COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	2								

COMPANY NAME

A . SORIANO CORPORATION

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

7th Floor, Pacific Star Building, Makati Avenue corner Gil Puyat Avenue Extension, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
info@anscor.com.ph	8819-0251	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
11,015	April 15	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
Narcisa M. Villaflor	nancie.villaflor@anscor.com.ph	8819-0251	N/A

CONTACT PERSON's ADDRESS

7th Floor, Pacific Star Building, Makati Avenue corner Gil Puyat Avenue Extension, Makati City

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

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.*

Outlook

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Date Tue 4/8/2025 11:39 AM
To Sarah Buhion <sarah.buhion@anscor.com.ph>
Cc Sarah Buhion <sarah.buhion@anscor.com.ph>

Hi A. SORIANO CORPORATION,

Valid files

- EAFS000103216ITRTY122024.pdf
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Submission Date/Time: **Apr 08, 2025 11:39 AM**
Company TIN: **000-103-216**

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
A. Soriano Corporation
7th Floor, Pacific Star Building
Makati Avenue corner Gil Puyat Avenue Extension
Makati City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of A. Soriano Corporation (the Company), which comprise the parent company statements of financial position as at December 31, 2024 and 2023, 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 Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for 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 Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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.

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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.

Report on the Supplementary Information Required Under Revenue Regulations No. 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 No. 15-2010 in Note 28 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 A. Soriano 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 Dhonabee B. Señeres.

SYCIP GORRES VELAYO & CO.

Dhonabee B. Señeres
Partner
CPA Certificate No. 97133
Tax Identification No. 201-959-816
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-098-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10465385, January 2, 2025, Makati City

February 24, 2025

A. SORIANO CORPORATION
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	**₱1,141,982,018**	₱942,155,657
Fair value through profit or loss (FVPL) investments (Note 7)	**12,796,475,397**	10,644,254,296
Receivables (Note 9)	**46,099,749**	49,938,315
Other current assets (Note 20)	**197,091,089**	170,174,224
Total Current Assets	**14,181,648,253**	11,806,522,492
Noncurrent Assets		
Notes receivable (Note 9)	**378,676,845**	416,774,404
Fair value through other comprehensive income (FVOCI) investments (Note 8)	**15,599,929**	57,636,746
Investments and advances (Note 10)	**9,011,924,339**	7,306,028,011
Property and equipment (Note 11)	**56,214,962**	15,489,297
Investment properties (Note 12)	–	208,840,500
Retirement plan asset (Note 18)	**259,765,436**	179,367,643
Other noncurrent assets	**542,300**	542,300
Total Noncurrent Assets	**9,722,723,811**	8,184,678,901
TOTAL ASSETS	**₱23,904,372,064**	₱19,991,201,393
LIABILITIES AND EQUITY		
Current Liabilities		
Notes payable (Note 13)	**₱670,000,000**	–
Accounts payable and accrued expenses (Note 14)	**79,788,051**	98,574,718
Dividends payable (Note 15)	**608,871,296**	570,375,761
Total Current Liabilities	**1,358,659,347**	668,950,479
Noncurrent Liabilities		
Deferred income tax liabilities - net (Note 20)	**235,852,952**	186,150,069
Advances from affiliates (Notes 10)	**214,661,920**	170,661,900
Total Noncurrent Liabilities	**450,514,872**	356,811,969
Total Liabilities	**1,809,174,219**	1,025,762,448
Equity		
Capital stock - ₱1 par value (Note 15)	**2,505,000,000**	2,505,000,000
Additional paid-in capital	**1,589,799,530**	1,589,799,530
Unrealized valuation gains on FVOCI investments (Note 8)	**280,554**	605,619
Remeasurement on retirement benefits (Note 18)	**154,141,903**	105,729,956
Retained earnings:		
Appropriated (Note 15)	**7,150,000,000**	7,150,000,000
Unappropriated	**10,695,975,858**	7,614,303,840
Total Equity	**22,095,197,845**	18,965,438,945
TOTAL LIABILITIES AND EQUITY	**₱23,904,372,064**	₱19,991,201,393

See accompanying Notes to Parent Company Financial Statements.

A. SORIANO CORPORATION
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2024	2023
REVENUE		
Dividend income (Notes 7, 10 and 22)	**₱1,838,302,164**	₱2,153,115,255
Interest income (Note 19)	**66,551,631**	61,465,399
Management fees (Note 22)	**100,850,180**	99,441,582
	2,005,703,975	2,314,022,236
INVESTMENT GAINS (LOSSES)		
Gains on increase in market value of FVPL investments - net (Note 7)	**3,073,686,251**	1,343,636,449
Gain (loss) on sale of FVOCI investments (Note 8)	**1,013,582**	(3,496,596)
Gain from sale of investment property (Note 12)	**62,839,464**	–
	3,137,539,297	1,340,139,853
TOTAL	**5,143,243,272**	3,654,162,089
Operating expenses (Note 16)	**(307,533,432)**	(276,885,905)
Foreign exchange gain (loss) - net	**119,080,836**	(17,177,212)
Interest expense (Note 19)	**(7,165,228)**	(1,917,970)
Other income - net (Note 19)	**51,523,859**	24,497,806
INCOME BEFORE INCOME TAX	**4,999,149,307**	3,382,678,808
PROVISION FOR INCOME TAX (Note 20)		
Current	**8,803,367**	1,915,976
Deferred	**33,673,922**	66,433,688
	42,477,289	68,349,664
NET INCOME	**4,956,672,018**	3,314,329,144
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods (Note 8):		
Unrealized valuation gain on FVOCI investments	**580,162**	1,556,140
Income tax effect	**(145,041)**	(389,035)
	435,121	1,167,105
Unrealized gain (loss) on FVOCI investments recognized in profit or loss (Note 8)	**(1,013,582)**	3,496,596
Income tax effect	**253,396**	(874,149)
	(760,186)	2,622,447
	(325,065)	3,789,552

(Forward)

	Years Ended December 31	
	2024	2023
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Remeasurement gain on retirement benefits - net (Note 18)	**₱64,549,263**	₱49,552,883
Income tax effect	**(16,137,316)**	(12,388,221)
	48,411,947	37,164,662
OTHER COMPREHENSIVE INCOME	**48,086,882**	40,954,214
TOTAL COMPREHENSIVE INCOME	**₱5,004,758,900**	₱3,355,283,358
Earnings Per Share		
Basic/diluted, for net income (Note 21)	**₱1.98**	₱1.33
Basic/diluted, for total comprehensive income (Note 21)	**₱2.00**	₱1.34

See accompanying Notes to Parent Company Financial Statements.

A. SORIANO CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Capital Stock (Note 15)	Additional Paid-in Capital	Unrealized Valuation Gains (Losses) on FVOCI Investments (Note 8)	Remeasurement Gain on Retirement Benefits (Note 18)	Retained Earnings Appropriated	Unappropriated	Total
BALANCES AT DECEMBER 31, 2023	₱2,505,000,000	₱1,589,799,530	(₱3,183,933)	₱68,565,294	₱7,150,000,000	₱6,799,974,696	₱18,110,155,587
Net income for the year	–	–	–	–	–	3,314,329,144	3,314,329,144
Other comprehensive income	–	–	3,789,552	37,164,662	–	–	40,954,214
Total comprehensive income for the year	–	–	3,789,552	37,164,662	–	3,314,329,144	3,355,283,358
Cash dividends (Note 15)	–	–	–	–	–	(2,500,000,000)	(2,500,000,000)
BALANCES AT DECEMBER 31, 2023	**2,505,000,000**	**1,589,799,530**	**605,619**	**105,729,956**	**7,150,000,000**	**7,614,303,840**	**18,965,438,945**
Net income for the year	**–**	**–**				**4,956,672,018**	**4,956,672,018**
Other comprehensive income (loss)	**–**	**–**	**(325,065)**	**48,411,947**		–	**48,086,882**
Total comprehensive income (loss) for the year	**–**	**–**	**(325,065)**	**48,411,947**		**4,956,672,018**	**5,004,758,900**
Cash dividends (Note 15)	**–**	**–**				**(1,875,000,000)**	**(1,875,000,000)**
BALANCES AT DECEMBER 31, 2024	**₱2,505,000,000**	**₱1,589,799,530**	**₱280,554**	**₱154,141,903**	**₱7,150,000,000**	**₱10,695,975,858**	**₱22,095,197,845**

See accompanying Notes to Parent Company Financial Statements.

A. SORIANO CORPORATION

PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱4,999,149,307**	₱3,382,678,808
Adjustments for:		
Gain on increase in market value of FVPL investments - net (Note 7)	**(3,073,686,251)**	(1,343,636,449)
Dividend income (Notes 7, 10 and 22)	**(1,838,302,164)**	(2,153,115,255)
Interest income (Note 19)	**(66,551,631)**	(61,465,399)
Gain on sale of investment property (Note 12)	**(62,839,464)**	–
Unrealized foreign exchange loss (gain) - net	**(62,834,637)**	3,589,509
Reversal of impairment loss on investment property (Note 19)	**(24,812,188)**	–
Depreciation (Note 16)	**18,147,535**	18,424,041
Interest expense (Note 19)	**7,165,228**	1,917,970
Net retirement benefits income (Note 18)	**(3,621,840)**	(1,573,629)
Loss (gain) on sale of FVOCI investments (Note 8)	**(1,013,582)**	3,496,596
Operating loss before working capital changes	**(109,199,687)**	(149,683,808)
Decrease (increase) in:		
FVPL investments	**982,124,059**	653,722,306
Receivables	**1,840,801**	(205,257,498)
Other assets	**(1,761,956)**	520,356
Increase (decrease) in accounts payable and accrued expenses	**(33,200,256)**	75,818,031
Net cash from operations	**839,802,961**	375,119,387
Dividends received (Note 26)	**884,602,164**	881,915,255
Interest received	**66,599,420**	57,822,151
Income taxes paid, including creditable withholding tax	**(36,747,598)**	(19,817,399)
Retirement benefits contribution and payments (Note 18)	**(12,226,690)**	(7,723,205)
Interest paid	**–**	(1,917,970)
Net cash flows from operating activities	**1,742,030,257**	1,285,398,219
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of		
Investment property (Note 12)	**283,035,714**	–
FVOCI investments (Note 8)	**43,254,878**	59,408,143
Redemption of preferred shares	**7,072,315**	–
Property and Equipment (Note 11)	**1,540,000**	–
Additions to:		
Long term investment (Note 10)	**(1,602,700,000)**	–
Property and equipment (Note 11)	**(46,956,762)**	(8,423,521)
FVOCI investments (Note 8)	**–**	(73,738,728)
Advances to affiliates	**(103,418,643)**	(328,788,033)
Net cash flows used in investing activities	**(1,418,172,498)**	(351,542,139)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable (Note 23)	**670,000,000**	–
Advances from affiliates (Note 25)	**44,000,020**	66,335,645
Payments of dividends (Notes 15, 25 and 26)	**(840,207,145)**	(1,103,154,257)
Net cash flows used in financing activities	**(126,207,125)**	(1,036,818,612)

(Forward)

	Years Ended December 31	
	2024	2023
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**₱197,650,634**	(₱102,962,532)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**2,175,727**	(1,229,268)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**942,155,657**	1,046,347,457
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱1,141,982,018**	₱942,155,657

See accompanying Notes to Parent Company Financial Statements.

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

A. Soriano Corporation (the Company) was registered with the Philippine Securities and Exchange Commission (SEC) on February 13, 1930 to, among others, act as agent or representative of corporations, partnerships or individuals whether residing here or abroad; to buy, retain, possess shares of stock, franchises, patents of any person or entity and to issue shares of stock, bonds or other obligations for the payment of articles or properties acquired by the Company; and to buy or acquire all or part of the property, assets, business and clientele of any person, corporation or partnership, managing the properties or businesses so purchased or acquired and exercising all the powers necessary and convenient for the management and development of the said properties or businesses.

The Company is incorporated and domiciled in the Philippines whose shares are publicly traded.

The registered office address of the Company is at 7th Floor, Pacific Star Building, Makati Avenue corner Gil Puyat Avenue Extension, Makati City, Philippines.

Authorization for Issuance of the Parent Company Financial Statements
The parent company financial statements as at December 31, 2024 and 2023 and for the years then ended were authorized for issue by the Board of Directors (BOD) on February 24, 2025.

2. Basis of Preparation and Changes in Accounting Policies and Disclosures

Basis of Preparation and Statement of Compliance
The parent company financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards and on a historical cost basis, except for investments in debt and equity securities that have been measured at fair value. The parent company financial statements are presented in Philippine pesos (Peso), which is the Company's functional and presentation currency. Amounts are presented to the nearest Peso unless otherwise stated.

The Company also prepares, and issues consolidated financial statements for the same period as the parent company financial statements. These are filed with and may be obtained from the Philippine SEC.

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 and amendments that became effective in 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. The Company does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Company will adopt the applicable pronouncements when they become effective.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- 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

  The Company is currently assessing the impact of amendments on current practice.

- 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. The application of the standard is optional for eligible entities. The Company will evaluate to determine the eligible entities and the appropriate option to take.

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

3. Summary of Material Accounting and Financial Reporting Policies

Investments in Subsidiaries and Associates

Investments in Subsidiaries
Subsidiaries are all entities over which the Company has control. Control is achieved when the 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 Company controls an investee if and only if the 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 Company has less than a majority of the voting or similar rights of an investee, the 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
- The Company's voting rights and potential voting rights

The Company 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.

