



2025 ANNUAL REPORT

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## CONCURRENT RESOLUTION OF THE BOARD OF DIRECTORS

The Board of Directors of A. Soriano Corporation by unanimous concurrence, submits herewith the Statement and Annual Report of the Chairman of the Board and President of the Corporation as its own Report to the Stockholders for the year ended December 31, 2025.

# Chairman's Message

## THE PHILIPPINE ECONOMY IN 2025

The Philippine economy grew by 4.4% in 2025, slower than the 5.7% expansion recorded in 2024. Growth moderated due to a sustained decline in public construction, the waning effects of earlier export front-loading, softer consumer confidence, and weather disturbances that disrupted agriculture, infrastructure, and household consumption. Governance concerns surrounding flood-control projects also undermined business confidence, further weighing on investment activity.

## THE COMPANY'S 2025 FINANCIAL PERFORMANCE

Anscor reported a net income of ₱5.4 billion, an increase from ₱4.7 billion in the prior year. Results in 2025 included non-recurring gains of ₱420.3 million from the sale of Anscor's investment in The Bistro Group (TBG), a collection of international hospitality casual-dining brands and homegrown concepts, and gains from the partial divestment of its interest in iPeople, Inc., a Philippine education conglomerate operating several major schools and universities nationwide.

The Company recorded a ₱4.4 billion gain from its public securities portfolio, including interest and dividend income and foreign-exchange gains. The principal contributor was ₱3.6 billion in income from a 47% increase in the share price of International Container Terminal Services, Inc. (ICTSI). ICTSI is one of the world's largest independent terminal operators, with operations across six continents, managing 34 terminals in 20 countries and employing more than 11,000 people.

The private equity portfolio generated a gain of ₱33.4 million, reflecting generally flat valuations during the year. Performance across fund holdings was uneven, with one fund manager, focused on Southeast Asian e-commerce enablement companies, underperforming.



**ANDRES SORIANO III**  
Chairman

**Anscor reported a net income of ₱5.4 billion, an increase from ₱4.7 billion in the prior year.**



Anscor recorded operating revenues of ₱1.2 billion. Phelps Dodge Philippines Energy Products Corporation (PDP) contributed ₱1.0 billion, comprising ₱925.3 million in equity earnings and ₱97.3 million in management fees. Share in resort earnings declined to ₱59.6 million from ₱123.8 million in 2024, while KSA Realty Corporation delivered ₱75.1 million in cash dividends.

In November 2025, Anscor exited its 22% interest in The Bistro Group for ₱1.8 billion, alongside its other shareholders. We wish the new Bistro owners the best of luck and thank our friends at Navegar for both their excellent stewardship and for bringing the opportunity to Anscor.

Total cash dividends paid in 2025 amounted to ₱0.75 per share — ₱0.50 per share on April 11 and ₱0.25 per share on October 15. Book value per share increased by 16%, rising from ₱22.1 to ₱25.7.

#### PHELPS DODGE INTERNATIONAL PHILIPPINES, INC. (PDP)

In 2025, PDP achieved record sales of ₱12.3 billion, driven by strong volume growth in both domestic and export markets and supported by all-time-high

copper prices. Net income also reached a record ₱1.0 billion, before non-recurring expenses. This performance reflected higher sales volumes and PDP's ability to maintain stable margins through strong operational discipline and effective cost management.

PDP also reached a major milestone with the execution of its first high-voltage submarine cable supply and installation project on Davao Island. This project underscores PDP's expanding technical capabilities and strengthens its position as a trusted partner for complex infrastructure developments.

**PDP sustains its growth momentum and reinforces its market leadership, pursuing opportunities in high-growth and infrastructure sectors, and targets export markets aligned with its core strengths.**





Looking ahead, PDP aims to sustain its growth momentum and reinforce its market leadership by broadening its portfolio of allied products and services, pursuing opportunities in high-growth infrastructure sectors, and selectively targeting niche export markets aligned with its core strengths.

As part of its long-term sustainability strategy and commitment to responsible stewardship, PDP's manufacturing facility will begin operating on 100% renewable energy, combining externally sourced renewable power with generation from its rooftop solar installation.

**Amanpulo further strengthens its international brand presence through targeted media trips, editorial features, and enhanced digital marketing initiatives.**



**SEVEN SEAS RESORTS AND LEISURE, INC.  
(Owner of Amanpulo Resort)**

In 2025, Amanpulo generated total revenues of ₱1.4 billion, supported by a 5% increase in average room rates, despite softer occupancy resulting from weather disruptions and shifting source markets. Seven Seas reported a consolidated net profit of ₱95.7 million.

Amanpulo's sales strategy emphasized extensive sales missions across Australia, Asia, and the Arab States, as well as participation in the International Luxury Travel Market Cannes to engage leading global luxury travel partners. The resort further strengthened its international brand presence through targeted media trips, editorial features, and enhanced digital marketing initiatives.

Well-received property enhancements included upgraded spa facilities, two new 29-foot speedboats, an expanded Kawayan Bar, and improved resort landscaping. In alignment with the Department of Transportation's directive to help reduce congestion at the Ninoy Aquino International Airport, Amanpulo and its exclusive charter partner, Island Aviation, began operating flights via Clark International Airport in the third quarter of 2025.

Amanpulo continued to receive global recognition in 2025, earning the Michelin One Key Hotel distinction. The resort was also named Tatler Philippines' Hotel of the Year 2025, received Robb Report Philippines' Best of the Best 2025 – Travel award, Robb Report Hong Kong's Best in the Philippines, and was included in Condé Nast Traveler's Readers' Choice Awards 2025 as one of the Best Resorts in Asia.

In line with its commitment to sustainability and environmental stewardship, Amanpulo advanced its native plant propagation program and, in partnership with the Andres Soriano Foundation, Inc., expanded its community initiatives in Manamoc. These efforts included support for local farmers through sustainable feed programs promoting a circular economy and strengthening community resilience.

**ATRAM remains focused on leveraging its strengthened partnerships, driving product innovation, expanding distribution channels, and further developing its asset management and trust capabilities.**

#### **ATRAM INVESTMENT MANAGEMENT PARTNERS CORP. (AIMP)**

ATRAM Investment Management Partners Corp. (AIMP) remained a leading independent Philippine asset management firm in 2025. The year was marked by the consolidation of strategic initiatives and the building of operational scale following the strategic partnership between ATRAM and UnionBank of the Philippines. This collaboration aimed to merge their respective trust corporations, ATRAM Trust Corporation, Inc. (ATC), and UnionBank Investment Management and Trust Corporation (UBIMTC), with ATC as the surviving entity. Following the closing of the transaction with UnionBank, AIMP's economic interest in ATR Asset Management, Inc. (AAMI) decreased to 71.7%, with UnionBank acquiring 27.5%. All regulatory approvals were secured, and the merger of ATC and UBIMTC became effective on January 9, 2026.

As of December 31, 2025, the AIMP Group managed ₱486.4 billion in total assets, a 34% increase year-on-year, largely driven by the UBIMTC acquisition. Gross revenues rose 23% to ₱1.7 billion. Cost discipline remained a priority, even as the Group continued to invest in talent and digital infrastructure to support its expanding business lines and growing client base. Competitive fund performance and disciplined mandate execution contributed to sustained client confidence and long-term relationships.



AIMP remains focused on leveraging its strengthened partnerships, driving product innovation, expanding distribution channels, and further developing its asset management and trust capabilities. Management remains committed to prudent capital allocation, disciplined expense control, and long-term value creation.

#### OUTLOOK

Growth projections for the Philippines have been revised downward due to geopolitical tensions, trade restrictions, and uncertainties arising from investigations into publicly funded infrastructure projects.

On a more positive note, the enactment of Republic Act No. 12252 in 2025 amended the Investors' Lease Act by extending the maximum allowable lease period for foreign investors from 75 years to 99 years, enhancing the country's competitiveness in attracting long-term foreign direct investment. In addition, the proposed Luzon Economic Corridor—a strategic trilateral initiative involving the Philippines, the United States, and Japan, with growing international support—aims to accelerate infrastructure development and improve connectivity across Bulacan, Subic, Clark, Manila, and Batangas. This initiative is expected to strengthen regional logistics, boost economic activity, and ease congestion in Metro Manila.

**Anscor Management will continue to focus on resilience and financial discipline while remaining agile in a shifting economic environment.**



Anscor Management will continue to focus on resilience and financial discipline while remaining agile in a shifting economic environment. The Company will actively evaluate opportunities arising from these developments and pursue initiatives that enhance the overall portfolio.

#### ACKNOWLEDGMENT

We mourn the passing of our longtime Director, Mr. Oscar J. Hilado, and extend our deepest respect and gratitude for his 27 years of dedicated service to the Company. Throughout his tenure, Oscar made enduring contributions to our governance, particularly through his leadership as Independent Director and Chairman of the Audit Committee. His integrity, wisdom, and steadfast commitment leave a lasting legacy.

We also acknowledge the dedication of our management team, the support of our employees, and the continued trust and confidence of our shareholders, customers, and partners.

On behalf of the Board of Directors, thank you.

# Corporate Social Responsibility

In its 58th year, the Andres Soriano Foundation, Inc. (ASF) continued to strengthen communities and expand assistance to opportunity across Northeast Palawan's island communities. ASF's integrated programs in health, education, livelihood, and environmental stewardship advanced the Anscor Group's Environmental, Social, and Governance commitments, while building long-term resilience in underserved areas.

ASF entered a new leadership chapter in 2025 with Director Andrés Soriano IV assuming the role of Chairman and Sandra Soriano appointed as President. The Foundation also welcomed Katrina

Razon to the Board. These leadership transitions underscore ASF's continued commitment to its mission and strengthen the organization as it moves into its next phase of community impact.

## SMALL ISLAND SUSTAINABLE PROGRAM

ASF's integrated health, education, livelihood, and environmental interventions aim to reduce structural inequality and dependency while strengthening community-led systems. The program supports inclusive growth, improves accessibility, and mitigates long-term social and environmental risks in fourth- and fifth-class island municipalities.



Dr. Gary Mercado performs a pterygium removal during the medical mission, a crucial procedure that prevents progress vision loss.



ASF supports young learners through the provision of school supplies and hygiene essentials.

### Health

ASF expanded access to essential healthcare in three geographically isolated communities through preventive care, maternal and child health, and Water, Sanitation, and Hygiene programs implemented with local government partners. The Foundation delivered 3,944 medical, dental, and surgical services to 1,621 patients. It also provided supplementary feeding to 196 malnourished children to improve early-life health outcomes.

Complimentary sanitation and hygiene initiatives reached 120 households alongside hygiene education, anti-dengue campaigns, and dental kit distribution to build up community resilience and prevention against diseases.

### Education

In human capital development, ASF promotes education and workforce readiness through scholarships, early learning assistance, and career pathways aligned with employability and local economic needs.

Last year, the Foundation supported three technical-vocational scholars in on-the-job training and two academic scholars pursuing degree programs. ASF also strengthened early childhood education by distributing school supplies to 532 preschool and day-care learners across the Quiniluban Islands in Northern Palawan.

### Livelihood

ASF strengthened sustainable livelihoods with agricultural initiatives for organic chicken production, farmer capacity building, and cooperative-led enterprises to raise household incomes and increase local economic resilience. Through the Kabui Puri social enterprise, recognized by the Department of Social Welfare and Development for Good Practices Documentation, 154 women weavers supplied 4,601 handicrafts to Amanpulo. Broader market access expanded by joining trade fairs, including ArteFino that celebrates Filipino artisans, and the OBRA regional exhibit that highlights local products and talents.

### Environment

Advancing natural capital protection through marine and coastal conservation initiatives, ASF helped manage 12 Marine Protected Areas in three municipalities. Activities in 2025 included regular patrols, reef and fish monitoring, and boundary installation to safeguard biodiversity and promote sustainable fisheries.

ASF fortified climate resilience through mangrove rehabilitation in seven community-managed nurseries, producing 4,286 potted propagules and planting 7,836 mangroves for coastal protection, increased by 37% its propagation from that of 2024. Solid waste reduction under the War on Plastic Program further reinforced environmental stewardship with circular waste practices.



A female PWD weaver earns a sustainable income while preserving traditional weaving skills that strengthen cultural heritage and community livelihoods.



Through ASF's community-led efforts, mangrove plantings increased by 37% this year, strengthening coastal protection and local stewardship.

### **CANCER CARE PROGRAM**

To advance social equity and strengthen public health systems, ASF sustained its partnership with the University of the Philippines-Philippine General Hospital by supporting four oncology fellows and providing chemotherapy maintenance medicines and referral support to 204 indigent breast cancer patients.

### **DISASTER RELIEF RESPONSE**

In the aftermath of super typhoons Tino and Uwan in November, ASF helped 723 households with severely damaged shelters by distributing 1,566 GI sheets to help rebuild their homes and speed up recovery in these climate-vulnerable communities.

# Financial Highlights

(In Million Pesos Except for Ratios and Per Share Data)

CONSOLIDATED FOR THE YEAR	2025	2024	2023
Revenues, net investment gains and equity in net earnings	19,467.8	16,817.7	13,798.5
Sale of goods	12,844.1	11,200.6	10,147.5
Gain on increase in market values of fair value through profit or loss investments	3,899.2	3,264.5	1,476.2
Services	1,869.5	1,762.9	1,709.3
Dividend income	426.4	389.3	368.4
Gain on sale of investment properties and sale of long - term investments - net	268.7	61.2	-
Interest income	82.8	104.3	91.9
Equity in net earnings on investments in associates	76.6	33.8	8.7
Gain (loss) on sale of fair value through other comprehensive income investments	0.5	1.0	(3.5)
NET INCOME*	5,444.6	4,681.3	2,552.0
EARNINGS PER SHARE **	4.44	3.81	2.08

CONSOLIDATED AT YEAR-END	2025	2024	2023
Total Assets	36,168.8	32,309.1	27,692.6
Equity Attributable to Equity Holders of the Parent	31,559.7	27,068.9	23,173.0
Investment Portfolio	22,434.6	18,963.2	15,345.4
Current Ratio	13.22	8.65	10.14
Debt to Equity Ratio***	0.12	0.16	0.16
Book Value Per Share****	25.71	22.05	18.88

\* Attributable to equity holders of the Parent.

\*\* Based on weighted average number of shares of 1,227.6 million in 2025, 2024 and 2023.

\*\*\* Computed using the equity attributable to equity holders of the Parent.

\*\*\*\* Based on outstanding shares of 1,227.6 million as of December 31, 2025, 2024 and 2023.

# Five-Year Review

(In Million Pesos Except Per Share Data)

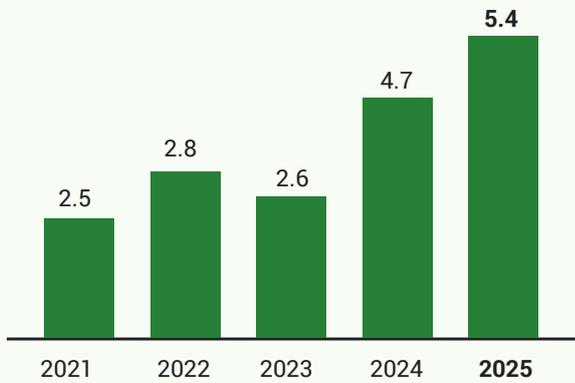
	2025	2024	2023	2022	2021
Net Income Attributable to Equity Holders of the Parent	5,444.6	4,681.3	2,552.0	2,800.6	2,504.1
Equity Attributable to Equity Holders of the Parent	31,559.7	27,068.9	23,173.0	21,961.7	20,460.6
Weighted Average Number of Shares Outstanding	1,227.6	1,227.6	1,227.6	1,227.6	1,227.6
Earnings Per Share*	4.44	3.81	2.08	2.28	2.04
Book Value Per Share**	25.71	22.05	18.88	17.89	16.67

	2025	2024	2023	2022	2021
Revenues and net Investment Gains	19,467.8	16,817.7	13,798.5	13,624.7	11,354.1
Total Assets	36,168.8	32,309.1	27,692.6	25,138.2	23,625.0
Investment Portfolio	22,434.6	18,963.2	15,253.5	14,217.0	13,834.4

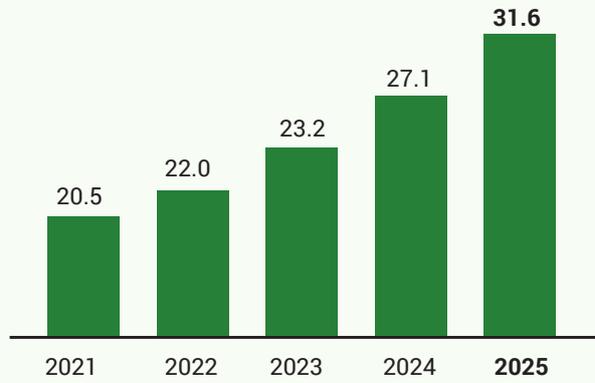
\* Ratio of net income attributable to equity holders of the Parent to weighted average number of shares outstanding during the year.

\*\* Ratio of equity attributable to equity holders of the Parent to outstanding number of shares as of end-December.

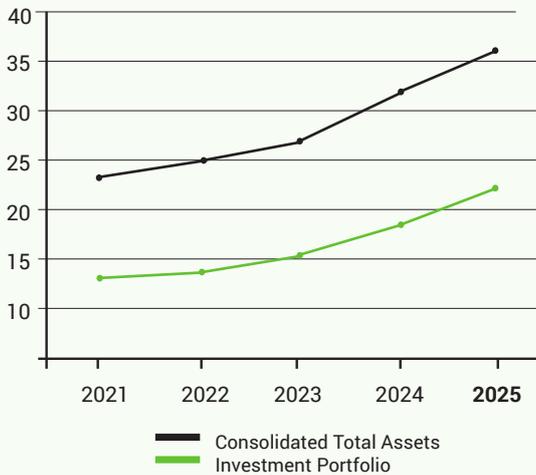
**NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT**  
(In Billion Pesos)



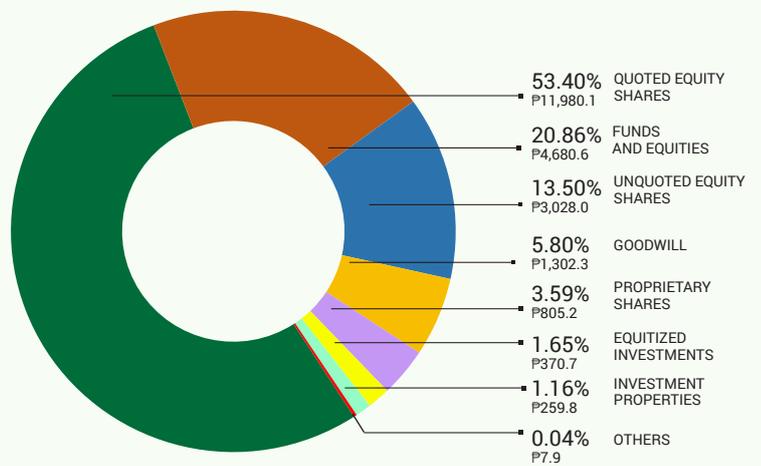
**EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT**  
(In Billion Pesos)



**CONSOLIDATED TOTAL ASSETS & INVESTMENT PORTFOLIO**  
(In Billion Pesos)



**CONSOLIDATED INVESTMENT PORTFOLIO DETAILS**  
**DECEMBER 31, 2025**  
(In Million Pesos)



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The management of A. Soriano Corporation is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated 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**  
Chairman  
Chief Executive Officer



**WILLIAM H. OTTIGER**  
President  
Chief Operations Officer



**NARCISA M. VILLAFLO**  
Vice President  
Comptroller/Treasurer

Signed this 2nd day of March 2026

REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY, METRO MANILA ) S.S.

SUBSCRIBED AND SWORN to before me this 2nd day of March 2026, affiants exhibited to me the following:

NAME	PASSPORT NO.	DATE & PLACE ISSUED
Andres Soriano III	A04490182	Dec. 4, 2023 to Dec. 3, 2033/ U.S.A
William H. Ottiger	X0C50P61	Sept. 15, 2023 to Sept. 14, 2033/Switzerland
Narcisa M. Villaflor	P8592511A	Sept. 4, 2018 to Sept. 3, 2028 / DFA NCR West

Doc. No. 81;  
Page No. 10;  
Book No. II;  
Series of 2026.

  
**JOHN CHRISTOPHER O. TAN**  
Appointment No. M-581  
Notary Public for Makati City  
Until December 31, 2026  
Liberty Center-Pinazo Law  
104 H.V. Dela Costa Street, Makati City  
Roll of Attorney's No. 94954  
PTR No. 10766618/Makati City 01-02-2026  
IBP No. 536196/Makati/12-23-2025  
Admitted to the bar in 2025



SyCip Gorres Velayo & Co. Tel: (632) 8891 0307  
6760 Ayala Avenue Fax: (632) 8819 0872  
1226 Makati City sg.v.ph  
Philippines

## 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

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

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





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

### ***Valuation of Unquoted Equity Instruments***

As at December 31, 2025, the Group has unquoted equity investments classified as financial assets through profit or loss, with carrying value of ₱3,028.0 million and accounts for 8% of the consolidated total assets. We considered the valuation of these unquoted equity investments as a key audit matter because of the materiality of the amount involved and it is inherently subjective as it involves the use of valuation inputs that are not market observable. Management also applied judgment in selecting the valuation technique and the assumptions to be used.

The Group's disclosures about its unquoted equity investments are included in Notes 9 and 29 to the consolidated financial statements.

### ***Audit Response***

We involved our internal specialist in evaluating the valuation techniques and inputs and the other assumptions used. These assumptions include discount rates, revenue growth rates and comparable companies. In testing the discount rates, we performed independent testing of the determination of discount rates using market-based parameters. For investments valued using the income approach, we compared the revenue growth rates to the historical performance of the investment and the industry/market outlook. For investments valued under the market approach, we assessed the comparable companies used in the valuation and confirmed factors such as additional funding of the investee that would warrant the change in market value of the investments. For private equity fund investments valued using the cost approach (adjusted net asset value method), we evaluated the competence, capabilities and objectivity of the investment managers by considering their qualifications, experience and reporting responsibilities. We also inspected the latest available financial information of the investees and evaluated whether the financial information used reflect the fair values of the investee's assets and liabilities. In addition, we reviewed the Group's disclosures about those assumptions to which the outcome of the valuation is most sensitive; specifically, those that have the most significant effect on the determination of the fair value of the unquoted equity investments.

