has no outstanding capital commitments related to the investments in TPC as at December 31, 2025 and 2024.

Key Assumptions Used in Value in Use Calculations and Sensitivity to Changes in Assumptions

The Parent Company performed its annual impairment test as at December 31, 2025 and 2024.

The projected cash flows have been developed to reflect the expected oil reserve to be extracted over the life of the contract/project adjusted by the effects of other factors such as inflation rate. The post-tax discount rates used are 11.26% and 9.62% as at December 31, 2025 and 2024, respectively.

The calculation of DCF is most sensitive to the following assumptions:

- a. Estimated reserves
TPC's estimated reserves are based on oil resources reports based on the information gathered from seismic and geological data, analyses and evaluation activities.
- b. Post-tax Discount Rate
Discount rate represents the current market assessment of the risks specific to the investment in associates underlying assets taking into consideration the time value of money and the individual risks of the underlying assets that have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of TPC and is derived from its



WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by TPC's investors. The cost of debt is based on the interest-bearing borrowings TPC is obliged to service. Specific risk is incorporated by applying individual beta factors and are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate. The post-tax discount rates used are 11.26% and 9.62% as at December 31, 2025 and 2024, respectively.

c. Oil Prices

Oil prices are at \$70/bbl and \$75/bbl in 2025 and 2024, respectively. Oil prices are estimated with reference to external market forecasts of Brent crude prices.

The Parent Company did not recognize provision for impairment of investment in associate in relation to the investment in TPC in 2025 and 2024.

Investment in UPMC

UPMC's main business is the exploration, development, exploitation, recovery and sale of gold. UPMC was previously held under care and maintenance. Since 2003, no exploration activities were conducted in the area until the revised work programs were approved on February 10, 2020. With COVID-19, exploration were put on hold for most of 2020 and a 6-month extension of the Exploration Permit (EP) was granted until February 19, 2021. On February 3, 2021, the MGB certified the UPMC's compliance with the terms and conditions set forth in the exploration permit.

On February 4, 2021, the UPMC filed its Declaration of Mining Project Feasibility (DMPF) under EP-016-2016-V to MGB Regional Office prior to exploration permit expiration. The Exploration Permit is subject to automatic renewal while the processing of the DMPF approval is ongoing. Once approved, UPMC may file for Mineral Processing Sharing Agreement (MPSA).

On November 26, 2021, MPSA applications denominated as MPSA-V-0041 and AMA-V-0270 were converted into an Exploration Permit applications and was renumbered as EXPA-000233-V and EXPA-000234-V, respectively. Once the Exploration Permits are issued, it is valid for two years subject to renewal for another 2 years and a maximum of 6 years. UPMC is in the process of completing the mandatory requirements for Exploration Permit applications. Upon approval of the Exploration Permit applications, UPMC will file the DMPF application to MGB Regional Office.

Key Assumptions Used in Value in Use Calculations and Sensitivity to Changes in Assumptions

The Parent Company performed an annual impairment test in 2025 and 2024.

The recoverable amount of investment in associate has been determined based on a DCF calculation using cash flow projections from the project feasibility study.

The projected cash flows have been developed to reflect the expected mine production over the life of the mine adjusted by the effects of other factors such as inflation rate. The post-tax discount rate applied to the cash flow projections as at December 31, 2025 and 2024 is 10.26% and 10.08%, respectively. As a result of this analysis, management concluded that investment in UPMC is not impaired as at December 31, 2025 and 2024.



The calculation of DCF is most sensitive to the following assumptions:

- a. **Future Production Levels and Costs**
Future production levels and costs include direct and indirect costs used to concentrate the mined ore reserves for the remaining life of the mine.
- b. **Gold Prices**
UPMC considers the effect of commodity price changes. UPMC considered the possible effect of the changes in the price of gold as it relates to the revenues that may be generated by UPMC and the attainment of the cash flow projections. UPMC used the data from the project feasibility study and was compared against externally published data.
- c. **Post-tax Discount Rate**
Discount rate represents the current market assessment of the risks specific to UPMC, taking into consideration the time value of money. The discount rate calculation is based on the specific circumstances of UPMC and is derived from its WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by UPMC's investors. The cost of debt is based on the risk free market rate available in the market. Specific risk is incorporated by applying individual beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate. The post-tax discount rates used are 10.26% and 10.08% as at December 31, 2025 and 2024, respectively.

Management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of the investment in associates underlying assets to materially exceed its recoverable amount.

No provision for impairment was recognized in 2025 and 2024.

The Parent Company has no outstanding contingent liabilities and capital commitments related to the investments in ACMDC, TPC and UPMC as at December 31, 2025 and 2024.

10. Investment in Subsidiaries

	Percentage of Ownership		Amount	
	2025	2024	2025	2024
Tipo Valley Realty, Inc. (TVRI)	97.59%	97.59%	₱299,089,000	₱299,089,000
Vulcan Materials Corporation (VMC)	100%	100%	1,185,919	1,185,919
Anglo Phil. Power Corp. (APPC)	100%	100%	249,995	249,995
			₱300,524,914	₱300,524,914

Investment in TVRI

On December 15, 2015, the BOD of the Parent Company approved the acquisition of about 2.3 million shares or 97.59% of the outstanding capital stock of TVRI at a purchase price of ₱130.59 per share or a total of ₱299.1 million. TVRI is an unlisted company based within the Subic Bay Freeport Zone whose primary purpose is to acquire and develop, sell, or lease real estate of all kinds. TVRI was registered in the Philippine SEC on May 26, 1995 and was previously a majority-owned subsidiary of Alakor. The Parent Company intends to develop the TVRI properties as part of its property development initiatives. The sale was completed on December 22, 2015.



The Parent Company issued 1,109,961,961 ordinary shares to the seller as consideration for the 97.59% interest in TVRI, which signifies the full payment of the shares subscribed.

The carrying value of investment with TVRI amounted to ₱299.1 million as at December 31, 2025 and 2024.

Investment in VMC

On December 18, 2012, the Parent Company acquired 100% interest in VMC. VMC, a company incorporated under the laws of the Philippines, is engaged in mining exploration and sale of aggregates. VMC's registered office address and principal place of business is 6F Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City. VMC was registered in the Philippine SEC on September 12, 1991. The cost of acquiring VMC amounted to ₱1.2 million. As at November 8, 2023, after careful evaluation of its present business, the members of the BOD and the stockholders unanimously authorized the management's proposal for the immediate closure and dissolution of VMC effective November 15, 2023. On the other hand, the Parent Company took steps to inform the SEC about the impending dissolution of VMC and submitted the SEC Form 17C detailing VMC's intended dissolution, an action that had the support of the Group's Board of Directors.

As at April 23, 2026, VMC is waiting for clearance from the BIR. Once the clearance is received, VMC plans to submit a formal Notice of Closure/Dissolution to the SEC, thereby concluding the legal process for its dissolution.

The carrying value of investment with VMC amounted to ₱1.2 million as at December 31, 2025 and 2024.

Investment in APPC

In 2016, the Parent Company subscribed 249,995 shares of APPC at par value at ₱1 owning 100% interest. APPC, a company incorporated under the laws of the Philippines, is engaged in development, exploitation, and processing of any energy resources. APPC's registered office address and principal place of business is 6F Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City. The Parent Company paid ₱62,499 as initial payment on the subscription made. Subscription payable related to this acquisition amounted to ₱187,496 as at December 31, 2025 and 2024. Furthermore, APPC has formed a new wholly-owned subsidiary, Bataan Aggregates Corp. (BAC), which engages in sand and gravel quarrying. BAC was incorporated in the Philippines on May 4, 2017.

The carrying value of investment in APPC amounted to ₱249,995 as at December 31, 2025 and 2024.

The subsidiaries were incorporated in the Philippines.

11. Property and Equipment

2025

	Condominium Units and Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures	Total
Cost:					
Balances at beginning of year	₱22,091,617	₱8,042,500	₱793,457	₱559,645	₱31,487,219
Additions	–	2,223,712	–	36,386	2,260,098
Balances at end of year	22,091,617	10,266,212	793,457	596,031	33,747,317
Accumulated depreciation:					
Balances at beginning of year	20,107,853	5,482,975	605,322	533,932	26,730,082
Depreciation (see Note 18)	1,105,211	1,084,904	146,654	–	2,336,769
Balances at end of year	21,213,064	6,567,879	751,976	533,932	29,066,851
Net book values	₱878,553	₱3,698,333	₱41,481	₱62,099	₱4,680,466



2024

	Condominium Units and Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures	Total
Cost:					
Balances at beginning of year	₱22,091,617	₱8,042,500	₱793,457	₱533,932	₱31,461,506
Additions	–	–	–	25,713	25,713
Balances at end of year	22,091,617	8,042,500	793,457	559,645	31,487,219
Accumulated depreciation:					
Balances at beginning of year	19,002,642	4,768,689	467,653	533,932	24,772,916
Depreciation (see Note 18)	1,105,211	714,286	137,669	–	1,957,166
Balances at end of year	20,107,853	5,482,975	605,322	533,932	26,730,082
Net book values	₱1,983,764	₱2,559,525	₱188,135	₱25,713	₱4,757,137

The cost of fully depreciated property and equipment that is still used in operations amounted to ₱5.5 million as at December 31, 2025 and 2024.