Investments in Associates
Associates are entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Investments in subsidiaries and associates are carried at cost, less impairment in value, in the parent company financial statements. Dividends received are reflected as income in the parent company statement of comprehensive income.

The Company's subsidiaries and associates with the respective percentages of ownership as at December 31:

		Percentage of Ownership	
	Nature of Business	**2024**	2023
A. Soriano Air Corporation (ASAC, Note 31)	Services/Rental	**100**	100
Pamalican Island Holdings, Inc. (PIHI)	Investment Holding	**62**	62
Island Aviation, Inc. (IAI, Note 31)	Air Transport	**62**	62
Anscor Consolidated Corporation (Anscorcon)	Investment Holding	**100**	100
Anscor Holdings, Inc. (AHI, Note 31)	Real Estate Holding	**100**	100

(Forward)

	Nature of Business	Percentage of Ownership 2024	2023
Akapulko Holdings, Inc.	Real Estate Holding	**100**	100
Lakeroad Corporation	Real Estate Holding	**100**	100
Mainroad Corporation	Real Estate Holding	**100**	100
Makatwiran Holdings, Inc.	Real Estate Holding	**100**	100
Makisig Holdings, Inc.	Real Estate Holding	**100**	100
Malikhain Holdings, Inc.	Real Estate Holding	**100**	100
Mountainridge Corporation	Real Estate Holding	**100**	100
Rollingview Corporation	Real Estate Holding	**100**	100
Timbercrest Corporation	Real Estate Holding	**100**	100
Anscor International, Inc. (AI, Note 14)	Investment Holding	**100**	100
IQ Healthcare Investments Limited(IQHIL)	Investment Holding	**100**	100
IQ Healthcare Professional Connection, LLC (IQHPC) (inactive)	Manpower Services	**93**	93
Phelps Dodge International Philippines, Inc. (PDIPI, Notes 7 and 31)	Investment Holding	**97**	97
Minuet Realty Corporation (Minuet, Note 7)	Landholding	**97**	97
Phelps Dodge Philippines Energy Products Corporation (PDP Energy, Notes 7 and 31)	Wire Manufacturing	**97**	97
PD Energy International Corporation (PDEIC, Note 7)	Wire Manufacturing	**97**	97
Summerside Corp. (Summerside)	Investment Holding	**100**	100
Sutton Place Holdings, Inc. (Sutton)	Investment Holding	**100**	100
AFC Agribusiness Corporation (AAC, Note 16)	Real Estate Holding	**81**	81
Seven Seas Resorts and Leisure, Inc. (SSRLI, Notes 7 and 31)	Villa Project Development	**62**	62
Pamalican Resort, Inc. (PRI, Notes 7 and 31)	Resort Operations	**62**	62
Pamalican Utilities, Inc. (PUI)	Utility Company	**62**	62

	Nature of Business	Percentage of Ownership 2024	2023
Vicinetum Holdings, Inc. (VHI)	Investment Holding	**32**	32
Prople Limited (Note 14)	Business Process Outsourcing	**32**	32
Fremont Holdings, Inc. (FHI, Note 14)	Real Estate Holding	**26**	26
ATRAM Investment Management Partners Corp. (AIMP, Note 14)	Asset Management	**20**	20
TBG Food Holdings. Inc.*	Food and Related Industries	**22**	–

** In November 13, 2024, the Group signed a Deed of Sale with Navegar 1 (Singapore) PTE, LTD. to acquire minority stake (22%) in TBG Food Holdings, Inc. (TBG) for a total consideration of ₱1.609.3 million (see Note 10).*

Except for AI and its subsidiaries, all subsidiaries of the Company all based in the Philippines. The principal business location of AI and IQHIL is in the British Virgin Islands (BVI), while IQHPC is based in the United States of America (USA).

The principal business location of the associated is located in the Philippines.

Foreign Currency Translation

Transactions in foreign currencies are initially recorded in Peso based on the exchange rate recorded at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing exchange rate at the end of the financial reporting period. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the closing exchange rates at the date when the fair value was determined. Foreign exchange gains and losses relating to FVPL equity instruments are recognized in profit or loss.

Fair Value Measurement

The Company measures financial assets, such as fair value through profit or loss (FVPL) and fair value through other comprehensive income (FVOCI) investments), at fair value at each balance sheet date. Also, fair values of investment properties are disclosed.

Fair value is the estimated 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 by the Company.

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 nonfinancial 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 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 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 the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as unquoted FVPL financial assets, and for nonrecurring fair value measurement.

External valuers are involved for the valuation of significant assets. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the 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

Initial recognition and measurement of financial instruments
At initial recognition, financial assets are classified as, and measured at amortized cost, FVOCI, and FVPL. Financial liabilities are classified at initial recognition as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value, and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Classification of financial instruments
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers.*

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

As at December 31, 2024 and 2023, the Company has the following categories of financial assets and financial liabilities:

(a) Financial assets at FVPL

This category includes financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets classified in this category may be designated by management on initial recognition when the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis; or
- The assets are part of a group of financial assets or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Derivatives recorded at FVPL
The Company has certain derivatives that are embedded in host financial contracts, such as structured notes and debt investments and conversion. These embedded derivatives include calls and puts in debt investments and interest rate and conversion options, among others.

A derivative embedded in a hybrid contract, with a financial liability or nonfinancial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVPL. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment occurs only if there is either a change in the terms of the contract that significantly modifies the cash flows that would be otherwise be required or a reclassification of a financial asset out of the FVPL category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVPL.

Financial assets at FVPL are recorded in the parent company balance sheet at fair value. Changes in fair value are recorded as "Gain (loss) on increase (decrease) in market values of FVPL investments". Interest earned or incurred is recorded in interest income or expense, respectively, while dividend income is recorded as such, according to the terms of the contract, or when the right of payment has been established.

As at December 31, 2024 and 2023, the Company has designated as FVPL all equity investments, money market papers, investments in bonds that have callable and other features and managed/hedged funds (see Note 7). No financial liability at FVPL is outstanding as at December 31, 2024 and 2023.

(b) Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Amortization is included as interest income in profit or loss. The losses arising from impairment of such financial assets are recognized as "Provision for impairment loss" account under "Operating expenses" in profit or loss.

Included under financial assets at amortized cost are cash in banks, cash equivalents, receivables and advances to related parties (see Notes 6, 9 and 10).

(c) Financial assets at FVOCI (debt instruments)

The Company measures debt instruments at FVOCI if both of the following conditions are met:

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

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI.

When the debt instrument is disposed of, the cumulative gain or loss previously recognized under OCI is transferred to profit or loss as "Gain (loss) on sale of FVOCI investments". Where the Company holds more than one investment in the same security, the cost of the disposed investment is determined on a weighted average cost basis. Interest earned on holding FVOCI investments are reported as interest income using the effective interest rate.

As at December 31, 2024 and 2023, the Company's FVOCI investments include investments in bonds (see Note 8).

(d) Financial liabilities - loans and borrowings

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss.

As at December 31, 2024 and 2023, included in this category are the Company's notes payable, accounts payable and accrued expenses, and dividends payable (see Notes 13, 14 and 15).

Impairment of Financial Assets
The Company recognizes an allowance for expected credit loss (ECL) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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).

For debt instruments at FVOCI, the Company applies low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassessed the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The carrying value of the Company's debt instruments at FVOCI comprise solely of top investment grade bonds that are graded by top credit rating agencies and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the top credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Assets and Financial Liabilities

Financial assets
A financial asset (or where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when and only when:

- the rights to receive cash flows from the asset expires;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement;
- the 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 or asset.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

Where 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 will result into the removal of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in profit or loss.

Property and Equipment
Depreciable properties, including buildings and improvements, furniture, fixtures and office equipment and transportation equipment, are stated at cost less accumulated depreciation, and any impairment in value.

The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Property and equipment are written-off when either these are disposed of or when these are permanently withdrawn from use and there is no more future economic benefit expected from its use and disposal.

Depreciation is computed on a straight-line method over the estimated useful lives of the properties, as follows:

Category	Number of Years
Buildings and improvements	25
Furniture, fixtures and office equipment	3 - 5
Transportation equipment	5

The useful lives, depreciation method and residual values are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the use of property and equipment.

Depreciation commences when an asset is in its operational location or working condition capable of being operated in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

Investment Properties

Investment properties comprise office space that is held to earn rentals or capital appreciation or both. Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, the Company's investment properties are stated at cost, less accumulated depreciation and any accumulated impairment losses. Investment properties are depreciated over its estimated useful lives of 20 years.

Expenditures incurred after the investment property has been put into operation, such as repairs and maintenance costs, are normally charged to income in the period in which the costs are incurred.

Investment properties are written off when either these are disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of the investment properties are recognized in profit or loss in the year of retirement or disposal.

Impairment of Nonfinancial Assets

At each financial reporting date, the Company assesses whether there is any indication that its nonfinancial assets (namely, investments in subsidiaries and associates, property and equipment and investment properties) may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of the recoverable amount. Recoverable amount is the higher of an assets or cash-generating unit'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, in which case the recoverable amount is assessed as part of the cash-generating unit to which it belongs. Where the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount, the asset (or cash-generating unit) is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit).

An impairment loss is charged to operations in the year in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset. An assessment is made at each financial reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Retained Earnings

Retained earnings represent the cumulative balance of net income or loss, net of any dividend declared, and the effects of retrospective restatement recognized in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

Unappropriated retained earnings represent that portion which is free and can be declared as dividends to stockholders, after adjustments for any unrealized items, which are considered not available for dividend declaration.

Appropriated retained earnings represent that portion which has been restricted and therefore is not available for any dividend declaration.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangement against specific criteria in order to determine if it is acting as principal or agent. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The following specific recognition criteria must be met before revenue is recognized:

Management fees

Revenue from management fees is recognized over time upon performance of the obligation, using an input method to measure progress towards complete satisfaction of the service because the customer simultaneously receives and consumes the benefits provided by the Company.

Dividends

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

Interest

Interest income from bank deposits, notes receivable and investments in bonds are recognized as interest accrues based on the effective interest rate method.

Other Income

Rental

Rental income is accounted for on a straight-line basis over the lease term. This is presented under "Others - net" account in the statement of comprehensive income.

Other Comprehensive Income

Other comprehensive income comprises items of income and expense that are not recognized in profit or loss for the year in accordance with PFRSs. Other comprehensive income of the Company pertains to gains and losses on remeasuring FVOCI investments and remeasurements comprising actuarial gains and losses on retirement plan assets and liabilities.

Pension Benefits

The Company has a noncontributory defined benefit retirement plan.

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 (if any), 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.

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 expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by an independent qualified actuary.

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. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

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 other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the 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.

Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and 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. Where the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursement. 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 rate that reflects current market assessments of the time value of money and, where 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 an interest expense.

Contingent liabilities are not recognized in the parent company financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized but are disclosed in the notes to parent company financial statements when an inflow of economic benefits is probable.

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

Deferred income tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax, and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from excess MCIT and unused NOLCO can be utilized.

Deferred income tax liabilities are not provided on taxable temporary differences associated with investments in domestic subsidiaries. With respect to investments in foreign subsidiaries, deferred income tax liabilities are recognized except where the timing of the reversal of the temporary difference can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income 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 profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income 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 profit will allow the deferred income tax assets to be recovered.

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

Current income tax and deferred income tax relating to items recognized directly in equity are also recognized in equity and not in profit or loss.

Value Added Tax (VAT)

Input VAT is the 12% indirect tax paid by the Company in the course of the Company's trade or business on local purchase of goods or services, including lease or use of property, from a

VAT-registered person. VAT on capital goods is spread evenly over the useful life or 60 months, whichever is shorter. Effective January 1, 2022, all input tax on purchases of capital goods shall already be allowed upon purchase/payment and will no longer need to be deferred.

Output VAT pertains to the 12% tax due on the lease or exchange of taxable goods or properties or services by the Company.

If at the end of any taxable month the output VAT exceeds the input VAT, the excess shall be paid by the Company. If the input VAT exceeds the output VAT, the excess shall be carried over to the succeeding month or months. Input VAT on capital goods shall be deferred and credited against output VAT upon amortization.

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of other assets or payables in the parent statements of financial position.

Earnings per Share
Basic earnings per share (EPS) is computed by dividing net income and total comprehensive income for the year by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and stock rights exercised during the year, if any. The Company does not have potentially dilutive common shares as at December 31, 2024 and 2023.

Segment Reporting
The Company's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 5.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the parent company financial statements in accordance with PFRS Accounting Standards requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, other comprehensive income (loss) and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the 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 experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Determination of functional currency
The Company's functional currency was determined to be the Peso. It is the currency of the primary economic environment in which the Company operates.

Classification of financial instruments
The Company classifies a financial instrument, or its component parts, on initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definition of a financial asset, a financial liability or an equity instrument.

The substance of a financial instrument, rather than its legal form, governs its classification in the parent company statements of financial position (see Note 24).

Classification and measurement of financial assets depend on the result of the SPPI and business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve particular business objectives. In classifying the investments not held for trading as at December 31, 2024 and 2023, the Company made an irrevocable election at initial recognition to designate the equity instruments as FVPL investments.