### **Other Information**

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





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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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





The engagement partner on the audit resulting in this independent auditor’s report is 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

SEC Partner Accreditation No. 97133-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

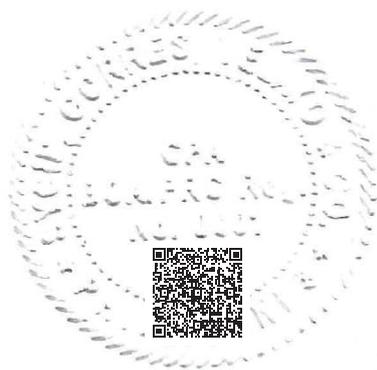
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-098-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10765130, January 2, 2026, Makati City

March 2, 2026



**A. SORIANO CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2025	2024
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 8)	<b>₱3,295,558,849</b>	₱3,437,652,253
Fair value through profit or loss (FVPL) investments (Note 9)	<b>20,501,794,005</b>	15,413,782,486
Receivables (Note 10)	<b>2,649,350,046</b>	2,388,293,104
Inventories (Note 11)	<b>2,286,072,988</b>	2,114,682,730
Prepayments	<b>226,761,845</b>	105,429,766
Other current assets (Note 25)	<b>54,356,160</b>	82,403,270
<b>Total Current Assets</b>	<b>29,013,893,893</b>	23,542,243,609
<b>Noncurrent Assets</b>		
Notes receivable (Note 27)	<b>346,687,542</b>	388,102,184
Investments and advances (Note 13)	<b>372,340,008</b>	1,973,377,995
Goodwill (Note 7)	<b>1,302,276,264</b>	1,302,276,264
Property and equipment (Notes 14 and 19)	<b>3,931,177,290</b>	3,967,421,731
Investment properties (Note 15)	<b>259,799,808</b>	259,799,808
Retirement plan asset - net (Note 24)	<b>209,887,601</b>	259,765,436
Deferred income tax assets - net (Note 25)	<b>90,952,737</b>	85,322,869
Right-of-use assets (Note 30)	<b>29,478,764</b>	39,116,004
Deposits to suppliers	<b>158,121,382</b>	63,201,286
Fair value through other comprehensive income (FVOCI) investments (Note 12)	–	15,599,929
Other noncurrent assets (Note 16)	<b>454,208,919</b>	412,879,327
<b>Total Noncurrent Assets</b>	<b>7,154,930,315</b>	8,766,862,833
<b>TOTAL ASSETS</b>	<b>₱36,168,824,208</b>	₱32,309,106,442

**LIABILITIES AND EQUITY**

<b>Current Liabilities</b>		
Accounts payable and accrued expenses (Note 18)	<b>₱1,376,546,542</b>	₱1,277,263,014
Notes payable (Note 17)	–	670,000,000
Current portion of long-term debt (Notes 14 and 19)	<b>94,545,455</b>	104,545,455
Current portion of lease liabilities (Note 30)	<b>10,486,353</b>	468,580
Dividends payable (Note 20 and 28)	<b>656,968,137</b>	608,871,296
Income tax payable	<b>56,136,807</b>	60,404,682
<b>Total Current Liabilities</b>	<b>2,194,683,294</b>	2,721,553,027

(Forward)

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>Noncurrent Liabilities</b>		
Lease liabilities - net of current portion (Note 30)	<b>₱20,606,846</b>	₱37,403,503
Long-term debt - net of current portion (Notes 14 and 19)	<b>580,909,091</b>	675,454,545
Deferred income tax liabilities - net (Note 25)	<b>489,563,777</b>	539,434,622
Retirement benefits payable - net (Note 24)	<b>27,895,948</b>	19,350,778
Other noncurrent liabilities (Notes 16 and 30)	<b>355,709,550</b>	377,256,323
<b>Total Noncurrent Liabilities</b>	<b>1,474,685,212</b>	1,648,899,771
<b>Total Liabilities</b>	<b>3,669,368,506</b>	4,370,452,798
<b>Equity Attributable to Equity Holders of the Parent</b> (Note 20)		
Capital stock	<b>2,505,000,000</b>	2,505,000,000
Additional paid-in capital	<b>1,724,358,371</b>	1,724,358,371
Cumulative translation adjustment	<b>296,368,284</b>	257,763,444
Remeasurement gain on retirement benefits (Note 24)	<b>57,939,210</b>	129,360,369
Net unrealized valuation gains on FVOCI investments (Note 12)	–	280,554
Retained earnings (Note 20):		
Appropriated	<b>8,150,000,000</b>	7,150,000,000
Unappropriated	<b>21,481,255,130</b>	17,957,369,966
Cost of shares held by a subsidiary (1,272,429,761 shares in 2025 and 2024), (Note 20)	<b>(2,655,215,372)</b>	(2,655,215,372)
	<b>31,559,705,623</b>	27,068,917,332
<b>Noncontrolling Interests</b> (Notes 3 and 27)	<b>939,750,079</b>	869,736,312
<b>Total Equity</b>	<b>32,499,455,702</b>	27,938,653,644
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱36,168,824,208</b>	₱32,309,106,442

*See accompanying Notes to Consolidated Financial Statements.*

**A. SORIANO CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Years Ended December 31</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>			
Sale of goods - net (Note 5)	<b>₱12,844,119,941</b>	₱11,200,557,895	₱10,147,489,118
Services (Notes 5 and 30)	<b>1,869,470,829</b>	1,762,935,264	1,709,328,620
Dividend income (Note 9)	<b>426,355,813</b>	389,344,319	368,356,295
Interest income (Note 23)	<b>82,834,588</b>	104,266,922	91,870,114
	<b>15,222,781,171</b>	13,457,104,400	12,317,044,147
<b>INVESTMENT GAINS (LOSSES)</b>			
Gain on increase in market values of FVPL investments - net (Notes 9 and 29)	<b>3,899,162,228</b>	3,264,538,109	1,476,197,600
Gain on sale of investment in associate and investments properties - net (Notes 13 and 15)	<b>268,748,207</b>	61,239,464	-
Gain (loss) on sale of FVOCI investments - net (Note 12)	<b>508,528</b>	1,013,583	(3,496,596)
	<b>4,168,418,963</b>	3,326,791,156	1,472,701,004
<b>EQUITY IN NET EARNINGS ON INVESTMENTS IN ASSOCIATES (Note 13)</b>			
<b>TOTAL</b>	<b>19,467,820,695</b>	16,817,732,782	13,798,487,906
Cost of goods sold (Note 21)	<b>(10,997,309,703)</b>	(9,547,615,554)	(8,470,102,746)
Cost of services rendered (Note 21)	<b>(668,787,125)</b>	(577,987,248)	(535,493,389)
Operating expenses (Note 21)	<b>(1,928,462,258)</b>	(1,777,807,868)	(1,737,010,603)
Interest expense (Note 23)	<b>(62,715,024)</b>	(69,405,706)	(62,479,987)
Foreign exchange gain (loss) - net	<b>47,033,775</b>	137,971,808	(26,915,621)
Other income (charges) - net (Note 23)	<b>(22,778,362)</b>	191,594,949	50,710,170
<b>INCOME BEFORE INCOME TAX</b>	<b>5,834,801,998</b>	5,174,483,163	3,017,195,730
<b>PROVISION FOR INCOME TAX (Note 25)</b>	<b>309,725,396</b>	379,667,171	368,000,045
<b>NET INCOME</b>	<b>5,525,076,602</b>	4,794,815,992	2,649,195,685
<b>OTHER COMPREHENSIVE GAIN (LOSS)</b>			
Other comprehensive gain (loss) to be reclassified to profit or loss in subsequent periods:			
Unrealized valuation gain on FVOCI investments (Note 12)	<b>134,456</b>	580,162	1,556,140
Income tax effect	<b>(33,614)</b>	(145,041)	(389,035)
	<b>100,842</b>	435,121	1,167,105

*(Forward)*

	Years Ended December 31		
	2025	2024	2023
Realized gains (loss) on FVOCI investments recognized in profit or loss (Note 12)	<b>(₱508,528)</b>	(₱1,013,583)	₱3,496,596
Income tax effect	<b>127,132</b>	253,397	(874,149)
	<b>(381,396)</b>	(760,186)	2,622,447
	<b>(280,554)</b>	(325,065)	3,789,552
Cumulative translation adjustment	<b>38,604,840</b>	90,497,074	(11,750,818)
	<b>38,324,286</b>	90,172,009	(7,961,266)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on retirement benefits (Note 24)	<b>(95,228,212)</b>	60,187,107	39,728,979
Income tax effect	<b>23,807,053</b>	(15,046,776)	(9,932,245)
	<b>(71,421,159)</b>	45,140,331	29,796,734
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>(33,096,873)</b>	135,312,340	21,835,468
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱5,491,979,729</b>	₱4,930,128,332	₱2,671,031,153
<b>Net Income Attributable to:</b>			
Equity holders of the Parent	<b>₱5,444,562,843</b>	₱4,681,330,337	₱2,552,017,982
Noncontrolling interests	<b>80,513,759</b>	113,485,655	97,177,703
	<b>₱5,525,076,602</b>	₱4,794,815,992	₱2,649,195,685
<b>Total Comprehensive Income</b>			
<b>Attributable to:</b>			
Equity holders of the Parent	<b>₱5,411,465,970</b>	₱4,816,642,677	₱2,573,853,450
Noncontrolling interests	<b>80,513,759</b>	113,485,655	97,177,703
	<b>₱5,491,979,729</b>	₱4,930,128,332	₱2,671,031,153
<b>Earnings Per Share</b>			
Basic/diluted, for net income attributable to equity holders of the Parent (Note 26)	<b>₱4.44</b>	₱3.81	₱2.08
Basic/diluted, for total comprehensive income attributable to equity holders of the Parent (Note 26)	<b>₱4.41</b>	₱3.92	₱2.10

See accompanying Notes to Consolidated Financial Statements.

## A. SORIANO CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Equity Attributable to Equity Holders of the Parent (Note 20)					
	Capital Stock	Additional Paid-in Capital	Cumulative Translation Adjustment	Unrealized Valuation Gains (Losses) on FVOCI Investments (Note 12)	Remeasurement on Retirement Benefits (Note 24)
<b>BALANCES AT DECEMBER 31, 2022</b>	<b>₱2,505,000,000</b>	<b>₱1,859,383,287</b>	<b>₱179,017,188</b>	<b>(₱3,183,933)</b>	<b>₱54,423,304</b>
Net income	-	-	-	-	-
Other comprehensive income (loss)	-	-	(11,750,818)	3,789,552	29,796,734
Total comprehensive income (loss) for the year	-	-	(11,750,818)	3,789,552	29,796,734
Cash dividends - net of dividends on common shares held by a subsidiary amounting to ₱1,272.4 million (Note 20)	-	-	-	-	-
Movement in noncontrolling interests	-	(135,024,916)	-	-	-
<b>BALANCES AT DECEMBER 31, 2023</b>	<b>2,505,000,000</b>	<b>1,724,358,371</b>	<b>167,266,370</b>	<b>605,619</b>	<b>84,220,038</b>
Net income	-	-	-	-	-
Other comprehensive income (loss)	-	-	90,497,074	(325,065)	45,140,331
Total comprehensive income (loss) for the year	-	-	90,497,074	(325,065)	45,140,331
Cash dividends - net of dividends on common shares held by a subsidiary amounting to ₱954.3 million (Note 20)	-	-	-	-	-
Movement in noncontrolling interests	-	-	-	-	-
<b>BALANCES AT DECEMBER 31, 2024</b>	<b>2,505,000,000</b>	<b>1,724,358,371</b>	<b>257,763,444</b>	<b>280,554</b>	<b>129,360,369</b>
Net income	-	-	-	-	-
Other comprehensive loss	-	-	38,604,840	(280,554)	(71,421,159)
Total comprehensive income (loss) for the year	-	-	38,604,840	(280,554)	(71,421,159)
Appropriation	-	-	-	-	-
Cash dividends - net of dividends on common shares held by a subsidiary amounting to ₱954.3 million (Note 20)	-	-	-	-	-
Movement in noncontrolling interests	-	-	-	-	-
<b>BALANCES AT DECEMBER 31, 2025</b>	<b>₱2,505,000,000</b>	<b>₱1,724,358,371</b>	<b>₱296,368,284</b>	<b>₱-</b>	<b>₱57,939,210</b>

See accompanying Notes to Consolidated Financial Statements.

## A. SORIANO CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

#### Equity Attributable to Equity Holders of the Parent (Note 20)

	Subtotal*	Retained Earnings		Cost of Shares Held by a Subsidiary		Noncontrolling Interests	Total
		Appropriated	Unappropriated		Total		
<b>BALANCES AT DECEMBER 31, 2022</b>	<b>P4,594,639,846</b>	<b>P7,150,000,000</b>	<b>P12,872,294,566</b>	<b>(P2,655,215,372)</b>	<b>P21,961,719,040</b>	<b>P652,011,169</b>	<b>P22,613,730,209</b>
Net income	–	–	2,552,017,982	–	2,552,017,982	97,177,703	2,649,195,685
Other comprehensive income	21,835,468	–	–	–	21,835,468	–	21,835,468
Total comprehensive income for the year	21,835,468	–	2,552,017,982	–	2,573,853,450	97,177,703	2,671,031,153
Cash dividends - net of dividends on common shares held by a subsidiary amounting to P1,272.4 million (Note 20)	–	–	(1,227,570,241)	–	(1,227,570,241)	–	(1,227,570,241)
Movement in noncontrolling interests (Note 27)	(135,024,916)	–	–	–	(135,024,916)	65,801,785	(69,223,131)
<b>BALANCES AT DECEMBER 31, 2023</b>	<b>4,481,450,398</b>	<b>7,150,000,000</b>	<b>14,196,742,307</b>	<b>(2,655,215,372)</b>	<b>23,172,977,333</b>	<b>814,990,657</b>	<b>23,987,967,990</b>
Net income	–	–	4,681,330,337	–	4,681,330,337	113,485,655	4,794,815,992
Other comprehensive income	135,312,340	–	–	–	135,312,340	–	135,312,340
Total comprehensive income for the year	135,312,340	–	4,681,330,337	–	4,816,642,677	113,485,655	4,930,128,332
Cash dividends - net of dividends on common shares held by a subsidiary amounting to P954.3 million (Note 20)	–	–	(920,702,678)	–	(920,702,678)	–	(920,702,678)
Movement in noncontrolling interests	–	–	–	–	–	(58,740,000)	(58,740,000)
<b>BALANCES AT DECEMBER 31, 2024</b>	<b>4,616,762,738</b>	<b>7,150,000,000</b>	<b>17,957,369,966</b>	<b>(2,655,215,372)</b>	<b>27,068,917,332</b>	<b>869,736,312</b>	<b>27,938,653,644</b>
Net income	–	–	5,444,562,843	–	5,444,562,843	80,513,759	5,525,076,602
Other comprehensive loss	(33,096,873)	–	–	–	(33,096,873)	–	(33,096,873)
Total comprehensive income (loss) for the year	(33,096,873)	–	5,444,562,843	–	5,411,465,970	80,513,759	5,491,979,729
Appropriation	–	1,000,000,000	(1,000,000,000)	–	–	–	–
Cash dividends - net of dividends on common shares held by a subsidiary amounting to P954.3 million (Note 20)	–	–	(920,677,679)	–	(920,677,679)	–	(920,677,679)
Movement in noncontrolling interests	–	–	–	–	–	(10,499,992)	(10,499,992)
<b>BALANCES AT DECEMBER 31, 2025</b>	<b>P4,583,665,865</b>	<b>P8,150,000,000</b>	<b>P21,481,255,130</b>	<b>(P2,655,215,372)</b>	<b>P31,559,705,623</b>	<b>P939,750,079</b>	<b>P32,499,455,702</b>

See accompanying Notes to Consolidated Financial Statements.

\*Subtotal for the numbers of the five columns appearing on previous page

## A. SORIANO CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	<b>₱5,834,801,998</b>	₱5,174,483,163	₱3,017,195,730
Adjustments for:			
Loss (gain) on sale/disposal of:			
Investment properties and long-term investment (Notes 13 and 15)	<b>(268,748,207)</b>	(61,239,464)	–
FVOCI investments (Note 12)	<b>(508,528)</b>	(1,013,583)	3,496,596
Property and equipment (Notes 14 and 23)	<b>(280,411)</b>	(7,278,291)	(1,227,513)
Gain on increase in market values of FVPL investments - net (Note 9)	<b>(3,899,162,228)</b>	(3,264,538,109)	(1,476,197,600)
Depreciation and amortization (Note 21)	<b>492,325,242</b>	445,292,030	366,992,689
Dividend income (Note 9)	<b>(426,355,813)</b>	(389,344,319)	(368,356,295)
Interest income (Note 23)	<b>(82,834,588)</b>	(104,266,922)	(91,870,114)
Equity in net earnings on investments in associates (Note 13)	<b>(76,620,561)</b>	(33,837,226)	(8,742,755)
Interest expense (Note 23)	<b>62,715,024</b>	69,405,706	62,479,987
Unrealized foreign exchange losses (gains) - net	<b>(48,686,398)</b>	(80,379,718)	8,951,986
Retirement benefit costs (Note 24)	<b>8,455,673</b>	11,262,342	14,511,904
Expected credit losses (recoveries) - net (Note 23)	<b>1,911,491</b>	(89,256,318)	1,331,205
Reversal of impairment loss on investment properties (Note 15)	<b>–</b>	(24,812,188)	–
Operating income before working capital changes	<b>1,597,012,694</b>	1,644,477,103	1,528,565,820
Decrease (increase) in:			
FVPL investments	<b>(1,106,570,010)</b>	1,094,512,060	414,355,569
Receivables	<b>(261,523,670)</b>	(132,864,698)	65,998,787
Inventories	<b>(171,390,258)</b>	(357,361,281)	(62,282,308)
Prepayments and other current assets	<b>(108,947,259)</b>	284,811,566	(245,079,795)
Increase (decrease) in accounts payable and accrued expenses	<b>108,924,172</b>	77,824,386	(49,577,546)
Cash generated from operations	<b>57,505,669</b>	2,611,399,136	1,651,980,527
Dividends received	<b>491,255,836</b>	389,344,319	395,815,542
Income taxes paid	<b>(395,277,275)</b>	(411,472,508)	(339,909,404)
Retirement benefit contributions and payments (Note 24)	<b>(44,723,205)</b>	(34,620,089)	(49,121,218)
Interest received	<b>79,573,392</b>	102,057,712	88,226,867
Interest paid	<b>(3,344,849)</b>	(9,207,647)	(1,844,780)
Net cash flows from operating activities	<b>184,989,568</b>	2,647,500,923	1,745,147,534

(Forward)

	Years Ended December 31		
	2025	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of:			
Investment in associate (Note 13)	<b>₱1,881,547,379</b>	₱–	₱–
FVOCI investments (Note 12)	<b>15,734,385</b>	43,254,877	59,408,143
Property and equipment (Note 14)	<b>552,823</b>	28,194,421	4,378,512
Long-term investments (Note 13)	–	500,000	–
Investment properties (Note 15)	–	283,035,714	–
Additions to:			
Property and equipment (Notes 14 and 33)	<b>(444,406,494)</b>	(613,816,683)	(1,172,746,968)
Investment in associate (Note 13)	–	(1,602,700,000)	–
Investment properties (Note 15)	–	(5,050,000)	(6,217,326)
Computer software (Note 16)	–	(2,303,814)	(7,036,767)
Notes receivable	–	–	(218,000,000)
FVOCI investments (Note 12)	–	–	(73,738,727)
Redemption of preferred shares	–	7,072,315	–
Collection from (advances to) affiliates (Notes 13 and 27)	–	(69,374)	771,097
Increase (decrease) in other noncurrent assets	<b>(114,107,034)</b>	14,711,638	–
Net cash flows from (used in) investing activities	<b>1,339,321,059</b>	(1,847,170,906)	(1,413,182,036)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from:			
Notes Payable (Notes 17 and 31)	–	670,000,000	–
Long-term debt (Notes 19 and 31)	–	–	1,000,000,000
Payments of:			
Dividends (Notes 20 and 31)	<b>(830,580,838)</b>	(840,207,145)	(1,103,154,257)
Notes payable (Notes 17 and 31)	<b>(670,000,000)</b>	–	–
Long-term debt (Notes 19 and 31)	<b>(104,545,454)</b>	(220,000,000)	–
Interest on long term-debt (Notes 19 and 31)	<b>(48,088,377)</b>	(63,441,841)	(42,917,505)
Interest on notes payable (Notes 23 and 31)	<b>(18,613,819)</b>	–	–
Lease liabilities (Notes 30 and 31)	<b>(9,087,507)</b>	(24,336,110)	(15,886,869)
Dividends paid to noncontrolling interest - net (Notes 20 and 27)	<b>(10,499,992)</b>	(58,740,000)	(69,176,769)
Advances from affiliates (Note 13)	<b>20,000,000</b>	44,000,020	76,700,001
Net cash flows used in financing activities	<b>(1,671,415,987)</b>	(492,725,076)	(154,435,399)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(147,105,360)</b>	307,604,941	177,530,099
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>5,011,956</b>	10,707,302	(6,591,744)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>₱3,437,652,253</b>	₱3,119,340,010	₱2,948,401,655
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 8)</b>	<b>₱3,295,558,849</b>	₱3,437,652,253	₱3,119,340,010

See accompanying Notes to Consolidated Financial Statements.