12. Deferred Exploration Costs

The Parent Company is a participant in certain SC, MPSA, and ASEAN Petroleum Security Agreement (APSA) with the Philippine Government, through the Department of Energy (DOE) or Mines and Geosciences Bureau (MGB) for the exploration, development and exploitation of the contract areas situated in Northwest Palawan, Sulu Sea, Mindoro Island, Surigao City, Bataan and Batangas.

The aforementioned SCs, MPSAs and APSA provide for minimum work expenditure obligations and are covered by operating agreements which set forth the participating interests, rights, and obligations of the participants to the contracts. The deferred exploration costs represent the Parent Company's share in the jointly controlled assets of the aforementioned SCs, MPSAs, and APSA. The full recovery of the deferred exploration costs incurred in connection with the Parent Company's participation in the exploration of the contract areas is dependent upon the discovery of mineral resources from the respective contract areas and the success of the future development.

Under the SCs entered into with the DOE covering certain petroleum contract areas in various locations in the Philippines, the participating oil companies (collectively known as Contractors) are obliged to provide, at their sole risk, the services, technology and financing necessary in the performance of their obligations under these contracts. The Contractors are also obliged to spend specified amounts indicated in the contract in direct proportion to their work obligations.

However, if the Contractors fail to comply with their work obligations, they shall pay the government the amount they should have spent in direct proportion to their work obligations.

The Contractors have Operating Agreements among themselves which govern their rights and obligations under these contracts.



The percentage of participation and the balances of the Parent Company's deferred exploration costs as at December 31, 2025 and 2024 are as follows:

2025

Service Contract	Percentage of Participation	Amount	Allowance for Impairment	Net Amount
SC 86 - Octon-Malajon Block (formerly SC 6A)*				
Block A (Octon)	14.146	₱63,910,259	(₱35,780,273)	₱28,129,986
Saddle Rock Prospect	14.146	7,325,361	-	7,325,361
Esperanza Prospect	14.146	823,118	-	823,118
PCECP Area 7 (Sulu Sea)	1.68	48,266,249	(48,266,249)	-
SC 53 - Mindoro Block	18.52	37,476,009	-	37,476,009
		₱157,800,996	(₱84,046,522)	₱73,754,474

*Newly signed Petroleum Service Contract which was signed by the President of the Republic of the Philippines on September 30, 2025

2024

Service Contract	Percentage of Participation	Amount	Allowance for Impairment	Net Amount
Nominated Area 10 Malajon (formerly SC 6A)*				
Block A (Octon)	14.146	₱63,412,068	(₱35,780,273)	₱27,631,795
Saddle Rock Prospect	14.146	7,325,361	-	7,325,361
Esperanza Prospect	14.146	823,118	-	823,118
PCECP Area 7 (Sulu Sea)	1.68	48,266,249	(48,266,249)	-
SC 53 - Mindoro Block	18.52	37,476,009	-	37,476,009
Parent Company		₱157,302,805	(₱84,046,522)	₱73,256,283

*Relinquished and awaiting DOE's approval of service contract application.

Movements in the deferred exploration cost as at December 31, 2025 and 2024 are as follows:

	2025	2024
Balance at beginning of year	₱73,256,283	₱71,416,374
Additions	498,191	1,839,909
Balance at end of year	₱73,754,474	₱73,256,283

Allowance for impairment of deferred exploration cost amounted to ₱84.0 million as at December 31, 2025 and 2024.

SC 86 Octon - Malajon Block (formerly SC 6A)

Following the JV's proactive decision to relinquish SC 6, the DOE approved a new service contract over the area. The new contract, SC 86, covering approximately 160,000 hectares, was signed by the President of the Republic of the Philippines on September 30, 2025.

The members of the JV under the new service contract are as follows:

Joint Venture Members	Participating Interest (%)
The Philodrill Corporation	72.1662
Anglo Philippine Holdings Corporation	14.1460
Forum Energy Philippines Corporation	6.8439
PXP Energy Corporation (PXP)	6.8439
Total	100.0000

TPC remains the operator of the block.



Under the terms of the new service contract, TPC will continue to mature exploration prospects in the northern block to drillable status. Work will focus on de-risking and high-grading identified prospects, with particular emphasis on the older syn-rift sections, which remain prospective for additional exploration targets.

In the southern portion of the block, efforts will continue to evaluate and define a commercially viable development concept for the marginal Octon discovery. This will include further technical and economic assessment to determine the most appropriate development strategy, given the current resource base and subsurface uncertainty.

PCECP Area 7 Sulu Sea (formerly Service Contract 41)

TPC Group, together with bid partner PXP, submitted on August 15, 2019, a joint bid over PCECP Area 7 in Sulu Sea, one of the 14 pre-determined areas on offer under PCECP. The joint application was found to be in order and satisfied the criteria set forth by the DOE. This was confirmed in writing by the DOE in September that the joint bid qualified for further substantive legal, financial, and technical evaluation. The DOE held in abeyance the awarding of a new service contract pending the complete organization of Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) and the implementation of policies.

As at December 31, 2022, the DOE has not sent any formal communication to TPC and PXP nor awarded any new service contract for PCECP Area 7. It is also uncertain under the new policies of BARMM, if the historical costs in the area will be recognized under the new service contract. On September 23, 2023, the DOE issued a termination of the processing of application for Petroleum Service Contract. No impairment loss was recognized in 2025 and 2024. The capitalized deferred exploration costs were fully provided as of December 31, 2025 and 2024.

SC 53 - Mindoro Block

The Certificate of Non-Coverage (CNC) for the Progreso Drilling Project was issued by the DENR - Environmental Management Bureau (EMB) on April 28, 2023.

TPC also continued engagement with the National Commission on Indigenous Peoples (NCIP) for the Certification Precondition (CP) application covering the Cambayan Project. As the project area straddles Occidental and Oriental Mindoro, coordination has been undertaken with both NCIP offices:

Occidental Mindoro: TPC and the DOE are coordinating with NCIP for the inclusion of the CP application in a Commission En Banc meeting.

Oriental Mindoro: To avoid further delays, TPC filed an amended Certificate of Non-Overlap (CNO) application through the DOE's Energy Virtual One-Stop Shop (EVOSS) platform. The CNO was subsequently issued on May 22, 2025 (Control No. CNO R4B-2025-013).

Reservoir remapping of the Progreso Prospect using the 2023 reprocessed seismic data was completed under the approved 2024 WP&B. The improved subsurface imaging enabled better delineation of structural closures across multiple reservoir levels, resulting in an uplift in estimated resources.

As of December 31, 2025, a technical report incorporating the updated seismic interpretation, mapping, and revised resource estimates is being finalized for submission to the Joint Venture (JV) partners and the DOE.



An initial well plan and design for Progreso-2, developed in collaboration with CWT Consultancy (CWT), has also been completed. A final drilling program will be prepared upon a decision to proceed. Based on current well objectives, drilling to a proposed total depth of 1,600 meters is estimated to require 21 days, with an estimated cost of \$6.139 million.

In 2025, TPC entered into a Farm-in Agreement (FIA) with Gas2Grid Ltd., followed by the execution of a Deed of Assignment, which still needs formal approval from DOE. Upon approval, TPC's participating interest will be reduced from 81.48% to 40.74%, effectively mitigating its exposure to exploration risk associated with the two commitment wells under the service contract.

13. Notes Receivable

On October 29, 2015, APHC signed an unsecured loan facility with Alakor for a total commitment of ₱60.0 million. The loan shall earn 4.25% fixed interest per annum for a term of two (2) years. The first drawdown amounting to ₱15.0 million was made on the same date. Additional drawdowns were made amounting to ₱15.0 million and ₱35.6 million in 2017 and 2016, respectively. In 2017, Alakor paid ₱5.6 million and renewed the facility for another term of two (2) years at a fixed interest rate of 4.25%.

The note receivable was subject to periodic renewals, with the most recent renewal occurring on December 27, 2024, under substantially the same terms and conditions, resulting in the extension of maturity date to December 31, 2027. As such, the loan was classified from current to noncurrent asset as at December 31, 2025 and 2024.

The outstanding note receivable from Alakor amounted to ₱60.0 million as at December 31, 2025 and 2024 (see Note 19).

Interest earned in 2025 and 2024 amounted to ₱2.6 million (see Note 17). Accrued interest receivable amounted ₱25.0 million and ₱22.4 million as at December 31, 2025 and 2024, respectively (see Note 5).

14. Accounts Payable and Others

	2025	2024
Due to third party (see Note 19)	₱797,047,880	₱-
Due to NTDCC (see Note 15)	66,041,694	80,177,394
Deposits from third parties	89,419,422	89,419,422
Dividends payable (see Note 16)	8,382,145	8,382,145
Payable to regulatory agencies	2,067,898	2,155,478
Accrued expenses and others	6,717,506	7,243,303
	₱969,676,545	₱187,377,742

Due to third party relates to the receivables of Alakor assigned to Romer Mercantile Inc. (see Note 19).

Deposits from third parties includes advances received amounting to ₱89.4 million in relation to the potential acquisition of a Parent Company's investment, subject to the completion of certain closing requirements.



Dividends payable amounted to ₱8.4 million as at December 31, 2025 and 2024, which are payable on demand, pertains to cash dividends declared in 2016 (see Note 16).