Determining ability to comply with contractual obligations
For FVOCI debt investments, the Company assesses the counterparty's ability to comply with the contractual obligations to pay out principal and interest. Further, the Company assesses whether the credit risk on that financial instrument has increased significantly since initial recognition. No impairment loss was recognized in 2024 and 2023. The carrying value of FVOCI debt investments amounted to ₱15.6 million and ₱57.6 million as at December 31, 2024 and 2023, respectively (see Note 8).

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

Provision for expected credit losses of receivables
For the advances to related parties, the Company uses judgment, based on the best available facts and circumstances, including but not limited to, assessment of the related parties' operating activities (active or dormant), business viability and overall capacity to pay, in providing reserve allowance against recorded receivable amounts. These reserves are re-evaluated and adjusted as additional information is received.

Allowance for expected credit losses as at December 31, 2024 and 2023 amounted to ₱1,031.2 million. Receivables and advances, net of valuation allowance, amounted to ₱1,436.2 million and ₱1,374.5 million as at December 31, 2024 and 2023, respectively (see Notes 9 and 10).

Valuation of unquoted FVPL equity investments
Valuation of unquoted FVPL equity investments is normally based on one of the following:

- recent arm's-length market transactions;
- current fair value of another instrument that is substantially the same;
- the expected cash flows discounted at current rates applicable for terms with similar terms and risk characteristics; or
- other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimation. In valuing the Company's unquoted equity instruments at fair value, management applied judgment in selecting the valuation technique and comparable companies and used assumptions in estimating future cash flows from its equity instruments considering the information available to the Company (see Notes 7 and 24).

Unquoted equity investments amounted to ₱727.4 million and ₱927.4 million as at December 31, 2024 and 2023, respectively (see Notes 7 and 24).

Estimation of useful lives of property and equipment and investment properties
The Company estimates the useful lives of property and equipment and investment properties based on the period over which these assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the assets.

In addition, the estimation of the useful lives of these assets is based on collective assessment of internal technical evaluation and experience with similar assets. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

As at December 31, 2024 and 2023, the carrying value of property and equipment amounted to ₱56.2 million and ₱15.5 million, respectively (see Note 11). Carrying value of investment properties amounted to ₱208.8 million as at December 31, 2023, (nil in 2024), (see Note 12).

Impairment of nonfinancial assets
The Company assesses impairment of its investments in subsidiaries, associates, property and equipment and investment properties whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

As at December 31, 2024 and 2023, the carrying value of investments in subsidiaries and associates, net of valuation allowances, amounted to ₱8,000.5 million and ₱6,398.2 million, respectively (see Note 10). As at December 31, 2024 and 2023, the carrying value of property and equipment and investment properties amounted to ₱56.2 million and ₱224.3 million respectively (see Notes 11 and 12).

In 2024 and 2023, no additional impairment was recognized on the Company’s investments in subsidiaries and associates, property and equipment and investment properties (see Notes 10, 11 and 12).

Recognition of deferred income tax assets
The Company reviews the carrying amounts of the deferred income tax assets at each end of reporting period and reduces deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. However, there is no assurance that the Company will utilize all or part of the deferred income tax assets. As at December 31, 2024 and 2023, the Company recognized gross deferred income tax assets amounting to ₱2.0 million and ₱2.3 million, respectively. The Company

has also temporary differences for which the deferred income tax assets are not recognized. Further details of the recognized and unrecognized deferred income tax assets are provided in Note 20.

Determination of retirement benefits
The cost of defined benefit pension plans as well as the present value of pension obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the Philippines and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country. Further details about the assumptions used are provided in Note 18.

Net retirement plan asset of the Company as at December 31, 2024 and 2023 amounted to ₱259.8 million and ₱179.4 million, respectively (see Note 18). Net retirement benefits income amounted to ₱3.6 million and ₱1.6 million in 2024 and 2023, respectively (see Note 19). Further details are provided in Note 18.

5. Segment Information

The Company and its subsidiaries' (the Group) operating businesses are organized and managed separately according to the nature of the products or services offered, as discussed below.

- Holding company segment pertains to the operations of the Company.

- Resort Operations segment pertains to the Company's subsidiary providing hotel and resort accommodation, relaxation and entertainment, among others, while Villa Development includes the sale of villa lots, construction of structures and set up of furniture, fixture and equipment. In 2024 and 2023, the Group has no sale of villa lots and construction of structures.

- Cable and Wire Manufacturing segment pertains to the Company's subsidiaries engaged in manufacturing, importing, exporting, buying, selling or otherwise dealing in, at wholesale, goods such as building wires, power cables, aluminum wires and cables, copper rods, automotive wires and other energy-related goods of electrical nature, including all equipment, materials, supplies used or employed in or related to the manufacture of its finished products.

- Other operations include air transportation, hangarage, real estate holding and management.

- Amounts for the investments in associates comprise the Group's equity in net earnings and impairment loss.

Majority of the companies within the Group were incorporated and operating within the Philippines. The amounts disclosed were determined consistent with the measurement basis under PFRS Accounting Standards.

The following tables present the financial information of the business segments as at and for the years ended December 31, 2024 and 2023 (in thousands):

	Before Eliminations						
	Holding Company (Parent)	**Resort Operations and Villa Development**	**Cable and Wire Manufacturing**	**Other Operations[1]**	**Total**	**Eliminations**	**Consolidated**
As at and for the year ended December 31, 2024							
Revenues, excluding interest income[2]	**₱1,939,152**	**₱1,457,659**	**₱11,230,396**	**₱1,400,874**	**₱16,028,081**	**(₱2,675,244)**	**₱13,352,837**
Interest income	**66,552**	**4,769**	**29,838**	**3,108**	**104,267**	**–**	**104,267**
Investment gains (losses)	**3,137,539**	**12,088**	**8,930**	**2,738,542**	**5,897,099**	**(2,570,308)**	**3,326,791**
Interest expense	**(7,165)**	**(1)**	**(2,846)**	**(59,394)**	**(69,406)**	**–**	**(69,406)**
Income tax expense (benefit from income tax)	**42,477**	**22,511**	**310,125**	**15,338**	**390,451**	**(10,784)**	**379,667**
Equity in net earnings	**–**	**–**	**–**	**–**	**–**	**33,837**	**33,837**
Net income	**4,956,672**	**198,636**	**957,297**	**3,653,805**	**9,766,410**	**(4,971,594)**	**4,794,816**
Total assets	**23,904,372**	**2,188,432**	**7,043,358**	**22,134,057**	**55,270,219**	**(22,961,113)**	**32,309,106**
Investments and advances	**9,011,924**	**75,000**	**–**	**293,075**	**9,379,999**	**(7,406,621)**	**1,973,378**
Property and equipment	**56,215**	**841,511**	**1,201,405**	**946,838**	**3,045,969**	**921,453**	**3,967,422**
Total liabilities	**1,809,174**	**850,219**	**491,815**	**1,108,315**	**4,259,523**	**110,930**	**4,370,453**
Depreciation and amortization	**18,148**	**123,431**	**139,311**	**127,664**	**408,554**	**36,738**	**445,292**
Cash flows from (used in):							
Operating activities	**1,742,030**	**551,392**	**867,247**	**115,750**	**3,276,419**	**(628,918)**	**2,647,501**
Investing activities	**(1,418,172)**	**(222,003)**	**(320,767)**	**(36,603)**	**(1,997,545)**	**150,374**	**(1,847,171)**
Financing activities	**(126,207)**	**(202,434)**	**(462,971)**	**994,099**	**202,487**	**(695,212)**	**(492,725)**

[1] *Other Operations include ASAC, AAC, Anscorcon, AI, AHI, IAI and the Group's equity in net earnings (losses) of associates and impairment loss.*
[2] *Majority of the revenues of the Group were derived in the Philippines.*

	Before Eliminations						
	Holding Company (Parent)	Resort Operations and Villa Development	Cable and Wire Manufacturing	Other Operations[1]	Total	Eliminations	Consolidated
As at and for the year ended December 31, 2023							
Revenues, excluding interest income[2]	₱2,252,557	₱1,450,244	₱10,147,489	₱1,615,988	₱15,466,278	(₱3,241,104)	₱12,225,174
Interest income	61,465	3,572	26,295	537	91,869	1	91,870
Investment gains (losses)	1,340,140	–	9,200	3,488,958	4,838,298	(3,365,597)	1,472,701
Interest expense	(1,918)	(7)	(1,105)	(59,450)	(62,480)	–	(62,480)
Income tax expense (benefit from income tax)	68,350	19,397	287,126	1,123	375,996	(7,996)	368,000
Equity in net losses and impairment loss	–	–	–	8,743	8,743	–	8,743
Net income	3,314,329	197,431	963,476	4,625,001	9,100,237	(6,451,041)	2,649,196
Total assets	19,991,201	2,059,449	6,480,712	16,005,321	44,536,683	(16,844,080)	27,692,603
Investments and advances	7,306,028	1,496	–	280,535	7,588,059	(7,250,515)	337,544
Property and equipment	₱15,489	₱766,641	₱1,007,823	₱1,046,702	₱2,836,655	₱948,104	₱3,784,759
Total liabilities	1,025,762	799,326	435,176	3,166,309	5,426,573	(1,721,938)	3,704,635
Depreciation and amortization	18,172	111,388	112,238	66,297	308,095	54,758	362,853
Cash flows from (used in):							
Operating activities	1,285,398	412,279	763,858	44,186	2,505,721	(843,308)	1,662,413
Investing activities	(351,542)	(152,887)	(343,800)	(938,156)	(1,786,385)	373,203	(1,413,182)
Financing activities	(1,036,819)	(260,014)	(324,567)	1,003,302	(618,098)	453,289	(164,809)

[1] *Other Operations include ASAC, AAC, Anscorcon, AI, AHI, IAI and the Group's equity in net earnings (losses) of associates and impairment loss.*
[2] *Majority of the revenues of the Group were derived in the Philippines.*

6. Cash and Cash Equivalents

	2024	2023
Cash on hand and in banks	**₱156,219,409**	₱125,160,164
Cash equivalents	**985,762,609**	816,995,493
	₱1,141,982,018	₱942,155,657

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Company. These investments earn interest at prevailing rates (see Note 19).

7. FVPL Investments

	2024	2023
Quoted equity shares	**₱8,806,868,189**	₱6,857,860,205
Funds and equities	**2,630,627,742**	2,353,113,197
Unquoted equity shares	**727,435,277**	927,435,278
Proprietary shares	**614,065,000**	463,315,000
Bonds	**14,988,363**	40,039,791
Others	**2,490,826**	2,490,825
	₱12,796,475,397	₱10,644,254,296

This account consists of investments that are designated as FVPL and held-for-trading investments. Quoted equity shares consist of marketable equity securities that are listed and traded in the Philippine Stock Exchange (PSE), Nasdaq Stock Market (NASDAQ) and New York Exchange (NYSE). The fair market values of these listed shares are based on their quoted market prices as at December 31, 2024 and 2023, which are assessed to be the exit prices.

Held-for-trading investments include foreign currency-denominated mutual funds, and equity investments that are managed together on a fair value basis. These investments are classified under funds and equities.

Designated FVPL investments consist of foreign currency-denominated fixed income securities with embedded derivatives (e.g., call and put options) that significantly modify the security's cash flow. These investments are classified under bonds.

FVPL investments in bonds represent foreign currency-denominated bond securities with variable and fixed interest rates. The FVPL coupon interest rate per annum ranges from 2.5% to 6.1% and 2.0% to 8.3% in 2024 and 2023, respectively.

In 2024 and 2023, the Company received dividends from FVPL investments (excluding unquoted) amounting to ₱279.1 million and ₱270.1 million, respectively.

The fair market value of the unquoted equity shares are based on valuation techniques applied as at December 31, 2024 and 2023 using income approach.

The Company's FVPL unquoted equity shares and significant investment in funds and equities include investment in KSA Realty Corporation (KSA).

As at December 31, 2024 and 2023, the Company's investment in KSA amounted to ₱727.4 million ₱927.4 million, respectively. (see Note 24).

The Company received cash dividends from KSA amounting to ₱94.2 million and ₱89.1 million in 2024 and 2023, respectively.

There were no changes in the valuation techniques applied for each of the period ended (e.g., changing from income approach to market approach or the use of an additional valuation technique).

Net gains (losses) on increase (decrease) in market value of FVPL investments as at December 31 are as follows (in millions):

	Unrealized Valuation Gains (Losses) in Market Value		Gains (Losses) on Increase (Decrease) in Market Value of FVPL Investment in 2024
	2024	2023	
Quoted equity shares	**₱6,104.5**	₱3,630.8	**₱2,473.7**
Unquoted equity shares	**484.0**	684.0	**(200.0)**
Proprietary shares	**587.5**	436.6	**150.9**
Bonds	**(30.5)**	(29.7)	**(0.8)**
Funds and equities	**310.9**	177.1	**133.8**
Total	**7,456.4**	4,898.8	**2,557.6**
Add realized gain on sale of FVPL investments			**516.1**
Net gains on increase in market value of FVPL investments			**₱3,073.7**

	Unrealized Valuation Gains (Losses) in Market Value		Gains (Losses) on Increase (Decrease) in Market Value of FVPL Investments in 2023
	2023	2022	
Quoted equity shares	₱3,630.8	₱2,696.4	₱934.4
Unquoted equity shares	684.0	778.3	(94.3)
Proprietary shares	436.6	350.7	85.9
Bonds	(29.7)	(63.5)	33.8
Funds and equities	177.1	(145.4)	322.5
Total	4,898.8	3,616.5	1,282.3
Add realized gain on sale of FVPL investments			61.4
Net losses on decrease in market value of FVPL investments			₱1,343.7

There were no outstanding forward transactions as at December 31, 2024 and 2023.