## **A. SORIANO CORPORATION AND SUBSIDIARIES**

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### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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#### **1. Corporate Information and Authorization for Issuance of the Consolidated Financial Statements**

##### Corporate Information

A. Soriano Corporation (Anscor or 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 Consolidated Financial Statements

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 were authorized for issue by the Board of Directors (BOD) on March 2, 2026.

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

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

The consolidated financial statements of the Group 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 consolidated 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.

##### 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 2025. The Group 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 21, Lack of exchangeability*  
The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Standards Issued but not yet Effective

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

*Effective beginning on or after January 1, 2026*

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- 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
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

*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. Basis of Consolidation and Summary of Material Accounting and Financial Reporting Policies

Basis of Consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and the following subsidiaries as at December 31:

	Nature of Business	Percentage of Ownership		
		2025	2024	2023
A Soriano Air Corporation (ASAC, Note 30)	Services/Rental	100	100	100
Pamalican Island Holdings, Inc. (PIHI)	Investment Holding	62	62	62
Island Aviation, Inc. (IAI, Note 30)	Air Transport	62	62	62
Anscor Consolidated Corporation (Anscorcon)	Investment Holding	100	100	100
Anscor Holdings, Inc. (AHI, Note 30)	Real Estate Holding	100	100	100
Akapulko Holdings, Inc.	Real Estate Holding	100	100	100
Lakeroad Corporation	Real Estate Holding	100	100	100
Mainroad Corporation	Real Estate Holding	100	100	100

(Forward)

	Nature of Business	Percentage of Ownership		
		2025	2024	2023
Makatwiran Holdings, Inc.	Real Estate Holding	100	100	100
Makisig Holdings, Inc.	Real Estate Holding	100	100	100
Malikhain Holdings, Inc.	Real Estate Holding	100	100	100
Mountainridge Corporation	Real Estate Holding	100	100	100
Rollingview Corporation	Real Estate Holding	100	100	100
Timbercrest Corporation	Real Estate Holding	100	100	100
Anscor International, Inc. (AI, Note 13)	Investment Holding	100	100	100
IQ Healthcare Investments Limited (IQHIL)	Holding	100	100	100
IQ Healthcare Professional Connection, LLC (IQHPC) (inactive)	Manpower Services	93	93	93
Phelps Dodge International Philippines, Inc. (PDIPI, Notes 7 and 30)	Investment Holding	97	97	97
Minuet Realty Corporation (Minuet, Note 7)	Landholding	97	97	97
Phelps Dodge Philippines Energy Products Corporation (PDP Energy, Notes 7 and 30)	Wire Manufacturing	97	97	97
PD Energy International Corporation (PDEIC, Note 7)	Wire Manufacturing	97	97	97
Summerside Corp. (Summerside)	Investment Holding	100	100	100
Sutton Place Holdings, Inc. (Sutton)	Investment Holding	100	100	100
AFC Agribusiness Corporation (AAC, Note 15)	Agricultural Land Holding	81	81	81
Seven Seas Resorts and Leisure, Inc. (SSRLI, Notes 7 and 30)	Villa Project Development	62	62	62
Pamalican Resort, Inc. (PRI, Notes 7 and 30)	Resort Operations	62	62	62
Pamalican Utilities, Inc. (PUI)	Utility Company	62	62	62

Except for AI and its subsidiaries, all the companies above are 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).

#### Material Partly-Owned Subsidiaries

Set out below are the summarized financial information of entities that have noncontrolling interest (NCI) that is material to the Group. The amounts disclosed are based on those included in the consolidated financial statements before intercompany eliminations.

#### (SSRLI and Subsidiaries)

Significant details of the statements of financial position and statements of comprehensive income of SSRLI and Subsidiaries are presented below as at and for the years ended December 31 (in millions):

Statements of Financial Position:	2025	2024
Current assets	₱950.1	₱1,059.0
Noncurrent assets	1,297.3	1,113.0
Current liabilities	699.3	746.9
Noncurrent liabilities	116.5	105.8
Equity	1,431.5	1,339.3
Equity attributable to NCI	539.7	504.9
Statements of Comprehensive Income:	2025	2024
Revenue	₱1,482.8	₱1,457.7
Income before tax	121.8	221.1
Net income	95.7	198.6
Other comprehensive loss	(2.3)	(0.6)
Total comprehensive income	93.3	198.0
Total comprehensive income allocated to NCI during the year	35.2	74.9

Statements of Cash Flows:	2025	2024
Cash flows from operations	<b>₱167.5</b>	₱551.4
Cash flows used in investing activities	<b>(241.6)</b>	(222.0)
Cash flows from (used in) financing activities	<b>1.3</b>	(202.4)

(PDIPI and Subsidiaries)

Significant details of the statements of financial position and statements of comprehensive income of PDIPI and Subsidiaries are presented below as at and for the years ended December 31 (in millions):

Statements of Financial Position:	2025	2024
Current assets	<b>₱6,501.4</b>	₱5,720.9
Noncurrent assets	<b>1,293.6</b>	1,322.4
Current liabilities	<b>609.2</b>	446.4
Noncurrent liabilities	<b>35.4</b>	45.4
Equity	<b>7,150.5</b>	6,551.5
Equity attributable to NCI	<b>214.5</b>	197.4

Statements of Comprehensive Income:	2025	2024
Revenue	<b>₱12,875.9</b>	₱11,239.3
Income before tax	<b>1,255.1</b>	1,267.8
Net income	<b>953.9</b>	957.3
Other comprehensive loss	<b>(2.9)</b>	(1.3)
Total comprehensive income	<b>951.0</b>	956.4
Total comprehensive income allocated to NCI during the year	<b>28.5</b>	28.7

Statements of Cash Flows:	2025	2024
Cash flows from operations	<b>₱702.7</b>	₱867
Cash flows used in investing activities	<b>57.5</b>	321
Cash flows used in financing activities	<b>(359.6)</b>	1,416.7

Subsidiaries are all entities over which the Group has control.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins from the date of acquisition, being the date on which control is transferred to the Group and continue to be consolidated until the date that such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

NCI represent a portion of profit or loss and net assets of subsidiaries not held by the Group, directly or indirectly, and are presented separately in the consolidated statement of comprehensive income and within the equity section in the consolidated statements of financial position and consolidated statement of changes in equity, separately from the Company's equity.

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control of the subsidiary are accounted for as equity transactions.

When the proportion of the equity held by the NCI changes, the Group adjusts the carrying amount of the controlling and noncontrolling interests to reflect the changes in their relative interests in the subsidiary. The Group recognizes directly in equity (i.e., Additional Paid-in Capital) any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent and to the noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any noncontrolling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

#### Investments in Associates

The Group holds interest in entities over which it has significant influence and are accounted for as investments in associates using the equity method. 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.

After application of the equity method, the Group determines whether objective evidence that the investment in associate is impaired and recognizes an impairment loss if the recoverable amount exceeds the carrying value. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Any loss or reversal is recognized under "Equity in net earnings on investments in associates" in the consolidated statement of comprehensive income.

The reporting dates of the associates of the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances. Accordingly, no adjustments are made when measuring and recognizing the Group's share of the profit or loss of the investees after the date of acquisition.

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

The following are the Group's associates as at December 31:

	Nature of Business	Percentage of Ownership		
		2025	2024	2023
Vicinetum Holdings, Inc. (VHI)	Investment Holding	32	32	32
Prople Limited (Note 13)	Business Process Outsourcing	32	32	32
Fremont Holdings, Inc. (FHI, Note 13)	Real Estate Holding	26	26	26
ATRAM Investment Management Partners Corp. (AIMP, Note 13)	Asset Management	20	20	20
TBG Food Holdings, Inc. (TBG) *	Food and Related Industries	—	22	—

\* On November 13, 2024, the Group bought 22% stake in TBG for a total consideration of ₱1,609.3 million.

On October 1, 2025, the Group sold the 22% stake in TBG for a total consideration of ₱1,914.0 million (see Note 13).

The principal business location of the associates is in the Philippines.

#### Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Group elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit or a group of cash-generating units and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

### Foreign Currency Translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. 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 reporting period. All differences are taken to the consolidated 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 of 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 investments are recognized in the consolidated profit or loss.

Financial statements of consolidated foreign subsidiaries which are considered foreign entities are translated into the presentation currency of the Group (Peso) at the closing exchange rate at the end of reporting period and their statements of profit or loss are translated using the monthly weighted average exchange rates for the year. The exchange differences arising from the translation are taken directly to a separate component of equity (under Cumulative translation adjustment). On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the consolidated profit or loss.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

### Fair Value Measurement

The Group measures financial assets, such as fair value through profit or loss (FVPL) investments 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 Group.

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 best economic interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. For certain unquoted investments, the Group also makes use of the report of the fund managers in developing assumptions and estimating the fair value.

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

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by 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 Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted FVPL financial assets, and for non-recurring fair value measurement.

External valuers (e.g., appraisers and fund managers) are involved for valuation of significant assets, such as investment properties and certain unquoted securities. 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 Group'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 Group'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 Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 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 marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group 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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group 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 solely payments of principal and interest (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 FVPL, irrespective of the business model.

The Group'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 FVOCI 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 FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

As at December 31, 2025 and 2024, the Group 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 SPPI 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 liabilities 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 Group 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 non-financial 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 the consolidated 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 consolidated statements of financial position at fair value. Changes in fair value are recorded in “Gain (loss) on increase (decrease) in market values of FVPL investments-net”. 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, 2025 and 2024, the Group has designated as FVPL all equity investments, money market papers, investments in bonds that have callable and other features and managed/hedged (see Note 9). No financial liability at FVPL is outstanding as at December 31, 2025 and 2024.

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

The Group 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 rate (EIR) method and are subject to impairment. Gains and losses are recognized in the consolidated 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. The amortization is included as interest income in the consolidated profit or loss. Any losses arising from impairment of such financial assets are recognized as “Provision for impairment losses on receivables” account under “Other income (charges) - net” in the consolidated profit or loss.

Included under financial assets at amortized cost are cash in banks, cash equivalents, trade receivables, interest receivable, advances to employees, receivables from villa owners, dividend receivable, notes receivable and other receivables.

(c) Financial assets at FVOCI (debt instruments)

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

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

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated 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 Group holds more than one investment in the same security, 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, the Group’s FVOCI investments include investments in bonds (nil in 2025); (see Note 12).

(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 the consolidated 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 the consolidated profit or loss.

As at December 31, 2025 and 2024, included in this category are the Group’s notes payable, accounts payable and accrued expenses, lease liabilities, long-term debt and dividends payable.

### Impairment of Financial Assets

The Group 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 Group 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 trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

The Group'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 Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the top credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

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

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

### “Day 1” Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” difference) in the consolidated profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is recognized in the consolidated profit or loss only when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference.

### Inventories

Inventories are valued at the lower of cost and net realizable value (NRV).

Cost of aircraft spare parts and supplies is determined at purchase price using the first-in, first-out method, while NRV is the estimated current replacement cost of such spare parts and supplies.

Cost of food and beverage inventories and operating supplies is determined using the moving average method. NRV of food and beverage inventories is the estimated selling price in the ordinary course of business, less the estimated cost of preparation and the estimated cost necessary to make the sale.

For cable and wire manufacturing, finished goods and work in process is determined at standard cost adjusted to actual cost, which includes direct materials, direct labor and applicable allocation of fixed and variable costs, determined using weighted average method. Raw materials, other materials, reels inventory and spare parts and supplies are determined using weighted average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

### Value Added Tax (VAT)

Input VAT is the 12% indirect tax paid by the Group in the course of the Group’s trade or business on local purchase of goods or services, including lease or use of property, from a VAT-registered entity. In case of capital goods, input VAT 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 was allowed to be applied against output VAT upon purchase/payment and was no longer deferred.

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

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

For its VAT-registered activities, when VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statements of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statements of financial position up to the extent of the recoverable amount.

For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

#### Property and Equipment

Depreciable properties, including buildings and improvements, leasehold improvements, machinery and other equipment, flight and ground equipment, furniture, fixtures and office equipment, and transportation equipment are stated at cost, less accumulated depreciation and amortization, and any impairment in value. Land is stated at cost less 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 either when disposed of or when these are permanently withdrawn from use and there is no more future economic benefit expected from its use or disposal.

Depreciation is computed on a straight-line method over the following estimated useful lives of the properties, except for aircraft engine which is computed based on flying hours.

<u>Category</u>	<u>Number of Years</u>
Buildings and improvements	10 - 30
Land improvements	30
Leasehold improvements	5 - 20*
Flight, ground, machinery and other equipment	2 - 25
Furniture, fixtures and office equipment	2 - 5
Transportation equipment	3 - 10

*\*or lease term, whichever is shorter*

The useful lives, depreciation and amortization method, and residual values are reviewed periodically to ensure that the periods and method of depreciation and amortization 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.

Construction in progress (CIP) is stated at cost net of accumulated impairment losses, if any. This includes cost of construction and other direct costs. CIP is not depreciated until such time the relevant assets are completed and put into operational use.

#### Property Development in Progress

Property development in progress includes villa development costs and directly related expenditures.

Property development in progress is carried at the lower of cost incurred and net realizable value. Net realizable value is the selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

#### Investment Properties

Investment properties comprise completed property and property under construction or re-development (land, buildings and condominiums) that are held to earn rentals or capital appreciation or both and that are not occupied by the Group. 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 Group's investment properties are stated at cost, less accumulated depreciation and any accumulated impairment losses. Land is subsequently carried at cost less any impairment in value.

Expenditures incurred after the investment properties have 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 property are recognized in the consolidated profit or loss in the year of retirement or disposal.

#### Impairment of Non-financial Assets

At each reporting date, the Group assesses whether there is any indication that its non-financial assets (e.g., property and equipment, investment properties and investments in associates) may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group estimates the recoverable amount of the related asset. Recoverable amount is the higher of an asset's 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. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated profit or loss. After such a reversal, the depreciation or amortization 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.

#### Goodwill

Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated profit or loss.

Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill as at the end of each financial reporting period.

Additional Paid-in Capital

Additional paid-in capital is the amount paid in excess of the par value of the shares issued, including equity adjustments relating to changes in equity interest of the Noncontrolling interests.

Retained Earnings

Retained earnings represent the cumulative balance of net income or loss, net of any dividend declared and the effects of any 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.

Cost of Shares Held by a Subsidiary

The Company's shares which are acquired and held by a subsidiary (treasury shares) are deducted from equity and stated at acquisition cost. No gain or loss is recognized in the consolidated profit or loss on the purchase, sale, issue or cancellation of the Company's shares. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses its revenue arrangement against specific criteria in order to determine if it is acting as principal or agent. The Group 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:

*Sale of goods*

Revenue from the sale of goods is recognized at a point in time when the control over the goods are transferred to the buyer which is generally upon delivery of the goods.

*Sale of services*

Revenue from rooms is recognized over time based on the actual occupancy of the guests. Other ancillary services are recognized when the related services are rendered and/or facilities/amenities are used.

Revenue from air transport services is recognized at a point in time when the related services have been substantially performed.

*Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs the obligations under the contract.

Other Revenue/Income*Interest*

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

*Dividends*

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

*Rental*

Rental income is accounted for on a straight-line basis over the lease term.

Other Comprehensive Income

Other comprehensive income comprises of items of income and expense that are not recognized in the consolidated profit or loss for the year in accordance with PFRS Accounting Standards. Other comprehensive income of the Group pertains to gains and losses on remeasuring FVOCI investments, exchange differences on translating foreign operations and remeasurements comprising actuarial gains and losses on retirement plan assets and liabilities.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*The Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*Right-of-use assets*

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Category	Number of Years
Building	5 years
Leasehold improvement	5 - 20 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, the Group calculates depreciation using the estimated useful life of the asset.

*Lease liabilities*

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

*Short-term leases and low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of office equipment and warehouse (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Pension Benefits

The Group has non-contributory defined benefit retirement plans.

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

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

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 the consolidated 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 the consolidated 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 the consolidated 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 Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

### Provisions and Contingencies

Provisions are recognized when the Group 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 Group 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 the consolidated 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 consolidated 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 consolidated 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 of 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. Deferred income tax assets are recognized for 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, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

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 assets 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 the consolidated profit or loss.

#### Earnings Per Share

Basic earnings per share (EPS) is computed by dividing consolidated net income and the total comprehensive income attributable to the equity holders of the Parent 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, 2025, 2024 and 2023.

#### Segment Reporting

The Group'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 6.

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## 4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and other comprehensive income (loss). 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 consolidated 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 Group'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 consolidated financial statements.

##### *Determination of functional currency*

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

##### *Classification of financial instruments*

The Group 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 consolidated statements of financial position (see Note 29).

Classification and measurement of financial assets depend on the result of the SPPI and business model test. The Group 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, 2025 and 2024, the Group made an irrevocable election at initial recognition to designate the instruments as FVPL investments.

#### *Determining ability to comply with contractual obligations*

For FVOCI debt investments, the Group assesses the counterparty's ability to comply with the contractual obligations to pay out principal and interest. Further, the Group assesses whether the credit risk on that financial instrument has increased significantly since initial recognition. No impairment loss was recognized in 2025, 2024 and 2023 as there was no significant increase in the credit risk.

The carrying value of FVOCI debt investments amounted to ₱15.6 million as at December 31, 2024 (nil in 2025; see Note 12).

#### Estimates and Assumptions

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

#### *Provision for expected credit losses of receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due.

The provision matrix is initially based on the Group's historically observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historically observed default rates, forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For the advances to related parties, the Group 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, 2025 and 2024 amounted to ₱688.0 million and ₱690.3 million, respectively. Receivables and advances, net of valuation allowance, amounted to ₱2,997.7 million and ₱2,778.0 million as at December 31, 2025 and 2024, respectively (see Notes 10, 13 and 27).

#### *Valuation of unquoted equity investments*

Valuation of unquoted 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 Group'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 Group. The fair market values of the unquoted equity shares are based on valuation techniques applied as at December 31, 2025 and 2024 using income, market and cost approach (adjusted net asset value method). The inputs used to these models were taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values (see Notes 9 and 29).

Unquoted equity investments amounted to ₱3,028.0 million and ₱3,017.6 million as at December 31, 2025 and 2024, respectively (see Notes 9 and 29).

*Estimation of allowance for inventory obsolescence and impairment losses*

The Group estimates the allowance for inventory obsolescence and impairment losses related to inventories based on specifically identified inventory items. The amounts and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in allowance for inventory and impairment losses would increase the recorded expenses and decrease current assets.

Allowance for inventory losses and obsolescence amounted to ₱96.3 million and ₱91.6 million as at December 31, 2025 and 2024, respectively. The carrying amount of the inventories amounted to ₱2,286.1 million and ₱2,114.7 million as at December 31, 2025 and 2024, respectively (see Note 11).

*Estimation of useful lives of the Group's property and equipment*

The Group estimates the useful lives of property and equipment 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, 2025 and 2024, the carrying value of depreciable property and equipment amounted to ₱3,884.7 million and ₱3,629.1 million, respectively (see Note 14).

*Recoverability of investment in associates*

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Share of profit of an associate' in the statement of profit or loss.

The carrying amounts of the investments in associates amounted to ₱370.7 million and ₱1,971.8 million as at December 31, 2025 and 2024, respectively (see Note 13).

*Impairment of non-financial assets*

(a) Property and equipment and investment properties

The Group assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;

- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

As at December 31, 2025 and 2024, the carrying value of property and equipment and investment properties amounted to ₱4,191.0 million and ₱4,227.2 million, respectively (see Notes 14 and 15).

No impairment loss indicator has been identified and therefore no impairment loss was recognized on property and equipment and investment properties for each of the three years in the period ended December 31, 2025 (see Notes 14 and 15).

#### (b) Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. In assessing the recoverability of the Group's goodwill, management exercised significant judgments and used assumptions such as revenue growth rates, discount rates and long-term growth rates in estimating the value-in-use of these cash-generating units. Calculations indicated that there is no impairment on the Group's goodwill for each of the years ended.

As at December 31, 2025 and 2024, the carrying value of goodwill amounted to ₱1,302.3 million (see Note 7).

#### *Recognition of deferred income tax assets*

The Group reviews the carrying amounts of the deferred income tax assets at each end of the reporting period and reduces deferred income tax assets 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 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 Group will utilize all or part of the deferred income tax assets. As at December 31, 2025 and 2024, the Group recognized gross deferred income tax assets amounting to ₱80.9 million and ₱95.7 million, respectively. The Group also has 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 25.

#### *Determination of retirement benefits*

The cost of defined benefit pension plans, as well as the present value of the 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. Net retirement plan asset as at December 31, 2025 and 2024 amounted to ₱209.9 million and ₱259.8 million, respectively. Net retirement benefits payable as at December 31, 2025 and 2024 amounted to ₱27.9 million and ₱19.4 million, respectively. Further details are provided in Note 24.

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 Philippines. Further details about the assumptions used are provided in Note 24.

## 5. Revenue from Contracts with Customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the Year Ended December 31, 2025			
	Cable and Wire Manufacturing	Resort Operations and Villa Development	Other Operations*	Total
Type of revenues:				
Sale of goods	<b>₱12,844,119,941</b>	<b>₱-</b>	<b>₱-</b>	<b>₱12,844,119,941</b>
Services	–	<b>1,470,029,648</b>	<b>399,441,181</b>	<b>1,869,470,829</b>
<b>Total revenue from contracts with customers</b>	<b>₱12,844,119,941</b>	<b>₱1,470,029,648</b>	<b>₱399,441,181</b>	<b>₱14,713,590,770</b>
Timing of revenue recognition:				
At a point in time	<b>₱12,844,119,941</b>	<b>₱793,917,842</b>	<b>₱399,441,181</b>	<b>₱14,037,478,964</b>
Over time	–	<b>676,111,806</b>	–	<b>676,111,806</b>
<b>Total revenue from contracts with customers</b>	<b>₱12,844,119,941</b>	<b>₱1,470,029,648</b>	<b>₱399,441,181</b>	<b>₱14,713,590,770</b>

\*Other Operations include ASAC, including IAI and AHI.

