SECURITIES AND EXCHANGE COMMISSION
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SEC Number 12397
File Number ____

PHINMA CORPORATION

12/f, Phinma Plaza, 39 Plaza Drive, Rockwell Center, Makati City

Telephone No. : **88700100**

Company's Calendar Year Ending **:** **December 31**

ANNUAL REPORT

(SEC Form 17 – A)

_____

Amendment Designation (If Applicable)

December 31, 2025

Period Ended Date

_____

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17- A

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

1. For the calendar year ended **December 31, 2025**

2. SEC Identification Number **12397** 3. BIR Tax Identification No. **000-107-026-000**

4. Exact name of issuer as specified in its charter

PHINMA Corporation

5. **Manila, Philippines** 6. (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization
Industry Classification Code:

7. **12/F, Phinma Plaza, No. 39 Plaza Drive, Rockwell Center, Makati City 1210**
Address of principal office Postal Code

8. **(632) 88700-100**
Issuer's telephone number, including area code

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of Dec. 31, 2025)
Common Shares – (net of treasury shares)	336,325,265 shares
Amount of Debt Outstanding	P17.62 billion

11. Are any or all of these securities listed on a Stock Exchange?

Yes [x] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange, Inc. Common Shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [x] No [ ]

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

Yes [x] No [ ]

13. Aggregate Market Value of the Voting Stock held by Non-affiliates of the Registrant.

P1,141,865,673

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

NOT APPLICABLE

DOCUMENTS INCORPORATED BY REFERENCE

15. The following documents are incorporated by reference as part of SEC Form 17-A:

(a) Audited Consolidated Financial Statements for the calendar year ended December 31, 2025, 2024 and 2023 - **Annex A**

(b) Audited Parent Financial Statements for the calendar year ended December 31, 2025, 2024 and 2023 - **Annex A-1**

(b) Supplementary Schedules to the Audited Financial Statements - **Annex A**

(c) Statement of Management's Responsibility for Financial Statements

(d) SEC Form 17 – C (Current Report) - **Annex C**

(e) SEC Form 17 – Q (Quarterly Report) - **Annex D**

(f) Sustainability Report - **Annex E**

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PART 1 – BUSINESS AND GENERAL INFORMATION

Item 1. Business and General Information

A) Parent Company

The Company was incorporated in the Philippines on March 12, 1957. Its principal activity is investment in shares of various subsidiaries, associates, affiliates and other marketable equity securities. The ultimate parent company of PHN and its subsidiaries is Philippine Investment-Management (PHINMA), Inc.

On May 27, 2010, the Securities and Exchange Commission approved the change of name of the Company from Bacnotan Consolidated Industries, Inc. to Phinma Corporation.

On July 17, 2023, the Parent Company completed the following transactions upon full payment and signing of Deed of Sale:

Purchase of investments of PHINMA Inc. in the following companies:
1. Purchase of investments of PHINMA Inc. in the following companies:

Company	Description	PHINMA Inc.'s Direct Ownership	Transaction Value (in millions)
PEHI	Holding company of the Company's education network comprised of 10 schools	8.03%	1,064.8
PPHC	Holding company of the Company's property development arm	36.71%	588.9
PHI	Management company of the Company's Microtel and TRYP hotels; part-owner in 7 hotels	63.77%	251.2
PHINMA Microtel Hotels	Master franchisor of Microtel and TRYP hotels in the Philippines	51.00%	21.2
APHI	Owner of real estate properties	63.47%	409.4
Total			**2,335.5**

The Parent Company and all the entities above are subsidiaries of PHINMA, Inc. before and after the business combination. Thus, the acquisition was accounted for as business combination under common control. The transaction is part of the consolidation of the group's strategic business units under PHINMA Corporation and will expand its exposure to these high-growth sectors. The Parent Company accounted the transaction using pooling of interest method.

2. Purchase of real estate properties from PHINMA, Inc. amounting to ₱507.1 million consisting of office floors/spaces in the Company's office building, PHINMA Plaza located in Rockwell Center, Makati City.

On November 7, 2024, the Company disclosed the approval of the board for the acquisition of PIBI from PHINMA, Inc. PIBI is the insurance brokerage arm of the Group, involved in developing, packaging and servicing life, non-life and HMO insurance programs while dealing with reputable local and global insurance companies to answer its clients' various requirements.

On January 9, 2025, the Company completed the purchase of PHINMA Insurance Brokers, Inc. (PIBI) from PHINMA, Inc. for a total transaction of P150.53 million for 2.3 million shares representing 100% ownership.

The Parent Company and PIBI are subsidiaries of PHINMA, Inc. before and after the business combination. Thus, the acquisition was accounted for as business combination under common control for which pooling of interests method was applied in the preparation of the consolidated financial statements. The assets, liabilities and equity of the acquired businesses are included in the consolidated financial statements at their carrying amounts. Financial information for periods prior to

the date of business combination was not restated.

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

Current assets	119,241
Noncurrent assets	13,218
Total assets	132,459
Current liabilities	(70,895)
Noncurrent liabilities	(12,781)
Total Liabilities	(83,676)
Net assets acquired	48,783

The net cash outflow related to the acquisition is as follows:

Cash payments relating to acquisition	₱150,535
Less cash of acquired subsidiaries	(52,046)
Net cash outflow	₱ 98,489

The combination resulted to equity adjustment from common control business combination, included under “Equity reserves” account, amounting to ₱101.7 million.

On March 21, 2025, the Company’s BOD approved the investment of P250 million in PHINMA Community Housing Corporation (Phinma CoHo) for a 99.45% ownership interest. The initial investment will be used for the purchase land and for its initial working capital requirements. The subscription price will be paid in tranches, as agreed with Phinma CoHo.

As of December 31, 2025, the Company’s principal subsidiaries and its percentage of ownership are as follows:

Table 1 - List of Subsidiaries

Name of Subsidiaries	% of Ownership
Union Galvasteel Corporation (UGC)	98.97
Philcement Corporation (Philcement)	60.00
PHINMA Solar Energy Corporation (PHINMA Solar)	98.97
Bacnotan Solar Power Corporation (BSPC) (i)	98.97
Union Insulated Panel Corporation (UIPC) (h)	98.97
Philcement Mindanao Corporation (PMC) (f and g)	42.00
Phinma Education Holdings, Inc. (PHINMA Education) (c)	63.93
PHINMA Property Holdings Corporation and subsidiaries (PPHC) (c and d)	94.93
PHINMA CoHo Corporation (PCHC)	99.97
ABCIC Property Holdings, Inc. (APHI) (c)	89.98
Asian Plaza, Inc. (API)	57.62
P & S Holdings Corporation (PSHC)	60.00
PHINMA Hospitality, Inc. (PHI) and Subsidiaries (c) and (g)	84.65
PHINMA Hospitality Management Corporation (PHMC) (e)	100.00
PHINMA Microtel Hotels, Inc. (PHINMA Microtel) (c)	51.00
Coral Way City Hotel Corp. (Coral Way)	46.13
Krypton Esplanade Hotel Corporation (KEHC)	46.13
PHINMA Insurance Brokers, Inc. (PIBI)	100.00
Career Academy Asia, Inc. (CAA) (a)	90.00
One Animate Limited, Inc. (OAL) (b)	80.00

(a) CAA ceased its operations on March 31, 2019.
(b) OAL owns 100.00% interest in Toon City Animation, Inc. (Toon City). OAL and Toon City ceased operations in April 2013.
(c) On July 17, 2023, PHN acquired shares in the following companies: 36.71% ownership interest of PPHC; 63.47% ownership Interest of APHI; 63.77% ownership interest of PHI; 51.00% ownership interest of PHINMA Microtel and 8.03% ownership interest of PEHI.
(d) PPHC and Jepp Real Estate Co. Inc. (JREC) entered into a joint development agreement in 2022 to form Jepp Property Corporation (JEPP) in Bacolod. On November 6, 2024, PPHC obtained 55% controlling shares of stock of JEPP.
(e) PHMC was incorporated on May 9, 2024. On June 16, 2025, PHN infused P20 million investment to PHMC for a 100% ownership.
(f) On March 15, 2024, Philcement Mindanao Corporation (PMC) was incorporated. Philcement entered in a share purchase agreement with Philcement Dipolog Corporation (PDC) (previously Petra Cement, Inc.) for the acquisition of 100% outstanding shares of PDC. PCC intends to transfer the shares of PDC to PMC and on April 17, 2025, the transfer agreement between PCC and PMC was finalized but still pending regulatory approvals. As at December 31, 2025, the transaction valuation is still pending approval of the SEC.
(g) On May 15, 2024, the Board of Directors (BOD) approved PHN's additional investment to be made to PHI amounting to P252 million.
(h) On September 2, 2022, Union Insulated Panel Corporation (UIPC) was incorporated, which is 100% owned by UGC. On August 6, 2024, the BOD approved an investment up to ₱210 million in UIPC Insulated Panel Plant Project, through UGC
(i) On October 24, 2025, Phinma Solar acquired 100% ownership interest in BSPC.
(j) On January 9, 2025, PHN and PHINMA Inc. executed a Deed of Sale for the purchase of investment of PHINMA Inc. for .100% ownership interest in PIBI.
(k) Equities in which the Group holds less than a 50%-effective interest but considered subsidiaries, as the Parent Company, together with its immediate parent companies, has established control by having the ability to direct the relevant activities that significantly affect the returns from these entities.

Stock Rights Offering

On August 6, 2024, the BOD of PHN approved the conduct of a Stock Rights Offering (SRO) of up to ₱ 1.00 billion to increase capital and to support the general corporate requirement of its subsidiaries.

On October 16, 2024, PHN received the Notice of Confirmation of Exempt Transaction, confirming that the SRO is exempt from the registration requirements of the Securities Regulation Code.

On October 21, 2024, the Philippine Stock Exchange (PSE) approved PHN's application for the listing of up to 51,493,306 additional common shares for the planned SRO, to be issued from the unissued capital stock of the Company.

Pursuant to Company's SRO, PHN approved the issuance of 50,000,000 shares at an entitlement ratio of 1 rights share for every 5.73 existing common shares to all stockholders as of the record date of November 8, 2024, at ₱ 20.00 per share. During the Rights Offer Period from November 13, 2024 to November 19, 2024, PHN sold 50,000,000 shares by way of SRO, which were subsequently listed with the PSE on November 27, 2024.

The principal activities of the subsidiaries, both direct and indirect are as follows:

Name of Subsidiaries	Nature of Business
UGC	Manufacturing and distribution of steel products
Philcement	Manufacturing and distribution of cement products
PHINMA Solar	Owning, supplying, and distribution of photovoltaic (PV) Solar power
UIPC	Manufacturing and distribution of insulated panels
PMC	Manufacturing and distribution of cement products
PHINMA Education	Holding company for investments in education
PPHC	Real estate development and construction and property management
PHINMA CoHo	Socialized housing solutions
PHINMA Hospitality	Hotel management and development
PHINMA Hospitality Management Corp	Hotel management and development
PHINMA Microtel	Hotel management and development
Coral Way	Hotel management and development
APHI	Sale of real and personal properties
API	Lease of real property
PSHC	Investment and real estate holdings
PHINMA Insurance	Insurance advisory and brokerage services
CAA	Educational institution
OAL	BPO - Animation services

B) Subsidiaries:

Construction Materials

PHINMA operates its construction materials business through five (4) subsidiaries, namely, Union Galvasteel Corporation ("UGC"), Philcement Corporation ("Philcement"), PHINMA Solar Energy Corporation ("PHINMA Solar"), and Union Insulated Panel Corporation (UIPC), PHINMA Solar and UIPC being wholly-owned subsidiaries of UGC. The Construction Materials Group aims to maximize synergies among the various companies within the group to provide innovative construction solutions to its customers, offering one-stop shop services, from foundation to roofing, and providing superior convenience and service to customers nationwide.

Union Galvasteel Corporation (UGC)

UGC started as the Union Steel Plant Division of BCII. It began commercial operations in 1963 with a galvanizing plant in Poro, La Union for the manufacture of Galvanized Iron sheets, expanding to Ilang, Davao City in 1968 and to Calamba, Laguna in 1990. In 1993, the steel plant was spun off from BCII as a separate business unit,and incorporated as Bacnotan Steel Corporation. It was later renamed UGC in 1997 and established a modern Continuous Galvanizing Line and Color Coating Line for the manufacture of pre-painted galvanized steel coils in Calamba, Laguna. On December 22, 2010, the SEC approved the merger of UGC and Atlas Holdings Corporation, a 90%-owned subsidiary of PHINMA with UGC as the surviving entity.

UGC is a leading manufacturer of pre-painted galvanized iron roofing products and other steel products such as steel decking, frames, pre-engineered building systems and insulated panels used for cold storage and other facilities. UGC's main manufacturing facility is located in Calamba, Laguna. It also operates roll-forming plants in Poro, San Fernando, La Union; Ilang, Davao City; Cebu City; Cagayan de Oro City; Zamboanga City; Calasiao, Pangasinan; Bacolod City; Iloilo City; Pili, Camarines Sur; San Fernando, Pampanga; Batangas City; Tacloban City, Leyte; and Cainta, Rizal.

Today, UGC is a significant player in the manufacture and distribution of pre-painted and other galvanized roofing, and of galvanized steel building products such as building system components like steel decking, c-purlins, door jambs, steel trusses, pre-engineered building structures and insulated panels for commercial, industrial and residential applications. UGC has the largest and most diversified distribution network in the industry, with rollforming plants, warehouses and sales offices in strategic locations throughout the country. UGC's production lines are located in:

1) Continuous Color Coating Line in Calamba City, Laguna
2) Insulated Panel Lines in Calamba City, Laguna and Davao City
3) Discontinuous Rollforming Lines in various locations nationwide

On December 21, 2020, UGC purchased 100% of Phinma Corporation's shares in Phinma Solar Energy Corporation (PHINMA Solar), increasing its percentage of ownership in PHINMA Solar to 100%. On June 30, 2022, Union Insulated Panel Corporation (UIPC) was incorporated as a wholly-owned subsidiary of UGC.

On June 30, 2022, Union Insulated Panel Corporation (UIPC) was incorporated as a wholly-owned subsidiary of UGC.

Philcement Corporation (Philcement)

Philcement was incorporated on September 22, 2017 to engage in the processing, manufacturing, distribution, marketing and sales of cement products. Philcement is PHINMA's re-entry into the cement industry, re-introducing PHINMA's legacy brand "Union Cement". Union Cement enjoyed market dominance and strong brand recognition for many years when PHINMA was in direct ownership or management of majority of the country's integrated cement plants, until the Company sold its ownership stake to Holder Bank (now Holcim) in 2003. After a 14-year hiatus, Philcement is proud to have brough back the legacy Union Cement brand in 2017. The return of Union Cement aims to

combine world class standards with Filipino expertise to make the lives of Filipinos better through quality, affordable, and readily available cement products. As of end-2025, Philcement is owned 60.00% by PHINMA.