Payable to regulatory agencies include withholding taxes and other government contributions related to employees of the Parent Company. These are normally remitted within thirty (30) days from the close of each month.

Accrued expenses and others pertain to accrual of professional fee and other expenses which are expected to be settled within the next financial year.

15. Significant Agreements

Funding and Repayment Agreement

On December 17, 2014, APHC [as a shareholder of MRTDC (included and accounted as financial assets at FVOCI)] and other MRTDC shareholders, MRTDC and North Triangle Depot Commercial Corp. (NTDCC) executed a “Funding and Repayment Agreement” wherein the MRTDC shareholders agreed to repay NTDCC, for the account of MRTDC, their respective pro rata share in the Total Depot Development Rights Payments (DRP) Advances (the Pre-2006 DRP Payables and the Residual Depot DRP, including 15% interest rate accrued on such DRP payables).

The funding and repayment agreement resulted in the recognition of a DRP payable to NTDCC, included under “Accounts payable and others” account, which amounted to ₱66.0 million and ₱80.2 million as at December 31, 2025 and 2024, respectively (see Note 14). This also resulted in the recognition of a receivable from MRTDC, included under “Receivables” account, which amounted to ₱35.6 million and ₱82.7 million as at December 31, 2025 and 2024, respectively (see Note 5).

Commencing on January 1, 2015, APHC and other MRTDC shareholders (except Fil Estate Properties, Inc. and Metro Global Holdings Corporation) shall effect the repayment of their respective pro rata share in the Total Depot DRP Payables, through a set-off against their respective share in the commercial center royalties to be received from NTDCC (representing 5% of the gross rental income of the commercial center, less reasonable administrative costs and management fees). Royalty income received amounted to ₱13.7 million and ₱13.9 million in 2025 and 2024, respectively.

The set-off shall be effective as at the beginning of every calendar month, commencing January 30, 2015 and shall result in the settlement of the portion of the total DRP Payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders.



The following table set forth the offsetting of financial assets and liabilities recognized as at December 31, 2025 and 2024:

	Gross amounts of recognized financial assets and liabilities	Gross amounts of recognized financial assets and liabilities offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position
2025			
<i>Asset</i>			
Commercial center royalty receivable (DRP payables)	₱14,135,700	(₱14,135,700)	₱-
<i>Liability</i>			
Due to NTDCC (see Note 14)	80,177,394	(14,135,700)	66,041,694
2024			
<i>Asset</i>			
Commercial center royalty receivable (DRP payables)	₱14,290,557	(₱14,917,835)	₱-
<i>Liability</i>			
Due to NTDCC (see Note 14)	95,095,229	(14,917,835)	80,177,394

16. Equity

Capital Stock

The movements in capital stock of the Parent Company are as follows:

	2025		2024	
	Shares	Amount	Shares	Amount
Issued and outstanding				
Balances at beginning and end of year	3,013,186,174	₱3,013,186,174	3,013,186,174	₱3,013,186,174
Subscribed				
Balances at beginning and end of year	3,116,364	₱3,116,364	3,116,364	₱3,116,364
Less subscriptions receivable	(1,367,687)	(1,367,687)	(1,367,687)	(1,367,687)
	1,748,677	₱1,748,677	1,748,677	₱1,748,677

The par value of the shares of stock is ₱1.



Below is the Parent Company's track record of registration of securities under the Securities Regulation Code of the SEC:

Date of Registration (SEC Approval)	Description	Number of Shares Registered	Par value Per Share	Total Amount
June 25, 1958	Initial capital	50,000,000	₱0.01	₱500,000
November 5, 1958	Increase in authorized capital stock	1,000,000,000	0.01	10,000,000
		1,050,000,000		10,500,000
February 26, 1970	Increase in authorized capital stock	1,000,000,000	0.01	10,000,000
		2,050,000,000		20,500,000
March 22, 1979	Increase in authorized capital stock	8,000,000,000	0.01	80,000,000
		10,050,000,000		100,500,000
September 14, 1990	Increase in authorized capital stock	19,950,000,000	0.01	199,500,000
		30,000,000,000		300,000,000
March 13, 1996	Change of par value from ₱0.01 to ₱1.00	300,000,000	1.00	300,000,000
March 13, 1996	Increase in authorized capital stock	1,700,000,000	1.00	1,700,000,000
		2,000,000,000		2,000,000,000
September 23, 2014	Increase in authorized capital stock	2,000,000,000	1.00	2,000,000,000
		4,000,000,000		₱4,000,000,000

For the years ended December 31, 2025 and 2024, there were no movements in the Parent Company's registered securities. There are 3,079 shareholders who hold 3.0 billion shares as at December 31, 2025 and 2024.

On March 12, 2014, the Parent Company's BOD resolved to increase the authorized capital stock from 2 billion to 4 billion common stock with par value of ₱1 per share. On September 23, 2014, the SEC approved the increase in authorized capital stock. The shares issued from the increase in authorized capital stock were still in the process of being listed in the PSE as at January 9, 2019 and were eligible for trading on February 26, 2020.

Treasury Stock

In 2007, the BOD approved to reacquire shares totalling 13 million common shares, which were reacquired in 2008 and were stated at acquisition cost amounting to ₱27.6 million.

As at December 31, 2025 and 2024, the retained earnings amounting to ₱1,192.1 million and ₱1,251.2 million, respectively, is restricted to payments of dividends to the extent of the cost of treasury stock.

Dividends Payable

Dividends payable from the declaration made in 2016 amounted to ₱8.4 million as at December 31, 2025 and 2024, respectively (see Note 14). The Parent Company did not declare dividends in 2025 and 2024.

17. Interest Income

	2025	2024
Cash with banks and short-term deposits (see Note 4)	₱1,915,743	₱4,083,899
Long-term note receivable (see Notes 13 and 19)	2,585,417	2,592,500
Advances to related parties (see Note 19)	24,333,333	24,400,000
	₱28,834,493	₱31,076,399



18. General and Administrative Expenses

	2025	2024
Personnel costs	₱21,740,645	₱21,809,783
Entertainment, amusement and recreation	7,581,273	7,605,690
Outside services	5,644,863	6,578,609
Depreciation (see Note 11)	2,336,769	1,957,166
Membership fees	902,969	855,299
Communication, light and water	715,054	652,967
Insurance	701,284	625,182
Taxes and licenses	903,802	568,340
Transportation and travel	290,333	367,762
Office supplies	300,966	346,346
Repairs and maintenance	234,724	224,634
Seminars and trainings	296,423	170,962
Others	1,157,389	119,309
	₱42,806,494	₱41,882,049

Others mainly consist of donations, seminars and training fees of its employees.

Personnel costs consist of the following:

	2025	2024
Salaries and wages	₱18,179,517	₱17,385,955
Pension cost (see Note 20)	220,925	186,580
Other employee benefits	3,340,203	4,237,248
	₱21,740,645	₱21,809,783

Other employee benefits are composed of various benefits given to employees, such as medical benefits, uniform allowance, and other bonuses.

19. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprises and its key management personnel, directors or its stockholders. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Parent Company, in its regular course of business, has entered into transactions with related parties at terms and conditions agreed upon by the parties.



The Parent Company has the following transactions with related parties:

Category	Year	Transactions During the Year	Advances to Related Parties (see Note 5)	Accrued Interest Receivable (see Notes 5 and 13)	Long-term Note Receivable (see Note 13)	Due to a Related Party	Terms and Conditions
Ultimate Parent							
Alakor							
Long-term note receivable (see Note 13)	2025	₱-	₱-	₱-	₱60,000,000	₱-	2-year term, subject for renewal; 4.25% interest-bearing; Unsecured
	2024	₱-	₱-	₱-	₱60,000,000	₱-	
Advances to	2025	-	8,069,612	-	-	-	On demand; Noninterest-bearing; Unsecured; Unimpaired
	2024	-	8,069,612	-	-	-	
Accrued interest (see Notes 13 and 17)	2025	2,585,417	-	24,984,801	-	-	On demand; Interest-bearing; Unsecured
	2024	2,592,500	-	22,399,384	-	-	
Advances from (see Note 19c)	2025	-	-	-	-	-	2 years; Noninterest bearing; Unsecured
	2024	44,028,002	-	-	-	(753,019,878)	
Stockholder							
NBS (see Note 19d)							
Advances to	2025	-	10,000,000	-	-	-	On demand; Noninterest-bearing; Unsecured; Unimpaired
	2024	-	10,000,000	-	-	-	
Abacus (see Note 19f)							
Advances to	2025	-	300,000,000	-	-	-	90-day term; 8% interest-bearing; Unsecured; Unimpaired
	2024	-	300,000,000	-	-	-	
Interest (see Notes 17 and 19f)	2025	24,333,333	-	61,000,000	-	-	On demand; - Interest-bearing; Unsecured
	2024	24,400,000	-	36,666,667	-	-	
Subsidiary							
VMC (see Note 19b)							
Advances to	2025	59,752	28,344,322	-	-	-	On demand; Noninterest-bearing; Unsecured; Unimpaired
	2024	57,047	28,284,570	-	-	-	
TVRI (see Note 19b)							
Advances to	2025	5,915,655	105,430,032	-	-	-	On demand; Noninterest-bearing; Unsecured; Unimpaired
	2024	12,662,467	99,514,377	-	-	-	
APPC (see Note 19b)							
Advances to	2025	100	35,354,340	-	-	-	On demand; Noninterest-bearing; Unsecured; Unimpaired
	2024	250	35,354,240	-	-	-	
Associate							
UPMC (see Note 19a)							
Advances to	2025	51,477,208	171,091,492	-	-	-	On demand; Noninterest-bearing; Unsecured; Unimpaired
	2024	16,200,000	119,614,284	-	-	-	