	For the Year Ended December 31, 2024			
	Cable and Wire Manufacturing	Resort Operations and Villa Development	Other Operations*	Total
Type of revenues:				
Sale of goods	₱11,200,557,895	₱-	₱-	₱11,200,557,895
Services	–	1,452,889,334	310,045,930	1,762,935,264
<b>Total revenue from contracts with customers</b>	<b>₱11,200,557,895</b>	<b>₱1,452,889,334</b>	<b>₱310,045,930</b>	<b>₱12,963,493,159</b>
Timing of revenue recognition:				
At a point in time	₱11,200,557,895	₱803,586,315	₱310,045,930	₱12,314,190,140
Over time	–	649,303,019	–	649,303,019
<b>Total revenue from contracts with customers</b>	<b>₱11,200,557,895</b>	<b>₱1,452,889,334</b>	<b>₱310,045,930</b>	<b>₱12,963,493,159</b>

\*Other Operations include ASAC, including IAI and AHI.

	For the Year Ended December 31, 2023			
	Cable and Wire Manufacturing	Resort Operations and Villa Development	Other Operations*	Total
Type of revenues:				
Sale of goods	₱10,147,489,118	₱-	₱-	₱10,147,489,118
Services	–	1,450,243,745	259,084,875	1,709,328,620
<b>Total revenue from contracts with customers</b>	<b>₱10,147,489,118</b>	<b>₱1,450,243,745</b>	<b>₱259,084,875</b>	<b>₱11,856,817,738</b>
Timing of revenue recognition:				
At a point in time	₱10,147,489,118	₱839,259,988	₱259,084,875	₱11,245,833,981
Over time	–	610,983,757	–	610,983,757
<b>Total revenue from contracts with customers</b>	<b>₱10,147,489,118</b>	<b>₱1,450,243,745</b>	<b>₱259,084,875</b>	<b>₱11,856,817,738</b>

\*Other Operations include ASAC, including IAI and AHI.

### Contract liabilities

The Group identified its customers' deposits as contract liabilities amounting to ₱499.4 million and ₱408.2 million as at December 31, 2025 and 2024, respectively. These pertain to customer advances received for customer orders and guest reservations (see Note 18). In 2025, 2024 and 2023, the Group recognized revenue from sales of goods and services from the contract liabilities amounting to ₱320.8 million, ₱256.3 million and ₱291.74 million, respectively.

Information about the Group's performance obligations are summarized below:

### Sale of goods

The Group enters into contracts to sell with one identified performance obligation, which is satisfied upon delivery of the goods. Receivables are generally collected within 30 to 60 days from the delivery of goods and receipt of invoice.

### *Villa development project*

The performance obligation is satisfied at a point in time and payment is generally received in advance during the construction of the villa.

### *Resort operations*

This pertains to the services provided to the guests which are satisfied over time. Some payments are received in advance from the guests.

## 6. Segment Information

The Company and its subsidiaries' 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 2025, 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, and real estate holding.
- Amount for investments in associates comprise the Group's cost, equity in net earnings (losses) 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, 2025, 2024 and 2023 (in thousands):

	Before Eliminations				Total	Eliminations	Consolidated
	Holding Company (Parent)	Resort Operations	Cable and Wire Manufacturing	Other Operations <sup>1</sup>			
<b>As at and for the year ended December 31, 2025</b>							
Revenues, excluding interest income <sup>2</sup>	P1,862,466	P1,470,030	P12,844,120	P1,544,254	P17,720,870	(P2,580,924)	P15,139,946
Interest income	57,327	180	24,463	864	82,834	–	82,834
Investment gains (losses)	4,147,099	12,627	7,300	921,041	5,088,067	(919,648)	4,168,419
Interest expense	(13,638)	(479)	(2,309)	(46,289)	(62,715)	–	(62,715)
Income tax expense (benefit from income tax)	32,872	26,134	301,192	15,588	375,786	(66,061)	309,725
Equity in net earnings	–	–	–	76,621	76,621	–	76,621
Net income	5,600,885	95,653	953,890	1,818,696	8,469,124	(2,944,047)	5,525,077
Total assets	26,882,064	2,247,375	7,795,051	23,009,248	59,933,738	(23,764,914)	36,168,824
Investments and advances	7,347,427	56,807	–	297,863	7,702,097	(7,329,757)	372,340
Property and equipment	61,437	911,422	1,178,846	884,670	3,036,375	894,802	3,931,177
Total liabilities	1,126,257	815,833	644,569	3,399,985	5,986,644	(2,317,275)	3,669,369
Depreciation and amortization	10,466	155,239	164,748	134,661	465,114	26,650	491,764
Cash flows from (used in):							
Operating activities	(615,133)	167,489	702,698	224,538	479,592	(294,602)	184,990
Investing activities	1,775,397	(241,618)	57,498	(104,650)	1,486,627	(147,306)	1,339,321
Financing activities	(1,524,581)	1,337	(359,570)	(126,840)	(2,009,654)	338,238	(1,671,416)

<sup>1</sup> Other Operations include ASAC, AAC, Anscorcon, AI, AHI, IAI and the Group's equity in net earnings (losses) of associates and impairment loss.

<sup>2</sup> Majority of the revenues of the Group were derived in the Philippines.

	Before Eliminations						Consolidated
	Holding Company (Parent)	Resort Operations	Cable and Wire Manufacturing	Other Operations <sup>1</sup>	Total	Eliminations	
As at and for the year ended							
December 31, 2024							
Revenues, excluding interest income <sup>2</sup>	₱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	–	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	3,288,080	6,439,288	(2,068,835)	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)

<sup>1</sup> Other Operations include ASAC, AAC, Anscorcon, AI, AHI, IAI and the Group's equity in net earnings (losses) of associates and impairment loss.

<sup>2</sup> Majority of the revenues of the Group were derived in the Philippines.

	Before Eliminations						Consolidated
	Holding Company (Parent)	Resort Operations	Cable and Wire Manufacturing	Other Operations <sup>1</sup>	Total	Eliminations	
As at and for the year ended							
December 31, 2023							
Revenues, excluding interest income <sup>2</sup>	₱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	–	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 earnings	–	–	–	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	(760,573)	1,745,148
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)	463,663	(154,435)

<sup>1</sup> Other Operations include ASAC, AAC, Anscorcon, AI, AHI, IAI and the Group's equity in net earnings (losses) of associates and impairment loss.

<sup>2</sup> Majority of the revenues of the Group were derived in the Philippines.

## 7. Business Combinations

- a. Goodwill represents the excess of acquisition cost of the following subsidiaries over Anscor's share in the fair value of their net assets. As at December 31, 2025 and 2024, the carrying amount of goodwill allocated to each cash-generating unit (subsidiaries) is as follows:

PDP	₱1,202,945,277
SSRLI (Note 30)	99,330,987
	₱1,302,276,264

- b. Impairment Testing of Goodwill

- i. PDP Group

The recoverable amount of the investment in PDP Group has been determined based on the value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period.

The key assumptions used to determine the recoverable amount as at December 31, 2025 and 2024 are discussed below:

### Discount rate

Discount rate is consistent with the risk-free industry interest rate. The pre-tax discount rates applied to cash flow projections in 2025 and 2024 are 11.21% and 16.15%, respectively.

*Terminal value*

Terminal value is computed based on Gordon Growth model, which is the quotient of the normalized value of free cash flows assuming a long-term growth rate of 5.00% and 4.45% in 2025 and 2024, respectively, and the difference between the discount rate and growth rate.

*Growth rate*

Management used the average industry growth rate of 5.00% and 4.59% for the five-year cash flow projections in 2025 and 2024, respectively.

## ii. SSRLI

The recoverable amount of the investment in SSRLI has been determined based on the value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a ten-year period and five-year period for 2025 and 2024, respectively. The key assumptions used to determine the recoverable amount as at December 31, 2025 and 2024 are discussed below:

*Discount rate*

Discount rate is consistent with the risk-free industry interest rate. The pre-tax discount rate applied to cash flow projections in 2025 and 2024 are 11.12% and 12.14%, respectively.

*Terminal value*

Terminal value is computed based on Gordon Growth model, which is the quotient of the normalized value of free cash flows assuming a long-term growth rate of 3.00% and 2.00% in 2025 and 2024 respectively, and the difference between the discount rate and growth rate.

*Growth rate*

Growth rate assumptions for cash flow projections in 2025 and 2024 are supported by the different initiatives of SSRLI. SSRLI used 3.00% and 2.00% average growth rate in revenue for its cash flow projection in 2025 and 2024, respectively.

*Sensitivity to changes in assumptions*

Based on the available information and management's evaluation, no reasonably possible change in any of the key assumptions would cause the carrying value of the cash-generating unit to exceed its recoverable amount.

With regard to the assessment of value-in-use of the cash-generating unit, management believes that an increase in discount rate by 22% and 64% for PDP Group and SSRLI would not cause the carrying value of the property to exceed the recoverable amount as of December 31, 2025

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## 8. Cash and Cash Equivalents

	2025	2024
Cash on hand and in banks	<b>₱1,721,842,656</b>	₱1,412,036,643
Cash equivalents	<b>1,573,716,193</b>	2,025,615,610
	<b>₱3,295,558,849</b>	₱3,437,652,253

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 Group. These investments earn interest at prevailing rates. Interest income earned from cash and cash equivalents amounted to ₱35.6 million, ₱60.7 million, and ₱51.4 million in 2025, 2024, and 2023, respectively (see Note 23).

Restricted cash funds are recorded as other noncurrent assets, unless the restriction is expected to be released at least 12 months after the reporting period (see Note 16).

## 9. FVPL Investments

	2025	2024
Quoted equity shares	<b>₱11,980,074,745</b>	₱8,919,134,137
Funds and equities	<b>4,680,581,597</b>	2,630,687,442
Unquoted equity shares	<b>3,028,008,458</b>	3,017,634,315
Proprietary shares	<b>805,207,073</b>	824,857,073
Bonds	–	14,988,363
Others	<b>7,922,132</b>	6,481,156
	<b>₱20,501,794,005</b>	₱15,413,782,486

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 Stock Exchange (NYSE). The fair market values of these listed shares are based on their quoted market prices as at December 31, 2025 and 2024 which are assessed to be the exit prices.

Held-for-trading investments include foreign currency-denominated mutual/hedge 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 rates per annum range from 2.5% to 6.1% in 2025 and 2024, and 2.0% to 8.3% in 2023.

Interest income earned from FVPL funds and equities, and bonds amounted to ₱23.7 million, ₱21.2 million, and ₱12.4 million in 2025, 2024, and 2023, respectively (see Note 23).

The fair market values of the unquoted equity shares are based on valuation techniques applied as at December 31, 2025 and 2024 using income, market and cost (adjusted net asset value method) approach (see Note 29).

The Group's FVPL unquoted equity shares and investment in funds and equities include the following:

a. Income approach - KSA Realty Corporation (KSA)

As at December 31, 2025 and 2024, the Company's investment in KSA amounted to ₱627.4 million and ₱727.4 million, respectively (see Note 29).

The Company earned cash dividends from KSA amounting to ₱75.1 million, ₱94.3 million, and ₱89.1 million in 2025, 2024, and 2023, respectively

b. Market approach

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

As of December 31, 2025 and 2024, total investment in Blue Voyant, inclusive of foreign exchange gain, amounted to ₱194.0 million and ₱190.9 million, respectively. No recognized gains or losses on fair value adjustment in 2025, 2024 and 2023.

c. Cost approach (adjusted net asset value method)

i. Navegar I LP (Navegar I)

The Group, through AI, recognized a gain (loss) on fair market value adjustment in its investment in Navegar I amounting to ₱3.6 million, (₱21.0 million), and ₱24.1 million in 2025, 2024, and 2023, respectively.

Total investment in Navegar I, inclusive of foreign exchange adjustment, amounted to ₱13.2 million and ₱46.6 million as at December 31, 2025 and 2024, respectively.

As at December 31, 2025 and 2024, the Group's remaining capital commitment to be called for Navegar I amounted to US\$0.01 million (₱0.4 million) and US\$0.01 million (₱0.9 million), respectively.

ii. Navegar II LP (Navegar II)

The Group, through AI, recognized gains on fair market value adjustment in its investment in Navegar II amounting to ₱74.3 million, ₱57.7 million, and ₱73.0 million, in 2025, 2024, and 2023, respectively.

Total investment in Navegar II, inclusive of foreign exchange adjustment, amounted to ₱686.2 million and ₱584.9 million as at December 31, 2025 and 2024, respectively.

As at December 31, 2025 and 2024, the Group's remaining capital commitment to be called for Navegar II amounted to US\$2.6 million (₱155.4 million) and US\$2.9 million (₱170.1 million), respectively.

iii. Sierra Madre Philippines I LP (Sierra Madre)

Sierra Madre focuses on providing growth capital to small and mid-sized Philippine companies. The Group, through AI, recognized gain on fair market value adjustment amounting to ₱14.7 million, ₱12.2 million, and ₱36.0 million in 2025, 2024 and 2023, respectively.

Total investment in Sierra Madre, inclusive of foreign exchange adjustment, amounted to ₱597.4 million and ₱586.1 million at December 31, 2025 and 2024, respectively.

As at December 31, 2025 and 2024, the Group's remaining capital commitment to be called for Sierra Madre amounted to US\$0.1 million (₱6.7 million) and US\$0.3 million (₱17.1 million), respectively.

iv. Asia Partners I LP, Asia Partners II LP and AP-I Tycho Co-invest Ltd (collectively Asia Partners)

In 2021, the Group, through 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\$2.0 million in AP-I Tycho Co-invest Ltd and US\$10.0 million in Asia Partners II, LP.

The Group, through AI, recognized gain (loss) on fair market value adjustment in its investment in Asia Partners amounting to (₱98.4 million), ₱0.4 million, and ₱51.3 million in 2025, 2024 and 2023, respectively.

As at December 31, 2025 and 2024, total investment in Asia Partners, inclusive of foreign exchange adjustment, amounted to ₱657.4 million and ₱656.2 million, respectively.

As at December 31, 2025 and 2024, the Group's remaining capital commitment to be called for Asia Partners amounted to US\$6.1 million (₱358.6 million) and US\$7.5 million (₱436.4 million), respectively.

v. Third Prime Alpha III-A, Third Prime (Kafene B) and Third Prime (Kafene B-1) (collectively Third Prime Series)

Third Prime Alpha III-A, is a venture firm focused primarily on the FinTech, PropTech and Crypto sectors.

The Group, through AI, recognized fair market value gain adjustment in its investment in Third Prime series amounting to ₱14.3 million, ₱1.4 million and ₱0.7 million in 2025, 2024 and 2023, respectively.

As at December 31, 2025 and 2024, total investment in Third Prime series, inclusive of foreign exchange adjustment, amounted to ₱252.4 million and ₱225.5 million, respectively.

As at December 31, 2025 and 2024, the Group's remaining capital commitment to be called for Third Prime Alpha III-A amounted to US\$0.3 million (₱17.6 million) and US\$0.5 million (₱26.0 million), respectively.

There were no changes in the valuation techniques applied for each of the period ended (e.g., changing from a market approach to an income 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 Investments
	2025	2024	2025
Quoted equity shares	<b>₱9,561.4</b>	₱6,035.3	<b>₱3,526.1</b>
Proprietary shares	<b>766.5</b>	786.2	<b>(19.7)</b>
Unquoted equity shares	<b>539.5</b>	658.3	<b>(118.8)</b>
Funds and equities	<b>428.6</b>	311.5	<b>117.1</b>
Bonds	<b>(95.6)</b>	(94.2)	<b>(1.4)</b>
Others	<b>1.1</b>	(0.4)	<b>1.5</b>
Total	<b>11,201.5</b>	7,696.7	<b>3,504.8</b>
Add realized gain on sale of FVPL investments			<b>394.4</b>
Net gain on increase in market value of FVPL investments			<b>₱3,899.2</b>

	Unrealized Valuation Gains (Losses) in Market Value		Gains (Losses) on Increase (Decrease) in Market Value of FVPL Investments
			in 2024
	2024	2023	
Quoted equity shares	₱6,035.3	₱3,492.3	₱2,543.0
Unquoted equity shares	658.3	804.1	(145.8)
Proprietary shares	786.2	586.3	199.9
Funds and equities	311.5	177.1	134.4
Bonds	(94.2)	(88.2)	(6.0)
Others	(0.4)	(1.1)	0.7
Total	7,696.7	4,970.5	2,726.2
Add realized gain on sale of FVPL investments			538.3
Net gain on increase in market value of FVPL investments			₱3,264.5

	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	₱3,492.3	₱2,443.0	₱1,049.3
Unquoted equity shares	804.1	804.4	(0.3)
Proprietary shares	586.3	476.2	110.1
Funds and equities	177.1	(145.6)	322.7
Bonds	(88.2)	(63.5)	(24.7)
Others	(1.1)	(1.1)	—
Total	4,970.5	3,513.4	1,457.1
Add realized loss on sale of FVPL investments			19.1
Net gain on increase in market value of FVPL investments			₱1,476.2

Proprietary shares include golf and club membership shares with fair value determined based on available public market quotations.

There were no outstanding forward transactions as at December 31, 2025, 2024 and 2023.

In 2025, 2024 and 2023, the Group earned dividends from FVPL investments amounting to ₱426.4 million, ₱389.3 million and ₱368.4 million, respectively.

## 10. Receivables

	2025	2024
Trade	<b>₱2,690,772,387</b>	₱2,462,263,680
Receivables from villa owners	<b>38,321,299</b>	22,258,171
Interest receivable	<b>18,215,237</b>	14,954,041
Others	<b>25,199,601</b>	14,272,542
	<b>2,772,508,524</b>	2,513,748,434
Less allowance for expected credit losses	<b>123,158,478</b>	125,455,330
	<b>₱2,649,350,046</b>	₱2,388,293,104

Trade receivables are non-interest bearing and are normally settled on a 30 to 60 days term.

Receivables from villa owners pertain to SSRLI's net rental share, handling fees and reimbursable expenses such as guest supplies and other amenities, operating supplies, utilities, manpower, laundry services and other materials used for repairs and maintenance of the villas.

Interest receivable pertains to accrued interest income from cash and cash equivalents and notes receivable in 2025, and including accruals from FVPL and FVOCI investments in debt instruments in 2024.

“Interest receivable pertains to accrued interest income from cash and cash equivalents and notes receivable in 2025, and from FVPL and FVOCI investments in debt instruments in 2024.”

Movements in the allowance for expected credit losses of trade and other receivable accounts are as follows:

<b>2025</b>	Trade	Interest and Others	Total
At January 1	<b>₱123,865,012</b>	<b>₱1,590,318</b>	<b>₱125,455,330</b>
Provision for the year (Note 23)	<b>1,911,491</b>	–	<b>1,911,491</b>
Write-off	<b>(4,208,343)</b>	–	<b>(4,208,343)</b>
At December 31	<b>₱121,568,160</b>	<b>₱1,590,318</b>	<b>₱123,158,478</b>

2024	Trade	Interest and Others	Total
At January 1	₱213,121,330	₱1,590,318	₱214,711,648
Provision for the year (Note 23)	33,680	–	33,680
Recoveries (Note 23)	(89,289,998)	–	(89,289,998)
At December 31	₱123,865,012	₱1,590,318	₱125,455,330

## 11. Inventories

	2025	2024
<i>At lower of cost and net realizable value:</i>		
Finished goods - net of allowance for inventory obsolescence of ₱30.8 million ₱32.0 million in 2025 and 2024, respectively	<b>₱881,828,031</b>	₱743,603,841
Raw materials - net of allowance for inventory obsolescence of ₱6.4 million and ₱6.7 million in 2025 and 2024, respectively	<b>637,158,231</b>	656,033,759
Work in process - net of allowance for inventory obsolescence of ₱10.2 million and ₱7.1 million in 2025 and 2024, respectively	<b>321,092,206</b>	273,904,495
Spare parts and operating supplies - net of allowance for inventory obsolescence of ₱38.9 million and ₱35.6 million in 2025 and 2024, respectively	<b>183,924,443</b>	206,026,710
Aircraft spare parts and supplies - net of allowance for inventory obsolescence and losses of ₱10.0 million ₱9.6 million in 2025 and 2024, respectively	<b>92,058,131</b>	102,163,160

(Forward)

	2025	2024
Materials in transit - at cost	88,248,063	56,861,522
Food and beverage - cost	30,400,969	22,550,452
Reel inventory - at cost	29,695,306	28,250,066
Aircraft parts in transit - at cost	21,062,052	24,683,169
Construction-related materials - net of allowance for inventory obsolescence of ₱0.6 million in 2025 and 2024	605,556	605,556
	<b>₱2,286,072,988</b>	<b>₱2,114,682,730</b>

The total amount of inventories carried at cost amounted to ₱547.7 million and ₱499.9 million as at December 31, 2025 and 2024, respectively.

The total cost of inventories carried at NRV amounted to ₱1,834.6 million and ₱1,706.3 million, with the NRV amounting to ₱1,738.3 million and ₱1,614.7 million as at December 31, 2025 and 2024, respectively.

Net recovery (loss) for inventory obsolescence recognized in 2025, 2024 and 2023, which was recorded under “Materials used and changes in inventories”, amounted to (₱4.8 million), ₱9.1 million, and ₱0.5 million, respectively (see Note 21).

Aircraft parts in transit are purchased from suppliers abroad under Freight on Board Shipping Point. These items are in the custody of either the Bureau of Customs or freight forwarder as at December 31, 2025 and 2024.

Construction-related materials are excess materials and supplies from Villa Development Project. These are held for use in construction of villa or future repair or renovation of villas.

Inventories charged to cost of goods sold amounted to ₱10,313.6 million, ₱8,918.7 million, and ₱7,906.2 million, in 2025, 2024 and 2023, respectively (see Note 21).

Materials and supplies for resort operations charged to cost of services rendered amounted to ₱47.8 million, ₱51.4 million, and ₱52.9 million in 2025, 2024, and 2023, respectively (see Note 21).