Philcement is a Freeport Area of Bataan ("FAB") - registered enterprise permitted to engage in the processing, manufacturing, marketing, importing, trading – wholesale and retail, selling, and distributing cement, cement products, and other by-products and establishing, operating and managing cement supply terminals at the FAB. As a FAB Registered enterprise, Philcement is entitled to the benefits and incentives under Republic Act No. 9728, also known as "The Freeport Area of Bataan Act of 2009". The Authority of the Freeport Area of Bataan is further discussed under "Regulatory Framework".

Philcement's 7.8-hectare flagship cement processing complex is located in the Freeport Area of Bataan and is considered to be the first state-of-the-art cement facility in the Philippines and one of the largest independent cement terminals globally. The facility has an initial annual capacity of 2 million metric tons of cement or 400,000 bags a day. The cement processing complex serves as a manufacturing, storage, and bagging facility of Philcement in Mariveles, Bataan. The Mariveles Cement Facility is certified under ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018.

The cement processing complex is likewise strategically located and able to afford Philcement logistical advantage over competitors who transport cement mostly via land. Philcement is likewise able to leverage having its own port which allows it to distribute its produce via sea.

In September 2019, PHINMA signed an agreement to invest USD $50.00 million in Song Lam Cement Joint Stock Company, the flagship plant of The Vissai, the largest private cement manufacturing group in Vietnam. The investment will be used to expand the capacity of the flagship plant located in Nge Anh province in Vietnam, and will cement Philcement's relationship with Viet Cement Terminal JSC, who is a shareholder in Philcement. While these mutual partnerships assure Philcement a reliable supply of high-quality cement for its customers, out of the world-class facility in Mariveles Bataan, all transactions between the different companies under the PHINMA Group and the Vissai Group are kept at arm's length and driven by market conditions. The Company finalized this investment on May 12, 2021.

In January 2024, Philcement entered into a Manufacturing and Sale Agreement with Petra Cement, Inc. that allowed Philcement to operate the Petra Cement plant located in Manuel A. Roxas, Zamboanga del Norte, and manufacture, sell, and distribute its Union Cement products. In May 2024, Philcement, through its subsidiary Philcement Mindanao Corporation, initiated the acquisition of Petra Cement, Inc. by virtue of a Share Purchase Agreement. Philcement Mindanao Corporation is 70% owned by Philcement. In October 2024, Philcement entered into a partnership with Big Boss Cement, Inc., allowing Philcement to manufacture, sell, and distribute its Union Cement products using the Big Boss Cement plant in Porac, Pampanga.

On September 16, 2025, Philcement disclosed the signing of a Share Subscription Agreement ("Agreement") with Sumitomo Osaka Cement Co., Ltd., a leading cement manufacturing company from Japan with over a hundred years of experience in the industry. The Agreement relates to the acquisition of 15% of Philcement through the issuance of primary shares. The transaction, subsequently completed in January 2026, is aligned with Philcement's strategy and commitment to grow its manufacturing operations and provide Filipinos with high quality cement products.

PHINMA Solar Energy Corporation (PHINMA Solar)

PHINMA Solar, formerly Trans-Asia Wind Power Corporation, was incorporated in the Philippines and registered with the SEC on July 26, 2013.

PHINMA Solar is the Group's venture into the solar rooftop market, providing solar rooftop generation solutions for industrial, commercial, and residential clients, capitalizing on the opportunity presented by the declining cost of solar energy panels, rising levels of environmental awareness, and government initiatives mandating the use of renewable energy sources. In 2019, it expanded its portfolio of clients and has evolved from a lease model to a sale on installment model to maximize

cashflow and mitigate exposure on fluctuation in the energy generation and prices. PHINMA Solar also started selling PV systems to commercial and residential customers.

On December 21, 2020, PHINMA approved the sale of its 225,000,000 shares of PHINMA Solar to UGC. The sale rationalized PHINMA's ownership structure in its Construction Materials Group by consolidating in UGC 100% ownership in PHINMA Solar. PHINMA Solar is 98.01% indirectly-owned by PHINMA and 100% owned by UGC.

PHINMA Solar's value proposition for its customers comes from the savings the customers are able to achieve on their annual electricity costs from using the solar rooftop system. The customers not only save on their electricity costs but also support the environment.

In collaboration with UGC, PHINMA Solar not only promotes its own brand but is also able to extend UGC sales through PHINMA Solar's network of customers and vice versa.

Aside from supplying solar rooftop systems to residential, commercial, and industrial customers, PHINMA Solar is also completing multiple rooftop solar projects, totaling 9.39 MWac, with the government as the energy offtaker through the Department of Energy's 2nd Round of Green Energy Auction Program (GEAP II).

Union Insulated Panel Corporation (UIPC)

UIPC started off as the Insulated Panels division of UGC that was spun off as a separate business unit. In June 30, 2022, UIPC was incorporated in the Philippines and registered with the SEC. However, as of 2025, the group continued to operate as a division of UGC.

UIPC offers insulation and cold chain solutions. By providing insulated materials, post-harvest and storage life of food and drugs can be extended while also addressing the intensive energy requirement of cold chain facilities and related businesses. In May 2024, UIPC broke ground for its state-of-the-art manufacturing plant in Porac, Pampanga.

Educational Services

The education services of PHINMA are held through its majority-owned subsidiary, PHINMA Education Holdings, Inc. PHINMA Education's mission is to make lives better through accessible, quality education. By intent and design, the network caters to the underserved youth – high school graduates from low-income families who want to go to college and get better jobs.

PHINMA Education holds majority equity interests in ten tertiary institutions across the Philippines:

Institution		**Location (branches)**	**Year Acquired**
LUZON			
PHINMA Araullo University	AU	Cabanatuan City, Nueva Ecija (Cabanatuan City, San Jose City)	2004
PHINMA University of Pangasinan	UPang	Dagupan City, Pangasinan (Urdaneta City)	2009
NCR Network:			
- PHINMA St. Jude College – Manila	SJC-Manila	Manila, NCR	2017

- PHINMA St. Jude College – Quezon City	SJC-QC	Quezon City, NCR	2019
Laguna Network:			
- PHINMA Rizal College of Laguna	RCL	Calamba, Laguna	2020
- PHINMA Union College of Laguna	UCL	Sta. Cruz, Laguna	2021
- St. Jude College Dasmariñas Cavite	SJC-DC	Dasmariñas, Cavite	2024
VISAYAS			
PHINMA University of Iloilo	UI	Iloilo City, Iloilo	2009
Southwestern University PHINMA*	SWU	Cebu City, Cebu	2015
MINDANAO			
PHINMA Cagayan de Oro College	COC	Cagayan de Oro City, Misamis Oriental (Cagayan de Oro City, Iligan City)	2005

Southwestern University owns a tertiary hospital, Southwestern University Medical Center, operated by Mount Grace Hospitals, Inc. of the United Laboratories Group.

On 28 August 2015, PHINMA Education Holdings, Inc. was incorporated in the Philippines and registered with the SEC to invest in, purchase, acquire, own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, dispose of real and personal property of every kind and description, including shares of stock and other property of educational institutions. The company serves as the PHINMA Group's holding company for its investments in education.

As part of its growth strategy, PHINMA Education has also expanded to serve students outside the Philippines. In Indonesia, PHINMA Education entered into a joint venture agreement with PT Tripersada Global Manajemen to form PT Ind-Phil Management (IPM). Since its inception in 2019, IPM has been managing Horizon University located in Karawang, Indonesia. IPM has since expanded its footprint in Indonesia and also started managing Kalbis University, located in Jakarta, in 2024.

In 2024, PHINMA Education Holdings, Inc. signed an investment agreement with (i) Phoenix Investments II Pte. Ltd, an investment vehicle of funds managed by KKR, a leading global investment firm, and (ii) Rise Edu Pte. Ltd., an investment vehicle of funds managed by Kaizenvest, an education-focused private equity fund focused on emerging markets in South and South-East Asia. Concurrently, funds managed by KKR entered into an agreement to acquire all of the shares in PHINMA Education Holdings, Inc. owned, directly or indirectly, by the Asian Development Bank, Nederlandse Financierings- Maatschappij voor Ontwikkelingslanden N.V., and Kaizen Private Equity II Pte. Ltd., who all invested in the Company in 2019. Following completion of the aforementioned transactions, funds managed by KKR and Kaizenvest will respectively own, directly or indirectly, a 30.67% and 3.73% stake in PHINMA Education Holdings, Inc.

Properties

PHINMA Property Holdings Corporation and subsidiaries

PHINMA Property Holdings Corporation (PPHC) was incorporated and registered with the Philippine

Securities and Exchange Commission (SEC) on December 3, 2010. PPHC was originally incorporated on March 6, 1959 as Filoil Consolidated Industries, Inc, then changed to FCI Development Corporation (FCI) on June 16, 1975. FCI changed its name to PHINMA Property Holdings Corporation on July 23, 1987 after the merger with PHINMA Realty Corporation. On March 18, 1998, PPHC merged with Management Building Corporation with PPHC as the surviving company.

On November 25, 2010, the BOD and stockholders approved, among others, the reincorporation of the Corporation under the same name and business purpose to comply with the legal requirements for continuance of the Registrant's business when the original corporate life expired. The shareholders initially invested in PPHC a total of P125.0 million cash. The Registrant also recorded all the assets and liabilities of the old PPHC as of November 30, 2010 through a Deed of Assignment of Assets with Assumption of Liabilities, together with all the attendant rights and obligations, executed in December 2010 between the Company and the Trustee of the old PPHC. The shareholders of the old PPHC, through the Trustee, reinvested their shares in the net asset value of the old PPHC by subscribing to the shares of the Registrant.

PPHC, together with its subsidiaries (collectively referred to as the Group), develops affordable medium-rise condominium units and socialized housing units in Metro Manila and other areas in the country. The Parent Company is engaged in real estate development, principally in low-cost and middle-cost housing and vertical development. It has also engaged in construction, property management and co-working business through its subsidiaries and affiliates.

The registered office address of the Group is PHINMA Properties Center, No. 29 EDSA, Mandaluyong City. Between 1987 to 1990, PPHC was engaged in the development of upscale townhouse projects such as the Manila Polo Club Townhouses, Mariposa Villas and Mariposa Square Townhouses as well as the management and administration of the PHINMA and Kalayaan Buildings.

In 1991, in response to the government's appeal for more active private sector participation in addressing the country's housing needs, PPHC refocused its corporate mission with emphasis on providing quality and affordable housing to low and middle-income families in high growth centers and began to actively participate in low cost and socialized housing development. The initial project for this type of development was Villa Milagrosa, located in San Pedro, Laguna. In 1995, PPHC developed Villa Elisa, a 3.20-hectare project in Imus, Cavite with 3 house models to choose from – rowhouse, single-detached and single-attached designs.

In 1996, PPHC, recognizing the need for urban housing at affordable prices, shifted its focus to in-city development. In order to reduce the cost of land and maximize the land area, PPHC shifted to vertical development. The pilot project of this type was Smile Citihomes I, located at Barangay Kaligayahan, Novaliches, Quezon City. Completed by the first quarter of 1998, the project boasts of 5-storey condominium buildings with a total of 1,595 residential units, each with a 30-sq.m.floor area. The success generated by Smile Citihomes I encouraged PPHC to concentrate its land banking within Metro Manila and other urban centers to duplicate this type of development. By residing within the vicinity of Metro Manila, the prospective buyers are able to stay near or are able to limit travel time from their homes to their respective workplaces. Reduced travel time to and from the workplace increases the quality of life of the prospective buyers.

On February 5, 2016, Community Developers and Construction Corporation (CDCC) was established to cater to construction projects outside the Group. In 2017, it started its first construction project with P.A. Alvarez Property Development Corporation (P.A. Alvarez) with the latter's Nuvista project. In 2018, CDCC entered again a new construction project with P.A. Alvarez for the latter's St. Joseph Homes Calamba and Windfield Briza projects. CDCC also entered into a construction agreement with the Quezon City government for its Bistekville 15 and 16 housing projects.

On September 13, 2017, Community Property Managers Group Inc. (CPMGI) was established to broaden the reach of its property management business. CPMGI initially started its operations handling the administration and management of PPHC's completed projects. In 2019, CPMGI started expanding its services to third parties, through a management contract with various Urban Deca condominium corporations.

In 2019, the Group ventured in coworking business, entering into a joint venture arrangement with UnionSPACE, Inc. and Acceler8 Now, Inc. On June 11, 2019, InPHIN8 Space, Inc. (InPHIN8) was incorporated as the co-working arm of the Group. On the same year, InPHIN8 launched and started the operations of its co-working space on the fifth floor of PHINMA Plaza.

On November 4, 2024, PPHC acquired 55% of JEPP Property Corporation (JEPP). JEPP is also engaged in the real estate business, specifically to "hold, develop, finance, or otherwise deal and dispose of all kinds of real estate development". As of December 31, 2025, JEPP has an ongoing project in Bacolod.

Asian Plaza, Inc. (API)

API was incorporated in the Philippines and registered with the Philippine SEC on January 26, 2005. The Company invests in real and personal properties and various financial instruments. Revenue is generated primarily from lease of its properties.

On March 24, 2022, API signed a Contract to Sell for the sale of API's condominium unit in Rufino Pacific Tower for ₱35.8 million.

Hospitality

PHINMA Hospitality Inc., the hospitality arm of PHINMA Group, operates 14 Microtel by Wyndham hotels and one TRYP by Wyndham hotel in the Philippines. It is also a joint venture partner in majority of these properties, including the flagship 150-room Microtel by Wyndham Mall of Asia. PHINMA Microtel Hotels Inc. is the Philippine master franchise holder of Microtel by Wyndham, an international chain of limited-service hotels with 300+ properties worldwide and TRYP by Wyndham, a select-service urban hotel chain with over 100 properties.

PHINMA Corporation, has an 84.65% equity interest in PHINMA Hospitality as well as 46.13% equity interest in Coral Way City Hotel Corporation (Coral Way), owner of Microtel by Wyndham Mall of Asia. Coral Way's wholly owned subsidiary, Krypton Esplanade Hotel Corporation owns the 191-room TRYP by Wyndham Mall of Asia.

PHINMA Hospitality Inc. was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on August 23, 1999. The Company is primarily engaged in the business of developing, owning, operating and managing economy lodging facilities. In 2025, PHINMA Hospitality Management Corp. commenced operations to take on the hotel management function.