8. FVOCI Investments

As at December 31, 2024 and 2023, FVOCI investments amounted to ₱15.6 million and ₱57.6 million, respectively, and these consist of investments in bonds represent the following:

a. Foreign currency-denominated bond securities are subject to variable and fixed coupon interest rate per annum ranging from 2.47% to 6.08% in 2024, and 2.20% to 6.38% in 2023. Maturity dates range from February 6, 2027 to June 15, 2032 for bonds held as at December 31, 2024, and February 16, 2025 to June 15, 2032 for bonds held as at December 31, 2023.

b. Geothermal Project

   In January 2014, a loan and investment agreement was entered by the Company with SKI Construction Company, Inc. (SKI), Red Core Investment Corp. (Red Core), Tayabas Power, Tiaong Geothermal Power, Inc. (Tiaong Power) and San Juan Geothermal Power, Inc. (San Juan Power), collectively referred to as Red Core Group to jointly survey and explore the geothermal energy potential in the areas defined by the Tayabas, Tiaong and San Juan Geothermal Renewable Energy Service Contract (GRESC). Under this agreement, the Company committed to lend up to ₱172.0 million for the exploration phase of the three sites, of which ₱140.0 million was actually invested by the Company to Red Core.

The Company may choose to convert each note into common shares of the three operating companies: Tayabas Power, Tiaong Power and San Juan Power to achieve 9.1% stake in each of these entities. If the Company opts not convert the note within the agreed time frame, these notes will accrue interest until they mature 62 months from the initial drawdown date.

Considering the status of Red Core, impairment losses were recognized on the investment (in 2017 and earlier), which brought the investment balance to nil as at December 31, 2024 and 2023.

In March 2018, the Company filed before the Regional Trial Court (RTC) of Makati City a civil case for specific performance in order to compel Red Core Group to comply with the provisions of the loan investment agreement signed by the parties. On November 23, 2020, the Court partially granted the Motion for Summary Judgment filed by the Company.

On August 15, 2022, the Court rendered a decision ordering Red Core Investments Corporation to pledge all its shares in Tayabas Geothermal Power, Inc., Tiaong Geothermal Power, Inc., and San Juan Geothermal Power Inc. and execute a deed of pledge in favor of the Company. On October 3, 2022, the Company filed a demand for payment under the loan and investment agreement to Red Core Group. Red Core did not comply with the decision and filed an appeal with the Court of Appeals (CA). In June 2023, the CA issued the Notice to File Brief which the Company filed on December 5, 2023. On January 2, 2024, Red Core manifested that it will not file a reply brief. In a resolution dated August 9, 2024, the CA deemed the case to have been submitted for decision. As of February 24, 2025, the case remains for decision of the CA.

In 2024 and 2023, gain (loss) on sale of FVOCI investments amounted to ₱1.0 million, and (₱3.5 million), respectively.

Below is the rollforward of unrealized valuation gains (losses) on FVOCI investments recognized in equity:

	2024	2023
Beginning balance	**₱605,619**	(₱3,183,933)
Unrealized valuation gain on FVOCI investments - net of tax	**435,121**	1,167,105
Realized gain (loss) on FVOCI investments recognized in profit or loss - net of tax	**(760,186)**	2,622,447
Ending balance	**₱280,554**	₱605,619

9. **Receivables**

	2024	2023
Notes Receivable	**₱378,676,845**	₱416,774,404
Due from a related party (Note 22)	**27,698,582**	32,618,561
Interest receivable	**12,697,041**	12,744,830
Others	**6,800,951**	5,671,749
	425,873,419	467,809,544
Less allowance for expected credit losses	**1,096,825**	1,096,825
	424,776,594	466,712,719
Less current portion of receivables	**46,099,749**	49,938,315
Noncurrent portion of receivable	**₱378,676,845**	₱416,774,404

Notes receivable pertains to receivable from A. Soriano Corporation Retirement Plan (the Retirement Plan). On November 4, 2019, the Company granted a five-year loan amounting to ₱363.5 million to the Retirement Plan at 5% interest per annum. The loan is secured by the Company's shares of stock held by the Retirement Plan with a fair value of ₱766.1 million and ₱652.9 million as at December 31, 2024 and 2023, respectively. On February 28, 2024, the loan term was extended for another nine years effective November 3, 2024.

The balance of the loan, net of partial collection, amounted to ₱160.7 million and ₱198.8 million as at December 31, 2024 and 2023, respectively. Interest income recognized as at December 31, 2024 and 2023 amounted to ₱8.8 million and ₱11.3 million, respectively.

On August 10, 2023, the Company entered into an agreement with AIMP for ₱218.0 million convertible note ("Note"), with interest rate of 8% per annum. The principal is payable on the third year anniversary of the Note issuance, while the interest is payable monthly. The Notes are convertible on or after the occurrence of an event of default. As at December 31, 2024 there has been no event of default and the Company intends to hold the Note until maturity. Accordingly, the Note was included under "Notes receivable" and accounted for at amortized cost. Interest income recognized amounting to ₱15.6 million and ₱6.03 million for the year ended December 31, 2024 and 2023 respectively.

Interest receivable pertains to accrued interest income from cash and cash equivalents, notes receivable, FVPL and FVOCI investments in debt instruments.

Other receivables pertain to uncollected rental income and employee loans.

There is no movement in the allowance for expected credit losses in 2024 and 2023. The outstanding balance of ECL pertains to interest and other receivables.

10. **Investments and Advances**

	2024	2023
Investments in subsidiaries and associates (at cost) - net of valuation allowance	**₱8,000,468,802**	₱6,398,241,117
Advances - net of allowance for expected credit loss ₱1,030.1 million in 2024 and 2023 (Note 22)	**1,011,455,537**	907,786,894
	₱9,011,924,339	₱7,306,028,011

The investments in subsidiaries and associates as at December 31, 2024 and 2023 consist of:

	2024	2023
Acquisition costs:		
Common shares	**₱5,997,695,527**	₱4,395,467,842
Preferred shares	**2,152,074,211**	2,152,074,211
	8,149,769,738	6,547,542,053
Less valuation allowance	**149,300,936**	149,300,936
	₱8,000,468,802	₱6,398,241,117

The significant transactions involving the Company's investments in subsidiaries and associates in 2024 and 2023 are set out below.

PDIPI and Subsidiaries (PDP Group)
PDP Energy established PDEIC, a Philippine Economic Zone Authority (PEZA)-registered company engaged in manufacturing wires, mainly for export.

Cash dividends received by the Company amounted to ₱436.5 million and ₱339.5 million for 2024 and 2023, respectively.

Significant details of the balance sheets and statements of comprehensive income of PDP Group, the Company's material partly-owned subsidiaries, are enumerated below as at December 31 (in millions):

Statements of Financial Position:	**2024**	2023
Current assets	**₱5,720.9**	₱5,309.6
Noncurrent assets	**1,322.4**	1,171.1
Current liabilities	**446.4**	376.7
Noncurrent liabilities	**45.4**	58.5
Equity	**6,551.5**	6,045.5
Equity attributable to non-controlling interest NCI	**197.4**	182.2

Statements of Comprehensive Income:	**2024**	2023
Revenue	**₱11,239.3**	₱10,193.5
Income before tax	**1,267.8**	1,250.6
Net income	**957.3**	963.5
Other comprehensive income (loss)	**(1.3)**	3.2
Total comprehensive income	**956.4**	955
Total comprehensive income allocated to NCI during the year	**28.7**	22.1

Statements of Cash Flows:	**2024**	2023
Cash flows from operations	**₱867**	₱764
Cash flows used in investing activities	**321**	344
Cash flows used in financing activities	**1,416.7**	1,333.7

SSRLI, PRI and PUI (SSRLI Group)

a. On January 9, 2007, SSRLI and PEZA signed a Registration Agreement declaring SSRLI as an Ecozone Developer/Operator, entitling SSRLI to establish, develop and construct the villas and to operate the Ecozone. SSRLI is entitled to a four-year income tax holiday and tax-free importation of machinery and equipment on PEZA-covered registered activities under the Registration Agreement.

   On December 18, 2009, SSRLI's resort operations have been registered with PEZA to engage in the renovation and expansion of Amanpulo Resort at the Pamalican Island Tourism Ecozone. SSRLI's resort operations are entitled to 5% gross income tax on revenues generated from foreign clients and regular income tax on non-foreign clients under the Registration Agreement.

   On July 1, 2011, PRI took over the resort operations of SSRLI. On the same date, PEZA approved PRI's application for registration as a locator at the Pamalican Island Ecozone Tourism Zone. SSRLI also transferred in the name of PRI all resort operation-related contracts entered into with related parties and third parties, including its long-term loans with a bank, except for the foreshore lease contract with the Department of Environment and Natural Resources (DENR) which is nontransferable.

On October 3, 2012, PRI entered into an operating lease agreement with SSRLI covering all rights and interests in resort-related assets, which include land, land improvements and buildings for a period of 20 years beginning July 1, 2011. Annual lease rental amounted to ₱53.5 million, payable within the first five days at the beginning of each quarter.

Effective January 1, 2016, the annual rental fee upon mutual agreement of both parties was reduced to ₱42.8 million.

b. The Company charges a monthly fee for the Company's general, administrative, treasury, tax and legal services rendered to PRI.

Starting January 1, 2018, both parties mutually agreed to a monthly fee amounting to ₱650,000, inclusive of VAT. Effective August 2021, ₱375,000 (inclusive of VAT) is billed by the Company to PRI. On January 1, 2023, service fee is increased to ₱916,667 (inclusive of VAT).

Significant details of the balance sheets and statements of comprehensive income of SSRLI Group, the Company's material partly-owned subsidiaries, are enumerated below as at December 31 (in millions):

	2024	2023
Statements of Financial Position:		
Current assets	**₱1,151.6**	₱1,144.6
Noncurrent assets	**1,039.3**	914.8
Current liabilities	**746.9**	694.8
Noncurrent liabilities	**105.8**	104.5
Equity	**1,338.2**	1,260.1
Equity attributable to NCI	**535.5**	475.1

	2024	2023
Statements of Comprehensive Income:		
Revenue	**1,457.7**	1,453.8
Income from continuing operations, before tax	**221.1**	222.1
Net income	**198.6**	202.7
Other comprehensive income (loss)	**(0.6)**	0.6
Total comprehensive income	**198.1**	203.3
Total comprehensive income allocated to NCI during the year	**74.9**	76.6

	2024	2023
Statements of Cash Flows:		
Cash flows from operations	**551.4**	412.3
Cash flows used in investing activities	**(220.0)**	(152.9)
Cash flows used in financing activities	**(202.4)**	(260.0)

Cash dividends received by the Company amounted to ₱74.8 million and ₱155.8 million for 2024 and 2023, respectively.

ASAC

A. Soriano Air Corporation (ASAC) is engaged in the general service of a common and/or private carrier.

There were no cash dividends received by the Company in 2024 and 2023.

Anscorcon

Anscor Consolidated Corporation primarily invests the Company's funds in other corporations or businesses and to enter into, make, perform, and carry out contracts of every kind and for any lawful purpose pertaining to the business of the Company.

As at December 31, 2024 and 2023, cash dividends received by the Company amounted to ₱953.7 million and ₱1,271.2 million, respectively.

AI

The Company made advances to AI for the latter's investments as discussed below:

a. Total investment in Navegar I, inclusive of foreign exchange adjustment, amounted to ₱46.6 million and ₱74.4 million as at December 31, 2024 and 2023, respectively.

   As at December 31, 2024 and 2023, AI's remaining capital commitment to be called for Navegar I amounted to US$0.01 million (₱0.9 million) and US$0.03 million (₱1.7 million), respectively.

b. Total investment in Navegar II, inclusive of foreign exchange adjustment, amounted to ₱584.9 million and ₱454.8 million as at December 31, 2024 and 2023, respectively.

   As at December 31, 2024 and 2023, AI's remaining capital commitment to be called for Navegar II amounted to US$2.9 million (₱170.1 million) and US$3.8 million (₱212.7 million), respectively.

c. Sierra Madre focuses on providing growth capital to small and mid-sized Philippine companies.

   In 2024 and 2023, AI made additional investments to Sierra Madre amounting to US$0.2 million (₱9.8 million) and US$0.2 million (₱9.4 million), respectively. AI did not received distributions notice in 2024 and 2023.

   As at December 31, 2024 and 2023, total investment in Sierra Madre, inclusive of foreign exchange adjustment, amounted to ₱586.1 million and ₱540.0 million, respectively.

   As at December 31, 2024 and 2023, AI's remaining capital commitment to be called for Sierra Madre amounted to US$0.3 million (₱17.1 million) and US$0.5 million (₱25.8 million) respectively.

d. In 2021, AI committed to invest US$6.0 million in Asia Partners I LP, a Singapore-based private equity fund focused on high growth technology and technology enabled companies across Southeast Asia. In addition, AI committed to invest US$1.0 million in AP-I Tycho Co-invest Ltd and US$10.0 million in Asia Partners II, LP.

   In 2024 and 2023, AI made investment to Asia Partners amounting to US$0.2 million (₱9.6 million) and US$0.1 million (₱3.9 million), respectively.

   As at December 31, 2024 and 2023, total investment in Asia Partners, inclusive of foreign exchange adjustment, amounted to ₱656.2 million and ₱552.4 million, respectively.