## 12. FVOCI Investments

As at December 31, 2024, FVOCI investments amounted to ₱15.6 million (nil in 2025) and consisted of the following investments in bonds:

- a. Foreign currency-denominated bond securities are subject to variable and fixed coupon interest rate per annum of 2.21% in 2025, 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. The FVOCI investments were sold in 2025. Net interest income earned from FVOCI bonds amounted to ₱0.3 million, ₱3.6 million, and ₱6.9 million in 2025, 2024, and 2023, respectively (see Note 23).
- 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 (GRESO). 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, 2025 and 2024.

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. In a Decision dated April 30, 2025, the CA denied the defendants' appeal. The CA ruled that Red Core was obliged to execute the deed of pledge, since the Company did not exercise its Note Conversion Right, and such failure constituted an event of default under the Agreement. The CA likewise upheld the attorney's fees awarded to the Company, but at a reduced amount of ₱0.5 million, plus legal interest from the date of the Decision until full payment. As of March 2, 2026, the Company has not received any motion for reconsideration or petition for review contesting the Decision.

In 2025, 2024 and 2023, gain (loss) on sale of FVOCI investments amounted to ₱0.5 million, ₱1.0 million, and (₱3.5 million), respectively.

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

	2025	2024
Beginning balance	<b>₱280,554</b>	₱605,619
Unrealized valuation gain on FVOCI investments - net of tax	<b>100,842</b>	435,121
Realized loss on FVOCI investments recognized in profit or loss - net of tax	<b>(381,396)</b>	(760,186)
Ending balance	<b>₱-</b>	₱280,554

### 13. Investments and Advances

	2025	2024
Investments at equity - net of valuation allowance	<b>₱370,692,969</b>	₱1,971,771,604
Advances - net of allowance for expected credit losses of ₱564.8 million in 2025 and 2024	<b>1,647,039</b>	1,606,391
	<b>₱372,340,008</b>	₱1,973,377,995

Investments at equity consist of:

	2025	2024
Acquisition cost		
Common shares and Preferred shares	<b>₱715,049,338</b>	₱2,324,349,339
Accumulated equity in net losses and impairment loss	<b>(344,356,369)</b>	(352,577,735)
	<b>₱370,692,969</b>	₱1,971,771,604

The significant transactions involving the Group's investments in associates in 2025 and 2024 follow:

#### AIMP

AIMP reported a net income amounting to ₱117.0 million, ₱126.7 million, and ₱43.6 million in 2025, 2024 and 2023, respectively. The Group recognized equity in net earnings amounting to ₱18.1 million, ₱25.3 million, and ₱8.7 million in 2025, 2024 and 2023, respectively.

Effective January 9, 2026, ATRAM Trust Corporation, Inc. (ATC) and UnionBank Investment Management and Trust Corporation completed their merger, with ATC as the surviving entity. Following the transaction, AIMP's economic interest in ATR Asset Management, Inc. decreased to 71.7%, while UnionBank obtained 27.5% interest. All regulatory approvals were duly secured prior to completion.

In 2024 and 2023, the Group received from AIMP cash dividend amounting, ₱0.6 million, and ₱27.5 million, respectively (nil in 2025).

As at December 31, 2025 and 2024, the carrying value of the investment in AIMP amounted to ₱197.0 million and ₱178.9 million, respectively.

AIMP made a cash advance to the Company amounting to ₱20.0 million in 2025 (nil in 2024 and 2023). Total outstanding cash advance from AIMP amounted to ₱20.0 million as of December 31, 2025 (nil in 2024), which is presented under "Other noncurrent liabilities" (see Note 16).

#### FHI

FHI reported a net income (loss) amounting to (₱0.2 million), (₱5.0 million), and ₱0.1 million in 2025, 2024 and 2023, respectively. The Group recognized equity in net earnings (losses) amounting to (₱0.05 million), (₱1.30 million), and ₱0.02 million in 2025, 2024, and 2023, respectively.

As at December 31, 2025 and 2024, the carrying value of the investment and advances in FHI amounted to ₱173.7 million.

FHI made a cash advance to the Company amounting to ₱66.3 million in 2023 (nil in 2025 and 2024). Total outstanding cash advance from FHI amounted to ₱170.7 million as of December 31, 2025 and 2024, respectively, which is presented under "Other noncurrent liabilities" (see Note 16).

#### Prople Limited

As at December 31, 2025 and 2024, the net carrying value of the Group's investment in Prople Limited amounted to nil (net of allowance for impairment loss of ₱295.0 million as of both years).

In 2023, the Group received advances from Prople Limited amounting to ₱10.4 million (nil in 2025 and 2024). Total outstanding cash advance from Prople amounted to ₱69.4 million as of December 31, 2025 and 2024, which is presented under "Other noncurrent liabilities" (see Note 16).

### The Bistro Group

On November 13, 2024, the Group bought 22% stake in TBG Food Holdings, Inc. (TBG) for a total consideration of ₱1,609.3 million. TBG owns and runs over 200 full service restaurants, including household names like Italianni's, TGI Fridays, Texas Roadhouse, and Morton's Steakhouse.

The Group recorded ₱1,609.3 million as an investment in an associate as a result of the acquisition and recognized ₱9.8 million in equity earnings on investment in associate in 2024, reckoning from the date of acquisition, along with 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" (see Note 16).

In 2025, the Group received from TBG cash dividend amounting ₱64.9 million. TBG reported a net income amounting to ₱275.9 million for the period ended September 30, 2025. The Group recognized equity in net earnings amounting to ₱58.6 million in 2025.

On October 1, 2025, the Group sold the 22% stake in TBG Food Holdings, Inc. to Inoza Business Holdings, Inc. for a total consideration of ₱1,914.0 million (₱1,881.5 million net of tax). The Group recorded a net gain on sale amounting to ₱268.7 million.

As at December 31, 2024, the carrying value of the investment in TBG amounted to ₱1,619.1 million (nil in 2025).

The Group has no share in the contingent liabilities of any associate as at December 31, 2025 and 2024.

### Others

In 2024, the Group disposed of its other long-term equity investment carried at ₱2.1 million for consideration of ₱0.5 million. Loss recognized from the disposal amounted to ₱1.6 million in 2024 (nil in 2025 and 2023).

## 14. Property and Equipment

2025	Land, Buildings and Improvements	Flight, Ground, Machineries and Other Equipment	Furniture, Fixtures and Office Equipment	Transportation Equipment	Construction in Progress	Total
Cost						
January 1	₱3,273,073,428	₱2,805,294,654	₱796,776,632	₱317,925,699	₱241,736,378	₱7,434,806,791
Additions	24,853,004	62,339,030	68,719,234	23,590,068	264,905,158	444,406,494
Reclassification	149,400,248	157,652,585	18,051,727	1,497,978	(326,602,538)	–
Retirement/disposals	–	(434,000)	(1,057,210)	(6,235,357)	–	(7,726,567)
December 31	3,447,326,680	3,024,852,269	882,490,383	336,778,388	180,038,998	7,871,486,718
Accumulated Depreciation and Amortization						
January 1	1,306,835,568	1,310,235,165	615,747,509	234,566,818	–	3,467,385,060
Depreciation and amortization (Note 21)	132,392,402	242,857,129	75,709,262	29,419,730	–	480,378,523
Retirement/disposals	–	(434,000)	(814,799)	(6,205,356)	–	(7,454,155)
December 31	1,439,227,970	1,552,658,294	690,641,972	257,781,192	–	3,940,309,428
Net Book Value	₱2,008,098,710	₱1,472,193,975	₱191,848,411	₱78,997,196	₱180,038,998	₱3,931,177,290

2024	Land, Buildings and Improvements	Flight, Ground, Machineries and Other Equipment	Furniture, Fixtures and Office Equipment	Transportation Equipment	Construction in Progress	Total
<b>Cost</b>						
January 1	₱3,116,006,313	₱2,698,170,221	₱718,779,693	₱290,559,147	₱243,198,336	₱7,066,713,710
Additions	51,823,067	45,548,711	91,336,057	20,727,306	404,381,542	613,816,683
Reclassification	115,528,583	258,111,359	19,878,798	12,324,760	(405,843,500)	–
Retirement/disposals	(10,284,535)	(196,535,637)	(33,217,916)	(5,685,514)	–	(245,723,602)
December 31	3,273,073,428	2,805,294,654	796,776,632	317,925,699	241,736,378	7,434,806,791
<b>Accumulated Depreciation and Amortization</b>						
January 1	1,205,324,410	1,269,878,795	594,415,334	212,336,469	–	3,281,955,008
Depreciation and amortization (Note 21)	108,143,223	221,179,133	54,547,993	26,367,175	–	410,237,524
Retirement/disposals	(6,632,065)	(180,822,763)	(33,215,818)	(4,136,826)	–	(224,807,472)
December 31	1,306,835,568	1,310,235,165	615,747,509	234,566,818	–	3,467,385,060
Net Book Value	₱1,966,237,860	₱1,495,059,489	₱181,029,123	₱83,358,881	₱241,736,378	₱3,967,421,731

Construction in progress includes cost of the on-going construction of the land and building improvements and cost of assembling machineries and equipment.

Depreciation and amortization amounted to ₱480.4 million, ₱410.2 million, and ₱337.2 million in 2025, 2024 and 2023, respectively (see Note 21).

As at December 31, 2025 and 2024, certain items of land, buildings and improvements and machinery and equipment with carrying amount of ₱31.0 million were included in a participating Mortgage Trust Indenture (MTI). The aggregate appraised value of these assets amounted to ₱9,170.8 million, based on an appraisal report commissioned for the purpose of the loan. The loanable value represents 60% of these assets' appraised value. The aggregate loaned amount (₱1 billion) represents 18.2% of the total loanable value (see Note 19).

## 15. Investment Properties

The Group's investment properties as at December 31, 2025 and 2024 amounted to ₱259.8 million, and pertain to the cost of various parcels of land.

2024	Land	Condominium	Total
<b>Cost</b>			
January 1	₱254,749,808	₱293,595,000	₱548,344,808
Additions	5,050,000	–	5,050,000
Disposal	–	(293,595,000)	(293,595,000)
December 31	₱259,799,808	₱–	₱259,799,808
<b>Accumulated Depreciation and Amortization</b>			
January 1	–	59,942,312	59,942,312
Depreciation and amortization (Note 21)	–	13,456,438	13,456,438
Disposal	–	(73,398,750)	(73,398,750)
December 31	–	–	–
Accumulated Impairment Loss	–	24,812,188	24,812,188
Reversal of impairment loss	–	(24,812,188)	(24,812,188)
December 31	–	–	–
Net Book Value	₱259,799,808	₱–	₱259,799,808

The Group's investment properties include 136.8 hectares of land in Palawan, 36.9 hectares of land in Cebu, and 97.4 hectares of land in Guimaras. Condominium pertains to the two (2) commercial condominium units purchased by the Company in 2019 and sold in 2024 for ₱283.0 million, with net gain amounting to ₱62.8 million. Further, the Group reversed the related impairment loss on these condominium units amounting to ₱24.8 million, as a result of the sale, (see Note 23).

The aggregate fair value of these investment properties as of December 31, 2025 and 2024 amounted to ₱4.1 billion and ₱3.9 billion, respectively.

Fair valuation of the land properties was performed by professionally qualified, SEC-accredited and independent appraiser as at January 2025 and 2026. The fair value was determined using the sales comparison approach which considers the sale of similar or substitute properties, related market data and the assets' highest and best use. The fair value of the investment properties is categorized as Level 3 which used adjusted inputs for valuation that are unobservable as of the date of valuation.

The inputs used were offer prices of similar land. Significant increases or decreases in offer price would result in higher or lower fair value of the asset.

The appraisers determined that the highest and best use of these properties in the future are either for residential, agricultural, commercial and recreational utility. These properties are currently held by the Group for capital appreciation.

The Group has no restrictions on the realizability of the investment properties. Under Department of Agrarian Reform (DAR) rules, AAC has to complete the development on the Guimaras land by September 2018. On November 11, 2018, DAR approved the Group's request for extension to develop the property within a non-extendible period of five years from the receipt of order or until December 6, 2023. The notice of order was received by the Group on December 7, 2018. On January 18, 2024, DAR approved the Group's request for another extension to develop the property within a non-extendible period of five years from the receipt of order or until February 13, 2029. The notice of order was received by the Group on February 14, 2024.

The Group recognized rental income of ₱13.3 million, and ₱13.7 million from these investment properties in 2024 and 2023, respectively (nil in 2025); (see Note 30).

The aggregate direct expenses pertaining to real property taxes and depreciation expense amounted to ₱0.8 million, ₱14.3 million, and ₱15.5 million, in 2025, 2024 and 2023, respectively.

## 16. Other Noncurrent Assets and Other Noncurrent Liabilities

The Group's other noncurrent assets comprise the following as of December 31:

	2025	2024
Fund for villa operations and capital expenditures (Note 30)	<b>₱98,933,627</b>	₱97,006,919
Creditable withholding tax	<b>343,401,871</b>	280,973,162
Refundable deposits	<b>5,252,458</b>	4,009,493
Computer software - net of accumulated depreciation of ₱19.5 million and ₱17.2 million as of December 31, 2025 and 2024, respectively	<b>5,003,840</b>	7,313,319
Property held for future development (Note 30)	—	18,703,423
Others	<b>1,617,123</b>	4,873,011
	<b>₱454,208,919</b>	₱412,879,327

Fund for villa operations and capital expenditures is a restricted cash fund of PRI and PUI held as a source of future maintenance requirements and for future replacement of power generating units and desalination plant. Interest income on this fund shall accrue to the villa owners. A liability related to the fund was recognized and is presented as “Other noncurrent liabilities” in the consolidated statements of financial position (see Note 30).

The Group’s has reclassified its creditable withholding taxes amounting to ₱280.73 million as of December 31, 2024 from current asset to noncurrent current asset considering the timing of realization in accordance with the requirements of PAS 1. This resulted in an immaterial movement in total current and noncurrent assets as of such date.

FHI, Prople Limited and AIMP (2024 includes TBG) made cash advances to the Company. Total outstanding cash advance amounted to ₱260.1 million and ₱283.1 million as of December 31, 2025 and 2024, respectively, which is presented under “Other noncurrent liabilities” (see Note 13).

## 17. Notes Payable

The Group has outstanding notes payable of ₱670.0 million as of December 31, 2024 (nil as of December 31, 2025).

- a. On November 6, 2024, a clean promissory note was executed between Anscor and BDO for a short-term note payable in the aggregate principal amount of ₱670.0 million, subject to an interest rate of 6.99%. The promissory note was paid in full as of August 1, 2025.
- b. Total interest expense from notes payable recognized in the consolidated profit or loss amounted to ₱11.4 million and ₱7.2 million in 2025 and 2024, respectively (nil in 2023); (see Note 23).

The Group’s unavailed credit line from banks (covering short-term and long-term debts) amounted to ₱5.5 billion and ₱4.0 billion as at December 31, 2025 and 2024, respectively.

## 18. Accounts Payable and Accrued Expenses

	2025	2024
Contract liabilities (Note 5)	<b>₱499,386,830</b>	₱408,206,880
Trade payables	<b>384,772,163</b>	457,523,407
Accruals for:		
Personnel expenses	<b>199,686,900</b>	157,546,261
Sales Commission	<b>28,680,433</b>	30,095,822
Utilities	<b>25,174,896</b>	28,289,791
Taxes and licenses	<b>10,702,459</b>	9,357,826
Others	<b>37,667,370</b>	50,421,536
Payable to government agencies	<b>100,397,201</b>	76,815,628
Payable to villa owners (Note 30)	<b>34,775,243</b>	7,732,151
Payable to contractors	<b>6,890,359</b>	4,792,018
Other payables	<b>48,412,688</b>	46,481,694
	<b>₱1,376,546,542</b>	₱1,277,263,014

Trade payables are non-interest bearing and are normally settled on 30 to 90 days’ terms.

Other accrued expenses include unpaid operating costs of the Group.

Contract liabilities pertain to the customers' advances received for customer orders and guest reservations.

Payable to contractors are amounts due to suppliers for ongoing and completed construction projects.

## 19. Long-term Debt

The Group's outstanding long-term debt from a local bank amounting to ₱675.5 million and ₱780.0 million as of December 31, 2025, and December 31, 2024, respectively, pertains to IAI's loan and is presented as follows:

	2025	2024
Current portion	<b>₱94,545,455</b>	₱104,545,455
Non-current portion	<b>580,909,091</b>	675,454,545
Total notes payable	<b>₱675,454,546</b>	₱780,000,000

- a. On January 9, 2023, a Facility Agreement (IAI-BDO Loan) was executed between IAI (under ASAC group) and BDO, for a term loan in the aggregate principal amount of up to ₱1 billion. On the same date, the Continuing Suretyship (CS) in favor of BDO was jointly and severally irrevocably executed by SSRLI and PRI duly identified as the sureties to secure the due and full payment and performance of the Secured Obligations as defined in the CS (see Note 14).
- b. On February 14, 2023, SSRLI, PRI and Pamalican Utilities Inc. (PUI) (the three companies as Trustors) and AB Capital and Investment Corporation (as Trustee) executed the Amended and Restated Mortgage Trust Indenture (MTI). PRI and PUI are now parties to the MTI which was originally entered into by SSRLI and the Trustee on November 29, 2005. The Trustors in the MTI are now parties to the Mortgage Obligations for the loan. The Trustee issued as of December 31, 2023 mortgage participating certificates representing 18.2% of the appraised value of the assets covered by the MTI (see Note 14).

Drawdowns made in the Facility Agreement in 2023 are as follows:

Date	Amount
January 9, 2023	₱450,000,000
March 15, 2023	63,500,000
April 13, 2023	255,000,000
May 25, 2023	231,500,000
	<b>₱1,000,000,000</b>

The loan is subject to an interest rate which shall be the higher of (a) the sum of the 3-month Benchmark Rate on interest setting date and on each repricing date plus 1.25% per annum, and (b) BSP Overnight Lending Facility Rate + 0.50% per annum; divided by the interest premium factor.

- c. On November 20, 2023, BDO and the IAI agreed to adjust the interest rate to the higher of (a) the sum of the 3-month Benchmark Rate on interest setting date and on each repricing date plus 0.90% per annum, and (b) Target Reverse Repurchase Rate plus + 0.25% per annum; divided by the interest premium factor effective January 9, 2024.

The loan is payable quarterly after a 2-year grace period starting from the initial drawdown. Payment due date of the loan based on nominal values are scheduled as at December 31 as follows:

Year	2025	2024
Less than 1 year	<b>₱94,545,455</b>	₱104,545,455
More than 1 year but less than 2 years	<b>93,166,144</b>	94,545,456
More than 2 years	<b>279,498,433</b>	283,636,364
More than 5 years	<b>208,244,514</b>	297,272,725
	<b>₱675,454,546</b>	₱780,000,000

The loan shall be subject to the maintenance of IAI's financial ratios, which include; (i) maximum of 2.5 times debt-to-equity ratio and (ii) minimum debt service coverage ratio of 1.2 times starting, May 31, 2024 and annually each May 31 thereafter.

- d. Total interest expense in 2025, 2024 and 2023 from this loan recognized in the consolidated profit or loss amounted to ₱45.6 million, ₱59.2 million, and ₱58.6 million, respectively (see Note 23).
- e. On February 27, 2026, the Board of Directors of IAI approved IAI's request to amend the payment schedule of its loan with BDO. Effective April 9, 2026, the quarterly amortization shall be reduced from ₱23.6 million to ₱13.7 million and shall continue at this level until January 9, 2033. Thereafter, the outstanding balance shall be settled either through full payment or refinancing, at the Company's option.

## 20. Equity

### *Equity holders of the Parent*

Authorized capital stock as at December 31, 2025 and 2024 consists of the following shares:

	Number of Shares	Amount
Common - ₱1.0 par value	<b>3,459,310,958</b>	<b>₱3,459,310,958</b>
Preferred - ₱0.01 par value	<b>500,000,000</b>	<b>5,000,000</b>
	<b>3,959,310,958</b>	<b>₱3,464,310,958</b>

Issued and outstanding shares as at December 31, 2025, and 2024 consists of the following:

	Number of Shares	Amount
Common	<b>2,500,000,000</b>	<b>₱2,500,000,000</b>
Preferred	<b>500,000,000</b>	<b>5,000,000</b>
	<b>3,000,000,000</b>	<b>₱2,505,000,000</b>

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 the SEC on June 21, 2021.

Outstanding common shares, net of shares held by a subsidiary, as at December 31, 2025 and 2024 totaled 1,272,429,761. The Company's equity holders as at December 31, 2025 and 2024 are 10,962 and 11,013, 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 ₱1.00 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 2025, 2024 and 2023, the Company declared the following cash dividends:

	2025	2024	2023
Month of declaration	<b>February and September</b>	February and October	March and November
Cash dividend per share	<b>₱0.50 and ₱0.25</b>	₱0.50 and ₱0.25	₱0.50 and ₱0.50
Total cash dividend	<b>₱1,875.0 million</b>	₱1,875.0 million	₱2,500.0 million
Share of a subsidiary	<b>₱954.3 million</b>	₱954.3 million	₱1,272.4 million

As at December 31, 2025 and 2024, the Company's dividends payable amounted to ₱657.0 million and ₱608.9 million, respectively, and represents mainly dividend checks that were returned by the post office and which remained outstanding due to problematic addresses of some of the Company's stockholders.

The Company's 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
2025	1,000,000,000
	<b>₱8,150,000,000</b>

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 fintech, whether based in the Philippines or offshore.

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.

On November 24, 2025, the BOD approved the appropriation of retained earnings amounting to ₱1,000.0 million, intended to fund various projects of SSRLI.

The unappropriated retained earnings is restricted for the dividend declaration by the following:

- 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 ₱10,858.9 million and ₱7,405.0 million as at December 31, 2025 and 2024, respectively.

- Shares in the undistributed retained earnings of subsidiaries and accumulated equity in net earnings of associates amounting to ₱8.1 billion and ₱7.3 billion as at December 31, 2025 and 2024, respectively, which are included in retained earnings, are not available for declaration as dividends until declared by the subsidiaries.