Investment Holdings

P & S Holdings Corporation, a 60% owned subsidiary of Phinma Corporation was incorporated on September 11, 1998. The company's primary purpose is to invest in real and personal properties. The company currently owns and leases land located in Bulacan.

Insurance

Phinma Insurance Brokers, Inc. (PIBI), a 100% owned subsidiary of Phinma Corporation, was incorporated on May 24, 1974. The company engages in the development, placement, and servicing of insurance programs covering non-life, life, and health maintenance organization (HMO) products. PIBI serves as the insurance brokerage arm of the PHINMA Group of Companies and provides insurance advisory and brokerage services to corporate and individual clients across various industries in the Philippines.

Business Development

As of December 31, 2025, neither the Company nor any of its subsidiaries has undergone any bankruptcy, receivership nor similar proceedings.

Product Lines

Construction Materials Group

Construction Materials Group' major product lines are:

Business Unit	Product	Type
Steel	Colored or Prepainted Sheets	In coil or in sheets roll formed
	Heavy Gauges	In sheets, coils and roll formed
	Long Span GI Sheets	Roll formed – in sheets
	Claddings and Sidings	Roll formed – in sheets
	Decking's / C. Purlins	Roll formed – in sheets
	Metal frames / Studs	Roll formed – in sheets
	Spandrel	Roll formed – in sheets
	Polyurethane Panels	Roll formed – in sheets
	Roofing Accessories	Bended or Roll formed
	Pre-engineered Building Systems	Roll formed
Cement	Cement (in 40-kg, jumbo bags, bulk)	High-strength cement, general-purpose cement
Solar	Rooftop System	Solar photovoltaic rooftop system
	Power / electricity	Generation and distribution of solar power
Insulated Panel	Polyurethane Panels	Roll formed – in sheets

The Construction Materials Group namely UGC, Philcement, Phinma Solar, UIPC and PMC generated combined revenues of ₱ 13.33 billion, accounting for 58.35% of PHN's revenues in 2025.

CMG Combined Revenues (in thousands)

(in Thousand pesos)	Calendar Year Ended December 31, 2025	Calendar Year Ended December 31, 2024	Calendar Year Ended December 31, 2023
Revenues	**₱13,327,546**	₱14,295,750	₱13,261,327

Educational Services

PHINMA Education offers diversified tertiary programs mainly focused on employability. Its leading programs in terms of enrollment are in the areas of Allied Health Sciences, Business Management & Accountancy, Criminology, and Education. While PHINMA Education focuses on delivering tertiary education, some of its institutions also provide basic education, senior high school, graduate, and technical and vocational education and training programs.

Properties

Listed herein below is a tabular presentation of the Group's completed and on-going projects:

Completed Projects of the Properties Group as of December 2025:

Project	Location	Product Type	Year Completed	Area (sqm)	No. Of Units Completed
Mariposa Square	C. Benitez Quezon City	Townhouses	1987	2,000	10

Mariposa Villas	Mariposa St. Quezon City	Townhouses	1988	20,600	40
Manila Polo Club Townhouses	Forbes Park Makati City	Townhouses	1989	24,000	43
Villa Milagrosa	San Pedro Laguna	Townhouses	1994	10,000	155
Villa Elisa	Imus, Cavite	Townhouses	1996	34,000	334
Smile Citihomes I	Novaliches Quezon City	Medium Rise Condominiums	1998	24,020	1,595
Smile Citihomes Annex – Phase 1	Camarin Rd. Caloocan City	Medium Rise Condominiums	2000	10,000	638
Sunny Villas	Pearl Drive, Commonwealth Ave., East Fairview, Quezon City	Medium Rise Condominiums	2005	14,380	812
Spazio Bernardo	Brgy. Sauyo, Bagbag, Quezon City	Medium Rise Condominiums	2006	16,650	957
Spazio Bernardo West Villas	Brgy. Sauyo, Quezon City	Medium Rise Condominiums	2007	6,610	319
San Benissa Garden Villas	Quirino Highway Novaliches, Quezon City	Medium Rise Condominiums	2008	15,580	928
Fountain Breeze	Lombos Avenue, Sucat, Parañaque City	Medium Rise Condominiums	2011	31,240	1,640
Sofia Bellevue	Capitol Hills Drive, Quezon City	Medium Rise Condominiums	2011	17,000	840
Flora Vista	Peacock St., Brgy. Commonwealth, Quezon City	Medium Rise Condominiums	2010	18,770	870
Bistekville – Townhouse	Novaliches, Quezon City	Rowhouses	2015	1,670	40
Bistekville RH	Novaliches, Quezon City	Rowhouses	2015	660	23
ASiA Enclaves	Alabang, Muntinlupa City	Medium Rise Condominiums	2016	106,710	588
Solano Hills	Villongco St., Muntinlupa City	Medium Rise Condominiums	2016	29,000	1,260
Strikeville 4	Bacoor City, Cavite	Rowhouses	2018	45,520	115
L'Oasis	Malabon City	Medium Rise Condominiums	2020	108,000	626
Aspire Homes	Cebu City	Medium Rise Condominiums	2019	18,000	238
Arezzo Place Pasig	Sandoval Avenue, Pasig City	Medium Rise Condominiums	2021	47,000	1,980
Hacienda Balai	Novaliches, Quezon City	Medium Rise Condominiums	2021	29,000	1,220

Arezzo Place Davao	Davao City	Medium Rise Condominiums	2022	27,000	1,080
TOTAL				**657,410**	**16,351**

The following are ongoing projects under PPHC as of December 2025:

Project	Location	Product Type	Year for Target Completion	Area (sqm)	No. Of Units Completed	Total No. of Units
Uniplace @ SWU	Cebu City	Medium Rise Condominiums	2024	4,100	424	424
Metrotowne	Las Pinas	Medium Rise Condominiums	2029	21,000	660	990
PHINMA Maayo San Jose	Batangas	Townhouses & Single-Detached Houses	2027	95,000	235	545
PHINMA Maayo Tugbok	Tugbok Davao City	Townhouses & Single-Detached Houses	2027	96,000	88	622
Likha Estates Bacolod	Mandalagan, Bacolod City	Residential Lots	2032	94,362	-	227
Maayo Terraces Saludad	Mandalagan, Bacolod City	Medium Rise Condominiums	Tower1 – 2028 Towers 2 to 11 – 2043 (est.)	34,624	-	2,922
Saludad Commercial Lots	Mandalagan, Bacolod City	Commercial Lots	2030	76,672	1	22
TOTAL				**421,758**	**1,408**	**5,752**

Ongoing Construction Projects

10-storey Southwestern University

Completed Construction Projects

Nuvista – San Jose Del Monte, Bulacan
St. Joseph Homes – Calamba, Laguna
St. Joseph Homes – Cabuyao, Laguna

Hospitality

PHINMA Hospitality focuses on developing and managing hotels primarily in the mid-market segment. It currently operates 13 hotels under the Microtel by Wyndham brand and one hotel under the TRYP by Wyndham brand in key business and leisure locations in the country.

Insurance

PIBI offers non-life insurance (property, fire, marine, motor, engineering, and liability), group life insurance, HMO and health plans, risk advisory services, and claims assistance.

Contribution of Export Sales

UGC, Philcement, PHINMA Solar, UIPC and PMC have no export sales.

Supply

Construction Materials

a. UGC

UGC's major raw materials in the production of color-coated sheets are galvanized iron sheets in coils or zinc-aluminum coated sheets in coils. The sources of galvanized and zinc aluminum coated materials are China and other Asian countries. As of today, there are no local manufacturers of these materials that can meet the quality of substrates for pre-painting.

UGCs sources steel coils from a minimum of five different suppliers and as such believes its supplier base is diverse enough so as not to pose a concentration risk to the company from the loss of any single supplier.

b. Philcement

Philcement currently sources substantially majority of its cement from one of the biggest privately-owned cement joint-stock companies in Vietnam. The Vissai Group, through Viet Cement Terminal JSC, and PHINMA, are shareholders of Philcement and it is in the mutual interest of both companies that the Vissai Group continues to supply Philcement with cement. However, the cement supply agreements between Philcement and The Vissai Group are non-exclusive, done at arm's length, and are at market prices, and as such, Philcement is free to source cement from other parties for supply reliability and risk mitigation.

To this end, Philcement has negotiated and developed cement supply agreements with other suppliers in Asia and continues to develop other sources of cement.

Clinker is also a major input of Philcement. Currently, Philcement sources its clinker from various suppliers in Vietnam, Indonesia, and Japan.

c. PHINMA Solar

PHINMA Solar's major inputs are provided by solar panel suppliers and Engineering, Procurement and Construction ("EPC") contractors for turnkey solar projects. Supply contracts are done on a per project basis. Prior to finalizing contracts, PHINMA Solar evaluates offers from a minimum of 3 different suppliers. The company purchases from several competing suppliers and believes there is no concentration risk from any one particular supplier.

d. UIPC

UIPC's major inputs are currently supplied by UGC. UIPC also sources imported panels primarily from China and Vietnam.

Educational Services

PHINMA Education schools have common suppliers for items including computers, providers of school IT systems, and learning materials. For other suppliers like construction contractors and uniforms, suppliers vary across schools due to their geographic dispersion. Hence, PHINMA Education believes there is no concentration risk because no single supplier exerts any monopoly and there are several competing suppliers. The company benchmarks its supply costs across its schools and undertakes bidding exercises for major contracts in order to negotiate fair prices.

Properties

PPHC utilizes a long-established tunnel formwork system that has been proven effective in mass housing and repetitive construction projects in many countries. Although the technology is not widely used in the Philippines, it is recognized internationally for its ability to produce consistent, monolithic

concrete structures with high durability and excellent structural performance.

The method combines wall and slab formwork into a single unit, enabling a continuous, monolithic concrete pour. This results in uniform housing shells with strong load-bearing capacity, reduced construction defects, and faster construction cycles compared to conventional methods.

Tunnel formwork is most efficient when applied to standardized, repetitive layouts—making it particularly suitable for large-scale housing developments. While its architectural flexibility is more limited compared with other systems, it provides adequate configuration options to meet the functional planning requirements typical of socialized and mass housing projects.

To ensure smooth project execution, PPHC has also secured multiple alternative sources of materials and arranged supply contracts covering the project's total requirements. This approach ensures stable material availability and minimizes reliance on a small number of suppliers.

Hospitality

Hotel supplies of PHINMA Hospitality-managed hotels are mainly sourced from different local suppliers. The group has several available suppliers and believes that there is no concentration risk from any one particular provider.

Insurance

PIBI sources insurance products from various licensed and reputable insurance companies and HMOs operating in the Philippines and does not depend on any single insurer or HMO for a significant portion of its business.

Customers

The Company believes its customer base across its major business segments are diverse enough and no single customer makes up more than 20% or more of PHINMA or the business segments group revenue.

Nonetheless, below is a breakdown of some of the Group's major customers.

Construction Materials

The Construction Materials Group is not dependent on a single or few customers but, rather, has a well-balanced customer portfolio.

UGC

UGC serves the steel roofing requirements of end-users, developers, contractors, and dealers for residential, and commercial building applications and government projects including school buildings and military housing units. Through its insulated panels division, UGC also caters to the agribusiness sector such as the cold storage and poultry industries.

Philcement

Philcement's customers are grouped into the following segments: Contractor, Dealers, Developers, End-User, Hardware stores and Retailer, and Ready-Mix Players. Notably, despite the relatively short time since the start of its operations, Philcement has supplied a number of big commercial and infrastructure projects across the country.

PHINMA Solar

PHINMA Solar's customers are mainly in industries including mall operations, manufacturing, schools, agri-businesses, hospitals, and hotel operation. Through GEAP II, PHINMA Solar will also

be supplying its generated energy to the government.

Educational Services

By intent and design, PHINMA Education caters to the underserved youth – high school graduates from low-income families who want to go to college and get better jobs. In particular, the group mainly caters to students of socio-economic class C and D and formulates tuition fees and financial assistance programs with this market in mind.

PHINMA Education also has one school, SWU, which targets the mid-income market.

Properties

The majority of PHINMA Properties' buyers are first-time homeowners, typically with a monthly household income ranging from Php70,000 to Php200,000. Across all projects, the average total selling price stands at Php4.8M, while reinforcing PHINMA Properties' commitment to delivering accessible and sustainable housing solutions that cater to Filipino homebuyers.

Construction Services

PPHC, through CDCC Builders Inc. (formerly Community Developers and Construction Corporation), delivers construction and consultancy services to a broad and diversified portfolio of clients across residential, institutional, commercial, and industrial sectors. Key clients include Mount Mayon Medical Center Inc., Faith Colleges, PHINMA Education Holdings Inc. (PEHI), Coral Way City Hotel Corp. (CWCHC), Union Galvasteel Corporation (UGC), and Metro Retail Stores Group Inc. These engagements span multiple regions nationwide, demonstrating the Group's extensive reach and capability across various project types.

PPHC and its subsidiaries serve customers with diverse locations, profiles, and target markets. This wide-ranging client base ensures that the loss of any single client—or even a small group of clients—would not have a material adverse impact on the Group's overall operations.

Property Management

PPHC, through Community Property Managers Group Inc., provides property management services primarily to established condominium corporations developed by PPHC, Filinvest Development Corporation, GRH Land Inc., and Primeworld Land Holdings Inc., covering residential condominium projects across the National Capital Region and other key areas in Luzon, with an expanding presence in the Visayas and Mindanao region. In addition, the Company provides commercial property management services for Jaclet Realty. In line with its growth strategy, the Company is progressively expanding its service offerings beyond property management to include asset management–related services such as water management, unit turnover, rental and resale management, and unit improvement services, enabling the Company to diversify its revenue streams and broaden its client service capabilities.

Hospitality

For hotel franchising and management, PHINMA Hospitality operates hotels owned by various corporate entities and ownership groups. In terms of hotel customers, these consist of a combination of both individual and corporate accounts, catering to both leisure and business segments.

Insurance

The company services corporate clients, small and medium enterprises, and individual policyholders, including both PHINMA-affiliated and external clients.

Transactions with and/or dependence on related parties

Other than transaction disclosed in "*Certain Relationships and Related Party Transactions",* PHINMA has no dependence on any related parties.

Marketing and Distribution

Construction Materials

a. Steel Business

UGC serves the steel roofing requirements of end-users, developers, contractors and dealers for residential, commercial building applications, and government projects such as school buildings and reconstruction efforts. Its secondary markets are facilities for the agribusiness sector such as cold storage, poultry structures and government projects for school buildings and public markets.