(Forward)



Category	Year	Transactions During the Year	Advances to Related Parties (see Note 5)	Accrued Interest Receivable (see Notes 5 and 13)	Long-term Note Receivable (see Note 13)	Due to a Related Party	Terms and Conditions
Affiliate							
VIMC (see Note 19e)							
Advances to	2025	₱-	₱3,178,882	₱-	₱-	₱-	On demand;
	2024	₱-	₱3,178,882	₱-	₱-	₱-	Noninterest-bearing; Unsecured; Unimpaired
	2025		₱661,468,680	₱85,984,801	₱60,000,000	₱-	
	2024		₱604,015,965	₱59,066,051	₱60,000,000	(₱753,019,878)	

- a. The Parent Company made advances to UPMC for additional working capital amounting to ₱51.5 million and ₱16.2 million in 2025 and 2024, respectively.
- b. Due from APPC, TVRI and VMC pertains to advances for working capital purposes.
- c. In 2017, the Parent Company received advances from Alakor amounting to ₱797.0 million to fund the acquisition of ACMDC shares due in 2019. The Parent Company secured a commitment from Alakor Corporation that the latter will not to demand payment until December 31, 2025 and December 31, 2024, respectively. The advances from Alakor is carried at amortized cost which amounted to nil and ₱753.0 million, net of discount, as at December 31, 2025 and 2024, respectively. This also resulted to a recognition of day 1 gain which amounted to nil and ₱45.6 million in 2025 and 2024, respectively. Accretion of discount on advances amounted to ₱44.0 million and ₱1.6 million in 2025 and 2024, respectively. As at December 31, 2024, advances from Alakor is presented under “Noncurrent Liabilities” account.

On December 4, 2025, Alakor entered into an assignment of receivable agreement with Romer Mercantile Inc. to assign, transfer and convey, in favor of the Romer Mercantile Inc., all its rights, title and interest over a certain receivable from the Parent Company. As at December 31, 2025, due to third party amounted to ₱797.0 million is presented under “Accounts Payable and Others” account (see Note 14).

- d. The Parent Company made advances to NBS for additional working capital.
- e. The Parent Company made advances to VIMC for additional working capital.
- f. On June 30, 2023, the Parent Company has extended its credit line of up to ₱300.0 million in favor of Abacus Book & Card Corporation (Abacus) at 90-day term at an interest rate of 8% per annum. The credit line is automatically extended for a period of one (1) year, and every year thereafter if the amount remains unpaid upon maturity. The credit line will provide short-term funding of the operations of National Book Store, Inc. (NBS) and Abacus.

Total interest earned amounted to ₱24.3 million and ₱24.4 million in 2025 and 2024, respectively (see Note 17). Accrued interest receivable as at December 31, 2025 and 2024 amounted to ₱61.0 million and ₱36.7 million, respectively (see Note 5).

All outstanding balances with related parties are expected to be settled in cash.



Compensation of Key Management Personnel

The compensation of the Parent Company's key management personnel by benefit type as follows:

	2025	2024
Short-term employee benefits	₱13,773,830	₱13,773,830
Post-employment pension benefits	220,925	186,580
	₱13,994,755	₱13,960,410

20. Retirement Benefits

The Parent Company has a funded, non-contributory defined retirement plan covering all its regular employees. The benefit is based on certain percentage of the member's final monthly salary and length of service with the Company. The retirement benefit plan obligation is determined using the projected unit credit method. There was no plan of termination or curtailment for the years ended December 31, 2025 and 2024.

Under the existing regulatory framework, Republic Act No. 7641, *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 following tables summarize the funded status and the amounts recognized in the statements of financial position, the components of net retirement benefit expense (income) recognized in statements of comprehensive income and the changes in the present value of the defined benefit obligation and the fair value of plan assets.

Changes in the defined benefit obligation and fair value of plan assets are as follows:

2025

	Defined Benefit Liability	Fair Value of Plan Asset	Effect of the Asset Ceiling	Net Defined Benefit Asset
Balances at beginning of year	₱18,239,836	(₱30,354,717)	₱4,169,734	(₱7,945,147)
Current service cost	707,168	-	-	707,168
Net interest	1,116,278	(1,857,709)	255,188	(486,243)
Pension cost (benefit) charged to profit or loss	1,823,446	(1,857,709)	269,391	220,925
Remeasurement loss - change in the effect of the asset ceiling	-	-	(660,800)	(660,800)
Remeasurement gain on plan assets (excluding amount included in net interest)	-	555,199	-	555,199
Remeasurement changes arising from changes in financial assumptions	115,164	-	-	115,164
Remeasurement changes arising from experience adjustments	(220,220)	-	-	(220,220)
Pension cost (benefit) charged to OCI	(105,056)	555,199	(660,800)	(210,657)
Balances at end of year	₱19,958,226	(₱31,657,227)	₱3,764,122	(₱7,934,879)



2024

	Defined Benefit Liability	Fair Value of Plan Asset	Effect of the Asset Ceiling	Net Defined Benefit Asset
Balances at beginning of year	₱16,522,713	(₱29,102,595)	₱4,489,850	(₱8,090,032)
Current service cost	671,982	–	–	671,982
Net interest	991,363	(1,746,156)	269,391	(485,402)
Pension cost (benefit) charged to profit or loss	1,663,345	(1,746,156)	269,391	186,580
Remeasurement loss - change in the effect of the asset ceiling	–	–	(589,507)	(589,507)
Remeasurement loss on plan assets (excluding amount included in net interest)	–	494,034	–	494,034
Remeasurement changes arising from changes in financial assumptions	(59,983)	–	–	(59,983)
Remeasurement changes arising from experience adjustments	886,416	–	–	886,416
Pension cost (benefit) charged to OCI	826,433	494,034	(589,507)	730,960
Benefits paid directly from book reserve	(772,655)	–	–	(772,655)
Balances at end of year	₱18,239,836	(₱30,354,717)	₱4,169,734	(₱7,945,147)

The assets of the Plan are being held by Sun Life Financial Plans, Inc. The investing decisions of the Plan are made by certain officers of the Parent Company duly authorized by the BOD.

The Plan is composed of 100% insurance as at December 31, 2025 and 2024. The Retirement Trust Fund assets are valued by the fund manager at fair value using the mark-to-market valuation.

The principal assumptions used to determine retirement benefit plan obligation are as follows:

	2025	2024
Discount rates	5.83%	6.12%
Wage and salary increases	5.00%	5.00%
Average expected future service years of active plan members	27.2	25.2

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	Increase (decrease)	2025	2024
Discount rates	+100 basis points	(₱386,311)	(₱477,567)
	-100 basis points	418,458	518,973
Salary increase rates	+100 basis points	417,761	519,585
	-100 basis points	(392,845)	(486,907)

The Parent Company does not expect to contribute to the defined benefit pension plan in 2026.



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

	2025	2024
One year to five years	₱20,096,233	₱19,942,747
More than five years	227,825	166,807
	₱20,324,058	₱20,109,554

The average duration of the defined benefit obligation as at December 31, 2025 and 2024 is 2.0 years and 2.7 years, respectively.

21. Income Taxes

The provision for current income tax in 2025 and 2024 represents RCIT. The Parent Company availed the itemized deductions both in 2025 and 2024.

The reconciliation between the provision for income tax computed at the statutory income tax rates and the provisions for income tax as shown at the effective income tax rates in the Parent Company statements of comprehensive income as follows:

	2025	2024
Provision for (benefit from) income tax at statutory rate	(₱14,227,359)	₱11,947,907
Adjustments to income tax resulting from:		
Day 1 gain	(30,940,338)	(49,077,067)
Accretion of discount	46,300,934	42,918,550
Non-deductible expenses	2,295,300	2,344,635
Fair value changes of financial assets at FVTPL	1,845,698	(3,164,605)
Dividend income exempt from tax	(1,274,981)	(1,448,622)
Change in temporary differences, NOLCO and MCIT	(738,485)	10,766,726
Gain on sale of financial asset at FVTPL	(672,848)	-
Interest income subjected to final tax	(478,936)	(1,020,975)
	₱2,108,985	₱13,266,549

As of December 31, 2025, the Parent Company recognized a deferred tax liability of ₱52,664 arising from remeasurement gains on defined benefit plan recognized in other comprehensive income. As of December 31, 2024, there were no related deferred tax assets or liabilities.

The Parent Company did not recognize deferred income tax asset arising from the deductible temporary difference related to the allowance for impairment loss on deferred exploration costs amounting to ₱84.0 million, as management believes that it is not probable that sufficient future taxable profit will be available against which the deductible temporary difference can be utilized.



As at December 31, 2025 and 2024, the Parent Company has accumulated NOLCO and excess MCIT over RCIT that can be carried forward and applied against the future taxable income and income tax due, respectively, as follows:

NOLCO

As of December 31, 2025 and 2024, the Parent Company has no outstanding net operating loss carry-over (NOLCO). NOLCO amounting to ₱3.8 million incurred in 2022, with an availment period from 2023 to 2025, was fully applied in 2024.