Net dividends paid to Noncontrolling interests in 2025, 2024 and 2023 amounted to ₱10.5 million, ₱58.7 million, and ₱69.2 million (net of ₱35.6 million contributions), respectively.

*Shares held by a subsidiary*

As at December 31, 2025 and 2024, Anscorcon holds 1,272,429,761 shares of the Company amounting to ₱2.7 billion.

## 21. Cost of Goods Sold, Cost of Services Rendered and Operating Expenses

Cost of goods sold consists of:

	2025	2024	2023
Materials used and changes in inventories (Note 11)	<b>₱10,313,581,178</b>	₱8,918,686,730	₱7,906,232,511
Depreciation and amortization (Note 14)	<b>151,691,237</b>	150,216,308	121,275,291
Salaries, wages and employee benefits (Note 22)	<b>135,217,299</b>	124,865,029	126,220,794
Supplies	<b>114,041,595</b>	81,301,525	75,202,038
Utilities	<b>111,583,322</b>	110,171,668	111,085,374
Outside Services	<b>79,698,391</b>	67,272,610	53,467,763
Repairs and maintenance	<b>49,892,793</b>	58,347,063	43,684,367
Security services	<b>9,849,942</b>	8,996,536	8,267,405
Insurance	<b>7,759,063</b>	3,202,297	2,339,261
Transportation and travel	<b>6,985,761</b>	4,200,565	3,818,057
Taxes and licenses	<b>2,899,449</b>	3,452,941	5,343,441
Professional fees	<b>1,738,658</b>	1,309,549	883,897
Dues and subscription	<b>1,426,800</b>	1,425,600	1,426,800
Communication	<b>375,750</b>	439,545	450,597
Others	<b>10,568,465</b>	13,727,588	10,405,150
	<b>₱10,997,309,703</b>	₱9,547,615,554	₱8,470,102,746

Cost of services rendered consists of:

	2025	2024	2023
Salaries, wages and employee benefits (Note 22)	<b>₱180,211,203</b>	₱156,671,264	₱137,820,714
Resort operating costs	<b>120,500,973</b>	122,422,403	139,420,709
Depreciation and amortization (Note 14)	<b>116,321,912</b>	99,626,608	72,879,568
Fuel cost	<b>68,220,449</b>	59,058,248	52,096,470
Materials and supplies - resort operations (Note 11)	<b>47,844,588</b>	51,408,033	52,882,524
Rental (Note 30)	<b>37,331,994</b>	1,943,071	3,764,461
Insurance	<b>33,567,765</b>	29,249,516	27,466,338
Repairs and maintenance	<b>32,074,610</b>	15,149,954	9,075,116
Outside services	<b>7,137,227</b>	2,828,000	12,337,439
Taxes and licenses	<b>6,893,237</b>	6,740,568	6,902,507
Transportation and travel	<b>666,062</b>	597,314	257,951
Others	<b>18,017,105</b>	32,292,269	20,589,592
	<b>₱668,787,125</b>	₱577,987,248	₱535,493,389

Operating expenses consist of:

	2025	2024	2023
Salaries, wages and employee benefits (Note 22)	<b>₱475,855,299</b>	₱389,129,729	₱462,901,033
Depreciation and amortization (Notes 14, 15, 16 and 30)	<b>224,312,093</b>	195,449,114	172,837,830
Professional and directors' fees	<b>174,116,898</b>	116,093,124	61,059,591
Advertising, marketing and management fee (Note 30)	<b>168,384,255</b>	191,877,901	168,253,796
Shipping and delivery expenses	<b>159,388,416</b>	147,662,363	122,724,609
Utilities	<b>149,883,196</b>	201,993,339	228,144,642
Repairs and maintenance	<b>106,589,936</b>	112,107,372	110,548,597
Taxes and licenses	<b>95,356,483</b>	99,062,966	97,338,997
Transportation and travel	<b>59,602,195</b>	47,423,428	48,457,123
Commissions	<b>44,194,246</b>	36,770,113	36,845,930
Security services	<b>34,859,233</b>	32,682,075	30,655,408
Insurance	<b>31,381,741</b>	39,164,698	37,216,181
Computer programming	<b>22,668,042</b>	10,070,741	10,104,655
Landing and take-off	<b>22,177,355</b>	5,291,088	364,198
Communications	<b>16,751,172</b>	16,229,822	15,254,367
Donation and contribution	<b>14,909,147</b>	12,823,137	12,152,600
Association dues	<b>13,475,768</b>	15,545,728	13,926,186
Entertainment, amusement and recreation	<b>11,514,007</b>	5,595,517	8,091,840
Office supplies	<b>8,208,053</b>	9,749,113	11,722,874
Medical expenses	<b>5,857,098</b>	7,744,160	6,430,014
Meetings and conferences	<b>2,638,164</b>	7,734,442	7,434,728
Trainings	<b>1,532,582</b>	5,649,181	6,455,677
Others	<b>84,806,879</b>	71,958,717	68,089,727
	<b>₱1,928,462,258</b>	₱1,777,807,868	₱1,737,010,603

## 22. Personnel Expenses

	2025	2024	2023
Salaries and wages	<b>₱725,372,233</b>	₱607,137,258	₱675,129,393
Social security premiums and other employee benefits	<b>49,397,214</b>	52,266,422	37,301,244
Pension costs (Notes 23 and 24)	<b>16,514,354</b>	11,262,342	14,511,904
	<b>₱791,283,801</b>	₱670,666,022	₱726,942,541

In 2025, 2024 and 2023, the Group declared and paid bonuses to its executive officers amounting to ₱144.1 million, ₱81.6 million and ₱91.6 million, respectively.

In 2025, 2024 and 2023, the Company paid bonus to its non-executive directors amounting to ₱35.7 million, ₱14.8 million, and ₱18.1 million respectively.

As approved in 2004, the directors are given bonus representing no more than 1.0% of previous year's net income of the Company, while executive officers receive an annual bonus of no more than 3.0% of the preceding year's net income, as approved by the BOD in 2004.

## 23. Interest Income, Interest Expense and Other Income (Charges)

Interest income consists of:

	2025	2024	2023
Cash and cash equivalents (Note 8)	<b>₱35,630,851</b>	₱60,700,360	₱51,436,960
Debt instruments (Notes 9 and 12)	<b>23,994,323</b>	24,852,916	19,331,002
Notes receivable (Note 27)	<b>22,672,874</b>	17,774,433	20,742,464
Others	<b>536,540</b>	939,213	359,688
	<b>₱82,834,588</b>	₱104,266,922	₱91,870,114

Interest income on debt instruments includes interest earned from FVPL funds and equities as well as from FVPL and FVOCI bonds. The interest income from bonds is presented net of bond discount amortization amounting to ₱0.1 million, (₱0.5 million), and ₱0.8 million in 2025, 2024 and 2023, respectively.

Interest expense arose from the following:

	2025	2024	2023
Long-term debt (Note 19)	<b>₱45,612,961</b>	₱59,174,330	₱58,597,678
Notes payable (Note 17)	<b>11,448,591</b>	7,165,228	–
Lease liabilities (Note 30)	<b>2,308,623</b>	1,023,729	1,637,027
Others	<b>3,344,849</b>	2,042,419	2,245,282
	<b>₱62,715,024</b>	₱69,405,706	₱62,479,987

Other income (charges) - net consists of:

	2025	2024	2023
Net interest income on net retirement asset (Note 24)	<b>₱8,058,681</b>	₱3,621,840	₱–
Trading income (loss)	<b>(4,775,727)</b>	25,821,642	18,475,662
Recovery of (provision for) impairment losses - net (Note 10)	<b>(1,911,491)</b>	89,256,318	(1,331,205)
Rental income (Notes 15 and 30)	<b>1,144,331</b>	13,287,332	13,718,182
Gain on disposal of PPE	<b>280,411</b>	7,278,291	1,227,513
Recovery of impairment loss on investment properties (Note 15)	–	24,812,188	–
Others - net	<b>(25,574,567)</b>	27,517,338	18,620,018
	<b>(₱22,778,362)</b>	₱191,594,949	₱50,710,170

## 24. Pension

The Group has funded defined benefit pension plans covering substantially all of its officers and employees. The benefits to be received by the officers and employees under the pension plans 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 plans, which is composed of the executive officers of the Company.

The Group 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 Group contributes to the plans amounts (estimated by an actuary on the basis of reasonable actuarial assumptions) which are necessary to provide for 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 Group's management performs an Asset-Liability Matching Study annually. The overall investment policy and strategy of the Group'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 risks of the plans.

As at December 31, 2025 and 2024, the Company's defined benefit retirement fund (the Fund) has investments in shares of stock of the Company with a cost of ₱503.1 million. The fair value of the shares of stock amounted to ₱940.2 million and ₱871.3 million as at December 31, 2025 and 2024, 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 net changes in market prices amounted to ₱40.32 million and ₱113.12 million in 2025 and 2024, respectively.

The following tables summarize the components of net benefit expense recognized in the consolidated profit or loss and the fund status and amounts recognized in the consolidated statements of financial position.

	2025	2024	2023
Retirement benefit cost:			
Current service cost	<b>₱23,502,824</b>	₱20,070,908	₱19,687,831
Net interest income	<b>(15,047,151)</b>	(8,808,566)	(5,175,927)
Net benefit expense (Notes 22 and 23)	<b>₱8,455,673</b>	₱11,262,342	₱14,511,904
Actual return on plan assets	<b>₱121,111,341</b>	₱186,196,854	₱250,281,932

Changes in net retirement plan asset are as follows:

	2025	2024	2023
Net retirement plan assets, beginning	<b>₱259,765,436</b>	₱179,367,643	₱122,351,083
Current service cost	<b>(8,312,533)</b>	(6,098,228)	(7,036,429)
Net interest income	<b>16,371,214</b>	9,720,068	6,776,901
	<b>8,058,681</b>	3,621,840	(259,528)
Actuarial changes arising from:			
Changes in the effect of asset ceiling	<b>(167,620,196)</b>	5,824,919	(164,334,396)
Remeasurement of plan assets	<b>44,078,354</b>	120,188,983	203,537,923
Changes in financial assumptions	<b>21,926,629</b>	(18,922,987)	(5,304,655)
Experience adjustments	<b>14,955,492</b>	(38,038,138)	15,654,040
	<b>(86,659,721)</b>	69,052,777	49,552,912
Contributions	<b>28,723,205</b>	7,723,176	7,723,176
Net retirement plan assets, end	<b>₱209,887,601</b>	₱259,765,436	₱179,367,643

Changes in net retirement benefits payable are as follows:

	2025	2024	2023
Net retirement benefits payable, beginning	<b>(₱19,350,778)</b>	(₱22,609,622)	(₱39,931,355)
Current service cost	<b>(15,190,291)</b>	(13,972,680)	(12,651,402)
Net interest cost	<b>(1,324,063)</b>	(911,502)	(1,600,974)
	<b>(16,514,354)</b>	(14,884,182)	(14,252,376)
Actuarial changes arising from:			
Experience adjustments	<b>(11,101,635)</b>	(6,373,422)	615,651
Changes in financial assumptions	<b>2,706,540</b>	(4,894,841)	(3,177,929)
Remeasurement of plan assets	<b>364,279</b>	2,514,376	(7,293,180)
Changes in the effect of asset ceiling	–	–	31,525
	<b>(8,030,816)</b>	(8,753,887)	(9,823,933)
Contribution	<b>16,000,000</b>	22,393,428	41,398,042
Benefits paid from book reserve	–	4,503,485	–
Net retirement benefits payable, end	<b>(₱27,895,948)</b>	(₱19,350,778)	(₱22,609,622)

Changes in the present value of defined benefit obligation:

	2025	2024
Defined benefit obligation, beginning	<b>₱553,877,853</b>	₱491,396,056
Current service cost	<b>23,502,824</b>	20,094,723
Interest cost	<b>33,812,805</b>	29,683,325
Remeasurement in other comprehensive income:		
Actuarial (gain)/loss - changes in financial assumptions	<b>(24,633,169)</b>	23,501,711
Actuarial (gain)/loss - experience adjustments	<b>(3,853,857)</b>	43,614,505
Benefits paid from plan assets	<b>(33,921,635)</b>	(49,908,982)
Benefits paid directly from book reserve	–	(4,503,485)
Defined benefit obligation, ending	<b>₱548,784,821</b>	₱553,877,853

Changes in the fair value of plan assets:

	2025	2024
Fair value of plan assets, beginning	<b>₱1,248,683,829</b>	₱1,082,279,381
Interest income	<b>76,668,708</b>	64,590,569
Contributions	<b>44,723,205</b>	30,116,576
Remeasurement gain	<b>44,442,633</b>	121,606,285
Benefits paid from plan assets	<b>(33,921,635)</b>	(49,908,982)
Fair value of plan assets, ending	<b>₱1,380,596,740</b>	₱1,248,683,829

Changes in the effect of asset ceiling:

	2025	2024
Beginning balance	<b>₱454,391,376</b>	₱434,125,333
Changes in the effect of asset ceiling	<b>167,620,196</b>	(5,824,919)
Interest on the effect of asset ceiling	<b>27,808,694</b>	26,090,962
Ending balance	<b>₱649,820,266</b>	₱454,391,376

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

	2025	2024
Equity instruments	<b>₱916,202,166</b>	₱802,279,100
Debt instruments	<b>383,442,659</b>	344,967,038
Unit investment trust funds	<b>58,428,849</b>	68,865,618
Cash and cash equivalents	<b>8,404,163</b>	30,648,125
Others	<b>14,118,903</b>	1,923,948
	<b>₱1,380,596,740</b>	₱1,248,683,829

The financial instruments with quoted prices in active market amounted to ₱1,348.9 million and ₱1,272.7 million as at December 31, 2025 and 2024, respectively. The remaining plan assets do not have quoted market prices in active market.

The plan assets have diverse investments and do 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 of retirement plan asset of the Parent Company as of the end of the reporting period, assuming all other assumptions were held constant:

	Change in Rates	Effect on Present Value of Defined Benefit Obligation Increase (Decrease)
<b>2025</b>		
Discount rates	<b>+100 bps</b>	<b>(₱7,661,133)</b>
	<b>-100 bps</b>	<b>8,431,720</b>
Future salary increases	<b>+100 bps</b>	<b>8,437,564</b>
	<b>-100 bps</b>	<b>(7,806,457)</b>
		Effect on Present Value of Defined Benefit Obligation Increase (Decrease)
<b>2024</b>	Change in Rates	
Discount rates	+100 bps	(₱10,384,795)
	-100 bps	11,501,226
Future salary increases	+100 bps	11,235,871
	-100 bps	(10,349,561)

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

	Change in Rates	Effect on Present Value of Defined Benefit Obligation Increase (Decrease)
<b>2025</b>		
Discount rates	<b>+100 bps</b>	<b>(₱12,514,693)</b>
	<b>-100 bps</b>	<b>14,064,742</b>

		Effect on Present Value of Defined Benefit Obligation Increase (Decrease)
<b>2025</b>	<b>Change in Rates</b>	
Future salary increases	<b>+100 bps</b>	<b>14,250,232</b>
	<b>-100 bps</b>	<b>(12,893,829)</b>
		Effect on Present Value of Defined Benefit Obligation Increase (Decrease)
<b>2024</b>	<b>Change in Rates</b>	
Discount rates	+100 bps	(₱11,595,353)
	-100 bps	13,067,692
Future salary increases	+100 bps	13,213,567
	-100 bps	(11,925,166)

The Group expects to make contributions amounting to ₱32.24 million to its defined benefit pension plans in 2026.

The principal assumptions used in determining pension benefit obligations for the Group's plans are shown below:

	<b>2025</b>	2024
Discount rate	<b>6.06% to 6.32%</b>	6.07% to 6.13%
Future salary increases	<b>2.80% to 5.00%</b>	3.00% to 5.90%

The weighted average duration of the defined benefit obligation as at December 31, 2025 and 2024 ranges from 2.7 to 6.4 years and 3.3 to 5.9 years, respectively.

Shown below is the maturity analysis of the expected future benefit payments as at December 31, 2025:

Year	Amount
2026	₱266,837,235
2027	61,386,031
2028	26,984,151
2029	40,173,997
2030	22,809,591
2031 to 2035	246,298,488

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

## 25. Income Taxes

The provision for income tax consists of:

	<b>2025</b>	2024	2023
Current	<b>₱344,242,981</b>	₱322,536,161	₱308,322,710
Deferred	<b>(34,517,585)</b>	57,131,010	59,677,335
	<b>₱309,725,396</b>	₱379,667,171	₱368,000,045

As at December 31, 2025 and 2024, tax credits or refunds included in “Other current assets” and “Other noncurrent assets” amounted to ₱366.0 million and ₱319.3 million, respectively.

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

	2025		2024	
	Net Deferred Income Tax Assets <sup>(1)</sup>	Net Deferred Income Tax (Liabilities) <sup>(2)</sup>	Net Deferred Income Tax Assets <sup>(1)</sup>	Net Deferred Income Tax (Liabilities) <sup>(2)</sup>
<i>Recognized in the consolidated profit or loss:</i>				
Deferred income tax assets on:				
Allowance for expected credit losses	₱43,534,127	₱–	₱44,584,149	₱–
Allowance for inventory obsolescence and losses	20,664,836	–	20,712,937	–
Unamortized past service cost	10,508,864	–	9,569,144	–
Net retirement benefits payable	2,900,436	–	9,214,403	–
MCIT	1,807,699	–	1,807,699	–
Unrealized foreign exchange loss	–	–	22,616	–
Others	1,446,496	–	9,748,820	–
	<b>80,862,458</b>	<b>–</b>	<b>95,659,768</b>	<b>–</b>
Deferred income tax liabilities on:				
Fair value adjustment on equity investments	–	(222,136,156)	–	(274,419,799)
Market adjustment on FVPL investments	–	(179,486,125)	(728,193)	(169,025,021)
Unrealized foreign exchange gains	(478,325)	(35,469,596)	–	(30,954,925)
Net retirement plan assets	–	(22,756,196)	–	(13,560,725)
	<b>(478,325)</b>	<b>(459,848,073)</b>	<b>(728,193)</b>	<b>(487,960,470)</b>
	<b>80,384,133</b>	<b>(459,848,073)</b>	<b>94,931,575</b>	<b>(487,960,470)</b>
<i>Recognized in other comprehensive income:</i>				
Deferred income tax assets (liabilities) on:				
Unrealized valuation gains on FVOCI investments	–	–	–	(93,518)
Cumulative actuarial loss (gains)	10,568,604	(29,715,704)	(9,608,706)	(51,380,634)
	<b>10,568,604</b>	<b>(29,715,704)</b>	<b>(9,608,706)</b>	<b>(51,474,152)</b>
	<b>₱90,952,737</b>	<b>(₱489,563,777)</b>	<b>₱85,322,869</b>	<b>(₱539,434,622)</b>

<sup>(1)</sup> Pertain to SSRLI, ASAC, PDP and AHL.

<sup>(2)</sup> Pertain to Anscor and Anscorcon.

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:

	2025	2024
Deductible temporary differences on:		
Allowances for:		
Impairment losses	₱1,202,240,871	₱1,040,969,632
Expected credit losses	299,382,582	567,537,073
NOLCO	75,411,280	59,984,327
MCIT	13,796,078	296,340

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law 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 Group:

- 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.
- Imposition of improperly accumulated earnings tax of 10% is repealed.

The reconciliation of provision for income tax computed at the statutory income tax rate with the provision for income tax is as follows:

	2025	2024	2023
Provision for income tax at statutory tax rates	<b>₱1,458,700,500</b>	₱1,293,620,791	₱754,298,933
Additions to (reductions from) income taxes resulting from:			
Increase in market values of marketable equity securities and other investments subjected to final tax	<b>(926,510,855)</b>	(708,513,391)	(301,244,721)
Dividend income not subject to income tax	<b>(114,232,819)</b>	(87,082,920)	(93,290,258)
Nontaxable income	<b>(68,061,845)</b>	(83,901,461)	–
Income tax at 5% GIT	<b>(48,991,366)</b>	(34,023,959)	(4,012,024)
Other expenses related to operations covered by PEZA	<b>35,288,571</b>	16,872,858	20,349,970
Equity in net earnings of associates not subject to income tax	<b>(19,155,140)</b>	(8,459,307)	(2,185,689)
Interest income already subjected to final tax	<b>(1,945,734)</b>	(6,809,251)	(4,020,168)
Expired NOLCO and MCIT	<b>(9,097,434)</b>	–	–
Movement in unrecognized deferred income tax assets	<b>(266,903)</b>	(2,036,189)	(2,678,391)
Change in income tax rate	–	–	782,393
Others	<b>3,998,421</b>	–	–
	<b>₱309,725,396</b>	₱379,667,171	₱368,000,045

The Group has available NOLCO and MCIT which can be claimed as deduction from taxable income and as credit against income tax due, respectively, as follows:

#### NOLCO

Period of Recognition	Availment Period	Beginning of the year	Additions	Applied	Expired	End of the year
2020	2021-2025	₱18,265,442	₱–	₱–	(₱18,265,442)	₱–
2021	2022-2026	10,987,867	–	–	–	<b>10,987,867</b>
2022	2023-2025	17,928,564	–	–	(17,928,564)	–
2023	2024-2026	12,488,859	–	–	–	<b>12,488,859</b>
2024	2025-2027	313,595	–	–	–	<b>313,595</b>
2025	2026-2028	–	51,620,959	–	–	<b>51,620,959</b>
		<b>₱59,984,327</b>	<b>₱51,620,959</b>	<b>₱–</b>	<b>(₱36,194,006)</b>	<b>₱75,411,280</b>

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. Hence, the incurred NOLCO of the Group in taxable year 2020 and 2021 can be claimed as deduction from the regular taxable income from taxable years 2021 to 2025 and taxable years 2022 to 2026, respectively, in pursuant to the Bayanihan to Recover As One Act.