UGC's main manufacturing facilities are located in Calamba City, Laguna and it maintains a nationwide distribution network consisting of roll-forming plants, warehouses and sales offices located in strategic regions around the Philippines.

b. Cement Business

Backed by decades of experience in the cement industry and armed with technical and management expertise, Philcement aims to be a partner of choice for its reliability of supply and high-quality products and services. Philcement distributes its products in 40-kg bags, jumbo bags, and bulk trucks.

To serve key markets, Philcement has built a cement facility in the Freeport Area of Bataan which started operations in February 2020. It is the first in the industry to use ship unloader for bulk cement. Further, in September 2019, Philcement entered into an agreement with Seasia Nectar Port Services, Inc. to purchase the port and port assets where its terminal is constructed on, thereby affording the company cost-efficiencies.

The cement processing complex is likewise strategically located and able to afford Philcement logistical advantage over competitors who transport cement mostly via land.

Philcement also strengthened its presence in the Northwestern Mindanao market with its operations of the Petra cement facility in Manuel A. Roxas, Zamboanga del Norte and ongoing market development via its Tibungco plant in Davao.

Philcement's main office and facility are located in the Freeport Area of Bataan, Mariveles, Bataan. Along with UGC, it continues to grow its distribution network nationwide.

c. Solar Business

Customers and end-users of solar rooftop systems are mainly coming from education, manufacturing and production, and healthcare industries. PHINMA Solar offers both standardized and tailor-fit packages, depending on the requirement of the customers. PHINMA Solar caters to customers located across the Philippines. PHINMA Solar also build rapport with local distribution utilities, who own and operate the distribution network the solar rooftop system will be connected. This is to ensure complete compliance to the rules and regulations set by the Department of Energy, Philippine Electrical Code, and Philippine Distribution Code, and enforced by local distribution utilities.

d. Insulated Panel Business

Prior to commercial operations of its production plant, UIPC is already building its customer base by forging good relationships with contractors, developers, and end-users of cold storage facilities.

Educational Services

PHINMA Education provides opportunities to students from low-income families by offering financial assistance and academic scholarships on top of already accessible fees. Partnerships with nearby high schools and communities are supplemented by digital marketing campaigns across each institution's catchment areas.

PHINMA Education is present in areas with a strong demand for tertiary education, with its footprint growing to 10 educational institutions across 15 campuses in the Philippines. Through IPM, PHINMA Education also manages two institutions in Indonesia.

Institution/ Network	Campus	Location	Key Market/s
PHILIPPINES			
AU	Main	Bitas, Cabanatuan City	Nueva Ecija
	South	H. Concepcion, Cabanatuan City	
	San Jose	Canuto Ramos, San Jose City	
COC	Main/Carmen	Carmen, Cagayan de Oro City	Misamis Oriental
	Puerto	Puerto, Cagayan de Oro City	
	Iligan	Iligan City	Lanao del Norte
UI	Main	Iloilo City	Iloilo Province and Guimaras
UPang	Main/Dagupan	Dagupan City	Pangasinan
	Urdaneta	Urdaneta City	
SWU	Main	Cebu City	Visayas, and Northern and Western Mindanao
SJC-DC	Main	Dasmariñas, Cavite	Cavite
NCR Network	SJC Manila	Sampaloc, Manila City	National Capital Region
	SJC QC	Cubao, Quezon City	
Laguna Network	RCL	Calamba City	Laguna
	UCL	Sta. Cruz City	
INDONESIA			
Horizon University Indonesia	Karawang	Karawang City	Karawang
Kalbis University	Jakarta	Jakarta City	Jakarta

Properties

PPHC's sales and promotions operations are exclusively managed by PHINMA Property Sales and Marketing, Inc. (PPSMI), they oversee an extensive portfolio of residential and mixed-use developments. PPSMI upholds high standards in sales performance and customer service by providing brokers and in-house agents with continuous training, accurate project knowledge, financing insights, and documentation expertise.

To ensure consistency and efficiency, PPSMI enforces clear sales policies, structured collaboration among brokers and agents, and performance-based incentives. Sellers receive essential resources—including project briefs, promotional materials, and standardized guidelines—ensuring accurate and seamless information dissemination.

PPHC's project team further supports these efforts by ensuring all necessary materials are in place before any development is actively promoted. With a data-driven and customer-focused approach, PPSMI connects Filipino families with their dream homes, delivering a seamless and well-guided homebuying experience.

Hospitality

PHINMA Hospitality's main office is located at PHINMA Plaza in Rockwell, Makati, providing an optimal base for overseeing hotel operations across Metro Manila, Southern Luzon, and Central and Northern Luzon.

Company officers also conduct regular site visits to properties in the Visayas and Mindanao. Hotels managed by PHINMA Hospitality across the country utilize both online and traditional reservation channels to reach a broad customer base.

Insurance

Insurance products are distributed through direct client engagement and relationship-based brokerage services.

Competition

Construction Materials

a. Steel Business

For steel roofing, UGC's main competitors are Puyat Steel, DN Steel, and Sonic Steel/United Steeltech Group. In terms of relative nationwide market share size in this category, it is estimated that UGC is roughly the same size as Puyat Steel and DN Steel, and a little over half the size of Sonic Steel/United Steeltech Group.

UGC's range of products in this category include: pre-painted galvanized sheets, galvanized sheets, light steel frames, purlins, and metal decking. In comparison, UGC's major competitors have a similar product range. UGC has a nationwide distribution network. In comparison, UGC's major competitors are also present nationwide. UGC effectively competes in the area of customer service, where its wide distribution network and speed of order fulfilment ensure its products are readily available in the market at the location and within the timeframe required by its customers.

For PU products, UGC's main competitors are DYD/Ultra, and iSteel. UGCs range of products in this category includes Insulated Roofing, Insulated Sandwich Panels and Doors.

b. Cement Business

Philcement's main competitors are Holcim, Republic Cement, Concreat, and the San Miguel Group (Eagle Cement, Northern Cement, Southern Concrete). It is estimated that in terms of relative nationwide market share size, the San Miguel Group has the largest share, while Philcement has the smallest share among the aforementioned market players. Holcim, with cement plants in La Union, Bulacan, Misamis Oriental, and Davao and terminals in Visayas and South Luzon, has nationwide market presence. Eagle Cement and Northern Cement's integrated cement plants are primarily focused on Luzon, with Northern Cement covering the areas of Northern Luzon while Eagle Cement Bulacan operations concentrate on Central Luzon, NCR, and South Luzon. Southern Concrete (Oro Cement) operates in Davao del Sur. Republic Cement, similar to Holcim, maintains a nationwide market presence with several plants located mostly in Luzon, a grinding plant in Cebu, and its Iligan Cement plant in Lanao Del Norte. Concreat, with the Solid/Rizal cement plants in Antipolo City, Rizal and Apo cement plants in Naga, Cebu, has market presence in NCR and South Luzon, and Visayas, respectively. Apart from Eagle Cement, many of these plants have been and continue to import clinker and, at many times historically, cement, to augment their supply. Aside from these large industry players with integrated capacities, Philcement also competes with cement importers in some areas. These cement importers source their cement mostly from Vietnam but also has supply from other parts of Asia.

Although Philcement's main facility is in Mariveles Bulacan, its port facilities provide transport flexibility to its customers. The facility can easily load cement to vessels and transport them out to different ports nationwide, while it can also dispatch cement products for land transport. This provides a significant competitive advantage compared to landlocked cement plants which have no choice but to traverse congested road networks. Philcement has been able to competitively serve areas such as Ilocos in North Luzon, Metro Manila, and islands in the MIMAROPA and the Visayas regions through vessels - markets which are very hard and costly to reach unless a cement plant is nearby. In Mindanao, the Company continues to pursue market development initiatives supported by its Tibungco plant in Davao, further expanding its presence in the region.

In terms of pricing, Philcement recognizes the importance of quality of cement for its customers, while understanding the competitiveness of the market. Philcement's pricing strategy is market-driven and is competitive against local cement brands. For the bulk market segment where quality is of paramount significance, Philcement is also able to price competitively, while ensuring that it maintains consistent quality and reliability of supply for its customers.

c. Solar Business

PHINMA Solar's main competitors in the rooftop market are MSpectrum of the MERALCO group, Buskowitz Energy, and Solaric Energy. Besides these large players, there are also small province-specific players that compete with the company. MSpectrum caters customers mainly those that are within the distribution franchise area of MERALCO. On the other hand, Buskowitz Energy and Solaric Energy cater to customers across the Philippines.

PHINMA Solar's competitive advantage is its synergy with UGC, capitalizing on its resources and network to acquire and better serve its customers.

For government auction programs, PHINMA Solar is the sole winning bidder for the rooftop solar segment. PHINMA Solar takes advantage of its own and its affiliates' networks to acquire large rooftop spaces.

Educational Services

Philippines

In School Year (SY) 2025-2026, PHINMA Education welcomed 177,851 students in the Philippines, comprising nearly 55,000 tertiary freshmen students. The latest available data from the Commission on Higher Education (CHED) on total tertiary enrollment in the Philippines shows that 4.792 million students were enrolled in SY 2022-2023 - this results in an estimated nationwide market share of

around 2.6 percent for the PHINMA Education Philippine network in aggregate.

The competitors of each PHINMA Education school vary depending on the location of each school, as well as the presence of both private and public schools in the area catering to the low-income market. In general, the PHINMA Education Schools are among the top five private schools operating in their respective localities in terms of enrollment, with the exception of their newer acquisitions.

Based on the CHED's latest tertiary enrollment data, the top five private higher education institution networks in the Philippines by enrollment are as follows. These networks had enrollments ranging from around 30,000 to 65,000 students across campuses during SY 2022-2023.

1. Ateneo
2. De La Salle
3. Far Eastern University
4. STI
5. University of Santo Tomas

Given its focus on the low-income market, PHINMA Education schools also compete with public educational institutions and price their tuition fees accordingly. Although state universities and colleges ("SUCs") offer free tuition, enrollment in SUCs is limited due to capacity and budget constraints. The top five SUCs in the Philippines in terms of enrollment are as follows, with SY 2022-2023 enrollment from approximately 55,000 up to 85,000 students across various campuses.

1. Batangas State University
2. Cavite State University
3. Cebu Technological University
4. Polytechnic University of The Philippines
5. University of the Philippines

Indonesia

PHINMA Education's footprint in Indonesia is through its joint venture with the Indonesia-based Triputra Group, IPM, which manages two tertiary educational institutions in Indonesia. Its managed institutions are Horizon University Indonesia in Karawang and Kalbis University in Jakarta, which had a total enrollment of 3,572 students in SY 2025-2026. Similar to the schools in the Philippines, the Indonesia schools' competitors comprise private and state-owned tertiary institutions in their respective vicinities.

For Horizon University Indonesia, with the enrollment range of 500 up to 20,000 students in Karawang:
1. Universitas Sehati Indonesia Karawang (private)
2. Universitas Buana Perjuangan Karawang (private)
3. Universitas Pelita Bangsa Cikarang (private)
4. Universitas Bina Sarana Informatika - Karawang Campus (private)
5. Universitas Singaperbangsa Karawang (state)

For Kalbis University, with an enrollment range of 4,000 up to 10,000 students in Jakarta:
1. Universitas Pancasila (private)
2. Universitas Nasional (private)
3. Universitas Islam 45 -UNISMA Bekasi (private)
4. Universitas Jayabaya (private)
5. Universitas Negeri Jakarta (state)

Properties

PPHC operates across multiple locations, offering a diverse portfolio of real estate developments that cater to various market segments—from affordable to upscale buyers. Our projects include residential lots, house-and-lot communities, mid-rise and high-rise condominiums, as well as commercial lots designed for investment and business opportunities.

Given this scale, PPHC competes with a mix of national and regional developers, each targeting the same buyer profiles in each location. The competitive landscape varies per location, below is an overview of the competition in each of PPHC's project sites:

Quezon City	AMAIA Steps, Novaliches (Ayala Land), Neopolitan Condominiums (Sta. Lucia Land Inc.) and Trees Residences (SMDC)
Pasig City	AMAIA Steps (Ayala Land), Urban Deca Homes Pasig (8990 Holdings Inc.) and Kasara Urban Resort Residences (Empire East)
Muntinlupa City	Eastbay Residences (Rockwell Primaries), South Escalades (Robinsons), Rhapsody Residences (DMCI), Anuva Residences (SOC Land), Cerca Alabang (Alveo Land), Studio City (Filinvest)
Paranaque City	SM Bloom (SMDC), Calathea Place (DMCI), Asteria Residences (DMCI), The Atherton (DMCI), Amaia Steps Sucat (Amaia by Ayaland)
Davao City	Amani Grand Resort Residences (Grand Land Call Patrimonio Realty Corp.), The Acropolis (COHO by Vista Land) and The Frontera (COHO by Vista Land)
Malabon City	West Residences (Major Homes) and Buildersville (Finbar Realty Development Corporation)
Tugbok, Davao	Camella Toril (Vista Land), Casa Mira Townhouse (Cebu Landmasters), Ciudad Sor Serafina (Villocino Realty), The Garden at South Ridge (Urban East).
Cebu City	Casa Mira Towers Guadalupe, Calle 104, and Mivela Garden (Cebu Landmasters), City Clou (golden Topper), Symfoni Nichols (Taft Properties), The Median Flats (Citrine Land), Avida Towers Riala (Avida Land), Kalea Heights (DMCI)
Bacolod City	Rockwell Center Bacolod (Rockwell Land), The Upper East (Megaworld Corporation), Northill Gateway (Megaworld Corporation), Bel-Air (Rockwell Land) Parkville (SMDC), Nara Residences (Rockwell), Olvera Residences (Vista Land), Smile Residences, (SMDC), One Manhattan, Kensington Sky Gardens, and Two Regis (Megaworld Corporation), Casa Mira Towers (Cebu Landmasters Inc.), Amaia Steps Two Capitol Central (Amaia Land)

Construction

CDCC Builders Inc. (formerly Community Developers and Construction Corporation operates within a broad and competitive construction industry environment. The company provides an integrated range of services—including general construction, design-build delivery, construction management, and cost engineering—which positions it to compete with both contractors and consultancy firms.

CDCC's operations extend across the National Capital Region (NCR) and various provincial areas, where it encounters competitors of different classifications, from Category C to Triple A. These firms offer a mix of general contracting, specialized engineering services, and professional consultancy work, creating a diverse and dynamic competitive landscape.

While CDCC continues to build and strengthen its industry track record, the company is steadily progressing through the diversification of its project portfolio and the expansion of its service offerings. This strategic approach allows CDCC to participate in a wider range of residential, institutional, commercial, and industrial developments, supporting the company's long-term growth and positioning within the sector.