   As at December 31, 2024 and 2023, AI's remaining capital commitment to be called for Asia Partners amounted to US$7.5 million (₱436.4 million) and US$9.0 million (₱498.6 million), respectively.

e. In 2024 and 2023, AI invested US$0.5 million (₱26.0 million) and US$0.5 million (₱27.7 million) in Third Prime Alpha III-A, respectively, a venture firm focused primarily on the FinTech, PropTech and Crypto sectors. In 2023, AI invested US$0.8 (₱44.7 million) in Third Prime (Kafene B-1), (nil in 2024).

As at December 31, 2024 and 2023, total investment in Third Prime series (Third Prime Alpha III-A, Third Prime (Kafene B) and Third Prime (Kafene B-1)), inclusive of foreign exchange adjustment, amounted to ₱225.5 million and ₱189.6 million, respectively.

As at December 31, 2024 and 2023, AI's remaining capital commitment to be called for Third Prime Alpha III-A amounted to US$0.5 million (₱26.0 million) and US$0.9 million (₱49.8 million), respectively.

f. Blue Voyant is a cybersecurity company that enables cybersecurity defense and protection through technology and tailored services.

   As of December 31, 2024 and 2023, total investment in Blue Voyant, inclusive of foreign exchange gain, amounted to ₱190.9 million and ₱182.7 million, respectively.

g. As at December 31, 2024 and 2023, the net carrying value of the AI's investment in Prople Limited amounted to nil.

   AI has no share in the contingent liabilities of any associate as at December 31, 2024 and 2023. In 2023, AI received advances from Prople Limited amounting to ₱10.4 million (nil in 2024).

h. Y-mAbs Therapeutics, Inc. (Y-mAbs) is a clinical stage biotechnology company specializing in developing novel antibody therapeutics to treat cancer.

i. As at December 31, 2024 and 2023, the net carrying value of the AI's investment in Y-mAbs amounted to ₱112.3 million and ₱169.1 million, respectively.

j. As at December 31, 2024 and 2023, advances to AI amounted to ₱1,070.0 million and ₱867.5 million net of ₱359.4 million valuation allowance, respectively (see Note 22).

AIMP

AIMP reported net income amounting to ₱126.7 million and ₱43.6 million in 2024 and 2023, respectively.

Cash dividends received by the Company amounted to ₱0.6 million and ₱27.5 million in 2024 and 2023, respectively.

FHI

FHI reported a net income (loss) amounting to (₱5.0 million) and ₱0.1 million in 2024 and 2023, respectively.

FHI made a cash advance to the Company amounting to ₱66.3 million 2023 (nil in 2024). Total outstanding cash advance from FHI amounted to ₱170.7 million as of December 31, 2024 and 2023, respectively, which is presented under "Other noncurrent liabilities".

As at December 31, 2024 and 2023, the carrying value of the investment and advances in FHI amounted to ₱173.7 million and ₱175.0 million, respectively.

The Bistro Group

On November 13, 2024, the Company bought 22% stake in TBG Food Holdings, Inc. (TBG) for a total consideration of ₱1,609.3 million. TBG owns and runs over two hundred full service restaurants, including household names like Itallianni's, TGI Fridays, Texas Roadhouse, and, Morton's Steakhouse.

The Company recorded ₱1,609.3 million as an investment in an associate as a result of the acquisition, and recognized the related liability amounting to ₱50.6 million (including the advances received from TBG amounting ₱44.0 million) as of December 31, 2024, which is presented under "Other noncurrent liabilities".

As at December 31, 2024, the carrying value of the investment in TBG amounted to ₱1,609.3 million. The fair value measurement of the identifiable assets and liabilities of TBG and any resulting embedded goodwill is still in the process of being finalized.

Advances

Net advances consist of receivables from the following subsidiaries and associates (see Note 22):

	2024	2023
AI (net of allowance for expected credit losses ₱359.4 million in 2024 and 2023)	**₱966,433,774**	₱867,495,553
AFC	**29,404,858**	25,548,796
Others (net of allowance for expected credit losses of ₱670.7 million in 2024 and 2023)	**15,616,905**	14,742,545
	₱1,011,455,537	₱907,786,894

Allowance for expected credit losses amounted to ₱1,030.1 million for 2024 and 2023.

11. Property and Equipment

	2024			
	Buildings and Improvements	**Furniture, Fixtures and Office Equipment**	**Transportation Equipment**	**Total**
Cost				
January 1	**₱137,404,931**	**₱28,681,674**	**₱20,962,180**	**₱187,048,785**
Additions	**33,374,605**	**7,911,380**	**5,670,777**	**46,956,762**
Disposal	**(6,446,160)**	**(23,951,784)**	**(2,112,000)**	**(32,509,944)**
December 31	**164,333,376**	**12,641,270**	**24,520,957**	**201,495,603**
Accumulated Depreciation				
January 1	**137,270,254**	**25,555,395**	**8,733,839**	**171,559,488**
Depreciation (Note 16)	**120,475**	**888,811**	**3,681,811**	**4,691,097**
Disposal	**(6,446,160)**	**(23,951,784)**	**(572,000)**	**(30,969,944)**
December 31	**130,944,569**	**2,492,422**	**11,843,650**	**145,280,641**
Net Book Value	**₱33,388,807**	**₱10,148,848**	**₱12,677,307**	**₱56,214,962**

	2023			
	Buildings and Improvements	Furniture, Fixtures and Office Equipment	Transportation Equipment	Total
Cost				
January 1	₱137,404,931	₱27,559,575	₱18,057,482	₱183,021,988
Additions	-	1,122,099	7,301,422	8,423,521
Disposal	-	-	(4,396,724)	(4,396,724)
December 31	137,404,931	28,681,674	20,962,180	187,048,785
Accumulated Depreciation				
January 1	137,162,851	24,610,591	10,438,479	172,211,921
Depreciation (Note 16)	107,403	944,804	2,692,084	3,744,291
Disposal	-	-	(4,396,724)	(4,396,724)
December 31	137,270,254	25,555,395	8,733,839	171,559,488
Net Book Value	₱134,677	₱3,126,279	₱12,228,341	₱15,489,297

12. **Investment Properties**

	2024	2023
Cost		
January 1	**₱293,595,000**	₱293,595,000
Disposal	**(293,595,000)**	–
December 31	–	293,595,000
Accumulated Depreciation		
January 1	**59,942,312**	45,262,562
Depreciation (Note 16)	**13,456,438**	14,679,750
Disposal	**(73,398,750)**	–
December 31	–	59,942,312
Accumulated Impairment Loss	**24,812,188**	24,812,188
Reversal of Impairment Loss (Note 19)	**(24,812,188)**	–
December 31	–	24,812,188
Net Book Value	**₱–**	₱208,840,500

Investment properties pertain to two (2) commercial units which are held for lease to other parties and associates. The Condominium units was purchased by the Company in 2019 and sold in 2024 for ₱283.0 million, with gain amounting to ₱62.8 million. Further, the Company reversed the related impairment loss on these condominium units amounting to ₱24.8 million, as a result of the sale, (see Note 19).

Fair valuation of the condominium units was performed by professionally qualified, SEC-accredited and independent appraiser. Based on the report of the appraiser rendered for 2022, the fair value of the condominium units amounts to ₱270.1 million.

The fair value of the condominium units was arrived at through the use of the "sales comparison approach," They used properties that are situated within the subject building or in other comparable condominium buildings nearby for comparison. The fair value of the condominium units is categorized as Level 3. The highest and best use of these properties is for leasing.

Management assessed that the fair value of these investment properties as at December 31, 2022 approximates its fair value as at December 31, 2023 as no significant changes on the properties have taken place since the latest appraisal, or will take place in the near future, in the market, economic or legal environment in which the Group operates or in the market to which the investment property is dedicated.

The Company recognized rental income of ₱13.3 million and ₱13.6 million from these investment properties in 2024 and 2023, respectively.

The aggregate direct expenses pertaining to real property taxes, and depreciation expense amounted to ₱13.9 million and ₱15.5 million in 2024 and 2023, respectively.

13. **Notes Payable**

The Company has outstanding notes payable of ₱670.0 million as of December 31, 2024 (nil as of December 31, 2023).

a. On November 6, 2024, a clean promissory note was executed between the Company and BDO for a short-term note payable in the aggregate principal amount of ₱670.0 million, payable on February 4, 2025. The promissory note is subject to an interest rate of 6.99%.

b. Total interest expense from notes payable recognized in the profit or loss amounted to ₱7.2 million in 2024 (nil in 2023); (see Note 19).

c. As of February 24, 2025, the Company paid ₱335.0 million principal amounts of the notes payable.

The Company's unavailed credit line from banks (covering short-term and long term debts) amounted to ₱730 million and ₱1,400 million as at December 31, 2024 and 2023, respectively.

14. **Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses, represent liabilities due within one year, consist of the following:

	2024	2023
Payable to government	**₱29,693,541**	₱–
Trade and other payables	**20,482,451**	18,270,447
Accrued expenses		
Personnel cost	**18,031,183**	16,125,344
Others	**9,731,228**	2,295,034
Withholding tax	**1,849,648**	61,883,893
	₱79,788,051	₱98,574,718

Trade payables include non-interest-bearing payables to suppliers that are normally settled on 30 to 90 days' terms.

15. **Equity**

Authorized capital stock as at December 31 consists of the following shares:

	2024		2023	
	Number of Shares	**Amount**	Number of Shares	Amount
Common - ₱1.0 par value	**3,459,310,958**	**₱3,459,310,958**	3,459,310,958	₱3,459,310,958
Preferred - ₱0.01 par value	**500,000,000**	**5,000,000**	500,000,000	5,000,000
	3,959,310,958	**₱3,464,310,958**	3,959,310,958	₱3,464,310,958

Issued and outstanding shares as at December 31 consists of the following:

	2024		2023	
	Number of Shares	**Amount**	Number of Shares	Amount
Common	**2,500,000,000**	**₱2,500,000,000**	2,500,000,000	₱2,500,000,000
Preferred	**500,000,000**	**5,000,000**	500,000,000	5,000,000
	3,000,000,000	**₱2,505,000,000**	3,000,000,000	₱2,505,000,000

On February 19, 2020, the Company's BOD approved the amendment of its Articles of Incorporation (AOI) wherein authorized capital stock of 5,000,000 common shares (par value of ₱1.00 per share) amounting to ₱5.0 million will be reclassified to 500,000,000 preferred shares (par value of ₱0.01 per share) amounting to ₱5.0 million. In August 2020, the Company applied for the amendment of the AOI with the SEC and this was approved by SEC on June 21, 2021.

Outstanding shares, as at December 31, 2024 and 2023 totaled 2,505 million. The Company's equity holders as at December 31, 2024 and 2023 are 11,015 and 11,020, respectively.

The Philippine SEC authorized the offering/sale to the public of the Company's 10.0 million and 140.0 million common shares with par value of ₱1.0 each on December 29, 1948, and January 17, 1973, respectively. On August 30, 1996, the Philippine SEC authorized the licensing of 910,476,302 common shares at the subscription price of ₱2.50 per share.

In 2024 and 2023, the Company declared the following cash dividends:

	2024	2023
Month of declaration	**February and October**	March and November
Stockholders of record	**March 14 and November 14**	March 17 and December 1
Cash dividends per share	**₱0.50 and ₱0.25**	₱0.50 and ₱0.50
Total cash dividends	**₱1,875.0 million**	₱2,500.0 million

As at December 31, 2024 and 2023, the Company had dividends payable amounting to ₱608.9 million and ₱570.4 million, respectively. Dividends payable represent mainly dividend checks that were returned by the post office, and which remained outstanding as at December 31, 2024 and 2023 due to problematic addresses of some of the Company's stockholders.

The BOD approved the following appropriation of the Company's unrestricted retained earnings:

Date of Appropriation	Amount
2011	₱2,100,000,000
2013	900,000,000
2014	1,600,000,000
2015	1,700,000,000
2016	850,000,000
	₱7,150,000,000

The appropriation will be used for the Company's investment program within the next three years on business activities related to tourism, business process outsourcing and manufacturing, whether based in the Philippines or offshore. Appropriations in 2011 and 2013 were extended in 2017. Appropriations in 2014 and 2015 were extended in 2018 and 2019, respectively for another three years.

On November 11, 2020, the BOD approved the extension of the appropriation of retained earnings totaling ₱7,150.0 million for another three years for the same investment program.

On November 15, 2023, the BOD approved the extension of the appropriation of retained earnings totaling ₱7,150.0 million for another three years for the same investment program including business activities related to digital technology.

The unappropriated retained earnings is restricted for the dividend declaration by the balance of gross deferred income tax assets, fair value adjustments related to unrealized market to market gains of FVPL investments and unrealized foreign exchange gains (except those attributable to cash and cash equivalents) amounting to ₱5,683.8 million and ₱3,719.6 million as at December 31, 2024 and 2023, respectively.