MCIT

As of December 31, 2025, the Parent Company has no unused tax credits from excess of MCIT over RCIT.

2024							
Year Incurred	Availment Period	As at January 1, 2024	Additions	Applied	Expired	December 31, 2024	As at December 31, 2024
2023	2024-2026	₱1,134,535	₱-	(₱1,134,535)	₱-		₱-
2022	2022-2024	172,353	-	(172,353)	-		-
2021	2022-2024	503,745	-	(503,745)	-		-
		₱1,810,633	₱-	(₱1,810,633)	₱-		₱-

22. Financial Risk Management and Capital Management

The Parent Company's main financial instruments are cash and cash equivalents, receivables, long-term note receivable, financial assets at FVTPL, financial assets at FVOCI and due to related parties. The main purpose of these financial instruments is to raise funds and maintain continuity of funding and financial flexibility for the Parent Company. The Parent Company has various other financial assets and liabilities such as accounts payable and others (excluding statutory payables) and subscription payable which arise directly from its operations and investing activities.

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

The Parent Company has exposure to liquidity risk, credit risk, foreign currency risk and equity price risk from the use of its financial instruments. The Board reviews and approves the policies for managing each of these risks and they are summarized below.

Liquidity Risk

Liquidity risk is the risk that the Parent Company will not be able to meet its financial obligations as they fall due. The Parent Company's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Parent Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely



monitors the Parent Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.

The Parent Company's financial assets used for liquidity management are its cash and cash equivalents, receivables and financial assets at FVTPL.

As at December 31, 2025 and 2024, the Parent Company's cash and cash equivalents may be withdrawn anytime, while its financial assets at FVTPL are traded in the stock exchange and may be converted to cash by selling them during the normal trading hours on any business day.

The following tables summarize the Parent Company's financial assets that can be used to manage its liquidity risk and the maturity profile of the Parent Company's financial liabilities based on contractual undiscounted payments as at December 31 (including interest as applicable):

2025

	Contractual Undiscounted Payments				Total
	On Demand	Less than 1 year	1 to 2 Years	More than 2 Years	
Financial Assets at Amortized Cost					
Cash and cash equivalents	₱9,256,183	₱-	₱-	₱-	₱9,256,183
Receivables	-	788,196,604	-	-	788,196,604
Notes receivable	-	-	60,000,000	-	60,000,000
Financial assets at FVTPL	88,450,810	-	-	-	88,450,810
Financial assets at FVOCI	-	-	-	521,260	521,260
	97,706,993	788,196,604	60,000,000	521,260	946,424,857
Financial Liabilities					
Accounts payable and accrued expenses*	₱81,141,345	₱797,047,880	₱-	₱89,419,422	₱967,608,647
Subscription payable	-	2,323,666	2,778,487,710	-	2,780,811,376
	81,141,345	799,371,546	2,778,487,710	89,419,422	3,748,420,023
Net Financial Assets (Liabilities)	₱16,565,648	(₱11,174,942)	(₱2,718,487,710)	(₱88,898,162)	(₱2,801,995,166)

* Excluding statutory payables

2024

	Contractual Undiscounted Payments				Total
	On Demand	Less than 1 year	1 to 2 Years	More than 2 Years	
Financial Assets at Amortized Cost					
Cash and cash equivalents	₱82,642,934	₱-	₱-	₱-	₱82,642,934
Receivables	-	750,534,613	-	-	750,534,613
Notes receivable	-	-	60,000,000	-	60,000,000
Financial assets at FVTPL	76,267,300	-	-	-	76,267,300
Financial assets at FVOCI	-	-	-	521,260	521,260
	158,910,234	750,534,613	60,000,000	521,260	969,966,107
Financial Liabilities					
Accounts payable and accrued expenses*	₱95,802,842	₱-	₱-	₱89,419,422	₱185,222,264
Subscription payable	-	2,323,666	2,778,487,710	-	2,780,811,376
Due to a related party	-	-	797,047,880	-	797,047,880
	95,802,842	2,323,666	3,575,535,590	89,419,422	3,763,081,520
Net Financial Assets (Liabilities)	₱63,107,392	₱748,210,947	(₱3,515,535,590)	(₱88,898,162)	(₱2,793,115,413)

* Excluding statutory payables

Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Parent Company is exposed to credit risk from its operating activities primarily from cash and cash equivalents and receivables.

The Parent Company ensures that its financial assets are considered high grade by transacting only with top banks in the Philippines and maintaining good relationships with related parties, key employees and debtors who are highly reputable and with good credit standing.



Customer credit risk is managed through the Parent Company's established policy, procedures and control relating to customer risk management including credit review and analysis of receivables on a continuous basis.

With respect to credit risk arising from cash and cash equivalents, receivables and long-term note receivable, the Parent Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Since the Parent Company trades only with recognized third parties, there is no requirement for collateral.

The maximum exposure to credit risk amounted to ₱857.4 million and ₱893.2 million as at December 31, 2025 and 2024, respectively.

There are no significant concentrations of credit risk within the Parent Company.

The Parent Company writes-off a financial asset, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. The Parent Company writes off an account when all of the following conditions are met:

- the asset is in past due for over 90 days, or is already an item-for-forfeiture
- contract restructuring is no longer possible

The Parent Company may also write-off financial assets that are still subject to enforcement activity. The Parent Company has not written off outstanding loans and receivables that are still subject to enforcement activity as at December 31, 2025 and 2024.

The following are the details of the Parent Company's assessment of credit quality and the related ECLs as at December 31, 2025 and 2024:

General approach

- *Cash and cash equivalents* – As at December 31, 2025 and 2024, the ECL relating to the cash and cash equivalents of the Parent Company is minimal as these are deposited in reputable banks which have good bank standing and is considered to have low credit risk.
- *Receivables and long-term note receivable* – No ECL is recognized for these receivables since there were no history of default payments. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

	2025				Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	
High grade	₱9,246,183	₱–	₱–	₱–	₱9,246,183
Medium grade	848,196,604	–	–	–	848,196,604
Gross carrying amount	857,442,787	–	–	–	857,442,787
Less allowance	–	–	–	–	–
Carrying amount	₱857,442,787	₱–	₱–	₱–	₱857,442,787



	2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
High grade	₱82,632,934	₱-	₱-	₱-	₱82,632,934
Medium grade	810,534,613	-	-	-	810,534,613
Gross carrying amount	893,167,547	-	-	-	893,167,547
Less allowance	-	-	-	-	-
Carrying amount	₱893,167,547	₱-	₱-	₱-	₱893,167,547

The credit quality of financial assets is managed by the Parent Company using high, medium and low grades as internal credit ratings.

High grade - pertains to counterparty who is not expected by the Parent Company to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and government agencies.

Medium and low grades - other financial assets not belonging to high grade financial assets are included in either of these categories.

The Parent Company has assessed the credit quality of the following financial assets that are neither past due nor impaired:

- Cash and cash equivalents are classified as high grade since these are deposited with reputable banks.
- Receivables are classified medium grade since these are receivables from related parties taking into account the related parties' financial standing and ability to pay.
- Long-term note receivable is classified as medium grade since these belong to companies which have good financial conditions and operate in an industry which has potential growth.

The Parent Company's maximum exposure to credit risk is equal to the aggregate carrying amount of its financial assets.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and other market variables which will adversely affect the Parent Company's total comprehensive income or value of its financial instruments. The objective of the Parent Company's market risk management is to manage and control market risk exposures within acceptable parameters. The exposures to specific market risks are as follows:

Foreign Exchange Risk

The Parent Company uses the Philippine peso as its functional currency and is therefore exposed to foreign exchange movements, primarily in U.S. dollar currency. The Parent Company follows a policy to manage its foreign exchange risk by closely monitoring its cash flow position and by providing forecast on all other exposures in non-peso currencies.



Information on the Parent Company's US\$-denominated monetary assets and their ₱ equivalent are as follows:

	2025		2024	
	US\$	₱	US\$	₱
Financial asset:				
Cash in banks	\$52,419	₱3,032,299	\$263,170	₱15,223,058

The following table demonstrates the sensitivity to a reasonably possible change in Philippine ₱/\$, with all other variables held constant, of the Parent Company's loss before income tax. There is no other impact on the Parent Company's equity other than those affecting the Parent Company statements of comprehensive income.

	Change in Peso/US\$ exchange rate	
	US\$ strengthens by 5%	US\$ weakens by 5%
Increase (decrease) in loss before income tax and in equity		
2025	(₱151,615)	₱151,615
2024	(₱761,153)	₱761,153

As at December 31, 2025 and 2024, the exchange rate of the Philippine peso to the US\$ is ₱58.75.

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of the listed shares. The equity price risk exposure arises from the Parent Company's investment in financial assets at FVTPL and quoted financial assets at FVOCI. The Parent Company manages the equity price risk through diversification and by placing limits on individual and total equity instrument.