Property Management

CPMGI faces competition from key players like Ayala Property Management Corporation (APMC),

which focuses on high-end properties, Ortigas & Company Property Management, known for managing prime real estate in Metro Manila, and Rockwell Land Property Management, which targets luxury properties and high-net-worth individuals.

Hospitality

PHINMA Hospitality as a hotel group operating the Microtel by Wyndham and TRYP by Wyndham brands in the Philippines indirectly compete with other chains such as Seda Hotels of the Ayala Group, Park Inn by Radisson of the SM Group, Hotel 101 of the Double Dragon group, as well as the Citadines properties of the Ascott Group. Each individual hotel being managed also competes directly with other mid-market hotels in the locations in which they operate.

Insurance

The insurance brokerage industry is competitive and includes local and international brokers as well as bank-affiliated entities. PIBI competes based on its industry experience, client service capabilities, and the strength of the PHINMA brand.

Intellectual Property

Under the Intellectual Property Code of the Philippines, the rights to a trademark are acquired through the registration with the Bureau of Trademarks of the Intellectual Property Office, which is the principal government agency involved in the registration of brand names, trademarks, patents and other registrable intellectual property materials.

Upon registration, the Intellectual Property Office shall issue a certificate of registration to the owner of the mark, which shall confer the right to prevent all third parties not having the consent of the owner from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the mark is registered. The said certificate of registration shall also serve as prima facie evidence of the validity of registration and the ownership of the mark of the registrant. A certificate of registration shall remain in force for an initial period of ten (10) years, and may be renewed for periods of ten (10) years at its expiration.

As of December 31, 2025, PHINMA and its subsidiaries have the following registered trademarks:

PHINMA

Registered Trademark	Date of Registration	Registration No.	Date of Expiration
Making Lives Better	2 October 2015	4/2015/00001382	2 October 2031

Construction Materials

The Construction Materials Group holds several trademarks for the Union brand. UGC's logos and product names are registered while Philcement's Union Cement products are all registered. In 2022, PHINMA Solar secured the registration of its brand, Union Solar.

The Group is actively monitoring and registering its trademarks with the Intellectual Property Office.

Registered Trademark	Date of Registration	Registration No.	Date of Expiration
UGC Logo 1 	30 November 2017	4/2016/00014189	30 November 2027
UGC Logo 2	30 November 2017	4/2016/00014190	30 November 2027

UNIONGALVASTEEL A PHINMA COMPANY			
UGC Logo 3 UNION GALVASTEEL	2 March 2017	4/2016/00014188	2 March 2027
UGC Logo 4 union GALVASTEEL CORPORATION	8 June 2016	4/2001/00007745	8 June 2026
Duraseam DURASEAM	18 October 2018	4/2018/00000734	18 October 2028
Ecolume (Inactive)	7 April 2019	4/2018/00015871	7 April 2029
Union Cement	19 February 2021	4/2020/505431	19 February 2031
Union V Super	11 May 2018	4/2017/16641	11 May 2028
Union V Ultra	11 May 2018	4/2017/16644	11 May 2028
Union Astig	28 September 2018	4/2018/6692	28 September 2028
Sementong Astig	3 February 2019	4/2018/6691	3 February 2029
Usap Tayo With PHINMA CMG		PH/4/2023/531148	-
Union Superwall		PH/4/2021/511661	24 October 2031
Union V Maestro		PH/4/2021/511658	24 October 2031
Union V Eksperto		PH/4/2021/511656	24 October 2031
Union Extra		PH/4/2021/508060	03 September 2031
Union Solar		PH/4/2022/505703	01 September 2032
Union Galvasteel		PH /4/2024/504232	
Tatak Union QUALITY • INTEGRITY • VALUE TATAK UNION		PH/4/2021/510987	14 November 2031
Union Steel UNION STEEL		PH/4/2020/500781	09 October 2030
Duralume		PH/4/2018/015869	
Durazinc		PH/4/2018/015870	
Union DuraStrong Light Steel Frames UNION DURASTRONG LIGHT STEEL FRAMES		PH /4/2022/528551	10 April 2024
Galvatech		PH/4/2018/012188	
Duraweb		PH/4/2018/000736	07 April 2029
Duratherm		PH/4/2018/000735	
Laverne Tile		PH/4/2018/000733	
Union Therma UNIONTHERMA		PH/4/2023/517579	04 December 2033
Union Thermacool		PH/4/2023/517589	
Union Thermaroof		PH/4/2023/517586	
Union Insulated Panels UNION INSULATED PANELS		PH/4/2023/515829	30 October 2033
UIPC		PH/4/2023/515828	23 March 2034

UNION INSULATED PANELS CORPORATION			

Educational Services

Philippines

Registered Trademark	Date of Registration	Registration No.	Date of Expiration
PHINMA EDUCATION NETWORK	21 May 2007	4-2006-007016	21 May 2027
PHINMA EDUCATION NETWORK	21 May 2007	4-2006-007019	21 May 2027
	21 May 2007	4-2006-007017	21 May 2027
MAKING LIVES BETTER THROUGH EDUCATION	3 July 2014	4-2013-013276	3 July 2034
RAD Learning	8 August 2021	4-2020-520345	8 August 2031
RAD Learning	8 August 2021	4-2020-520344	8 August 2031
ARAULLO UNIVERSITY	28 November 2005	4-2004-005672	28 November 2025
CAGAYAN DE ORO COLLEGE	20 June 2013	4-2012-012185	20 June 2033
CAGAYAN DE ORO COLLEGE PHINMA EDUCATION	15 August 2013	4-2012-012187	15 August 2033
CAGAYAN DE ORO COLLEGE PHINMA EDUCATION NETWORK PRO DEO ET HUMANITATE 1948	15 August 2013	4-2012-012188	15 August 2033
UNIVERSITY OF ILOILO	13 January 2011	4-2010-5385	13 January 2031
UNIVERSITY OF ILOILO PHINMA EDUCATION NETWORK EXCELSIOR	13 January 2011	4-2010-005386	13 January 2031
	7 June 2018	4-2018-000163	7 June 2028
UNIVERSITY OF ILOILO PHINMA EDUCATION NETWORK	14 December 2020	4-2020-003018	14 December 2030

UNIVERSITY OF PANGASINAN	14 June 2013	4-2012-012180	14 June 2033
UNIVERSITY of PANGASINAN PHINMA EDUCATION NETWORK	21 August 2014	4-2012-012181	21 August 2034
UNIVERSITY OF PANGASINAN MCMXXV PATRIA VIRTUS SCIENTIA PHINMA EDUCATION NETWORK	21 August 2014	4-2012-012182	21 August 2034
	7 March 2013	4-2012-012183	7 March 2033
SOUTHWESTERN UNIVERSITY	14 January 2016	4-2015-011472	14 January 2026
#TheBestYou	20 November 2021	4-2021-00520243	20 November 2031
BECOME THE BEST THAT YOU CAN BE	20 November 2021	4-2021-00520237	20 November 2031
SWU | B-SCHOOL Learn business from Business.	20 November 2021	4-2021-00520247	20 November 2031
SWU | design + communication Design your Future.	20 November 2021	4-2021-00520239	20 November 2031
SWU NEXT MORE THAN JUST MEDICINE	20 November 2021	4-2021-00520240	20 November 2031
SWU | VETERINARY MEDICINE Vets in the City	20 November 2021	4-2021-00520238	20 November 2031
SWU | IT AND ENGINEERING I.T. - the way IT should be.	15 May 2023	4-2022-00503061	15 May 2033
SWU	11 December 2023	4-2023-518732	11 December 2033

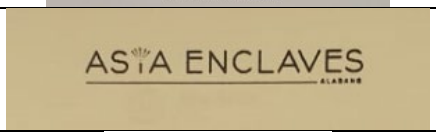
Indonesia

Registered Trademark	Date of Registration	Registration No.	Date of Expiration
Boundless Opportunities	3 November 2021	IDM000907175	23 July 2030
Horizon College	3 November 2021	IDM000907186	23 July 2030
Horizon Education	3 November 2021	IDM000907161	23 July 2030
Horizon Institute	1 November 2021	IDM000904895	24 July 2030
Horizon University	1 November 2021	IDM000904893	24 July 2030
Horizon Academy	1 November 2021	IDM000904894	24 July 2030
Limitless Opportunities	3 November 2021	IDM000907176	23 July 2030
	1 November 2021	IDM000904896	24 July 2030
Sekolah Tinggi Ilmu Ekonomi Horizon Karawang	3 November 2021	IDM000906395	25 July 2030
Sekolah Tinggi Ilmu Kesehatan Horizon Karawang	3 November 2021	IDM000906368	24 July 2030
Sekolah Tinggi Manajemen Informatika dan Komputer Horizon Karawang	3 November 2021	IDM000906372	24 July 2030
	3 November 2021	IDM000907160	23 July 2030
Shaping the Global Indonesian	18 April 2023	IDM001076183	28 August 2032
Masa Depan Ada Di Horizon	18 April 2023	IDM001076182	28 August 2032

Properties

Registered Trademark	Date of Registration	Registration No.	Date of Expiration
PPHC			
	05 January 2020	4/2019/00011511	05 January 2030
	05 January 2020	4/2019/00011512	05 January 2030
	07 March	4/2018/00005446	07 March 7

METROTOWNE	2019		2029
Likha RESIDENCES	January 10, 2019	4/2018/00013297	January 10, 2029
PHINMA PROPERTIES MAKING ROOM TO BUILD YOUR FUTURE	22 February 2020	4/2019/00011501	22 February 2030
UNIPLACE	August 15, 2019	4/2018/00021750	August 15, 2029
AREZZO PLACE DAVAO	March 4, 2020	4/2019/00011513	March 4, 2030
ASIA ENCLAVES ALABANG	July 17, 2020	4/2019/00011506	July 17, 2030
CDCC Community Developers and Construction Corporation	April 4, 2020	4/2019/00011499	April 4, 2030
CDCC Community Developers and Construction Corporation	April 4, 2020	4/2019/00011500	April 4, 2030
CDCC Community Developers and Construction Corporation	April 4, 2020	4/2019/00011498	April 4, 2030
Solano HILLS	August 14, 2020	4/2019/00011518	August 14, 2030
UNIPLACE SWU VILLAGE	September 11, 2020	4/2019/00011503	September 11, 2030
AREZZO PLACE PASIG	March 5, 2020	4/2019/11516	March 5, 2030

	February 5, 2021	4/2020/00000786	February 5, 2031 (10 years)
	February 19, 2021	4/2020/00000784	February 19, 2031 (10 years)
	February 19, 2021	4/2020/00000783	February 19, 2031 (10 years)
	December 11, 2020	4/2019/00011517	December 11, 2030 (10 years)
	December 11, 2020	4/2019/00011520	December 11, 2030 (10 years)
	December 11, 2020	4/2019/00011519	December 11, 2030 (10 years)
	February 26, 2021	4/2019/00011504	February 26, 2031 (10 years)
	April 4, 2022	4/2021/00518706	10 years April 4, 2032
PHINMA MAAYO - UNRAVEL THE COMFORT IN NEW BEGINNINGS	June 16, 2022	4/2022/00507097	10 years June 16, 2032
PHINMA PROPERTIES - WEAVING FILIPINO TRADITION INTO HOMES	June 16, 2022	4/2022/00507107	10 years June 16, 2032
	November 24, 2022	4/2021/00518708	November 24, 2032
	November 24, 2022	4/2021/00518707	November 24, 2032
	October 17, 2024	4/2024/00518175	October 17, 2024 10 years

Hospitality

Registered Trademark	Date of Registration	Registration No.	Date of Expiration
Microtel by Wyndham Logo 	May 14, 2022	529627	14 May, 2032
TRYP by Wyndham Logo 	August 30, 2012	501553	30 August, 2032

Insurance

PIBI does not own material patents or proprietary technology and operates under the PHINMA name and brand.

Effect of Existing or Probable Government Regulations on the Business.

Construction Materials

The Construction Materials Group relies heavily on the importation of inputs including clinker, cement, steel roofing raw materials, and solar panels. Any new taxes on these inputs or other new forms of non-tariff import restrictions may increase prices, reduce market demand, and adversely affect the business and financial performance of the Construction Materials Group.

In 2019, the Department of Trade and Industry ("DTI") imposed a definitive safeguard duty on imported cement for three years to redress alleged serious injury in the domestic industry. Philcement has filed a Petition for Review ("SGD Petition") with the Court of Tax Appeals ("CTA") opposing the safeguard taxes, maintaining that local cement manufacturers were not unduly harmed by cement imports. In August 2024, the CTA decided to deny the SGD Petition. Philcement filed a Motion for Reconsideration with alternative motion to present supplemental evidence ("Motion for Reconsideration"). In December 2024, the CTA allowed Philcement to present supplemental evidence for the CTA to decide the case on the merits with complete evidence from all parties. The domestic industry applied for an extension of the safeguard duty, which expired in October 2022. The Tariff Commission did not recommend the extension of the safeguard duty citing no significant impairment in the overall position of the domestic industry and no existence of an imminent threat of serious injury in the near future. DTI concurred with the recommendation of the Tariff Commission and in October 2022, dismissed the petition filed by local cement manufacturers to extend the tariff protection.

In February 2025, the DTI Secretary issued Department Administrative Order ("DAO") No. 25-01 imposing a provisional safeguard measure on imported cement after a preliminary determination that increased imports were a substantial cause of serious injury to the domestic industry. The Tariff Commission subsequently conducted a formal investigation on whether definitive safeguard measures should be imposed. Following the investigation, the DTI Secretary issued DAO No. 25-15 in October 2025 adopting the Tariff Commission's recommendation to impose definitive safeguard measures on the subject products for a period of three (3) years.

In November 2025, Philcement filed a Petition for Review with the Court of Tax Appeals seeking to nullify DTI DAO Nos. 25-01 and 25-15, which imposed provisional and definitive safeguard duties on cement imports classified under AHTN Codes 2523.29.90 and 2523.90.00. The Petition also seeks to declare Philcement not liable for the duties, to enjoin government agencies from further collection, and

to secure the refund of safeguard bonds and duties collected, arguing that the orders were issued in violation of the Safeguard Measures Act and lack sufficient factual and legal basis.

To mitigate this risk, Philcement has started to source some of its supply from non-safeguard countries specifically China and Indonesia, reducing tariff exposure.

On top of safeguard measures, the domestic cement industry also applied for the imposition of anti-dumping duties on cement from Vietnam. In October 2022, the Tariff Commission has determined that an anti-dumping duty should be imposed on Philcement's exporter of Ordinary Portland Cement ("OPC" or "Type I"). DTI issued the final order imposing the aforementioned duty in February 2023.