16. **Operating Expenses**

	2024	2023
Salaries, wages and employee benefits (Note 17)	**₱123,736,827**	₱148,633,347
Professional fees and directors' fees	**61,346,054**	27,222,012
Utilities	**51,293,558**	35,208,295
Depreciation (Notes 11 and 12)	**18,147,535**	18,424,041
Donations and contributions	**10,840,346**	10,207,600
Taxes and licenses (Note 28)	**9,994,721**	5,730,197
Security services	**6,072,015**	5,511,228
Association dues	**5,915,575**	6,150,394
Meetings and conferences	**4,441,019**	6,452,794
Communications	**2,925,445**	2,888,820
Transportation and travel	**1,904,482**	2,060,793
Rent	**1,861,009**	134,521
Office supplies	**1,738,693**	1,748,873
Insurance	**1,301,666**	1,209,585
Repairs and maintenance	**1,284,002**	1,307,994
Entertainment, amusement and recreation	**1,039,116**	1,526,553
Others	**3,691,369**	2,468,858
	₱307,533,432	₱276,885,905

In 2024 and 2023, the Company paid bonus to its non-executive directors amounting to ₱14.8 million and ₱18.1 million respectively.

An annual bonus of no more than 1.0% of previous year's net income is given to the directors of the Company as approved by the Board of Directors in 2004.

17. **Personnel Expenses**

	2024	2023
Salaries and wages	**₱122,437,370**	₱147,523,694
Social security premiums, and other employees' benefits	**1,299,457**	1,109,653
	₱123,736,827	₱148,633,347

In 2024 and 2023, the Company declared and paid bonuses to its executive officers amounting to ₱81.6 million and ₱91.6 million, respectively.

An annual bonus of no more than 3.0% of the preceding year's net income is given to executive officers of the Company as approved by the Board of Directors in 2004.

18. Pension and Other Post-Employment Benefit Plans

The Company has a funded defined benefit pension plan covering substantially all of its officers and employees. The benefits to be received by the officers and employees under the pension plan shall not be less than the minimum mandated retirement benefit plan under Republic Act (RA) No. 7641.

The funds are administered by trustee banks under the control and supervision of the Board of Trustees (BOT) of the pension plan, who is composed of the executive officers of the Company.

The Company contributes to the funds as required under accepted actuarial principles to maintain the plan in sound condition and reserves the right to discontinue, suspend or change the rate and amount of its contribution to the funds at any time.

Funding Policy

The Company contributes to the plan amounts (estimated by an actuary on the basis of reasonable actuarial assumptions) which are necessary to provide the defined benefits. No member is required to make any contribution to the plans. Contributions to the plans are determined using the projected unit credit method. Under this method, the current service cost is the present value of retirement benefits payable in the future in respect of services in the current period. The past service cost (PSC) is the present value of the units of benefits payable in the future in respect of services rendered prior to valuation date.

The Company's management performs an Asset-Liability Matching Study annually. The overall investment policy and strategy of the Company's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

As at December 31, 2024 and 2023, the Company's defined benefit retirement fund (Fund) has investments in shares of stock of the Company with a cost of ₱413.6 million.

The fair value of the shares of stock amounted to ₱871.3 million and ₱742.6 million as at December 31, 2024 and 2023, respectively.

All of the fund's investing decisions are made by the BOT of the pension plans. The retirement benefit fund's gain arising from the changes in market prices amounted to ₱113.1 million and ₱146.7 million in 2024 and 2023, respectively.

As at December 31, 2024 and 2023, the fund's carrying value and fair value amounted to ₱1,035.0 million and ₱897.5 million, respectively.

The following tables summarize the components of net retirement benefit expense recognized in the profit or loss and the funded status and amounts recognized in the parent company statements of financial position.

	2024	2023
Current service cost	**₱6,098,228**	₱5,203,272
Net interest income	**(9,720,068)**	(6,776,901)
Net retirement benefits income (Note 19)	**(₱3,621,840)**	(₱1,573,629)

Changes in net retirement plan asset are as follows:

	2024	2023
Net retirement plan asset, beginning	**₱179,367,643**	₱120,517,926
Current service cost	**(6,098,228)**	(5,203,272)
Net interest income	**9,720,068**	6,776,901
	3,621,840	1,573,629
Actuarial changes arising from:		
Changes in financial assumptions	**(23,426,472)**	(5,304,655)
Experience adjustments	**(38,038,138)**	15,654,040
Remeasurement gain on plan asset	**120,188,983**	203,537,923
Changes in effect of asset ceiling	**5,824,890**	(164,334,425)
	64,549,263	49,552,883
Benefits paid from book reserve	**4,503,485**	–
Contribution	**7,723,205**	7,723,205
Net retirement plan asset, end	**₱259,765,436**	₱179,367,643

Computation of retirement plan asset:

	2024	2023
Fair value of plan assets	**₱1,035,332,488**	₱897,533,734
Present value of defined benefit obligation	**(321,175,676)**	(284,040,758)
Surplus	**714,156,812**	613,492,976
Effect of the asset ceiling	**(454,391,376)**	(434,125,333)
Retirement plan asset	**₱259,765,436**	₱179,367,643

Changes in the present value of the defined benefit obligations as at December 31 are as follows:

	2024	2023
Opening defined benefit obligation	**₱284,040,758**	₱314,826,996
Interest cost	**17,070,850**	21,124,891
Current service cost	**6,098,228**	5,203,272
Benefits paid from the plan assets	**(42,995,285)**	(51,832,603)
Benefits paid directly from book reserve	**(4,503,485)**	–
Business combinations/disposal	**–**	5,067,587
Remeasurement in other comprehensive income:		
Actuarial loss - changes in financial assumptions	**23,426,472**	5,304,655
Actuarial loss (gain) - experience adjustments	**38,038,138**	(15,654,040)
	₱321,175,676	₱284,040,758

Changes in the effect of asset ceiling are as follows:

	2024	2023
Beginning balance	**₱434,125,333**	₱252,826,266
Interest	**26,090,933**	16,964,642
Changes in the effect of asset ceiling	**(5,824,890)**	164,334,425
	₱454,391,376	₱434,125,333

Changes in the fair value of plan asset are as follows:

	2024	2023
Opening fair value of plan asset	**₱897,533,734**	₱688,171,188
Interest income	**52,881,851**	44,866,434
Contributions	**7,723,205**	7,723,205
Benefits paid from plan assets	**(42,995,285)**	(51,832,603)
Business combinations/ disposals	**–**	5,067,587
Remeasurement gain on plan asset	**120,188,983**	203,537,923
	₱1,035,332,488	₱897,533,734

The fair value of plan asset as at December 31 are as follows:

	2024	2023
Cash and cash equivalents	**₱4,762,529**	₱7,240,616
Debt instruments	**188,534,046**	222,937,049
Equity instruments	**802,279,145**	654,280,558
Unit investment trust funds	**12,941,656**	9,324,423
Mutual Funds	**24,951,514**	–
Others	**1,863,598**	3,751,088
Fair value of plan asset	**₱1,035,332,488**	₱897,533,734

The financial instruments with quoted prices in active market amounted to ₱929.8 million and ₱886.5 million as at December 31, 2024 and 2023, respectively. The remaining plan assets do not have quoted market prices in the active market.

The plan asset has diverse investments and does not have any concentration risk.

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 financial reporting period, assuming all other assumptions were held constant:

2024	**Change in Rates**	**Effect on Present Value of Defined Benefit Obligation Increase (Decrease)**
Discount rate	**+100 bps**	**(₱10,384,795)**
	-100 bps	**11,501,226**
Future salary increases	**+100 bps**	**11,235,871**
	-100bps	**(10,349,561)**

2023	Change in Rates	Effect on Present Value of Defined Benefit Obligation Increase (Decrease)
Discount rate	+100 bps	(₱7,472,524)
	-100 bps	8,230,614
Future salary increases	+100 bps	8,231,431
	-100bps	(7,610,102)

There were no changes from the previous period in the methods and assumptions used in preparing sensitivity analysis.

The Company expects to make contributions amounting to ₱7.7 million to its defined benefit pension plan in 2024.

The principal assumptions used in determining pension benefit obligations for the Company's plan as at December 31, 2024 and 2023 include discount rate of 6.12% and 6.01% respectively, and future salary increase rate of 7.5% and 5% in 2024 and 2023 respectively.

The weighted average duration of the defined benefit obligation is 3.4 years and 2.8 years as at December 31, 2024 and 2023, respectively.

Shown below is the maturity analysis of the expected future benefit payments as at December 31, 2024

Year	2024
2025	₱169,080,290
2026	3,436,441
2027	47,803,343
2028	10,119,307
2029	16,184,698
2030 to 2034	140,871,961

19. Interest Income, Interest Expense and Other Income

Details of interest income follow:

	2024	2023
Cash and cash equivalents (Note 6)	**₱24,254,756**	₱23,316,740
FVPL and FVOCI debt instruments (Notes 7 and 8)	**17,774,433**	20,742,464
Notes receivable (Note 9)	**24,465,316**	17,370,202
Others	**57,126**	35,993
	₱66,551,631	₱61,465,399

Interest income on debt instruments is net of bond discount amortization amounting to ₱0.5 million and ₱0.8 million in 2024 and 2023, respectively.

Details of interest expense follow:

	2024	2023
Interest on notes payables	**₱7,165,228**	₱–
Interest on deficiency taxes	–	1,917,970
	₱7,165,228	₱1,917,970

Other income - net consists of

	2024	2023
Reversal of valuation allowance (Note 12)	**₱24,812,188**	₱–
Rental income (Note 22)	**13,448,764**	13,784,365
Other service fee	**9,821,429**	8,147,321
Retirement benefit income (Note 18)	**3,621,840**	1,573,629
Others - net	**(180,362)**	992,491
	₱51,523,859	₱24,497,806

20. **Income Taxes**

The current provision for income tax amounting to ₱8.8 million and ₱1.9 million in 2023 and 2024, respectively, represents MCIT.

As at December 31, 2024 and 2023, tax credits or refunds included in "Other current assets" amounted to ₱194.0 million and ₱166.2 million, respectively.

The components of the net deferred income tax liabilities are as follows:

	2024	2023
Recognized directly in profit or loss:		
Deferred income tax liabilities on:		
Market adjustment on FVPL investments	**(₱142,989,203)**	(₱125,417,797)
Unrealized foreign exchange gain	**(29,844,819)**	(17,956,429)
Retirement plan asset	**(13,560,725)**	(9,598,592)
	(186,394,747)	(152,972,818)
Deferred income tax assets on past service cost	**2,015,947**	2,267,940
	(184,378,800)	(150,704,878)
Recognized directly in equity:		
Deferred income tax liabilities on:		
Cumulative actuarial gains	**(51,380,634)**	(35,243,318)
Unrealized valuation gain on FVOCI investments	**(93,518)**	(201,873)
	(51,474,152)	(35,445,191)
	(₱235,852,952)	(₱186,150,069)

The following are the deductible temporary differences and carryforward benefits for which no deferred income tax assets were recognized as future realizability of these deferred income tax assets is not probable:

	2024	2023
Deductible temporary differences on:		
Allowances for:		
Expected credit losses	**₱1,030,107,616**	₱1,030,107,616
Impairment losses	**296,645,509**	321,457,697
Carryforward benefits of:		
Excess of MCIT over RCIT	**13,226,932**	4,884,740
NOLCO	–	155,888,155

The President of the Philippines signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic corporations.
- For domestic corporations with net taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020, to June 30, 2023. Moreover, from July 1, 2023 onwards, the minimum corporate income tax will return to its previous rate of 2%.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

The reconciliation of provision for income tax computed at the statutory income tax rate (25% in 2024 and 2023) with the provision for income tax is as follows:

	2024	2023
Provision for income tax at statutory tax rate	**₱1,249,787,327**	₱845,669,702
Additions to (reductions in) income taxes resulting from:		
Dividend income not subject to income tax	**(453,322,920)**	(534,902,758)
Increase in market values of marketable equity securities and other investments subjected to final tax	**(728,320,702)**	(287,103,652)
Movement of unrecognized deferred tax assets	**(36,832,894)**	39,201,218
Interest income already subjected to final tax	**(6,063,689)**	(2,286,751)
Nondeductible expenses	**1,212,738**	574,767
Others	**16,017,429**	7,197,138
	₱42,477,289	₱68,349,664

MCIT

As at December 31, 2024, the Company has excess MCIT over RCIT that can be claimed as deduction against regular income tax liabilities, as follows:

Period of Recognition	Availment Period	Beginning of year	Additions	Applied	Expired	End of year
2021	2022-2024	₱461,175	₱–	₱–	(₱461,175)	₱–
2022	2023-2025	2,507,589	–	–	–	2,507,589
2023	2024-2026	1,915,976	–	–	–	1,915,976
2024	2025-2027	–	8,803,367	–	–	8,803,367
		₱4,884,740	₱8,803,367	₱–	(₱461,175)	₱13,226,932

NOLCO

The Company's NOLCO incurred in taxable year 2023 was fully claimed as deduction against the regular income tax in 2024.

Year Incurred	Availment Period	Beginning of year	Additions	Applied	Expired	End of year
2023	2024-2026	₱155,888,155	₱–	(₱155,888,155)	₱–	₱–

21. Earnings Per Share - Basic/Diluted

Earnings per share - basic/diluted are computed as follows:

	2024	2023
Net income	**₱4,956,672,018**	₱3,314,329,144
Total comprehensive income	**5,004,758,900**	3,355,283,358
Weighted average number of common shares (Note 15)	**2,500,000,000**	2,500,000,000
Earnings per share		
Basic/diluted, for net income	**₱1.98**	₱1.33
Basic/diluted, for total comprehensive income	**₱2.00**	₱1.34

The Company does not have potentially dilutive common stock equivalents in 2024 and 2023.

22. Related Party Transactions

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

In the normal course of business, the Company grants/receives cash advances to/from its subsidiaries and associates.