The effects on equity and income before income tax, (as a result of a change in the fair value of financial assets at FVOCI and financial assets at FVTPL, respectively, at December 31, 2025 and 2024 due to a reasonably possible change in close market prices, with all other variables held constant), are as follows:

	Change in fair market value	
	Increase in market indices by 5%	Decrease in market indices by 5%
Increase (decrease) in income/loss before income tax and in equity:		
Financial Assets at FVTPL		
2025	(₱4,422,541)	₱4,422,541
2024	(₱3,813,365)	₱3,813,365
Financial Assets at FVOCI		
2025	(26,063)	26,063
2024	(26,063)	26,063

The impact on the Parent Company's equity already excludes the impact on transactions affecting the parent company statements of comprehensive income.



Capital Management

The Parent Company's objectives when managing capital is to maintain a capital structure that provides a balance between the risk associated with higher level of borrowings and the advantages and security of a sound capital position.

The BOD has overall responsibility in monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Parent Company's external environment and the risks underlying the Parent Company's business operations and industry.

The Parent Company monitors capital on the basis of the debt-equity ratio which is calculated as total debt divided by total equity. Total debt is equivalent to accounts payable and others, income tax payable, long-term debt, pension liability and deferred tax liability. Total equity comprises all components of equity including capital stock, additional paid-in capital, net unrealized valuation gain on financial assets at FVOCI and retained earnings, reduced by treasury shares.

There were no changes in the Parent Company's approach to capital management in 2025 and 2024. The Parent Company is also not subject to any externally-imposed capital requirements.

The debt-to-equity ratio as at December 31, 2025 and 2024 is as follows:

	2025	2024
Total liabilities	₱3,636,100,417	₱3,589,354,445
Total equity	5,751,664,316	5,810,524,742
Debt-to-equity ratio	0.63	0.62

The Parent Company considers its equity amounting to ₱5.8 billion as of December 31, 2025 and 2024 as its core capital.

23. **Basic and Diluted Earnings (Loss) Per Share**

Basic earnings per share is calculated by dividing the net income for the year divided by the weighted average number of common shares outstanding during the year (adjusted for any stock dividends).

Basic and diluted earnings per share are computed as follows:

	2025	2024
Net income (loss)	(₱59,018,419)	₱34,525,079
Weighted average number of common shares	3,013,186,174	3,013,186,174
Basic and diluted earnings (loss) per share	(₱0.020)	₱0.011

The resulting per share amounts is the same for both basic and diluted earnings per share in 2025 and 2024 since the Parent Company does not have any debt or equity securities that will potentially cause an earnings per share dilution.



24. Fair Value Measurement

Fair Values of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash and Cash Equivalents, Receivables, Accounts Payable and Others, and Due to a Related Party

The carrying amount of cash and cash equivalents, receivables, accounts payable and accrued expenses and due to related parties approximate their fair values due to their short-term maturities.

Long-term Note Receivable

The fair value of long-term note receivable is determined based on Level 3 inputs using the present value of future cash flows discounted using current rates available for note with the same profile as at reporting date. The fair value of long-term note receivable as at December 31, 2025 and 2024 amounted to ₱60.0 million. Discount rates used ranged from 4.69% to 5.04% and 5.71% to 6.18% in 2025 and 2024. The carrying amount of long-term note receivable amounted to ₱60.0 million as at December 31, 2025 and 2024.

Financial Assets at FVTPL and Financial Assets at FVOCI

The fair values of publicly traded instruments and similar investments are determined based on Level 1 inputs using the quoted closing market prices at the end of the reporting period. Fair value of unquoted equity shares is determined based on Level 2 inputs using adjusted net value asset approach.

For the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of the Level 3 measurements.

Subscription Payable

The fair value of subscription payable is determined based on Level 3 inputs using the present value of future cash flows discounted using current rates available for note with the same profile as at reporting date. The fair value of subscription payable as at December 31, 2025 and 2024 amounted to ₱2,918.8 million and ₱2,936.0 million, respectively. Discount rates used ranged from 4.62% to 5.04% in 2025 and 5.45% to 5.74% in 2024. The carrying amount of subscription payable amounted ₱2,666.4 million and ₱2,649.0 million as at December 31, 2025 and 2024, respectively.

25. Supplementary Tax Information Required Under Revenue Regulations (RR) 15-2010

In compliance with the requirements set forth by Revenue Regulations 15-2010, the Parent Company reported and paid the following types of taxes for the year ended December 31, 2025:

VAT

Output VAT

The Parent Company is a VAT-registered entity with net sales/receipts and output VAT declared in the VAT returns filed for the year ended December 31, 2025 as follows:

	Net Sales/ Receipts	Output VAT
Vatable sales/receipt	₱13,210,934	₱1,585,312



Input VAT

Balance at beginning of year	₱-
Domestic purchases of services	567,184
<u>Total</u>	<u>₱567,184</u>

Withholding Taxes

The below summarizes the total withholding taxes paid or accrued by the Parent Company:

Withholding taxes on compensation and benefits	₱3,243,429
Expanded withholding taxes	469,386
<u>Total</u>	<u>₱3,712,815</u>

Other Taxes and Licenses

Taxes and licenses, local and national, include real property taxes, licenses and permit fees as follows:

Business permits, licenses, fees and others	₱238,576
Documentary stamp taxes	162,455
Penalties and surcharges	502,771
<u>Total</u>	<u>₱903,802</u>

Tax Assessments and Cases

The Parent Company has not received any final assessment notice from the BIR and has no pending tax cases under preliminary investigation, litigation, and/or prosecution in courts or bodies outside of the BIR as at December 31, 2025.



**INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF RECONCILIATION
OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION**

The Board of Directors and the Stockholders
Anglo Philippine Holdings Corporation
Quad Alpha Centrum
125 Pioneer St. Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Anglo Philippine Holdings Corporation (the Parent Company), as at and for the years ended December 31, 2025 and 2024, and have issued our report thereon dated April 23, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic financial statements. This has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go

Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

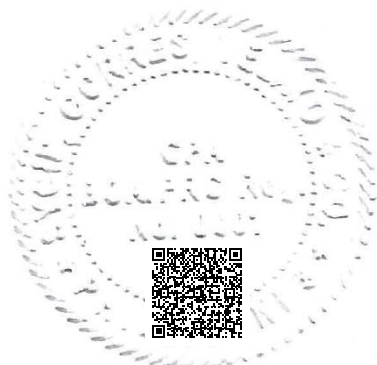
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

April 23, 2026



ANGLO PHILIPPINE HOLDINGS CORPORATION
SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2025

	Amount
Unappropriated Retained Earnings, beginning of reporting period	₱1,251,151,606
Add: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	₱—
Effect of restatement or prior-period adjustments	—
Others: Deferred income tax asset	—
<hr/>	
Less: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	—
Retained Earnings appropriated during the period	—
Effect of restatements or prior-period adjustments	—
Others: Treasury shares	27,566,075
Others: Deferred income tax asset	—
<hr/>	
Unappropriated Retained Earnings, as adjusted	1,223,585,531
Add: Net income actually earned/realized during the period	(59,018,419)
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/ joint venture, net of dividends declared	—
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Unrealized fair value gain of Investment Property	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—
Sub-total	—
<hr/>	
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Realized fair value gain of Investment Property	—
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—
Sub-total	—
<hr/>	

(Forward)

	Amount
Add: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	P-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of Investment Property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-
Sub-total	<u>P-</u>
Adjusted Net Income	(59,018,419)
Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	-
Depreciation on revaluation increment (after tax)	-
Others: Deferred income tax assets that increased the amount of provision for income tax	-
Sub-total	<u>-</u>
Add/Less: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others	-
Sub-total	<u>-</u>
Add/Less: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/ GAAP - gain (loss)	-
Others	-
Sub-total	<u>-</u>
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND DECLARATION	<u><u>₱1,164,567,112</u></u>

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	ANGLO PHILIPPINE HOLDINGS CORPORATION (APO)
Location of Headquarters	6 TH Floor Quad Alpha Centrum 125 Pioneer St. Mandaluyong City
Location of Operations	Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	This Sustainability Report covers the operations of Anglo Philippine Holdings Corporation
Business Model, including Primary Activities, Brands, Products, and Services	The Company is an investment holding firm focused on, and maintaining investments in, natural resources, property development and infrastructure. The Company also maintains minor investments in diversified pioneer projects with attractive economic returns.
Reporting Period	January 1 to December 31, 2025
Highest Ranking Person responsible for this report	Adrian Paulino S. Ramos - President

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
<p>APO, as a holding Company, with its avowed vision/mission of “Helping Build the Filipino Future”, focuses its investments in natural resources, property development and infrastructure projects. This report covers its operations as an investment company.</p> <p>In preparing this report, APO assesses its objective and target goals not only as an organization but also as a company responsible to its stakeholders. Identifying the issues helps APO assess its risk exposures which allows it, in turn, to look for or create new or better opportunities. These opportunities likewise allow APO to align its efforts in adhering to best practices in the local business industry but also to hold itself capable of adhering to international standards. Material topics were discussed and assessed with the guidance of the Board of Directors and APO’s key executive officers.</p>

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.

APO, as a holding Company, with its avowed vision/mission of “Helping Build the Filipino Future”, focuses its investments in natural resources, property development and infrastructure projects. This report covers its operations as an investment company.