To mitigate this risk, Philcement has started to manufacture its own blended cement in 2021, sold in the market as Union Extra Strength. In 2024, Philcement also started to manufacture another type of blended cement, sold in the market as Union Standard Strength. Philcement has also established supply from other cement manufacturers in Asia. The acquisition of Petra Cement and the partnership with Big Boss Cement also allows Philcement to manufacture cement. Apart from this, Philcement continue to initiate several projects over a medium-term horizon which will allow the company to expand its product offerings and its domestic production of blended cement.

For the steel industry, DTI has received an application for safeguard tax protection from two local manufacturers claiming import protection in the galvanized roofing category, where UGC is also present. To mitigate this risk, UGC has the flexibility of activating its existing galvanized line to locally produce its own galvanized roofing. UGC, together with other steel roofing importers, continues to lobby against safeguard duties and has also submitted a position paper to the DTI against the proposed safeguard taxes to protect consumer interests.

For the solar business, the Energy Regulatory Commission (ERC) issued the Distributed Energy Rules in October 2022 through the ERC Resolution No. 11 Series of 2022. This requires all developers, including solar developers, catering to commercial and industrial segment, with capacities of 100 kW to 1,000 kW to secure Certificate of Compliance (ERC COC) from the ERC prior to commercial operations of the energy system. The main objectives are 1) to gather data on small energy systems, and 2) to avoid fly-by-night suppliers providing stronger protection to end-users. PHINMA Solar, being a registered renewable energy developer with the Department of Energy, is in an advantageous position as it is recognized as a legitimate developer and supplier of solar rooftop systems. PHINMA Solar is in the process of acquiring ERC COC for its existing distributed energy projects completed prior to the issuance of the DER Rules.

Educational Services

Rules and regulations issued by the Commission on Higher Education (CHED), the Department of Education (DepEd), and the Technical Education and Skills Development Authority (TESDA) affect the operations of the universities and colleges under PHINMA Education in the Philippines. Some of the more salient effects include curricular requirements, faculty qualifications, and specifications of facilities. The universities and colleges are also governed by the rules and regulations prescribed by R.A. 9337, "An Act Amending Certain Sections of the National Internal Revenue Code (NIRC), as amended, and for other purposes. Under R.A. 9337, the universities and colleges are subject to a tax of 10% on their taxable income. However, if the gross income from unrelated trade, business or other activity exceeds 50% of the total gross income derived by such educational institutions from all sources, the regular corporate income tax under the NIRC shall be imposed on the entire taxable income.

The establishment, operation, administration and management of the Universities and Colleges under PEHI are subject to the existing laws, rules and regulations, policies and standards of the Technical Education and Skills Development Authority (TESDA), Commission on Higher Education (CHED) and Department of Education (DepEd). Regulations from these governing bodies affect the operations of PEHI.

On January 24, 2022, the BIR issued Revenue Memorandum Circular (RMC) No. 13-2022, which reiterates the amendment on the tax treatment of nonprofit hospitals and proprietary educational

institutions through Republic Act No. 11635, entitled “An Act Amending Section 27(B) of the National Internal Revenue Code of 1997, As Amended, and for Other Purposes”. Qualified proprietary educational institutions and hospitals, which are nonprofit, are subject to a tax of ten percent (10%) of their taxable income, provided that from July 1, 2020 until June 30, 2023, the tax rate imposed shall be one percent (1%).

With regard to the “No Permit, No Exam Prohibition Act” which was signed by the President and enacted into law on March 11, 2024 and prohibits private schools from disallowing students delinquent in their tuition payments from taking exams, the effect of this law on PHINMA Education is minimal given that its provisions are already substantially aligned with existing practices of PEHI schools. The law mandates educational institutions to allow disadvantaged students to take exams even if they have unpaid fees as long as the reasons for nonpayment arise from emergencies and other uncontrollable events, and as long as the students agree to issue promissory notes, which is already similar to how the group operates.

Properties

The real estate development business is subject to various regulatory frameworks, which ensure the safety, sustainability, and compliance of real estate projects in the Philippines. These regulations touch on a variety of areas, including land development, construction, zoning, environmental sustainability, and socialized housing, all of which are critical in shaping the operations of the company. Below are an overview of the key regulations and their impact on our business.

1. Presidential Decree No. 957 (Subdivision and Condominium Buyers’ Protective Decree)
This law regulates the development and sale of real property as part of a condominium or subdivision project. Under this decree, developers are required to secure a License to Sell (LTS) from the Department of Human Settlements and Urban Development (DHSUD) (formerly HLURB) before offering properties for sale. The LTS is generally issued only upon posting a performance bond, to ensuring compliance with construction and regulatory standards.

In accordance with the said decree, DHSUD has the authority to issue development permits and approve subdivision or condominium plans, which must meet technical and financial standards and must be cleared by the relevant Local Government Units (LGUs). The construction of subdivision and condominium developments may commence only after the necessary permits have been obtained.

2. Republic Act No. 9646 (Real Estate Service Act of the Philippines)

This law requires real estate service professionals, such as brokers, appraisers, and consultants to pass qualifying exams and be registered with the Professional Regulation Commission (PRC) and Department of Human Settlements and Urban Development (DHSUD) before they can engage in the practice of real estate service. Real estate salespersons, who assist brokers in transactions, must also be accredited by the PRC.

3. Anti Money Laundering Act of 2001 (R.A. 9160)

This law designates real estate developers, brokers, and dealers as "covered persons" and mandates it to report suspicious or covered transactions to the Anti Money Laundering Council (AMLC). It is mandatory to report any single cash transaction exceeding PhP 7.5 million

4. Republic Act No. 7279 (Urban Development and Housing Act of 1992)

Amended by Republic Act No. 10884, this law requires real estate developers to dedicate a portion of their projects to socialized housing. Specifically, 15% of the total area or cost of subdivision projects and 5% for condominium projects must be allocated to socialized housing. Developers also have the option to buy socialized housing bonds or engage in joint ventures with other developers to meet these requirements.

In also provides tax benefits for socialized housing, such as exemptions from VAT, income tax on

project-related earnings, capital gains tax on raw land used for the project, and donor's tax on donated land for socialized housing.

5. The Building Code of the Philippines (Presidential Decree No. 1096)

The Building Code is a key regulation that ensures the structural integrity, safety, and accessibility of buildings. It mandates that all buildings, whether residential or commercial, meet specific requirements related to safety (e.g., structural soundness), fire protection, sanitary facilities, ventilation, and the overall quality of construction. To uphold these standards, the Company engages design professionals to develop plans that comply with the Building Code and the regulations set by the Construction Industry Authority of the Philippines (CIAP). Once these designs are approved, its subsidiary, Community Developers and Construction Corporation (CDCC), takes charge of implementing them to ensure full compliance. Additionally, the Building Code emphasizes environmental sustainability by requiring construction projects to incorporate energy efficiency measures and be resilient to natural disasters such as earthquakes and floods.

6. Zoning and Land Use Regulations

Local Government Units (LGUs) are empowered to enact zoning ordinances that regulate land use within their jurisdiction. Zoning ordinances typically designate areas for specific purposes, such as residential, commercial, industrial, or agricultural uses, and developers must comply with these designations when planning their projects.

If land use is to be changed (e.g., from agricultural to residential), developers must undergo a land conversion process, which can be lengthy and requires the approval of the Department of Agrarian Reform (DAR) for agricultural lands. This process ensures that the land is fit for the intended use and adheres to the comprehensive land use plan approved by the LGU.

Zoning ordinances may also include special provisions, such as environmental safeguards for ecologically sensitive areas or preservation zones, where development is restricted or requires additional environmental assessments. Developers must adhere to these provisions to avoid any legal complications.

7. Environmental Laws

Environmental compliance is crucial in the development process. Developers are required to secure an **Environmental Compliance Certificate (ECC)** from the **Department of Environment and Natural Resources (DENR)** for projects that may have a significant environmental impact. This includes conducting an Environmental Impact Statement (EIS) to assess potential risks and propose mitigation measures.

The Clean Air Act (RA 8749) and Clean Water Act (RA 9275) are also key environmental regulations that developers must comply with. These laws regulate the emission of pollutants into the air and water, and ensure that construction sites and finished developments adhere to waste management and pollution control standards.

The company is committed to environmentally responsible development, utilizing eco-friendly materials and sustainable practices in construction and development. DENR-accredited contractors are employed to ensure proper handling of construction waste, water management, and the implementation of green building techniques.

8. Incorporation of Homeowners Associations and Condominium Corporations

Under **Republic Act No. 4726 (The Condominium Act)**, developers must establish a **Condominium Corporation** once construction is complete. This corporation manages common areas and enforces the rules and regulations governing the use of condominium units.

For **subdivision projects, Republic Act No. 9904 (The Magna Carta for Homeowners and Homeowners' Associations)** mandates the creation of a **Homeowners' Association**, which is

responsible for the maintenance of common areas and ensuring the welfare of residents.

The company's property management arm, **Community Property Managers Group Inc. (CPMGI)**, assists in the incorporation and management of these associations to ensure compliance with relevant laws and regulations.

Hospitality

The hospitality industry is affected primarily by tax regulations issued by the BIR in general, as well as memorandums issued by the Department of Labor and Employment, particularly on routine regulations covering adjustments minimum wage for hotel workers, and provisions the distribution of service charge.

Insurance

The company is duly licensed and regulated by the Insurance Commission. Its operations are subject to laws and regulations governing insurance brokerage, licensing, premium handling, and reporting

Governmental Evaluation of Products

Construction Materials

a. Steel Business

The Department of Trade and Industry (DTI) under its Mandatory Labelling with Self-Declaration and Conformity, requires that importers and manufacturers ensure that labelling and marking requirements of the applicable product standard and of the Consumer Act of the Philippines (R.A. 7394) are marked on the product itself.
Likewise, the Bureau of Philippine Standards (BPS) administers a product certification scheme for products under its List of Products under Mandatory Certification with specific product coverage and classification in safety and performance. For products not included in the mandatory list, manufacturers may still apply for PS License under the voluntary product certification scheme. UGC's products fall under the voluntary product certification scheme.

b. Cement Business

DTI, through the Bureau of Philippine Standards, mandates that the importation of cement products must comply with the implementing guidelines under Department Administrative Order 17-06 "The New Rules and Regulations Concerning the Mandatory Certification of Portland Cement and Blended Hydraulic Cement with Pozzolan".

Under the same DAO, all importers and manufacturers abroad need to undergo a product certification scheme for cement products incompliance with applicable Philippine National Standards (PNS 07:2018 for ordinary Portland cement and PNS 63:2008 for blended hydraulic cement with pozzolan).

c. Solar Business

For distributed energy and embedded power generation system, the Energy Regulatory Commission (ERC) has the power of evaluation and final approval prior to commercial operations. ERC has a set of guidelines in the issuance of Certificate of Compliance (COC), including the Certificate of Registration (COR) from the Department of Energy (DOE). The ERC also conducts inspection after the completion of the construction activities of solar energy facilities. This is conducted in the presence of the developer and the local distribution utility. The solar rooftop facility should comply with the technical standards set by the Philippines Electrical Code and Philippine Distribution Code.

Hospitality

The Department of Tourism (DOT) regularly evaluates the facilities and services of hotels and provides the corresponding DOT Accreditation, to officially recognize tourism enterprises as having complied with the standards for the operation of tourism facilities and services.

Insurance

As an insurance brokerage company, PIBI does not manufacture or produce goods or products subject to governmental quality, safety, or performance evaluation. The insurance products it offers are issued and evaluated by licensed insurance companies and HMOs, which are regulated by the Insurance Commission.

Raw Materials

Construction Materials

a. Steel Business

UGC's major raw materials in the production of color-coated sheets are galvanized iron sheets in coils or zinc-aluminum coated sheets in coils.

The main sources of galvanized and zinc aluminum coated materials are China and Vietnam. There are no local manufacturers of these materials that can meet the quality of substrates for pre-painting.

b. Cement Business

Philcement mainly sources its cement products from its strategic partner in Vietnam and other countries in Asia. The cement supply agreements between Philcement and The Vissai Group are non-exclusive, done at arm's length, and are at market prices, and as such, Philcement is free to source cement from other parties for supply reliability and risk mitigation Philcement sources clinker from various sources from Vietnam, Indonesia, and Japan.

All cement products are inspected and tested for product quality under the Philippine National Standards (PNS) and American Standards for Testing and Materials (ASTM) before they leave the port of origin, and again undergo product quality testing when they arrive at local ports.

c. Solar Business

PHINMA Solar's main materials and equipment are primarily from Chinese manufacturers and distributors of solar panels, inverters, and protective devices. Depending on various market conditions and customer requirements, PHINMA Solar may choose to import materials from Chinese suppliers or directly buy materials from local distributors.

Properties

PPHC's raw materials include cement, rebars, ready mix concrete, and structural steel, water closet, among others.

Research and Development

Construction Materials

Research and Development Cost (in '000)

Period covered	Amount	% to Revenues
CY 2025	₱14	0.000%

CY 2024	1,204	0.013%
CY 2023	827	0.067%

a. Steel Business

UGC has a full time Research and Development Section and one of its main functions is to take the lead in the Continuous Improvement Program in order to enhance product quality, customer service and cost competitiveness. UGC is an ISO-certified company for its Quality and Environmental Management Systems.

b. Cement Business

In its pursuit of delivering consistent and high-quality cement, Philcement Corporation has constructively completed its cement laboratory at its Mariveles Facility in 2021. The investment allows Philcement to do its own physical and chemical cement tests to ensure the consistent quality of its cement sold and distributed to customers. The Head of Plant Management is the lead for Product Quality and R&D activities for cement.

In Q3 2021, Philcement's Mariveles facility received the Philippine Standards license accreditation from DTI, allowing the Company to produce Type IP cement products locally. In 2024, Philcement received the Philippine Standards license accreditation from DTI for its local production of Type IT cement.

Philcement is an ISO-certified company for its Quality, Environmental, and Health and Safety Management Systems.

Educational Services

PHINMA Education's academic system continually evolves to serve the needs of students and of the industry, both in the Philippine and global contexts. Such activities are led by PHINMA Education's Learning department.

Properties

Research and development activities of the Registrant and its subsidiaries are done on a per project basis. PPHC and its subsidiaries do not allocate fixed percentages or specific amounts as the costs of research and development vary depending on the nature of the project.

Hospitality

PHINMA Hospitality continuously monitors global and local tourism and travel trends and evaluates how these can be effectively integrated into hotel operations to enhance competitiveness and guest experience.