All related party transactions exceeding ₱5.0 million in a single transaction or in aggregate transactions within the last 12 months are disclosed to and evaluated by the Related Party Transaction Committee for approval by at least majority of the BOD.

All material related party transactions, representing 10% or more of the consolidated total assets of the Group, shall be approved by at least two-thirds (2/3) vote of the BOD, with at least majority of the independent directors voting to approve the material related party transactions. These transactions shall be disclosed with the SEC.

The parent company financial statements include the following transactions and account balances as at December 31 with related parties:

	Amount/Volume		Outstanding Balance			
	2024	2023	**2024**	2023	Terms	Conditions
AI						
Advances (Note 10)	**₱98,938,221**	₱241,304,902	**₱966,433,774**	₱867,495,553	Non-interest bearing	Unsecured, with impairment
PDIPI						
Dividends (Note 10)	**436,500,000**	339,500,000	**–**	–	Non-interest bearing	Unsecured, no impairment
PDP Energy						
Management fees (Note 9)	**100,850,180**	99,441,582	**27,698,582**	32,618,561	Non-interest bearing	Unsecured, no impairment
Anscorcon						
Advances (Note 14)	**69,735**	(9,645)	**(74,387)**	(144,122)	Non-interest bearing	Unsecured, no impairment
Dividends (Note 10)	**953,700,000**	1,271,200,000	**–**	–	Non-interest bearing	Unsecured, no impairment
AFC						
Advances (Note 10)	**3,856,062**	4,678,398	**29,404,858**	25,548,796	Non-interest bearing	Unsecured, no impairment
FHI						
Advances (Note 10)	**–**	(66,326,000)	**(170,661,900)**	(170,661,900)	Non-interest bearing	Unsecured, no impairment
SSRLI						
Dividends (Note 10)	**74,760,000**	155,750,000	**–**	–	Non-interest bearing	Unsecured, no impairment
TBG						
Advances (Note 10)	**(44,000,020)**	–	**(44,000,020)**	–	Non-interest bearing	Unsecured, no impairment
Others						
Advances (Note 10)	**874,359**	8,110,728	**15,616,905**	14,742,545	Non-interest bearing	Unsecured, with impairment

a. The Company has a management contract with Phelps Dodge Philippines Energy Products Corporation (PDPEPC). Under the management agreement between the parties, the Company, as compensation to managerial and administrative services rendered to PDPEPC, shall bill the latter for management fees equivalent to 50% of 15% of audited income before tax and management and technical assistance fees of PDPEPC (VAT inclusive).

b. Allowance for expected credit losses on advances to related parties amounted to ₱1,030.1 million as of December 31, 2024 and 2023.

c. Compensation of key management personnel (in millions):

	2024	2023
Short-term employee benefits	**₱146.0**	₱156.1
Retirement benefits (Note 18)	**12.2**	5.1
Total compensation of key management personnel	**₱158.2**	₱161.2

There are no termination benefits, share-based payments or other long-term employee benefits granted to key management personnel.

d. On November 29, 2019, the Company entered into a lease agreement with ATR Asset Management, Inc., ATRAM Trust Corporation and MET Holdings, Inc. for the lease of its condominium unit commencing on the agreement date until April 30, 2021. The contract was renewed for another five (5) years effective May 1, 2021, and the Company will receive monthly rental payments of ₱1.2 million, which is subject to 5% escalation rate starting May 1, 2022. Considering the sale of the property (see Note 13), the lease agreement was pre-terminated effective December 1, 2024.

   The Company recognized rental income amounting to ₱13.5 million and ₱13.8 million in 2024 and 2023, respectively (see Note 19).

e. The Company charges a monthly fee for the Company's general, administrative, treasury, tax and legal services rendered to PRI. Starting January 1, 2018, both parties mutually agreed to a monthly fee amounting to ₱650,000. AHI also charges PRI for a monthly fee of ₱100,000 inclusive of VAT. Effective August 2021, ₱375,000 is billed by AHI to PRI and the same amount is charged by the Company to AHI.

   Effective January 1, 2023, the Company charges a monthly fee amounting to ₱916,667 inclusive of VAT.

23. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash and cash equivalents, receivables, investments in debt instruments, quoted and unquoted equity securities, investments in mutual and hedge funds and long-term bank loans. The Company's other financial instruments include accounts payable and accrued expenses and dividends payable, which arose directly from operations.

The Company's investment objectives consist mainly of:

a) maintaining a bond portfolio that earns adequate cash yields, and
b) maintaining a stable equity portfolio that generates capital gains through a combination of long-term strategic investments and short-term to medium-term hold type investment.

The main risks arising from the use of these financial instruments are credit risk, liquidity risk, interest rate risk, equity price risk and foreign currency risk. These risks are monitored by the Company's Investment Committee (the Committee).

The Committee evaluates the performance of all investments and reviews fund allocation to determine the future strategy of the fund. The Committee is formed by the Company's Chairman, Vice Chairman, Chief Finance Officer, Treasurer and Corporate Development Officer, and an independent consultant. The Committee meets at least every quarter for the review and evaluation. The BOD reviews and approves the Company's risk management policies.

The Company's policies for managing each of these risks are summarized below.

Credit risk
The Company is exposed to credit risk primarily because of its investment and operating activities. Credit risk losses may occur as a result of either an individual, counterparty or issuer being unable to or unwilling to honor its contractual obligations. The Company is exposed to credit risk arising from the default of the counterparties (i.e., foreign and local currency denominated debt instruments and receivables) to its financial assets. The Company does not have a counterparty that accounts for more than 10% of the revenues.

Credit risk management
In managing credit risk on these investments, capital preservation is paramount. The Company transacts only with recognized and creditworthy counterparties. Investments in bonds are invested in highly recommended, creditworthy debt instruments that provide satisfactory interest yield.

Credit risk exposures
The table below shows the gross maximum exposure for each class of financial assets before the effects of collateral, credit enhancements and other credit risk mitigation techniques:

	2024	2023
Cash in banks	**₱156,079,412**	₱124,937,696
Cash equivalents	**985,762,609**	816,995,493
FVPL investments - bonds	**14,988,363**	40,039,791
FVOCI investments - bonds	**15,599,929**	57,636,746
	1,172,430,313	1,039,609,726
Receivables:		
Notes receivable	**378,676,845**	416,774,404
Due from a related party	**27,698,582**	32,618,561
Interest receivable	**12,697,041**	12,744,830
Others	**6,800,951**	5,671,749
Advances	**2,041,593,342**	1,937,924,699
	2,467,466,761	2,405,734,243
	₱3,639,897,074	₱3,445,343,969

Credit quality per class of financial assets
For the Company's financial assets, credit quality is monitored and managed using internal credit ratings. Internal risk ratings are derived in accordance with the Company's rating policy.

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The Company invests only on quoted debt securities with very low credit risk. The Company's debt instruments at FVOCI comprised solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the Good Credit Rating Agency and, therefore, are considered to be low credit risk investments.

The tables in the next page present the summary of the Company's exposure to credit risk as at December 31 and show the credit quality of the assets by indicating whether the assets are subjected to the 12-month ECL or lifetime ECL.

2024	12-month ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Total
Cash in banks	**₱156,079,412**	**₱–**	**₱–**	**₱156,079,412**
Cash equivalents	**985,762,609**	–	–	**985,762,609**
FVOCI investments – bonds	**15,599,929**	–	–	**15,599,929**
Receivables:				
Notes receivable	**378,676,845**	–	–	**378,676,845**
Due from a related party	**27,698,582**	–	–	**27,698,582**
Interest receivable	**12,105,946**	–	**591,095**	**12,697,041**
Others	**6,295,221**	–	**505,730**	**6,800,951**
Advances	**1,011,455,537**	–	**1,030,137,805**	**2,041,593,342**
	₱ 2,593,674,081	**₱–**	**₱1031,234,630**	**₱3,624,908,711**

2023	12-month ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Total
Cash in banks	₱124,937,696	₱–	₱–	₱124,937,696
Cash equivalents	816,995,493	–	–	816,995,493
FVOCI investments – bonds	57,636,746	–	–	57,636,746
Receivables:				
Notes receivable	416,774,404	–	–	416,774,404
Due from a related party	32,618,561	–	–	32,618,561
Interest receivable	12,153,735	–	591,095	12,744,830
Others	5,166,019	–	505,730	5,671,749
Advances	907,786,894	–	1,030,137,805	1,937,924,699
	₱2,374,069,548	₱–	₱1,031,234,630	₱3,405,304,178

Liquidity risk
Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations as they fall due. Aside from yielding good returns, the Company ensures investments have ample liquidity to finance operations and capital requirements. Short-term bank loans are secured to fill in temporary mismatch of funds for new investments.

Where applicable, equity is used for financing when the business requirement calls for it to ensure adequate liquidity in the subsidiaries and affiliates' operation.

The Company's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when they are due. This is done by primarily investing in highly liquid investments.

The tables below summarize the maturity profile of the Company's financial liabilities as at December 31 based on undiscounted contractual payments as well as the financial assets used for liquidity management.

December 31, 2024	Within 6 months	6 to 12 months	Over 1 up to 5 years	Over 5 years	Total
Cash in banks	**₱156,079,412**	**₱–**	**₱–**	**₱–**	**₱156,079,412**
Cash equivalents	**985,762,609**	–	–	–	**985,762,609**
FVPL investments - bonds	–	–	**14,988,363**	–	**14,988,363**
FVOCI investments - bonds	–	–	**15,599,929**	–	**15,599,929**
Receivables	–	–	**424,776,594**	–	**424,776,594**
Advances	–	**45,021,761**	**966,433,776**	–	**1,011,455,537**
	₱1,141,842,021	**₱45,021,761**	**₱1,421,798,662**	**₱–**	**₱2,608,662,444**
Accounts payable and accrued expenses*	**₱48,244,862**	**₱–**	**₱–**	**₱–**	**₱48,244,862**
Notes Payable	**670,000,000**	–	–	–	**670,000,000**
Advances from affiliates	–	–	**214,661,920**	–	**214,661,920**
Dividends payable	**608,871,296**	–	–	–	**608,871,296**
	₱1,327,116,158	**₱–**	**₱214,661,920**	**₱–**	**₱1,541,778,078**

**Excluding nonfinancial liabilities amounting to ₱31.5 million.*

December 31, 2023	Within 6 months	6 to 12 months	Over 1 up to 5 years	Over 5 years	Total
Cash in banks	₱124,937,696	₱–	₱–	₱–	₱124,937,696
Cash equivalents	816,995,493	–	–	–	816,995,493
FVPL investments - bonds	–	–	14,515,661	25,524,130	40,039,791
FVOCI investments - bonds	–	–	29,622,064	28,014,682	57,636,746
Receivables	–	–	466,712,719	–	466,712,719
Advances	–	40,284,555	867,502,339	–	907,786,894
	₱941,933,189	₱40,284,555	₱1,378,352,783	₱53,538,812	₱2,414,109,339
Accounts payable and accrued expenses*	₱36,690,825	₱–	₱–	₱–	₱36,690,825
Advances from affiliates	–	–	170,661,900	–	170,661,900
Dividends payable	570,375,761	–	–	–	570,375,761
	₱607,066,586	₱–	₱170,661,900	₱–	₱777,728,486

**Excluding nonfinancial liabilities amounting to ₱61.8 million.*

Accounts payable and accrued expenses, dividends payable, other noncurrent liabilities and notes payables are expected to be settled using cash to be generated from operations and drawing from existing lines of credit or liquidity reserves.

Market risks
Market risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is the risk coming from adverse movements in factors that affect the market value of financial instruments of the Company. The Company is exposed primarily to the financial risks of changes in interest rates, equity price risk, price risk of mutual funds and foreign currency risk.

Investments exposed to market risk are foreign and local currency denominated quoted debt instruments, foreign and local currency denominated equity instruments, and mutual fund/hedge fund investments.

There has been no change to the Company's manner of managing and measuring the risk.

a. Interest rate risks

Fair value interest rate risk
Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company accounts for its quoted debt investments at fair value. Changes in benchmark interest rate will cause changes in the fair value of quoted debt instruments.

The tables below show the impact on income before income tax and equity of the estimated future bond yields using a duration-based sensitivity approach. Items affecting profit and loss are bonds classified as FVPL and items affecting equity account are bonds classified as FVOCI.

The impact of change in interest rates are as follows (in millions):

	Change in	Increase (Decrease)	
2024	**Interest Rates (in bps)**	**Effect on Income Before Tax**	**Effect on Equity**
FVOCI investments	**+100**	₱–	(₱1.93)
	-100	–	2.05
FVPL investments	**+100**	(1.30)	–
	-100	1.38	–

2023	Change in Interest Rates (in bps)	Increase (Decrease) Effect on Income Before Tax	Effect on Equity
FVOCI investments	+100	₱–	(₱1.93)
	-100	–	2.05
FVPL investments	+100	(1.30)	–
	-100	1.38	–

The Company generally mitigates the risk of changes in market interest rates by constantly monitoring fluctuations of interest rates and maintaining a mix of fixed and floating interest-bearing financial instruments.

b. Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the values of individual stock. The equity price risk exposure arises from the Company's investment in stock listed in the PSE.

The sensitivity analysis assumes that the stock's standard deviation on its historical returns for the past one year provides the basis for the range of reasonably possible changes in prices of the stock investments. In establishing the relative range of stock investment returns, the Company assumes a 99% confidence level.