In preparing this report, APO assesses its objective and target goals not only as an organization but also as a company responsible to its stakeholders. Identifying the issues helps APO assess its risk exposures which allows it, in turn, to look for or create new or better opportunities. These opportunities likewise allow APO to align its efforts in adhering to best practices in the local business industry but also to hold itself capable of adhering to international standards. Material topics were discussed and assessed with the guidance of the Board of Directors and APO’s key executive officers.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount
Direct economic value generated (revenue)	55,771,873
Direct economic value distributed:	
a. Operating costs	24,362,696
b. Employee wages and benefits	21,740,645
c. Payments to suppliers, other operating costs	300966
d. Dividends given to stockholders and interest payments to loan providers	-
e. Taxes given to government	912,215
f. Investments to community (e.g. donations, CSR)	0

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>APO generally participates in natural resources, infrastructure and property development projects as a pure equity holder without involving itself directly in the operations of the venture beyond the level of the board of directors or operating committees.</p>	<p>Employees Stockholders Suppliers</p>	<p>APO invests only in projects that yield or would yield a return on investment consistent with the economic thresholds set by the Company which are, in turn, based on accepted investment grade standards set by the international business community.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Since APO generates its revenues and income from its investments by way of (a) dividends received from, and/or equitizable share in the earnings of, investee companies; and, (b) sale of investments or of the securities to which the investment may have been converted, including interest income earned by such securities, an economic downturn that will negatively affect the operations of its investee Company will affect the Company's ability to generate income.</p>	<p>Employees Stockholders</p>	<p>APO will continue to take advantage of new business opportunities that may emerge in other investment areas which provide synergies with the Company's investment portfolio.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>With the re-opening of most businesses after the COVID 19 pandemic, the Company is re-evaluating emerging opportunities, particularly in the renewable energy sector.</p>	<p>Employees Stockholders</p>	<p>APO will continue to take advantage of new business opportunities that may emerge in other investment areas which provide synergies with the Company's investment portfolio.</p>

Climate-related risks and opportunities¹

Climate-related risks and opportunities²

Governance	Strategy	Risk Management	Metrics and Targets
APO, as a holding Company is not directly at risk of climate-related threats. The Board of directors is tasked to primarily manage the overall risks and opportunities by establishing the Board Risk Oversight Committee (BROC).	The actual and potential impacts of climate-related risks and opportunities on the APO 's businesses, strategy, and financial planning are not material.	APO has no material climate related risks.	At present the Company has no formal climate-related risk strategies and metrics. Nonetheless, the Company will consider adopting a formal enterprise risk management program should the need arise.
Recommended Disclosures			
a) Not applicable	a) Not applicable	a) Not applicable	a) Not applicable
b) Not applicable	b) Not applicable	b) Not applicable	b) Not applicable
	c) Not applicable	c) Not applicable	

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	N/A	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Since APO is a holding company and its primary business is investing, it does not directly utilize raw materials nor does it procure much supplies, except office supplies.	The effect on shareholders is not material.	Management applies conventional business measures in monitoring and procuring supplies.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Potential fraud and corruption	Stockholders	APO commits itself to strictly monitor procurement practices.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Procurement costs will be reduced.	Stockholders Employees	APO commits itself to strictly monitor procurement practices.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	0	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APO Board of Directors sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct and Ethics.	Employees Suppliers Stockholders Government	APO management ensures that the Company's Code of Conduct and Ethics is strictly followed.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Employees may be tempted to do corrupt practices if left unsupervised.	Employees Suppliers Stockholders Government	Management promotes the Company's values and culture so that all its employees will act in accordance with this policy.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
APO is geared toward business growth in the future and having its Code of Conduct and Ethics will mean that its employees will abide by the law.	Employees Suppliers Stockholders Government	APO management ensures that the Company's Code of Conduct and Ethics is strictly followed.

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APO will not tolerate corrupt acts and will implement disciplinary actions against employees violating the Company's Code of Conduct and Ethics.	Employees Suppliers Government	APO management ensures that the Company's Code of Conduct and Ethics is strictly followed.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Employees may be tempted to do corrupt practices if left unsupervised.	Employees Suppliers Stockholders Government	APO management ensures that Company's code of conduct and ethics are strictly followed.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
APO geared toward business growth in the future and having its code of conduct and ethics will mean that its employees will abide by the law.	Employees Suppliers Stockholders Government	APO management ensures that the Company's Code of Conduct and Ethics is strictly followed.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	Not material	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	31,359	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ
Energy reduction (diesel)	0	GJ
Energy reduction (electricity)	0	kWh
Energy reduction (gasoline)	0	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APO consumes electricity for office use where administrative functions are performed. Efficient use of electricity is always communicated to its employees.	Employee Stockholders Provider of Utility Government	APO commits itself to find ways to minimize electricity consumption to reduce the Company's costs.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Except for routine power saving measures, APO has no formal energy reduction program.	Employees Stockholders	APO management is committed to educate its employees on the benefits of reduction of energy consumption.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Measures to save on energy cost will result to reduced company expenses.	Employees	Management will continue to find ways to minimize energy consumption.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	199	Cubic meters
Water recycled and reused	0	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Since APO's water consumption is merely for employee's personal use while inside office premises and keeping the office clean, the efficient way to conserve water consumption is communicated to all employees.	Employee Stockholders Provider of Utility Government	APO commits itself to find ways to minimize electricity consumption to reduce the Company's costs.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
If not given the proper instructions, employees may consume water inefficiently.	Employee Stockholders Provider of Utility Government	APO management is committed to educate its employees on the benefits of reduced water consumption.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
APO as an investment Company may consider venturing into water-related business opportunities in the future.	Employee Stockholders Government Community	APO invests only in projects that yield or would yield a return on investment consistent with the economic thresholds set by the Company which are, in turn, based on accepted investment grade standards set by the international business community.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume	N/A	
• renewable	*	kg/liters
• non-renewable	*	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	*	%

*These do not apply as the Company is not in the manufacturing business.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APO is not involved in manufacturing, and therefore has no raw materials, but the Company understands its responsibility to ensure that it does its part to protect the environment.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
APO has not identified any significant risks with respect to this matter.	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
APO purchases recycled materials for office use whenever available.	Not applicable	Not applicable

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	0	
Habitats protected or restored	0	ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	0	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APO's office is located in business district areas and is not located or near any protected areas. Also, the Company does not lease nor own any facility or property near protected areas.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No significant risk Identified for this matter.	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No significant opportunities identified for this matter.	Not applicable	Not applicable

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APO is not a manufacturing business and its operation does not result to much direct material environmental impact.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No significant risks identified for this matter.	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No significant opportunities identified for this matter.	Not applicable	Not applicable

Air pollutants

Disclosure	Quantity	Units
NO _x	0	kg
SO _x	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APO is not a manufacturing business and its operation does not result to much direct material environmental impact.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No significant risks identified for this matter.	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No significant opportunities identified for this matter.	Not applicable	Not applicable

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	N/A	kg
Reusable		kg
Recyclable		kg
Composted		kg
Incinerated		kg
Residuals/Landfilled		kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APO is not a manufacturing business and its operation does not result to much direct material environmental impact.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No significant risks identified at this for this matter.	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No significant opportunities identified for this matter.	Not applicable	Not applicable

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	N/A	kg
Total weight of hazardous waste transported		kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APO is not a manufacturing business and its operation does not result to much direct material environmental impact.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No significant risks identified for this matter.	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No significant opportunities identified for this matter.	Not applicable	Not applicable

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	N/A	Cubic meters
Percent of wastewater recycled		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APO is not a manufacturing business and its operation does not result to much direct material environmental impact.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No significant risks identified for this matter.	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No significant opportunities identified for this matter.	Not applicable	Not applicable

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APO as an investment company has not violated any environmental laws and regulations	Employees Stockholders	APO management will always support the government in implementing environmental laws and regulations.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Violation of environmental laws will mean additional expenses to the company.	Employees Stockholders Community	APO management will always support the government in implementing environmental laws and regulations.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
APO's awareness to abide with the environmental laws and regulations imposed by the government will contribute to a well-protected environment.	Employees Stockholders Community	APO management will always support the government in implementing environmental laws and regulations.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees		
a. Number of female employees (including Officer)	6	#
b. Number of male employees (including officer)	8	#
Attrition rate	0	Rate
Ratio of lowest paid employee against minimum wage	0	Ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	100%	100%
PhilHealth	Y	100%	100%
Pag-ibig	Y	100%	100%
Parental leaves	N	Not Applicable	Not Applicable
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	100%
Medical benefits (aside from PhilHealth))	Y	100%	100%
Housing assistance (aside from Pag-ibig)	N	Not Applicable	Not applicable
Retirement fund (aside from SSS)	Y	0%	0%
Further education support (for child)	Y	67%	50%
Company stock options	N	Not Applicable	Not Applicable
Telecommuting	N	Not Applicable	Not Applicable
Flexible-working Hours	Y	100%	100%
(Others)	N	Not Applicable	Not Applicable

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
APO ensures that employees are taken care of with regards to their benefits, thereby, resulting to a high morale on employees and minimal attrition rate.	APO management follows its policies and guidelines in giving benefits to its employees. APO ensures to abide by the guidelines set by the regulatory body in terms of regular contributions and remittances, i.e. SSS, Pag-big and PhilHealth.
What are the Risk/s Identified?	Management Approach
The proximity of residence may affect the performance and attendance of employees.	APO considers flexible working hours for its employees.
What are the Opportunity/ies Identified?	Management Approach
APO interacts with its employees which give an opportunity for management to understand the needs of each employee and how to properly address them.	APO management also encourages employees to make suggestions and explores these ideas to see if they can be applied.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	0	hours
b. Male employees	0	hours
Average training hours provided to employees		
a. Female employees	0	hours/employee
b. Male employees	0	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Directors and Officers are encouraged to attend trainings and information campaign seminars on new laws/regulations being implemented that impacts on the Company's business and operations.	The attendance in seminars, conventions, or trainings by directors, officers and employees may be fully or partially subsidized by the Company depending on the nature of the convention, seminar or training. Full subsidy shall be extended when the nature of the convention, seminar or training is directly related to the function of the attending director, officer or employee in the Company. Partial subsidy may be extended when the nature of the convention, seminar or training is not directly related to the function of the attending director, officer or employee in the Company, but is geared towards the personal growth and development of the attending director, officer or employee. The percentage of the subsidy shall depend on the President's discretion. Subject to scheduling arrangements, all regular employees shall be entitled to attend in-house seminar or training organized by the Company.
What are the Risk/s Identified?	Management Approach
No significant risks identified for this matter.	APO management arranges and schedules trainings and seminar to ensure maximum attendance.