Insurance

As a service-oriented insurance brokerage company, PIBI does not maintain a formal research and development (R&D) function in the traditional sense applicable to manufacturing or technology-based entities. The company does not incur material expenditures for research and development activities.

However, PIBI undertakes continuous process improvement initiatives and market studies as part of its regular business operations. These activities include monitoring developments in insurance products, regulatory requirements, risk management practices, and client needs, as well as enhancing internal systems, workflows, and service delivery capabilities. Such initiatives are expensed as incurred and are not considered material to the company's financial condition or results of operations.

Cost and Effects of Compliance with Environmental Matters

A discussion of the Company's compliance with its Manual on Good Corporate Governance maybe found in "**Annex B".**

Construction Materials

The Construction Materials Group operates production facilities that are subject to environmental regulations with terms specified in the Environmental Compliance Certificates ("ECCs") granted by the Department of Environment and Natural Resources ("DENR"). Although the companies exert due diligence in ensuring their facilities comply with these terms, any violation of ECC terms may require the company involved to pay a fine or incur costs in order to cure the violation. There can be no assurance that current or future environmental laws and regulations will not increase the costs of conducting businesses. The introduction of new environmental laws and regulations applicable to the business could have a material effect on the financial results of the business.

a. Steel Business

UGC, as a corporate citizen, is committed to protect the environment and safeguard the health and safety of its employees. It strictly conforms to government environmental regulatory standards through its pollution control facilities for water and air. It continuously monitors its wastewater and air emissions and maintains and improves such facilities and processes to ensure environment friendly results. Regular tests conducted internally and by third parties show that effluents consistently met Department of Environmental and Natural Resources (DENR) and Laguna Lake Development Authority (LLDA) standards. In addition, UGC is a member of the Local Government Units (Calamba Green Stream Brigade and Laguna Water Conservancy), Pollution Control Association of the Philippines, Inc. (PCAPI) and Water Environment Association of the Philippines (WEAP) to strengthen its commitment and involvement for a better environment.

An Environmental Management Group which reports directly to the Head of Manufacturing is responsible for the implementation of the Company's Environmental Program including compliance with all laws and regulations on Environmental Standards.

b. Cement Business

Philcement fully complies with the regulations and conditions set by DENR and the Authority of the Freeport Area of Bataan. In January 2023, Philcement received its ISO certification, including its Environmental Management System.

A Pollution Control Officer, reporting directly to the Vice President – Plant Management, is responsible for the implementation and monitoring of the Company's environmental system, including compliance to environmental standards.

c. Solar Business

PHINMA Solar fully complies with the regulations and conditions set by the DENR. For solar rooftop projects, a Certificate of Non-Coverage (CNC) in lieu of the ECC is issued by the DENR on a per project basis.

Employees

As of December 31, 2025 and 2024, PHN and its subsidiaries had a total of 6,383 and 6,600 employees, respectively, broken down as follows:

Officers and Employees

Company	No. of employees			
	CY 2025		CY 2024	
PHN (Holding Company)				
Executive	**7**		7	
Managers	**3**		2	
Supervisors	**19**		20	
Rank and File	**3**	**32**	5	34
UGC				
Executive	**15**		16	
Managers	**76**		92	
Supervisors	**340**		370	
Rank and File	**273**	**704**	344	822
Philcement				
Executive	**14**		14	
Managers	**57**		56	
Supervisors	**122**		107	
Rank and File	**116**	**309**	141	318
Phinma Solar				
Executive	**3**		4	
Managers	**2**		4	
Supervisors	**12**		13	
Rank and File	**-**	**17**	1	22
Union Insulated Panels				
Executive	**3**		-	
Managers	**9**		-	
Supervisors	**34**		-	
Rank and File	**41**	**87**	-	-
AU				
Academic	**280**		328	
School Operations	**168**	**448**	135	463
COC				
Academic	**759**		670	
School Operations	**149**	**908**	255	925
UPANG				
Academic	**487**		491	
School Operations	**148**	**635**	132	623
UI				
Academic	**509**		530	
School Operations	**132**	**641**	93	623
SWU				
Academic	**461**		524	
School Operations	**287**	**748**	191	715
SJC-Manila				
Academic	**232**		145	
School Operations	**116**	**348**	169	314
SJC-QC				
Academic	**45**		47	
School Operations	**40**	**85**	32	79
RCL				
Academic	**57**		81	
School Operations	**39**	**96**	42	123
UCL				
Academic	**104**		96	
School Operations	**45**	**149**	53	149
SJCDC				

Academic	**88**		-	
School Operations	**52**	**140**	-	-
PEHI Rockwell				
Executive	**24**		21	
Managers	**14**		14	
Supervisors	**30**		28	
Rank and File	**6**	**74**	7	70
PPHC				
Executive	**6**		8	
Managers	**31**		38	
Supervisors	**80**		92	
Rank and File	**44**	**161**	75	213
CPMGI				
Executive	**2**		2	
Managers	**12**		12	
Supervisors	**47**		43	
Rank and File	**63**	**124**	71	128
CDCC				
Executive	**5**		3	
Managers	**4**		3	
Supervisors	**38**		36	
Rank and File	**466**	**513**	841	883
PPSMI				
Executive	**5**		-	
Managers	**4**		-	
Supervisors	**16**		-	
Rank and File	**10**	**35**	-	-
PHINMA CoHo Corporation **				
Executive	**1**		-	
Managers	**4**		-	
Supervisors	**9**		-	
Rank and File	**4**	**18**	-	-
PHINMA HOSPITALITY				
Executive	**7**		5	
Managers	**23**		15	
Supervisors	**7**		8	
Rank and File	**4**	**41**	7	35
PHINMA MICROTEL HOTELS				
Executive	**3**		3	
Managers	**-**		-	
Supervisors	**1**		1	
Rank and File	**2**	**6**	1	5
PHINMA HOSPITALITY MANAGEMENT				
Executive	**-**		-	
Managers	**3**		-	
Supervisors	**2**		-	
Rank and File	**1**	**6**	-	-
CORAL WAY CITY HOTEL (MICROTEL MOA)				
Executive	**-**		-	
Managers	**6**		8	
Supervisors	**6**		5	
Rank and File	**12**	**24**	13	26

KRYPTON ESPLANADE (TRYP)				
Executive	**1**		1	
Managers	**9**		9	
Supervisors	**4**		5	
Rank and File	**12**	**26**	15	30
PHINMA Insurance Brokers, Inc*				
Executive	**1**		-	
Managers	**2**		-	
Supervisors	**2**		-	
Rank and File	**3**	**8**	-	-
TOTAL		**6,383**		6,600

**This company was consolidated to the Corporation only starting from January of 2025, after the purchase of its shares from PHINMA Inc.*

Employees of PHN and its subsidiaries are not subject to a Collective Bargaining Agreement (CBA) except for the following subsidiaries:

a) UPANG - CBA renewed on June 14, 2022 and will expire on June 10, 2027; and

b) UGC - CBA pending for renewal to cover the period July 1, 2025 to June 30, 2030

The Company does not expect a substantial change in the workforce in the next twelve (12) months.

Risk Factors

1. Dividend Restriction

As a holding company which primarily derives cashflow from dividend income from its investments in subsidiaries and associates, PHINMA's ability to service its own obligations may be affected by the dividend restrictions imposed by the outstanding loan agreements and financial stability of its operating companies. Moreover, creditors of PHINMA's subsidiaries and affiliates will have priority claims over the assets of such subsidiaries and affiliates.

The Company has put in place prudent financial management measures, one of which is standardizing across the Company's subsidiaries and affiliates the inclusion of a provision in its loan agreements that will allow the subsidiaries and affiliate to declare and pay dividends without the need to secure approval from the lenders, for as long as the subsidiary or affiliate is compliant with the financial ratios to ensure its subsidiaries and affiliates are still afforded flexibility to upstream dividends to their parent.

As parent company, PHINMA earned ₱369.83, ₱ 445.71 million and ₱341.49 million of dividend income for the years 2025, 2024 and 2023 respectively. Though these may not be indicative of future performance of the Company, PHINMA will expand its cash flow stream through several strategic initiatives such as:

- Acquiring new schools and expanding capacity of existing schools
- Expanding network in the Mindanao market through a cement manufacturing facility in Zamboanga del Norte and a new cement terminal in Davao
- Boosting the insulated panels production through the construction of a highly-automated facility
- Venturing into township development
- Increasing the Microtel and Tryp franchises in the country
- Efficiency improvements and automation

2. Business Cyclicality Risk

- Select businesses of the Group have exhibited seasonality in demand and revenues. Demand for construction materials is higher during the months from December to May, than in the rainy months of June to November. Up until the current school year, PHINMA Education schools have generally run from August to April, with summer classes from May to July. Thus, cashflow outside these periods may be relatively lower.
- The Company takes this business seasonality into account during periodic budget review and undertakes capital reallocation as necessary should there be adverse changes in the business units projected cashflows.

3. Competition Risk

Construction Materials

The construction materials industry is a fragmented industry with numerous domestic and foreign competitors, although there are local market players, such as UGC, that hold relatively strong market positions.

As of December 31, 2022, UGC's estimated domestic market share for steel roofing and polyurethane products is around 6-8%, based on the company's estimates. UGC's steel roofing and steel products business faces stiff competition from other market participants that import finished steel products from foreign sources like China, Korea and Vietnam. In addition, local rollformers continue to increase in number due to low barriers to entry.

Compared to its competitors, UGC has a very large and diversified distribution network, with roll forming plants, warehouses, and sales offices in strategic locations throughout the country. UGC leverages its nationwide distribution and manufacturing footprint as a competitive advantage that ensures that its products are always available when needed by its customers. UGC can also manufacture and import roofing materials, giving it the flexibility to fulfill large, customized orders.

Philcement likewise operates in a highly competitive industry. Market players may employ aggressive pricing strategies and make it difficult for competitors, in general, to gain any non-price competitive advantage. Philcement mitigates this risk by owning and operating a very efficient cement terminal in Bataan (the "Mariveles Cement Facility") that allows the company to efficiently load and unload cement into and from vessels and transport them to different destinations nationwide. The operations of Philcement in the Petra Cement plant in Zamboanga del Norte and the Big Boss cement plant in Pampanga allows the company to strengthen its competitiveness. To this date, Philcement has been able to competitively serve key markets in North Luzon, Central Luzon, South Luzon, Metro Manila, and Mindanao regions. Philcement continues to work on strengthening its position in the market through network expansion, production capacity improvements, and new product development.

With the strong clamor for cleaner energy, PHINMA Solar finds itself in a very attractive and growing industry. Aside from other medium- and large-sized companies that offer solar rooftop solutions, several options have become available to the retail market, some of which are do-it-yourself and easily accessible through e-commerce channels. PHINMA Solar addresses this risk by ensuring high quality offers made possible by the use of materials that are of the highest quality, known as Tier 1 in the industry, as well as the provision of after-sales services. PHINMA Solar participated in and won the government energy auction to secure long-term contracts which will generate recurring revenue. This will dilute the risk arising from the market competition.

Educational Services

PHINMA Education schools compete with both public and private educational institutions that cater to the low income market. If PHINMA Education is unable to keep its education costs at competitive levels, it may not be able to attract the desired number of students to maintain its growth and profitability.

PHINMA Education's schools are competitively priced compared to other Higher Education Institutions ("HEIs") which target the same market. Although SUCs offer free tuition since the passage of the Universal Access to Quality Tertiary Education Act, enrollment in SUCs is limited due to constraints in budget and infrastructure, as well as stringent academic admission requirements of SUCs. However, tougher competition may arise if SUCs expand capacity more aggressively or if major education players enter or scale up in PHINMA Education's key markets, which may reduce PHINMA Education's market share and limit enrollment growth potential. Generally, and in terms of enrollment, PHINMA Education's schools are among the top 5 private schools operating in their respective localities based on enrollment size, with the exception of the newer acquisitions St. Jude College, Inc., St. Jude College – QC, Rizal College of Laguna, Union College of Laguna, Inc and Saint Jude College, Dasmariñas, Cavite. Costs are managed in order to keep tuition fees accessible to the target market. Programs are modular, offering students options for shorter courses resulting in immediate course completion with employable skills. Options for remote and distance learning also reduce student transportation costs and improve affordability.

PHINMA Education's schools are designed to promote active learning and enable students to immediately complete courses with employable skills. In total, as of SY 2526 (December 2025), PHINMA Education's schools have produced 44,537 board exam passers and fielded 238 board exam topnotchers since PHINMA Education's acquisition of its first school in 2004. In terms of employment, 77% of graduates are accepted into their first job within one (1) year from graduation based on 10-year tracer studies.

Hospitality

The hotel industry is highly competitive, particularly within the mid-market segment. A key challenge is the entry of new competitors, which can affect market share, pricing strategies, and overall profitability. To mitigate competition risk, PHINMA Hospitality ensures that its operations consistently adhere to international hotel standards, reinforcing brand reputation and guest confidence. This commitment includes maintaining high levels of cleanliness, safety, and service quality across all properties. The group also invests in continuous product and service enhancements—such as property renovations, new amenities, and the use of technology to elevate the guest experience.

Insurance

The insurance brokerage industry is highly competitive, with the presence of local and international brokers as well as bank-affiliated entities. Increased competition may exert pressure on commission rates, affect client acquisition and retention, and require continued investment in service quality and relationship management.

4. Market Risk

Construction Materials

The Company primarily serves the construction industry and by extension the infrastructure and real estate sectors. Growth in these key industries may be affected by certain factors including market trends, overall economic growth, and government policy. The strong consumption of construction materials in recent years may be affected by a national economic downturn, such as that caused by the ongoing COVID-19 pandemic and the global economic slowdown following the Russia-Ukraine war, as well as potential geopolitical conflicts, including tensions involving the United States and the Middle East, which may disrupt global trade, increase energy and material costs, and dampen investment and construction activity, resulting in lower demand for cement and concrete products, market oversupply, and increased pricing pressure.

The Construction Materials Group will continue to optimize its nationwide distribution area to deliver high quality products and bring value to its customers.

Educational Services

A decline in disposable income, such as may be caused by a pandemic, inflation, or other economic disruptions, may constrain students to defer expenditures on education or delay payment of tuition fees. Prolonged cost-of-living pressures may constrain families' ability to allocate funds for tuition and other school-related expenses, potentially leading to delayed payments, lower enrollment, or increased drop-out risk. Rising costs may also increase the financial burden on students beyond tuition, including daily commuting, meals, and learning materials, which could affect attendance and overall student retention. Collection delays and potential cash flow strain may also result from the large number of students on promissory notes and financial assistance programs, which may lengthen collection cycles and increase the risk of uncollected balances.