The Company places emphasis on putting together a portfolio consisting of different securities. The goal is to keep risk to a minimum in relation to the expected return.

The table below shows the impact on income before income tax and equity of the estimated future return of the stock investments using a Beta-based sensitivity approach. The impact of the change in equity prices is as follows:

FVPL Investments	**Change in PSE Price Index**	**Effect on Income Before Tax and Equity Increase (Decrease) (in millions)**
2024	**+15.31%**	**₱965.15**
	-15.31%	**(965.15)**
2023	+14.75%	₱942.29
	-14.75%	(942.29)

The annual standard deviation of the PSE price index is approximately 18.77% and 33.14% and with 99% confidence level, the possible change in PSE price index could be +/-15.31% and +/-14.75% in 2024 and 2023, respectively.

c. Price risk of mutual funds

The Company is exposed to the risks of changes in the fund's net asset value (NAV) due to its market risk exposure.

The sensitivity analysis demonstrates management's best estimate of the impact of reasonably possible change in NAV, with all other variables held constant.

The table below shows the impact on income before income tax of assumed changes in NAV. A negative amount in the table reflects a potential reduction on income before income tax or equity, while a positive amount reflects a potential increase on income before income tax or equity. The impact of the change in mutual fund prices are as follows:

	Change in NAV	**Effect on Income Before Tax and Equity Increase (Decrease) (in millions)**
2024	**+10.00%**	₱206.12
	-10.00%	(206.12)
2023	+10.00%	₱259.19
	-10.00%	(259.19)

d. Foreign exchange risks

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rate. The Company's exposure arises primarily from investments in foreign currency-denominated debt investments and equity securities.

To minimize income volatility due to exchange rate movements, liquid investments are held in a basket of currencies, including Philippine peso and other major currencies such as US dollar. This also enables the Company to access investment opportunities in those currencies. The Company occasionally engages in foreign currency forward contracts as a defensive measure against foreign currency volatility.

On borrowings, it is the Company's group wide policy for its subsidiaries and associates where it has significant influence to minimize any foreign exchange risks. Thus, all borrowings whether short-term or long-term, in general, should be in Philippine Peso. Any foreign currency borrowings may be engaged only if matched by the entities' corresponding currency revenue flows or by a foreign currency asset. It is also the policy of the Company to minimize any foreign exchange exposure in its management of payables. Any substantial exposure is covered by foreign exchange contracts, if necessary.

The analysis discloses management's best estimates of the effect of reasonably possible movement of the currency rate against the Philippine Peso on income before tax. It assumes that all other variables remain constant. The impact of the change in currency rates are as follows:

2024	**Change in Currency Rate**	**Effect on Income Before Tax Increase (Decrease) (in millions)**
US Dollar	**+4.76%**	**322.61**
	-4.76%	**(322.61)**

2023	Change in Currency Rate	Effect on Income Before Tax Increase (Decrease) (in millions)
US Dollar	+7.80%	₱402.90
	-7.80%	(402.90)

Capital management
The primary objective of the Company's capital management is to ensure an adequate return to its shareholder and to maximize its value to its shareholders. In pursuance of this goal, the Company establishes an optimum risk return investment objective through a sound diversified investment portfolio and in ensuring a fair credit rating, the Company establishes prudent financial policies through appropriate capitalization ratios in its investments and maintain reasonable liquidity.

The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the parent company statements of financial position.

No changes were made in the objectives, policies or process for the years ended December 31, 2024 and 2023.

24. Financial Instruments

Categorization of financial instruments

December 31, 2024	**Amortized Cost**	**Financial Assets at FVPL**	**FVOCI Investments**	**Total**
Cash and cash equivalents	**₱1,141,982,018**	**₱–**	**₱–**	**₱1,141,982,018**
FVPL investments	**–**	**12,796,475,397**	**–**	**12,796,475,397**
FVOCI investments	**–**	**–**	**15,599,929**	**15,599,929**
Receivables	**424,776,594**	**–**	**–**	**424,776,594**
Advances	**1,011,455,537**	**–**	**–**	**1,011,455,537**
	₱2,578,214,149	**₱12,796,475,397**	**₱15,599,929**	**₱15,390,289,475**

December 31, 2023	Amortized Cost	Financial Assets at FVPL	FVOCI Investments	Total
Cash and cash equivalents	₱942,155,657	₱–	₱–	₱942,155,657
FVPL investments	–	10,644,254,296	–	10,644,254,296
FVOCI investments	–	–	57,636,746	57,636,746
Receivables	466,712,719	–	–	466,712,719
Advances	907,786,894	–	–	907,786,894
	₱2,316,655,270	₱10,644,254,296	₱57,636,746	₱13,018,546,312

Fair values of financial assets and liabilities
The carrying amounts of cash and cash equivalents, receivables, dividends payable and accounts payable and accrued expenses approximate their fair values due to the short-term maturity of these financial instruments.

FVPL and FVOCI investments are carried out at fair value. The following methods and assumptions were used to estimate the fair values:

- FVPL quoted equity shares, investments in bonds, funds and equities, proprietary shares and others are derived from quoted market prices in active markets.

- FVOCI investments in bonds are derived from quoted market prices in active markets.

FVPL investment in KSA shares is based on the discounted cash flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, and growth rate. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The following tables provide the Company's fair value measurement hierarchy of its assets:

		Fair Value Measurement Using		
As at December 31, 2024	**Total**	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
FVPL investments:				
Quoted equity shares	**₱8,806,868,189**	**₱8,806,868,189**	**₱–**	**₱–**
Funds and equities	**2,630,627,742**	–	**2,630,627,742**	–
Unquoted shares	**727,435,277**	–	–	**727,435,277**
Proprietary shares	**614,065,000**	–	**614,065,000**	–
Bonds	**14,988,363**	**14,988,363**	–	–
Others	**2,490,825**	**2,490,825**	–	–
	12,796,475,396	**8,824,347,377**	**3,244,692,742**	**727,435,277**
FVOCI investments	**15,599,929**	**15,599,929**	–	–
	₱12,812,075,325	**₱8,839,947,306**	**₱3,244,692,742**	**₱727,435,277**

		Fair Value Measurement Using		
As at December 31, 2023	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FVPL investments:				
Quoted equity shares	₱6,857,860,205	₱6,857,860,205	₱–	₱–
Funds and equities	2,353,113,197	–	2,353,113,197	–
Unquoted shares	927,435,278	–	–	927,435,278
Proprietary shares	40,039,791	40,039,791	–	–
Bonds	463,315,000	–	463,315,000	–
Others	2,490,825	2,490,825	–	–
	10,644,254,296	6,900,390,821	2,816,428,197	927,435,278
FVOCI investment	57,636,746	57,636,746	–	–
	₱10,701,891,042	₱6,958,027,567	₱2,816,428,197	₱927,435,278

Description of significant unobservable inputs to valuation of financial instruments classified under Level 3 (in millions):

2024	**Valuation Technique**	**Significant Unobservable Inputs**	**Range**	**Sensitivity of Input to Fair Value**
KSA	DCF Model	Dividend payout is ₱94.3 million with 3% annual increase at the end of 5th year	2% to 4%	2%: fair value of ₱723 4%: fair value of ₱894
		Liquidity discount of 20%	10% to 30%	10%: fair value of ₱899 30%: fair value of ₱782
		Cost of equity of 12.45%	11.45% to 13.45%	11.45%: fair value of ₱727 13.45%: fair value of ₱726

2023	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity of Input to Fair Value
KSA	DCF Model	Dividend payout is ₱95.8 million with 4% annual increase at the end of 2nd year	3% to 5%	3%: fair value of ₱833 5%: fair value of ₱1,047
		Liquidity discount of 20%	10% to 30%	10%: fair value of ₱1,043 30%: fair value of ₱812
		Cost of equity of 12.78%	11.78% to 13.78%	11.78%: fair value of ₱1,042 13.78%: fair value of ₱836

An increase in the expected lease income of KSA would increase the dividend payout, which in turn would lead to an increase in the fair value of the investment in KSA.

As at December 31, 2024 and 2023, the carrying value of the investment in KSA amounts to ₱727.4 million and ₱927.4 million, respectively. The Company recognized loss on fair value adjustment amounting to ₱200 million and ₱94.3 million in 2024 and 2023, respectively.

For the years ended December 31, 2024 and 2023, there were no transfers.

25. Changes in Liabilities Arising from Financing Activities

	January 1, 2024	**Dividend Declaration**	**Cash Flows for Advances**	**Cash Flows for Repayments**	**Non-cash**	**December 31, 2024**
Dividends payable	**₱570,375,761**	**₱1,875,000,000**	**₱–**	**(₱840,207,145)**	**(₱996,297,320)**	**₱608,871,296**
Advances from affiliates	**170,661,900**	**–**	**44,000,020**	**–**	**–**	**214,661,920**
Total	**₱741,037,661**	**₱1,875,000,000**	**₱44,000,020**	**(₱840,207,145)**	**(₱996,297,320)**	**₱823,533,216**

	January 1, 2023	Dividend Declaration	Cash Flows for Advances	Cash Flows for Repayments	Non-cash	December 31, 2023
Dividends payable	₱501,959,779	₱2,500,000,000	₱–	(₱1,103,154,257)	(₱1,328,429,761)	₱570,375,761
Advances from affiliates	104,395,900	–	66,326,000	–	–	170,661,900
Total	₱606,431,034	₱2,500,000,000	₱66,335,645	(₱1,103,154,257)	(₱1,328,429,761)	₱741,182,661

26. Notes to Parent Company Statements of Cash Flow

The Company's noncash operating and financing activities are as follows:

a. *Operating Activity*
The dividends received in 2024 and 2023 is net of dividend income from a subsidiary amounting to ₱953.7 million and ₱1,271.2 million, respectively. (Note 10).

b. *Financing Activity* (Note 25)
The dividends paid in 2024 and 2023 are net of the dividends for the shares of common stock held by Anscorcon amounting to ₱954.3 million and ₱1,272.4 million, respectively.

27. Subsequent Event

On February 24, 2025, the BOD of the Company approved the declaration of cash dividend of ₱0.50 per common share, payable on April 11, 2025 to common stockholders of record as at March 17, 2025.

28. **Supplementary Information Required Under Revenue Regulations No. 15-2010**

In compliance with BIR Revenue Regulation No. 15-2010, summarized below are the taxes paid or accrued by the Company in 2024.

VAT

a. Net receipts and output VAT declared in the Company's VAT returns filed for 2024:

	Net Sales/ Receipts	Output VAT
Taxable Sales:		
Sale of services	₱171,089,184	₱20,530,702
Sale of property	284,575,714	34,149,085
Leasing income (rental)	13,448,764	1,613,852
	₱469,113,662	₱56,293,639

The Company's sales that are subjected to VAT are reported under "Management fees", "Interest income" and "Others income - net" accounts in the parent company statement of comprehensive income.

The Company's sale of services and leasing income reported for VAT purposes are based on actual collections received during the year, hence may not be the same with the amounts accrued in the relevant accounts in the parent company statement of comprehensive income.

b. Input VAT

Balance at January 1, 2024	₱5,871,900
Current year's domestic purchases/payments for:	
Domestic purchases of services	9,615,724
Domestic purchases of goods other than capital goods	605,255
Capital goods	5,065,843
	21,158,722
Applied against output VAT	(21,158,722)
Balance at December 31, 2024	₱–

Other Taxes and Licenses
These include all other taxes, local and national, including real estate taxes, licenses and permit fees. Details consist of the following (presented under Operating expenses in the parent company statement of comprehensive income):

Donor's Tax	₱2,163,024
Documentary stamp taxes on:	
Other documents	2,027,780
Notes payable	1,239,041
Real property/estate tax and transfer tax	1,587,475
Permits and Licenses	1,107,100
Fringe benefit tax	855,792
Car vehicle registration	114,793
Others	899,716
	₱9,994,721

Withholding Taxes
Details of withholding taxes for the year are as follows:

	Total	Outstanding Balance
Withholding taxes on compensation and benefits	₱34,788,891	₱1,221,076
Expanded withholding taxes	7,254,897	628,572
Total	₱42,043,788	₱1,849,648

Withholding taxes payable is presented as part of "Accounts payable and accrued expenses" account in the parent company balance sheet as at December 31, 2024.

Tax Assessment and Cases
The Company has no deficiency tax assessments as at December 31, 2024. Also, the Company has no pending cases outside the administration of BIR.

A. SORIANO CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

In preparing the parent 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 parent financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the parent financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

ANDRES SORIANO III	**WILLIAM H. OTTIGER**	**NARCISA M. VILLAFLOR**
Chairman &	President &	Vice President
Chief Executive Officer	Chief Operations Officer	Comptroller/Treasurer

Signed this 24th day of February 2025

REPUBLIC OF THE PHILIPPIENS)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN to before me this 24th day of February 2025, affiants exhibited to me the following:

Andres Soriano III	A04490182	December 4, 2023 to December 3, 2033 / USA
William H. Ottiger	X0C50961	September 15, 2023 to September 14, 2033 / Switzerland
Narcisa M. Villaflor	P85925 11A	September 4, 2018 to September 3, 2028 / DFA NCR West

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Appointment No. M-459
Notary Public for Makati City
Until December 31, 2025
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 85474
PTR No. 10468809/Makati City/01-03-2025
IBP No. 510901/Makati City/12-17-2024
Admitted to the bar in 2023