What are the Opportunity/ies Identified?	Management Approach
APO sends off its directors and officers to seminars and trainings in order for them to keep abreast with the current trends, laws and regulations, more particularly in the field of corporate governance.	APO management arranges and scheduled trainings and seminars to ensure maximum attendance.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies*	-	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
APO has no employees covered by CBA. The Company has no formal data on this. Direct consultations are done to the concerned employee regarding employee-related policies when the need arises.	APO management is open to hearing grievances of employees and will conduct consultations if needed to address the issues.
What are the Risk/s Identified?	Management Approach
No significant risk Identified for this matter.	APO management is open to hearing grievances of employees and will conduct consultations if needed to address the issues.
What are the Opportunity/ies Identified?	Management Approach
APO management always seeks to listen to employees' grievances, giving the company an opportunity to strengthen its relationship with its employees.	APO management is open to hearing grievances of employees and will conduct consultations, if needed, to address the issues.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	40%	%
% of male workers in the workforce	60%	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
APO ensures fair treatment of its employees regardless of gender and status in life.	APO management frowns upon discrimination within the organization.
What are the Risk/s Identified?	Management Approach
No significant risks identified for this matter.	APO management frowns upon discrimination within the organization.
What are the Opportunity/ies Identified?	Management Approach
APO gives equal opportunity to its employees.	APO management frowns upon discrimination within the organization.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	2096	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills*	1	#

*The building administrator administered fire drill once a year.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>Since APO is an investment Company, work-related hazards are very minimal.</p>	<p>APO has tasked its Admin personnel to administer first aid treatment to those who are injured during working hours, if any. Work areas are routinely checked and items deemed to be hazardous or with a potential to cause injury are immediately removed. The Company likewise is in close coordination with the building administration office to ensure that any building-related concern which will affect the health and safety of the personnel are immediately addressed.</p>
What are the Risk/s Identified?	Management Approach
<p>APO identifies the risk of the spread of the disease COVID19 which affects our country and even the whole world.</p>	<p>APO management complies with the protocols recommended by the World Health Organization (WHO), such as the more frequent disinfection and sanitation of its office spaces, conduct of temperature checks, and making alcohols and masks available for its employees. To reduce potential exposure of both its employees, no visitors shall be allowed to enter the Company's premises. Also, Company instituted its business continuity protocols which allowed most employees to work remotely, and the implementation of a skeletal staff and rotational staff system.</p>
What are the Opportunity/ies Identified?	Management Approach
<p>APO is open for an opportunity of discovering new and improved ways to fight this COVID 19 pandemic.</p>	<p>APO management complies with the protocols recommended by the World Health Organization (WHO), such as the more frequent disinfection and sanitation of its office spaces, conduct of temperature checks, and making alcohols and masks available for its employees. To reduce potential exposure of both its employees, no visitors shall be allowed to enter the Company's premises. Also, Company instituted its business continuity protocols which allowed most employees to work remotely, and the implementation of a skeletal staff and rotational staff system.</p>

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	-
Child labor	N	-
Human Rights	Y	APO has a Company Manual which states the procedure and guidelines for every employee. Also, it abides with the Philippine Constitution and Labor Laws to protect the rights of the employees.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
APO gives great value to human rights and labor laws, and any violation of these will directly impact its employees. Because of that, the company has low turnover.	APO management ensures compliance with all applicable laws and regulations, including human rights and labor laws. Furthermore, the Company ensures that there are open lines of communication between its personnel and management, to ensure that the personnel's critical needs are addressed.
What are the Risk/s Identified?	Management Approach
Employees may be treated negatively by third parties.	Management shall strive to eliminate any foreseeable threats that may result to personal injuries and bullying of our employees.
What are the Opportunity/ies Identified?	Management Approach
APO shall provide and maintain a safe and healthful work environment that complies with generally accepted business practices and regulatory requirements. The improvement of its employees' health and the prevention of accidents shall be the bedrock of its health and safety management system.	Management shall ensure that the health of its employee's is adequately protected and that they are provided with financial assistance when they get sick or injured.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:
APO, as an investment company primarily purchase office supplies which do not require accreditation.

Do you consider the following sustainability topics when accrediting suppliers? **Not applicable**

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance		
Forced labor		
Child labor		
Human rights		
Bribery and corruption		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	Not applicable
What are the Risk/s Identified?	Management Approach
Not applicable	Not applicable
What are the Opportunity/ies Identified?	Management Approach
Not applicable	Not applicable

Relationship with Community

Significant Impacts on Local Communities (Not applicable)

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable) *	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)

*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: Not applicable

Certificates	Quantity	Units
FPIC process is still undergoing		#
CP secured		#

What are the Risk/s Identified?	Management Approach
Not applicable	Not applicable
What are the Opportunity/ies Identified?	Management Approach
Not applicable	Not applicable

Customer Management

Customer Satisfaction – Not applicable. The Company has no customers.

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	Not applicable
What are the Risk/s Identified?	Management Approach
Not applicable	Not applicable
What are the Opportunity/ies Identified?	Management Approach
Not applicable	Not applicable

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*		#
No. of complaints addressed		#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

***APO is not engaged in production of any consumer product.**

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	Not applicable
What are the Risk/s Identified?	Management Approach
Not applicable	Not applicable
What are the Opportunity/ies Identified?	Management Approach
Not applicable	Not applicable

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*		#
No. of complaints addressed		#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

***APO is not engaged in production of any consumer product.**

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	Not applicable
What are the Risk/s Identified?	Management Approach
Not applicable	Not applicable
What are the Opportunity/ies Identified?	Management Approach
Not applicable	Not applicable

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*		#
No. of complaints addressed		#
No. of customers, users and account holders whose information is used for secondary purposes		#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

***APO is not engaged in production of any consumer product.**

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	Not applicable
What are the Risk/s Identified?	Management Approach
Not applicable	Not applicable
What are the Opportunity/ies Identified?	Management Approach
Not applicable	Not applicable

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>APO's Code of Conduct and Ethics states that the Company maintains privacy and confidentiality when handling financial and personal information about whom the Company has dealings, and observe the following principles:</p> <ul style="list-style-type: none"> • Collect, use, and retain only the personal information necessary for the the Company's business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable and reliable sources to supplement this information. Retain information only for as long as necessary or as required by law. Protect the physical security of this information. • Limit internal access to personal information to those with a legitimate business reason for seeking that information. Use only personal information for the purposes for which it was originally obtained. Obtain the consent of the person concerned before externally disclosing any personal information, unless legal process or contractual obligation provides otherwise. 	<p>This Code forms part of every one of the Company's employee's conditions of employment and for all officers and directors as well. Failure to comply with the Code can result in disciplinary action including, where appropriate, dismissal. Compliance with this Code shall be taken into account on a regular basis when assessing individual performance. Failure of contractors to comply with this Code may result in termination of the contractor's contract for services with the Company.</p> <p>If any person becomes aware of a breach, or suspected breach, of this Code, they must report it immediately to their immediate Supervisor or the Corporate Secretary for action. If this is inappropriate or uncomfortable for the individual, the breach, or suspected breach, should be reported to a member of the Senior Management team or an appropriate Board Committee or Member for appropriate action. No action will be taken against any individual reporting a breach, or suspected breach, by virtue of that report. Subject to any legal restriction, the name of the person disclosing the information pertaining to breach, or suspected breach, of this Code will be kept confidential.</p>
What are the Risk/s Identified?	Management Approach
<p>No significant risks identified for this matter.</p>	<p>APO may consider training of its personnel and use of the advances in technology to ensure data privacy within the organization.</p>
What are the Opportunity/ies Identified?	Management Approach
<p>APO will find advanced ways to keep its data secure.</p>	<p>APO may consider training of its personnel and use of the advances in technology to ensure data privacy within the organization.</p>

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
The Company, as an investment holding firm, does not have any product or service offered.	Corporate donations we made to institutions and/or organizations through their various programs that seek to promote awareness in the field of education and geoscience.	Until the company generates income from its investments, it cannot make any significant contributions to help alleviate poverty in the country.	The company will continue to find ways to foster awareness in the importance of education. Thus, helping the poor in the remote communities to have proper education.