MCIT

Period of Recognition	Availment Period	Beginning of the year	Additions	Applied	Expired	End of the year
2022	2023-2025	₱48,932	₱-	₱-	(₱48,932)	₱-
2023	2024-2026	1,853,949	-	-	-	1,853,949
2024	2025-2027	9,004,525	-	-	-	9,004,525
2025	2026-2028	-	4,745,303	-	-	4,745,303
		<b>₱10,907,406</b>	<b>₱4,745,303</b>	<b>₱-</b>	<b>(₱48,932)</b>	<b>₱15,603,777</b>

**26. Earnings Per Share - Basic / Diluted**

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

	2025	2024	2023
Net income attributable to equity holders of the Parent	<b>₱5,444,562,843</b>	₱4,681,330,337	₱2,552,017,982
Total comprehensive income attributable to equity holders of the Parent	<b>₱5,411,465,970</b>	₱4,816,642,676	₱2,573,853,450
Weighted average number of shares	<b>1,227,570,239</b>	1,227,570,239	1,227,570,239
<b>Earnings Per Share</b>			
Basic/diluted, for net income attributable to equity holders of the Parent	<b>₱4.44</b>	₱3.81	₱2.08
Basic/diluted, for comprehensive income attributable to equity holders of the Parent	<b>₱4.41</b>	₱3.92	₱2.10

The Company does not have potentially dilutive common stock equivalents in 2025, 2024 and 2023.

**27. Related Party Transactions**

Related party relationship exists 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.

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.

In the normal course of business and in addition to those disclosed in Notes 13 and 30, the Group grants or receives cash advances to/from its associates and affiliates. Related party transactions are generally settled through cash.

Compensation of the Group’s key management personnel (in millions):

	2025	2024	2023
Short-term employee benefits (Notes 21 and 22)	<b>₱226.7</b>	₱200.9	₱186.9
Retirement benefits (Notes 21, 22 and 24)	<b>6.0</b>	12.2	5.1
<b>Total</b>	<b>₱232.7</b>	₱213.1	192.0

On March 29, 2023, PDIPI sold and issued shares to a key officer representing 3% of its outstanding shares of stock for ₱35.6 million. At date of sale, the Group recognized the corresponding NCI and the related adjustment as a charge against the Additional Paid-in Capital in the consolidated financial statements amounting to ₱135.0 million.

On November 4, 2019, the Company granted a five-year loan amounting to ₱363.5 million to A. Soriano Corporation Retirement Plan (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 ₱806.4 million and ₱766.1 million as at December 31, 2025 and 2024, respectively. On February 28, 2024, the loan term was extended for another nine (9) years effective November 3, 2024.

The balance of the loan, which is presented as “Notes receivable” in the consolidated statements of financial position, amounted to ₱128.7 million and ₱170.1 million as at December 31, 2025 and 2024, respectively.

On August 10, 2023, the Company entered into an agreement with AIMP for ₱218.0 million convertible note (“Note”), with gross 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. In 2025, the maturity of the Note is to be extended for another year under the same terms and conditions. As at December 31, 2025, 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 earned from notes receivable amounted to ₱22.7 million, ₱17.8 million, and ₱20.7 million in 2025, 2024, and 2023, respectively (see Note 23).

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## 28. Financial Risk Management Objectives and Policies

The Group’s principal financial instruments comprise of cash and cash equivalents, receivables, investments in debt instruments, quoted and unquoted equity securities, investments in mutual and hedge funds, and short-term and long-term bank loans. The Group’s other financial instruments include accounts payable, lease liabilities and dividends payable and amounts due to affiliates, 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, price risk of mutual funds, foreign currency risk, copper rod price risk, and operating and regulatory risks. 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 composed of the Company's Chairman, Vice Chairman, President and Chief Operating Officer, and former 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 Group is exposed to credit risk primarily because of its investing 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 Group is exposed to credit risk arising from default of the counterparties (i.e., foreign and local currency denominated debt instruments and receivables) to its financial assets. The Group does not have a counterparty that accounts for more than 10% of the consolidated revenue.

#### *Credit risk management*

In managing credit risk on these investments, capital preservation is paramount. The Group transacts only with recognized and creditworthy counterparties. Investments in bonds are invested in highly recommended, creditworthy debt instruments that provides 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:

	2025	2024
Cash in banks	<b>₱1,719,965,340</b>	₱1,334,818,959
Cash equivalents	<b>1,573,716,193</b>	2,025,615,610
Advances	<b>566,447,039</b>	566,406,391
FVPL investments - bonds	–	14,988,363
FVOCI investments - bonds	–	15,599,929
	<b>₱3,860,128,572</b>	₱3,957,429,252
Receivables:		
Trade	<b>₱2,690,772,387</b>	₱2,462,263,680
Notes receivable	<b>346,687,542</b>	388,102,184
Receivable from villa owners	<b>38,321,299</b>	22,258,171
Interest receivable	<b>18,215,237</b>	14,697,041
Others	<b>25,199,601</b>	14,529,542
	<b>3,119,196,066</b>	2,901,850,618
	<b>₱6,979,324,638</b>	₱6,859,279,870

#### *Credit quality per class of financial assets*

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

#### *Trade receivables*

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix.

December 31, 2025	Current	Days Past Due But Not Impaired					Total
		Less than 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 120 days	
Expected credit loss rate	0%	0%	0%-0.01%	0%-30.7%	0%-31.8%	0%-100%	
Estimated total gross carrying amount at default	<b>₱2,096,467,941</b>	<b>₱145,014,010</b>	<b>₱66,654,258</b>	<b>₱40,203,475</b>	<b>₱339,748,988</b>	<b>₱2,683,715</b>	<b>₱2,690,772,387</b>
Expected credit loss	<b>₱-</b>	<b>₱-</b>	<b>₱92,218</b>	<b>₱12,354,057</b>	<b>₱108,028,488</b>	<b>₱2,683,715</b>	<b>₱123,158,478</b>

December 31, 2024	Current	Days Past Due But Not Impaired					Total
		Less than 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 120 days	
Expected credit loss rate	0%	0%	0%	0%-0.8%	0%-49.5%	0%-100%	
Estimated total gross carrying amount at default	<b>₱7,755,798</b>	<b>₱1,870,823,645</b>	<b>₱306,212,853</b>	<b>₱41,142,533</b>	<b>₱220,529,044</b>	<b>₱15,799,807</b>	<b>₱2,462,263,680</b>
Expected credit loss	<b>₱-</b>	<b>₱44,750</b>	<b>₱19,654</b>	<b>₱343,628</b>	<b>₱109,247,491</b>	<b>₱15,799,807</b>	<b>₱125,455,330</b>

#### Other financial assets

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group'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 Group invests only on quoted debt securities with very low credit risk. The Group's debt instruments at fair value through OCI 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 below present the summary of the Group's exposure to credit risk as of 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.

2025	12-month ECL	Lifetime ECL		Total
		Not Credit Impaired	Lifetime ECL Credit Impaired	
Cash in banks	<b>₱1,719,965,340</b>	<b>₱-</b>	<b>₱-</b>	<b>₱1,719,965,340</b>
Cash equivalents	<b>1,573,716,193</b>	-	-	<b>1,573,716,193</b>
Receivables:				
Notes receivable	<b>346,687,542</b>	-	-	<b>346,687,542</b>
Receivable from villa owners	<b>38,321,299</b>	-	-	<b>38,321,299</b>
Interest receivable	<b>17,624,142</b>	-	<b>591,095</b>	<b>18,215,237</b>
Others	<b>24,200,378</b>	-	<b>999,223</b>	<b>25,199,601</b>
Advances	<b>1,647,039</b>	-	<b>564,800,000</b>	<b>566,447,039</b>
	<b>₱3,722,161,933</b>	<b>₱-</b>	<b>₱566,390,318</b>	<b>₱4,288,552,251</b>

2024	12-month ECL	Lifetime ECL		Total
		Not Credit Impaired	Lifetime ECL Credit Impaired	
Cash in banks	<b>₱1,334,818,959</b>	<b>₱-</b>	<b>₱-</b>	<b>₱1,334,818,959</b>
Cash equivalents	<b>2,025,615,610</b>	-	-	<b>2,025,615,610</b>
FVOCI investments	<b>15,599,929</b>	-	-	<b>15,599,929</b>
Receivables:				
Notes receivable	<b>388,102,184</b>	-	-	<b>388,102,184</b>
Receivable from villa owners	<b>22,258,171</b>	-	-	<b>22,258,171</b>
Interest receivable	<b>14,105,946</b>	-	<b>591,095</b>	<b>14,697,041</b>
Others	<b>13,530,319</b>	-	<b>999,223</b>	<b>14,529,542</b>
Advances	<b>1,606,391</b>	-	<b>564,800,000</b>	<b>566,406,391</b>
	<b>₱3,815,637,509</b>	<b>₱-</b>	<b>₱566,390,318</b>	<b>₱4,382,027,827</b>

### Liquidity risk

Liquidity risk is defined as the risk that the Group may not be able to settle or meet its obligations as they fall due. Aside from yielding good returns, the Group 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, long-term debt or equity are used for financing when the business requirement calls for it to ensure adequate liquidity in the subsidiaries and affiliates' operation.

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

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

December 31, 2025	Within 6 Months	Over 6 to 12 Months	Over 1 Year to 5 Years	Over 5 Years	Total
Cash on hand and in banks	₱1,721,842,656	₱-	₱-	₱-	₱1,721,842,656
Cash equivalents	1,573,716,193	-	-	-	1,573,716,193
Receivables*	2,772,508,525	-	346,687,542	-	3,119,196,067
	₱6,068,067,374	₱-	₱346,687,542	₱-	₱6,414,754,916
Accounts payable and accrued expenses**	₱1,265,446,882	₱-	₱-	₱-	₱1,265,446,882
Lease liabilities	-	10,486,353	20,606,846	-	31,093,199
Long-term debt***	98,583,072	46,583,072	372,664,577	209,623,824	727,454,545
Dividends payable	656,968,137	-	-	-	656,968,137
	₱2,031,700,551	₱57,069,425	₱393,271,423	₱209,623,824	₱2,691,665,223

\*Including notes receivable amounting to ₱346.7 million.

\*\*Excluding non-financial liabilities amounting to ₱111.1 million.

\*\*\*Including interest amounting to ₱60.0 million.

December 31, 2024	Within 6 Months	Over 6 to 12 Months	Over 1 Year to 5 Years	Over 5 Years	Total
Cash on hand and in banks	₱1,334,818,959	₱-	₱-	₱-	₱1,334,818,959
Cash equivalents	2,025,615,610	-	-	-	2,025,615,610
FVPL investments - bonds	-	-	14,988,363	-	14,988,363
FVOCI investments - bonds	-	-	15,599,929	-	15,599,929
Receivables*	2,513,748,434	-	388,102,184	-	2,901,850,618
	₱5,874,183,003	₱-	₱418,690,476	₱-	₱6,292,873,479
Accounts payable and accrued expenses**	₱1,200,447,386	₱-	₱-	₱-	₱1,200,447,386
Lease liabilities	-	8,850,347	28,969,736	-	37,820,083
Long-term debt***	56,960,227	92,260,688	466,477,272	209,914,774	825,612,961
Dividends payable	608,871,296	-	-	-	608,871,296
	₱1,866,278,909	₱101,111,035	₱495,447,008	₱209,914,774	₱2,672,751,726

\*Including notes receivable amounting to ₱388.1 million.

\*\*Excluding non-financial liabilities amounting to ₱77.5 million.

\*\*\*Including interest amounting to ₱45.6 million.

Accounts payable and accrued expenses, dividend payable, lease liabilities, notes payable and current portion of long-term debt are expected to be settled using cash to be generated from operations and drawing from existing lines of credits 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 Group. The Group is exposed primarily to the financial risks of changes in interest rates, equity price risk, price risk of mutual funds, foreign currency risk, copper rod price risk and operating and regulatory 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 Group's manner in managing and measuring the risk.

a. Interest rate risks

*Cash flow interest rate risk*

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

The following table demonstrates management's best estimate of the sensitivity to reasonably possible changes in interest rates, with all other variables held constant:

Floating Debt Instrument	Change in Interest Rates [in Basis Points (bps)]	Effect on Income Before Tax and Equity Decrease (in millions)
<b>2025</b>	<b>+0.25</b>	<b>₱1.7</b>
2024	+0.25	₱1.9

The sensitivity analysis shows the effect on the consolidated profit or loss of assumed changes in interest rates on the net interest income for one year, based on the floating rate of financial assets and financial liabilities held as at December 31, 2025, and 2024. There is no other impact on equity other than those affecting profit or loss.

*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 Group accounts for its quoted debt instruments 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 or loss are bonds classified as FVPL and items affecting equity account are bonds classified as FVOCI. The impact of change in interest rates is as follows (in millions):

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

b. Equity price risk

Equity price risk is the risk that the fair values of equity securities 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 Group's investment in stock listed in the PSE, NASDAQ and NYSE.

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 the stock investment returns, the Group also assumes a 99% confidence level.

The table below shows the impact on income before income tax and equity of the estimated future return of stock investments using a Beta-based sensitivity approach.

The impact of the change in equity prices is as follows (in millions):

FVPL Investments	Change in PSE Price Index	Effect on Income Before Tax and Equity Increase (Decrease)
<b>2025</b>	<b>+16.96%</b>	<b>₱1,514.86</b>
	<b>-16.96%</b>	<b>(1,514.86)</b>
2024	+15.31%	₱965.15
	-15.31%	(965.15)

The annual standard deviation of the PSE price index is approximately 16.96% and 39.46% and with 99% confidence level, the possible change in PSE price index could be +/-16.96% and +/-15.31% in 2025 and 2024, respectively.

c. Price risk of mutual funds

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

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

The table below shows the impact on income before income tax and equity 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 (in millions):

Mutual Funds	Change in NAV	Effect on Income Before Tax and Equity Increase (Decrease)
<b>2025</b>	<b>+10.00%</b>	<b>₱487.48</b>
	<b>-10.00%</b>	<b>(487.48)</b>
2024	+10.00%	₱206.12
	-10.00%	(206.12)

d. Foreign currency risks

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

The Company and a subsidiary's foreign exchange risk arises primarily from investments in foreign currency - denominated debt 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 U.S. dollar, Australian dollar and Japanese Yen. This also enables the Company and a subsidiary to access investment opportunities in those currencies.

On borrowings, it is the Company's group-wide policy for its subsidiaries 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. As such, PRI and SSRLI can borrow in U.S. dollar as their revenues are dollar-based. It is also the policy of the Group 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 (in millions):

US Dollar	Change in Currency Rate	Effect on Income Before Tax and Equity Increase (Decrease)
<b>2025</b>	<b>+1.59%</b>	<b>₱159.3</b>
	<b>-1.59%</b>	<b>(159.3)</b>
2024	+4.76%	₱188.0
	-4.76%	(188.0)

e. Copper rod price risk

The PDP Group uses copper rods in the manufacturing of its products. Copper rods component represents a significant portion of the cost of each unit produced. Average monthly purchase of copper rods amounted to ₱501.1 million, with an average quantity of about 785 metric tons in 2025 and ₱410.0 million, with an average quantity of about 733 metric tons in 2024.

Copper rods are priced based on the London Metal Exchange prices and are affected by the volatility in the price of metal in the world market. The following table represents the effect on income before tax and equity of the reasonably possible change in metal prices, as they affect prices of copper rods, with all other variables held constant.

The impact of the change in copper prices are as follows (in millions):

	% Change in Copper Rod Prices	Effect on Income Before Income Tax and Equity Increase (Decrease)
<b>2025</b>	<b>+16.95</b>	<b>(₱201.5)</b>
	<b>-16.95</b>	<b>201.5</b>
2024	+4.33	(₱53.8)
	-4.33	53.8

PDP Group's exposure to price risk on copper rod purchases is managed through back-to-back purchase of rods versus sales orders, average pricing on the firm orders like automobile wire products with long-term contracts and obtaining orders from contractors with a fixed price or locked-in contracts with a specified period.

#### *Capital management*

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

The Group monitors capital on the basis of the carrying amount of equity as presented on the face of the consolidated statements of financial position.

No changes were made in the objectives, policies or process for the years ended December 31, 2025, 2024 and 2023.

## 29. Financial Instruments

#### *Categorization of Financial Instruments*

<b>December 31, 2025</b>	At Amortized Cost	Financial Assets at FVPL	Financial Assets at FVOCI	Total
Cash and cash equivalents	<b>₱3,295,558,849</b>	<b>₱-</b>	<b>₱-</b>	<b>₱3,295,558,849</b>
FVPL investments	-	<b>20,501,794,005</b>	-	<b>20,501,794,005</b>
Receivables*	<b>2,996,037,588</b>	-	-	<b>2,996,037,588</b>
	<b>₱6,291,596,437</b>	<b>₱20,501,794,005</b>	<b>₱-</b>	<b>₱26,793,390,442</b>

\*Including notes receivable amounting to ₱346.7 million.

<b>December 31, 2024</b>	At Amortized Cost	Financial Assets at FVPL	Financial Assets at FVOCI	Total
Cash and cash equivalents	₱3,437,652,253	<b>₱-</b>	<b>₱-</b>	₱3,437,652,253
FVPL investments	-	15,413,782,486	-	15,413,782,486
FVOCI investments	-	-	15,599,929	15,599,929
Receivables*	2,776,395,288	-	-	2,776,395,288
	₱6,214,047,541	₱15,413,782,486	₱15,599,929	₱21,643,429,956

\*Including notes receivable amounting to ₱388.1 million.

#### *Fair Values of Financial Assets and Financial Liabilities*

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

The carrying value of long-term debt, which have floating rates with quarterly repricing, approximate its fair value.

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

- FVPL investment in KSA - based on the discounted cash flow (DCF) model (income approach). The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows (from dividends), 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 this unquoted equity investment.
- FVPL investments in private equity funds are valued using the adjusted net asset method. The underlying investments under these private equity funds are carried at fair value. Other FVPL investments in unquoted equity shares are based on prices and other relevant information generated by market transactions involving identical and comparable assets, liabilities or a group of assets and liabilities, such as business. The valuation requires management to use market multiples derived from a set of comparables. Multiples might be in ranges with a different multiple for each comparable. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors specific to the measurement.

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

	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2025</b>				
FVPL investments:				
Quoted equity shares	<b>₱11,980,074,745</b>	<b>₱11,980,074,745</b>	<b>₱-</b>	<b>₱-</b>
Funds and equities	<b>4,680,581,597</b>	<b>-</b>	<b>4,680,581,597</b>	<b>-</b>
Unquoted equity shares	<b>3,028,008,458</b>	<b>-</b>	<b>2,400,573,180</b>	<b>627,435,278</b>
Proprietary shares	<b>805,207,073</b>	<b>-</b>	<b>805,207,073</b>	<b>-</b>
Others	<b>7,922,132</b>	<b>7,922,132</b>	<b>-</b>	<b>-</b>
	<b>₱20,501,794,005</b>	<b>₱11,987,996,877</b>	<b>₱7,886,361,850</b>	<b>₱627,435,278</b>

	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2024</b>				
FVPL investments:				
Quoted equity shares	<b>₱8,919,134,137</b>	<b>₱8,919,134,137</b>	<b>₱-</b>	<b>₱-</b>
Unquoted equity shares	<b>3,017,634,315</b>	<b>-</b>	<b>2,290,199,037</b>	<b>727,435,278</b>
Funds and equities	<b>2,630,687,442</b>	<b>-</b>	<b>2,630,687,442</b>	<b>-</b>
Proprietary shares	<b>824,857,073</b>	<b>-</b>	<b>824,857,073</b>	<b>-</b>
Bonds	<b>14,988,363</b>	<b>14,988,363</b>	<b>-</b>	<b>-</b>
Others	<b>6,481,156</b>	<b>6,481,156</b>	<b>-</b>	<b>-</b>
	<b>15,413,782,486</b>	<b>8,940,603,656</b>	<b>5,745,743,552</b>	<b>727,435,278</b>
FVOCI investments	<b>15,599,929</b>	<b>15,599,929</b>	<b>-</b>	<b>-</b>
	<b>₱15,429,382,415</b>	<b>₱8,956,203,585</b>	<b>₱5,745,743,552</b>	<b>₱727,435,278</b>

Description of significant unobservable inputs to valuation of investment in KSA classified under Level 3 (amounts in millions):

## 2025:

	Valuation Technique	Significant Unobservable inputs	Range	Sensitivity of Input to Fair Value
KSA	DCF Model	<b>Dividend payout is ₱75.0 million with 3% annual increase</b>	<b>2% to 4%</b>	<b>2%: fair value of ₱609 4%: fair value of ₱752</b>
		<b>Liquidity discount of 20%</b>	<b>10% to 30%</b>	<b>10%: fair value of ₱757 30%: fair value of ₱589</b>
		<b>Cost of equity of 12.45%</b>	<b>11.45% to 13.45%</b>	<b>11.45%: fair value of ₱750 13.45%: fair value of ₱612</b>

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	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

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, 2025 and 2024, the carrying value of the investment in KSA amounts to ₱627.4 million and ₱727.4 million, respectively. The Group recognized loss on fair value adjustment amounting to ₱100.0 million, ₱200.0 million and ₱94.3 million in 2025, 2024, and 2023 respectively.

For the years ended December 31, 2025, 2024 and 2023, there were no transfers between levels in the hierarchy based on the reassessed categorization.

### 30. Contracts and Agreements

#### Anscor

- a. 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 15), the lease agreement was pre-terminated effective December 1, 2024.

The Company recognized rental income amounting to ₱13.3 million and ₱13.7 million in 2024 and 2023, respectively (nil in 2025); (see Notes 15 and 23).

#### IAI

- a. A new lease arrangement between Manila International Airport Authority (MIAA) and ASAC was executed on April 21, 2022, effective for a period of three years starting January 1, 2022 to December 31, 2024 or earlier depending on MIAA's development plan affecting the area. The contract may be renewed or extended only upon the written agreement by the parties on such terms and conditions as they may be mutually agreed upon.

On September 14, 2024, New NAIA Infra Corporation (NNIC) took over the operations of MIAA, and the lease contract was revisited. Beginning January 1, 2025, the lease agreement of ASAC with NNIC is deemed extended on a month-to-month basis.

IAI incurred rental expense amounting to ₱37.3 million, ₱1.9 million, and ₱3.8 in 2025, 2024 and 2023, respectively.

The following table sets out the movement and carrying value of the right of use asset:

	2025	2024
<i>Cost</i>		
Beginning/Ending balance	<b>₱24,777,559</b>	₱17,652,621
Modification (Termination)	<b>(24,777,559)</b>	7,124,938
Ending balance	<b>₱–</b>	₱24,777,559
<i>Accumulated Amortization</i>		
Beginning balance	<b>24,777,559</b>	11,768,414
Amortization for the year (Note 21)	<b>(24,777,559)</b>	13,009,145
Ending balance	<b>₱–</b>	24,777,559
Net Book Value	<b>₱–</b>	₱–

Set out below is the carrying amount of lease liability and its movement:

	2025	2024
Beginning balance	<b>₱468,580</b>	₱6,561,218
Modification	–	7,124,938
Accretion of interest	–	219,064
Lease payments	–	(13,436,640)
	<b>468,580</b>	468,580
Less current portion of lease liability	<b>468,580</b>	468,580
Noncurrent portion of lease liability	<b>₱–</b>	₱–

The future aggregate minimum lease payments under the said lease are as follows:

	2025	2024
Not later than 1 year	<b>₱468,580</b>	₱468,580
More than 1 year but not later than 5 years	–	–
	<b>₱468,580</b>	₱468,580

- b. The Department of Transportation and all other Manila airport authorities, through the Manila Slot Coordination Committee's Resolution 2024-02, states the move of all turbo prop aircraft and its operations to secondary airports of which IAI belongs. IAI is given up to the start of Summer 2026 or only up to March 2026 to completely transfer its turbo prop operations to other airports other than NAIA.
- c. On November 7, 2022, the Board approved the acquisition of two (2) twin Otter aircraft from Viking Air Limited (VAL). On the same date, the Board authorized IAI to avail a 10-year loan amounting to ₱1.0 billion from BDO, with variable or floating interest rate for the first two (2) years and an interest (for evaluation whether fixed, variable or a combination of both) for the succeeding years (see Note 19).
- d. On November 29, 2022, IAI entered into a purchase agreement with VAL to acquire two Twin Otter aircraft with a total purchase price ₱965.47 million (US\$17.07 million). As of December 31, 2022, IAI deposited to VAL advance payment based on the payment milestone for the aircraft amounting to ₱245 million funded by advances from SSRLI. In 2023, these advances were applied upon the finalization of the purchase of the aircrafts.
- e. In 2019, IAI and PRI entered into an agreement wherein IAI will provide regular air transport service. IAI will charge PRI a fixed round trip rate, subject to an annual review by both parties, with a guarantee that all IAI's operating cost will be covered and that in the event of increase in the prices of fuel, IAI and PRI shall revisit and review the contract for rate adjustment.

The agreement has a duration of three (3) years. On May 7, 2022, the agreement was renewed for another three (3) years effective February 15, 2022. The duration of the contract may be extended upon such terms and condition as may be mutually agreed by both parties. In 2023, IAI entered into a new air service agreement with PRI to supersede its existing agreement. Under the new agreement, PRI shall guarantee IAI nine hundred ninety (990) roundtrip flights yearly starting January 1, 2023. The new agreement shall have a duration of not less than three (3) years starting January 1, 2023, unless otherwise pre-terminated formally in writing by either party. The agreement was extended for another three (3) years.

#### SSRLI and Subsidiaries

- a. On January 9, 2007, SSRLI and the Philippine Economic Zone Authority (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 four-year income tax holiday and tax-free importation of machineries 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. On February 18, 2011, the BOD of the Company approved the Company's acquisition of additional shares from the shareholders of SSRLI. The acquisition increased the ownership of the Company from 46.79% to 62.30% of the total outstanding common and preferred shares of SSRLI.

Total acquisition price for the additional shares is US\$5.9 million (₱255.9 million) cash consideration plus the fair value of the 46.79% investment amounting to ₱302.7 million. Goodwill recognized from the acquisition amounted to ₱99.3 million (see Note 7).

- c. The Company charges a monthly fee amounting to US\$15,000 or its Peso equivalent 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 (eliminated in the consolidated statements of comprehensive income), inclusive of VAT. AHI also charges PRI for a monthly fee of ₱100,000 (eliminated in the consolidated statements of comprehensive income), inclusive of VAT. Effective August 2021, ₱375,000 (inclusive of VAT) is billed by AHI to PRI and the same amount is charged by the Company to AHI.

Effective January 1, 2025, the Company charges a monthly fee amounting to ₱1,416,667, inclusive of VAT (eliminated in the consolidated statement of comprehensive income).

- d. PRI executed in the past an Operating and Management Agreement (OMA) with Amanresorts Management, B.V. (AMBV, the Operator of Amanresorts), a company based in Amsterdam, the Netherlands, for a fee of 5% of PRI's gross operating profits, as defined in the OMA. The OMA provides for, among others, the reimbursements by PRI to Amanresorts of all costs and expenses incurred by the latter in connection with the management and operation of the resort and a reserve cash funding equivalent to 3% of gross revenues, which will be used to cover the cost of replacements, renewals, and additions to furniture, fixtures and equipment (see Note 16).

On June 24, 2013, both parties have mutually entered into a new OMA, effective on the same date, in which PRI will pay a basic fee amounting to 4% of gross revenue and an incentive fee of 10% based on the gross operating profit collectively known as "Management fee". In addition to the management fees discussed, PRI shall also reimburse AMBV for all costs and expenses incurred by AMBV directly in connection with rendering services under the new OMA.

Likewise, a Marketing Service Agreement (MSA) was entered into by PRI with Amanresorts Services Limited (ASL) with marketing fee charges of 3% of PRI's annual gross hotel revenues. On June 24, 2013, both parties mutually entered into a new marketing services agreement of the same terms and conditions, except for a lower marketing fee rate of 1% of gross revenue from 3%.

On June 24, 2011, PRI also executed a Reservation Service Agreement with Hotel Sales Services Ltd. (HSSL), a company established in British Virgin Islands, in which PRI will pay the latter a monthly fee of 6.5% on gross accommodation charges for all realized bookings processed through HSSL's central sales and reservation offices with the exception of bookings made through the Global Distribution System (GDS) in which PRI will pay US\$100 per booking. An annual maintenance fee of US\$1,000 shall also be paid to HSSL.

On October 10, 2014, PRI and HSSL executed a new agreement, effective January 1, 2015, with similar terms as the original agreement, except for a higher annual maintenance fee which increased to US\$3,000 from US\$1,000 and a lower transaction fee for GDS Network bookings for US\$100 from US\$300.

PRI also obtained from Amanresorts I.P.R.B.V. (AIPRBV), a company incorporated in Amsterdam, the Netherlands, the nonexclusive license to use the Amanresorts Marks in connection with the operation of the Resort for a monthly fee of US\$1,000.

The OMA, marketing and license contracts will expire on the thirty first (31st day) of December of the fifth full calendar year following their commencement. Further, AMBV has the option to extend the operating term for a period of five years from the date of its expiration.

On January 18, 2018 and March 9, 2018, the Aman Group notified PRI of the assignment of the OMA, MSA and RSA, among others, to Aman Group S.A.R.L., a company incorporated in Switzerland.

On November 28, 2018, Aman Group issued a Notice of Extension to PRI containing its election and intention to extend the operating term with PRI for a period of five (5) years from the date of expiration which is on December 31, 2018, under the same terms or conditions as are contained in the management agreement. The same is extended for a period of five (5) years from the date of expiration, which is on December 31, 2023.

Total fees related to these agreements amounted to ₱108.4 million, ₱140.4 million, and ₱117.1 million in 2025, 2024 and 2023, respectively.

- e. PRI entered into a lease agreement with IAI for the guest lounge, purchasing office including storage space and vehicle parking lots. The lease agreement with IAI was transferred to ASAC effective August 1, 2022.

Total rent expense (eliminated in the consolidated profit or loss) relating to these lease agreements amounted to ₱12.5 million, ₱5.9 million and ₱4.1 million in 2025, 2024 and 2023, respectively.

- f. On July 1, 2011, PRI entered into management agreements with the villa owning companies wherein it shall provide general maintenance and accounting and administrative services for the villas. PRI shall also be responsible for the marketing and promotion of the villas. In return for these services, PRI shall be entitled to 50% of the net villa rental proceeds. PRI shall also receive reimbursements of costs, with 15% handling fees (except for utilities, which are not subject to handling fees), incurred in providing services to the villa guests. PRI's share in the net villa rental proceeds including handling fees amounted to ₱234.6 million, ₱237.4 million, and ₱228.7 million in 2025, 2024 and 2023, respectively, and presented as "Services" revenue account in the consolidated statements of comprehensive income.

As part of the agreement, PRI will also receive a fund which shall be used for future maintenance requirements of the villas. As at December 31, 2025 and 2024, the restricted fund amounted to ₱92.6 million and ₱89.8 million, respectively, which is included under "Other noncurrent assets" and "Other noncurrent liabilities" in the consolidated balance sheets (see Note 16).

- g. In November 2005, the DENR awarded to SSRLI the use of the foreshore land surrounding the Pamalican Island, where Amanpulo Resort is situated. The award has a duration of 25 years which may be renewed for another full period at the option of SSRLI. Annual rent shall be paid in advance on or before the 16th day of November every year.
- h. In 2014, SSRLI entered into a Construction Service Contract (Service Contract) with the PEZA-registered villa owners in which SSRLI shall provide project management general and specific administration and supervision over the preconstruction and construction stages of the Project. The villa owners shall pay SSRLI a handling fee which represents 15% of the actual project cost during the villa construction or renovation. As there are no ongoing construction projects, no handling fee was recognized in 2025, 2024 and 2023.
- i. Starting 2013, SSRLI has property development in progress, which pertains to the costs related to the development of various projects. As at December 31, 2024, total property development in progress mainly for Phase 4 villa development amounted to ₱18.7 million (nil in 2025). This was impaired in 2025.
- j. On February 3, 2023, SSRLI entered into a lease agreement with PUI for the lease of land of approximately 4,452 sqm located at Pamalican Island, Barangay Manamoc, Cuyo, Palawan. The lease has a period of five (5) years and the renewal of the lease is subject to mutual agreement of the parties. The lease rental (eliminated in the consolidated statements of comprehensive income) is ₱0.7 million per year.
- k. On January 15, 2024, SSRLI entered into a lease agreement with PUI for the lease of land of approximately 30,000 sqm located at Pamalican Island, Barangay Manamoc, Cuyo, Palawan. The lease has a period of 25 years, commencing from September 1, 2024, and the renewal of the lease is subject to mutual agreement of the parties. The lease rental (eliminated in the consolidated statements of comprehensive income) is ₱3.0 million per year.
- l. On March 15, 2023, PRI entered into an energy service agreement with PUI for its power consumption requirement. The agreement shall be effective for a period of two years subject to renewal by mutual agreement of the parties. The agreement was renewed for another five (5) years.
- m. On September 27, 2024, PUI issued an interest-bearing promissory note to SSRLI for the value received amounting to ₱103.2 million in funding the solar farm development cost. The advances shall be paid in equal monthly installments for 10 years with 7% interest per annum.

- n. On December 1, 2024, the PRI entered into a golf cart service agreement with PUI for its golf cart service maintenance requirements. The agreement shall be effective for a period of five years subject to renewal by mutual agreement of the parties.

#### PDIPI and Subsidiaries

- a. The Company has a management contract with PD Energy. Under the management agreement between the parties, the Company, as compensation to managerial and administrative services rendered to PD Energy, shall bill the latter for management fees equivalent to 50% of 15% of audited income before tax and management and technical assistance fees of PDE (VAT inclusive). As per renewal of the agreement, amendments in the management fee billings has taken place in which the fixed fee is no longer available. Due from PDP Energy (eliminated in the consolidated balance sheets) amounted to ₱27.8 million and ₱24.0 million as at December 31, 2025 and 2024, respectively. Management fees (eliminated in the consolidated statement of comprehensive income) amounted to ₱97.3 million, ₱100.9 million, and ₱99.4 million in 2025, 2024 and 2023, respectively.

A new management contract was executed effective January 1, 2022, that this agreement shall continue for a period of five years from the effective date.

- b. In January 16, 2023, PDP Energy renewed its contract of lease with a third party for the lease of its office building. The term is for a period of five (5) years and eight (8) months ending on September 30, 2028.

Set out below are the carrying amount of right-of-use asset recognized as at December 31, 2025 and 2024, and the movement during the period.

	2025	2024
<i>Cost</i>		
Beginning/Ending balance	<b>₱84,885,098</b>	₱84,885,098
Additions	—	—
Ending balance	<b>84,885,098</b>	84,885,098
<i>Accumulated Amortization</i>		
Beginning balance	<b>45,769,094</b>	38,246,695
Amortization for the year (Note 21)	<b>9,637,240</b>	7,522,399
Ending balance	<b>55,406,334</b>	45,769,094
Net Book Value	<b>₱29,478,764</b>	₱39,116,004

Set out below is the carrying amount of lease liability and its movements in 2025 and 2024:

	2025	2024
Beginning balance	<b>₱37,403,503</b>	₱47,498,308
Accretion of interest (Note 23)	<b>2,308,623</b>	804,665
Lease payments	<b>(9,087,507)</b>	(10,899,470)
	<b>₱30,624,619</b>	₱37,403,503

As of December 31, 2025 and 2024, the current portion of lease liability amounted to ₱10.0 million and ₱8.8 million, respectively.

*Operating lease commitments- PDP Energy as lessee*

The future aggregate minimum lease payments under the said lease are as follows:

	2025	2024
Not later than 1 year	<b>₱11,716,918</b>	₱11,158,969
More than 1 year but not later than 5 years	<b>21,871,580</b>	33,695,856
	<b>₱33,588,498</b>	₱44,854,825

### 31. Changes in Liabilities Arising from Financing Activities

#### December 31, 2025

	December 31, 2024	Cash Flows for Availment	Cash Flows for Repayments	Dividend Declaration	Noncash Movement	Accretion of Interest	December 31, 2025
Dividends payable	<b>₱608,871,296</b>	₱-	<b>(₱830,580,838)</b>	<b>₱920,677,679</b>	<b>(₱42,000,000)</b>	₱-	<b>₱656,968,137</b>
Long-term debt	<b>780,000,000</b>	-	<b>(104,545,454)</b>	-	-	-	<b>675,454,546</b>
Note payable	<b>670,000,000</b>	-	<b>(670,000,000)</b>	-	-	-	-
Interest on long term debt	<b>11,412,662</b>	-	<b>(48,088,377)</b>	-	-	<b>45,612,961</b>	<b>8,937,246</b>
Interest on note payable	<b>7,165,228</b>	-	<b>(18,613,819)</b>	-	-	<b>11,448,591</b>	-
Lease liabilities	<b>37,872,083</b>	-	<b>(9,087,507)</b>	-	-	<b>2,308,623</b>	<b>31,093,199</b>
Total liabilities from financing activities	<b>₱2,115,321,269</b>	₱-	<b>(₱1,680,915,995)</b>	<b>₱920,677,679</b>	<b>(₱42,000,000)</b>	<b>₱59,370,175</b>	<b>₱1,372,453,128</b>

#### December 31, 2024

	December 31, 2023	Cash Flows for Availment	Cash Flows for Repayments	Dividend Declaration	Noncash Movement	Accretion of Interest	December 31, 2024
Dividends payable	₱570,375,389	₱-	<b>(₱840,207,145)</b>	<b>₱920,702,678</b>	<b>(₱42,000,000)</b>	₱-	<b>₱608,870,922</b>
Long-term debt	1,000,000,000	-	<b>(220,000,000)</b>	-	-	-	<b>780,000,000</b>
Note Payable	-	670,000,000	-	-	-	-	<b>670,000,000</b>
Interest on long term debt	15,680,173	-	<b>(63,441,841)</b>	-	-	59,174,330	<b>11,412,662</b>
Interest on Note payable	-	-	-	-	-	7,165,228	<b>7,165,228</b>
Lease liabilities	54,059,526	-	<b>(24,336,110)</b>	-	7,124,938	1,023,729	<b>37,872,083</b>
Total liabilities from financing activities	<b>₱1,640,115,088</b>	<b>₱670,000,000</b>	<b>(₱1,147,985,096)</b>	<b>₱920,702,678</b>	<b>(₱34,875,062)</b>	<b>₱67,363,287</b>	<b>₱2,115,320,895</b>

#### December 31, 2023

	December 31, 2022	Cash Flows for Availment	Cash Flows for Repayments	Dividend Declaration	Noncash Movement	Accretion of Interest	December 31, 2023
Dividends payable	₱501,959,405	₱-	<b>(₱1,103,154,257)</b>	<b>₱1,227,570,241</b>	<b>(₱56,000,000)</b>	₱-	<b>₱570,375,389</b>
Long-term debt	-	1,000,000,000	-	-	-	-	<b>1,000,000,000</b>
Interest on long term debt	-	-	<b>(42,917,505)</b>	-	-	58,597,678	<b>15,680,173</b>
Lease liabilities	19,216,312	-	<b>(15,886,869)</b>	-	49,093,056	1,637,027	<b>54,059,526</b>
Total liabilities from financing activities	<b>₱521,175,717</b>	<b>₱1,000,000,000</b>	<b>(₱1,161,958,631)</b>	<b>₱1,227,570,241</b>	<b>(₱6,906,944)</b>	<b>₱60,234,705</b>	<b>₱1,640,115,088</b>

### 32. Other Matters

- a. The Group have claims, commitments, litigations and contingent liabilities that arise in the normal course of their operations which are not reflected in the consolidated financial statements. Management is of the opinion that as at December 31, 2025 and 2024, losses, if any, from these commitments and contingencies will not have a material effect on the consolidated financial statements.
- b. The other information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, are not disclosed as they may prejudice the Group's negotiation with third parties.

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### 33. Notes to Consolidated Statements of Cash Flows

The Group's noncash investing activities in 2023 include additions to property and equipment amounting to ₱247.3 million paid in 2022 (nil in 2025 and 2024).

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### 34. Subsequent Events

#### Anscor

On March 2, 2026, the BOD of the Company approved the declaration of cash dividend of ₱0.50 per common share, payable on April 8, 2026 to common stockholders of record as at March 17, 2026.

#### PDP and Subsidiaries

- On February 27, 2026, the Board of Directors of PDEIC approved the declaration of ₱50 million cash dividend to PDPEPC representing ₱500 per share, payable on March 27, 2026.
- On February 27, 2026, the Board of Directors of PDPEPC approved the declaration of ₱450 million cash dividend to PDIPI representing ₱7.0 per share, ₱350 million and ₱100 million payable on March 28, 2026 and June 28, 2026, respectively.
- On February 27, 2026, the Board of Directors of PDIPI approved the declaration of ₱450 million cash dividend to its stockholders of record as of December 31, 2025 representing ₱5.1 per share, ₱350 million and ₱100 million payable on March 31, 2026 and June 30, 2026, respectively.

# Board of Directors



**ANDRES SORIANO III**  
Chairman of the Board/Chief Executive Officer



**WILLIAM H. OTTIGER**  
President & Chief Operating Officer



**ERNEST K. CUYEGKENG**



**OSCAR J. HILADO\***



**JOHNSON ROBERT G. GO, JR.**



**CAMILA MARIA H. SORIANO**



**EDUARDO JOSE M. SORIANO, JR.**

*\* Passed away on September 17, 2025, replaced by Jose Mario C. Buñag on October 16, 2025.*

# Officers

## PARENT COMPANY

**WILLIAM H. OTTIGER**

President & Chief Operating Officer

**ANDRES MIGUEL SORIANO IV**

Vice President

**NARCISA M. VILLAFLORES**

Vice President and Comptroller/Treasurer

**JOSHUA L. CASTRO**

Vice President & Assistant Corporate Secretary

**SALOME M. BUHION**

Assistant Vice President

**MARIA VICTORIA L. CRUZ**

Assistant Vice President

**LORNA P. KAPUNAN**

Corporate Secretary

## OPERATING COMPANIES AND AFFILIATES

### *PRESIDENT*

**ALEX C. IGNACIO** — Phelps Dodge Philippines Energy Products Corporation

**WILLIAM H. OTTIGER** — Pamalican Resort, Inc.

**EMMANUEL C. GENEROSO** — Island Aviation, Inc.

**MICHAEL V. FERRER** — ATRAM Investment Management Partners Corporation

**MARIA ALEXANDRA M. SORIANO** — The Andres Soriano Foundation, Inc.

# Corporate Directory

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[www.sorianogroup.com.ph](http://www.sorianogroup.com.ph)

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(632) 8819-02-51 to 60

## Fax Number

(632) 8811-50-68

## External Auditors

SyCip Gorres Velayo & Co.

## Stock Transfer Agent

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34th Floor, Unit D, Rufino Pacific Tower  
6784 Ayala Avenue, Makati City

## Legal Counsels

Angara Abello Concepcion Regala & Cruz  
Kapunan & Castillo  
Picazo Buyco Tan Fider & Santos  
Tan Acut Lopez & Pison

## SUBSIDIARIES

A. Soriano Air Corporation  
AFC Agribusiness Corporation  
Anscor Consolidated Corporation  
Anscor Holdings, Inc.  
Anscor International, Inc.  
Island Aviation, Inc.  
Minuet Realty Corporation  
Pamalican Island Holdings, Inc.  
Pamalican Resort, Inc.  
Pamalican Utilities, Inc.  
PD Energy International Corporation  
Phelps Dodge International Philippines, Inc.  
Phelps Dodge Philippines Energy Products Corporation  
Seven Seas Resorts and Leisure, Inc.

## ASSOCIATES AND INVESTEE COMPANIES

Asia Partners LP  
ATRAM Investment Management Partners Corporation  
Fremont Holdings, Inc.  
KSA Realty Corporation  
Navegar LP  
Prople Limited  
Sierra Madre Philippines I LP  
Third Prime Alpha Fund  
Vicinetum Holdings, Inc.

## **A. SORIANO CORPORATION**

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