To mitigate this risk, PHINMA Education continues to manage its costs to keep education accessible and affordable to its target market. The schools provide flexible learning options such as flexible learning modalities, which help reduce students' transportation expenses and improve overall affordability. In addition, PHINMA Education closely monitors collection efficiency and implements processes to identify students with outstanding balances early, providing them with payment options and support mechanisms to help sustain enrollment and minimize disruption to cash flow.

Hospitality

Economic downturns can reduce demand for hotel accommodations, impacting occupancy rates and revenues. To mitigate this risk, PHINMA Hospitality implements strategies such as diversifying its customer base through targeted sales and marketing initiatives and offering flexible pricing options. The group also applies cost-control measures to sustain profitability during periods of weaker demand.

Insurance

Changes in market conditions, economic cycles, and client demand for insurance coverage may affect premium volumes and commission income. External factors such as economic downturns, shifts in risk appetite, or changes in insurance pricing may impact overall business performance

5. Regulatory Risk

Construction Materials

The Construction Materials Group relies heavily on the importation of inputs including cement and steel roofing raw materials. Any new taxes on these inputs or other new forms of non-tariff import restrictions may increase prices, reduce market demand and adversely affect the business and financial performance of the Construction Materials Group.

In 2019, the Department of Trade and Industry ("DTI") imposed a definitive safeguard duty on imported cement for three years. A safeguard duty of PHP 10.00, 9.80, and 8.00 per 40-kg bag of imported cement for the first, second, and third year, respectively, was imposed to redress the alleged serious injury in the domestic industry. Philcement has filed a Petition for Review ("SGD Petition") with the Court of Tax Appeals ("CTA") opposing the safeguard taxes, maintaining that local cement manufacturers were not unduly harmed by cement imports. In August 2024, the CTA decided to deny the SGD Petition. Philcement filed a Motion for Reconsideration with alternative motion to present supplemental evidence ("Motion for Reconsideration"). In December 2024, the CTA allowed Philcement to present supplemental evidence for the CTA to decide the case on the merits with complete evidence from all parties. Moreover, the domestic industry applied for an extension of the safeguard duty, which expired in October 2022. The Tariff Commission did not recommend the extension of the safeguard duty citing no significant impairment in the overall position of the domestic industry and no existence of an imminent threat of serious injury in the near future. DTI concurred with the recommendation of the Tariff Commission and in October 2022, dismissed the petition filed by local cement manufacturers to

extend the tariff protection. In February 2025, the DTI Secretary issued Department Administrative Order ("DAO") No. 25-01 imposing a provisional safeguard measure on imported cement after a preliminary determination that increased imports were a substantial cause of serious injury to the domestic industry. The Tariff Commission subsequently conducted a formal investigation on whether definitive safeguard measures should be imposed. Following the investigation, the DTI Secretary issued DAO No. 25-15 in October 2025 adopting the Tariff Commission's recommendation to impose definitive safeguard measures on the subject products for a period of three (3) years.

In November 2025, Philcement filed a Petition for Review with the Court of Tax Appeals seeking to nullify DTI DAO Nos. 25-01 and 25-15, which imposed provisional and definitive safeguard duties on cement imports classified under AHTN Codes 2523.29.90 and 2523.90.00. The Petition also seeks to declare Philcement not liable for the duties, to enjoin government agencies from further collection, and to secure the refund of safeguard bonds and duties collected, arguing that the orders were issued in violation of the Safeguard Measures Act and lack sufficient factual and legal basis.

To mitigate this risk, Philcement has started to source some of its supply from non-safeguard countries specifically China and Indonesia, reducing tariff exposure.

On top of safeguard measures, the domestic cement industry also applied for the imposition of anti-dumping duties on cement from Vietnam. In October 2022, the Tariff Commission has determined that an anti-dumping duty should be imposed on Philcement's exporter of Ordinary Portland Cement ("OPC" or "Type I"). DTI issued the final order imposing the aforementioned duty in February 2023.

To mitigate this risk, Philcement has started to manufacture its own blended cement in 2021, sold in the market as Union Extra Strength. In 2024, Philcement also started to manufacture another type of blended cement, sold in the market as Union Standard Strength. Philcement has also established supply from other cement manufacturers in Asia. The acquisition of Petra Cement and the partnership with Big Boss Cement also allows Philcement to manufacture cement. Apart from this, Philcement continue to initiate several projects over a medium-term horizon which will allow the company to expand its product offerings and its domestic production of blended cement.

For the steel industry, DTI has received an application for safeguard tax protection from two local manufacturers claiming import protection in the galvanized roofing category, where UGC is also present. To mitigate this risk, UGC has the flexibility of activating its existing galvanized line to locally produce its own galvanized roofing. UGC, together with other steel roofing importers, continues to lobby against safeguard duties and has also submitted a position paper to the DTI against the proposed safeguard taxes to protect consumer interests.

For the solar industry, the Energy Regulatory Commission ("ERC") requires the Certificate of Compliance (COC) prior to commercial operations of all energy systems, including those that are constructed and will be constructed by PHINMA Solar. This can cause halts or delays in generating revenue from installed solar rooftop systems. PHINMA Solar addresses these risks by proactively acquiring necessary permits and other pre-requisites of the COC prior to the completion of the installation of its facilities.

The Construction Materials Group operated production facilities that are subject to environmental regulations with terms specific in the Environmental Compliance Certificated ("ECCs") granted by the Department of Environment and Natural Resources ("DENR"). Although the companies exert due diligence in ensuring their facilities comply with these terms, any violation of ECC terms may require the company involved to pay a fine or incur costs in order to cure the violation. There can be no assurance that current or future environmental laws and regulations will not increase the costs of conducting businesses. The introduction of new environmental laws and regulations applicable to the business could have material effect on the financial results of the business.

Educational Services

HB 11213, otherwise known as the Education Pathways Act, may introduce changes to the current K–12 structure by allowing Grade 10 completers to choose between a college preparatory pathway focused on core academic subjects needed for higher education, or a technical-vocational pathway centered on practical skills training and industry-recognized certifications. In the event this bill is enacted, there may be a reduction in the pool of Senior High School graduates as some students may choose to exit the education system earlier (after Grade 10 instead of Grade 12), particularly those who are unsure about pursuing college.

In addition, SBN 1604, which seeks the expansion of the Tertiary Education Subsidy (TES) under RA 10931 by broadening eligibility and/or increasing the number of beneficiaries, may positively impact PHINMA Education by allowing more students in eligible private HEIs to receive government subsidies for tuition and education-related expenses. Meanwhile, SBN 1620, which proposes amendments to the Free College Law (RA 10931), seeks to improve the implementation of free tuition and TES through refined eligibility criteria, stronger prioritization of disadvantaged students, and improved monitoring and accountability mechanisms to ensure more targeted and efficient use of government funds. Amendments that result in increased funding and expanded capacity for SUCs may lead to enrollment pressures for private HEIs.

To address risks from future education policy changes, the company has implemented a proactive system of monitoring and anticipating regulatory and legislative changes that may impact business operations.

PHINMA Education continues to ensure compliance with the program and curriculum guidelines and requirements of the Commission on Higher Education ("CHED"), Department of Education ("DepEd") and Philippine Accrediting Association of Schools, Colleges and Universities ("PAASCU"). PHINMA Education also continuously engages in dialogue with CHED and other regulatory bodies, and coordinates with other educational institutions to develop guidelines for remote learning in the country.

Insurance

The company operates in a highly regulated environment and is subject to supervision by the Insurance Commission. Changes in laws, rules, or regulatory requirements, or failure to comply with existing regulations, may result in penalties, additional compliance costs, or operational limitations.

6. Supply Chain Risk

Construction Materials

Philcement relies heavily on the importation of cement and cementitious materials, such as clinker. Philcement procures majority of its cement and cementitious materials from Vietnam. Any disruption in the supply of cement from Vietnam may have a material adverse effect on the operations and financial performance of Philcement. In addition, any prolonged disruption in supply of imported cement could adversely affect Philcement's relationships with key customers, including large cement dealers and retailers.

Philcement is free to source cement from other parties to ensure reliability in its supply chain. To diversify supply, Philcement has developed cement supply arrangements with other suppliers in Asia, and continues to explore other sources of cement supply. Philcement sources its clinker from various suppliers from Vietnam, Indonesia, and Japan. There are key projects under evaluation which will provide the flexibility and capability to competitively produce and distribute cement domestically.

Philcement's supply chain can also be adversely affected in the event of a disruption in operations in its unloading port in Bataan, which may render it non-operational due to accident or other events of Force Majeure.

For UGC, although the company imports both raw materials and finished products primarily from Chinese suppliers, the China steel industry is diverse to the point that there is no material risk posed by supply disruption from any single supplier. However, developments in the Chinese economy and any changes in the regulations in China that are relevant to their steel industry may have an impact on the performance of UGC.

For PHINMA Solar, main equipment and auxiliary materials are imported from Tier 1 manufacturers in China. Alternatively, PHINMA Solar taps local distributors of these companies, should the project timeline require. Changes in Chinese export regulations can affect prices and lead times. PHINMA Solar, being heavily dependent on Chinese manufactured materials and equipment, are negotiating bulk and long-term supply contracts with Chinese manufacturers to manage these associated risks.

As the business of Construction Materials Group involves importation of raw materials for manufacturing inputs, disruptions in global supply chains and changes in global oil prices can have a significant impact on transportation costs, impacting the margins and pricing for products and services. To mitigate this, the Construction Materials Group has both long-term and short-term vendor contracts with vessel companies to smoothen out the effect of volatility in oil prices.

7. People Risk

The current and future performance of the Company depends on the expertise, experience, and continued service and employment of its senior management and key officers. The loss of the services of key officers or members of the management team could result in disruption in the operations of the Company and may delay the execution of its business plans and growth strategies.

To mitigate this risk, the Company has adopted a succession plan by identifying members of the management team who will be able to assume and take on the role and additional responsibilities arising from departures of senior management. The Company has also established organizational policies and procedures for the development and advancement of its employees to ensure that business continuity is done by employees with superior skills and talent thereby diminishing overdependence on key individuals in the Company.

High employee turnover and difficulty in hiring and retaining specialists essential to achieving PHINMA Education's Completion and Success outcomes (such as faculty members, academic coaches, guidance counselors, and data experts) may adversely affect the quality and consistency of education delivery and student support services. This may disrupt operations and slow down the execution of the Company's growth and performance improvement initiatives. To mitigate this risk, PHINMA Education continues to strengthen its recruitment and retention programs, invests in employee development and training, and implements organizational policies and succession planning to ensure continuity of key functions and reduce dependence on critical personnel.

The Company further recognizes the need to support physical, psychological and mental wellbeing. The program My Wellness Journey, aims to address all of these concerns. Employees are given access to professional support for mental wellness and psychological safety, while physical well-being is promoted on a regular basis with various programs across the Group.

Insurance

PIBI relies on licensed insurance companies and HMOs for the provision of insurance products. Any adverse developments affecting these partners, including financial instability, operational disruptions, or changes in underwriting policies, may impact the availability or terms of insurance solutions offered to clients.

8. Dependence on Key Facilities and Equipment

Construction Materials

A substantial portion of UGC's income is derived from the sale of products produced or processed at UGC's production facilities. Any breakdown of, or significant damage to, UGC's production facilities could have a material adverse effect on the results of its operations. UGC maintains comprehensive property and casualty insurance policies on its production facilities under a broad name peril policy. However, there is no assurance that the proceeds from UGC's insurance policies would be sufficient to insulate UGC from all effects of possible total loss or damage caused by the named perils in the respective policies. In addition, UGC has adopted a risks management system covering preventive and preparedness action plans.

Philcement derives its revenues and income from the sale of cement products. Any breakdown of, or significant damage to, Philcement's materials handling and manufacturing facilities could have a material adverse effect on the results of its operations. Substantial downtime could affect the efficiency of operations and attainment of financial goals and objectives. To mitigate risk of equipment failure, Philcement maintains multiple units for key items of equipment such as cement storage silos, mechanized cement packers, and truck loaders.

PHINMA Solar's revenue is derived from the sale of solar rooftop packages, and sales of electricity generated from its owned solar rooftop facilities. Selling of solar rooftop packages are dependent on imported solar panels and auxiliary materials. These materials and equipment are stored in identified warehouses of UGC and Philcement. For owned facilities, PHINMA Solar regularly checks facility performance through an online monitoring platform to ensure that the facilities are working in optimal condition. To mitigate risks, PHINMA Solar materials and equipment are covered by manufacturer's warranties and relevant insurance policies.

Educational Services

The Education Group's income is derived from education operations at various school locations. The risk of a halt in operations due to fire or calamity is mitigated to the extent that all the schools have established policies and experience in conducting blended learning modalities. All schools similarly have insurance protection, with coverage including property all risk insurance and fire and allied perils.

Insurance

The company is not dependent on specialized facilities or equipment.

9. Dependence on Logistics

For the Construction Materials Group in particular, the business relies on the orderly and timely movement of imported inputs such as cement, steel coils, and solar panels into the facilities, as well as the orderly and timely dispatch of finished products to customers or warehouses. Thus, the business is highly dependent on the reliability of owned, as well as leased, logistics facilities and equipment including ship unloading equipment, warehouses, cement storage silos, ships, and trucks. Any event which causes damage or renders inoperable key logistics components such as piers or major roads could substantially affect business operations of the Construction Materials Group. In addition, any increase in third-party-provided logistics services, including international shipping and freight costs, could also effectively increase raw materials costs and reduce profit margins for the Construction Materials Group.

The Construction Materials Group companies maintain adequate level of insurance coverage over the facilities involved and undertakes periodic equipment repairs and maintenance.

10. Dependence on Weather

Construction Materials

Severe weather disturbances can affect the loading and unloading of cement at Philcement's sites. Vessels cannot be loaded, transported, or unloaded over the duration of the severe weather disturbance. Prolonged or frequent weather disturbances could delay inbound material shipments which could reduce the inbound capacity of the terminal resulting in reduced sales for Philcement. Weather disturbances can also delay outbound overland shipments to customers resulting in failure to meet delivery schedules.

To mitigate this risk, Philcement contracts larger vessels more capable of withstanding turbulent weather. Philcement is also developing relationship with clinker and cement suppliers from other countries to diversify supplier base as well as geographic region.

Weather disturbances can also delay inbound shipments of raw materials to UGC as well as outbound delivery of finished products to customers. UGC relies on several third party operated ports for inbound shipments to reduce risk from weather disturbances and also performs seasonal planning and stocking to mitigate supply outages. The adverse effect of weather disturbances on outbound deliveries is also reduced due to UGCs nationwide network of roll forming facilities and warehouses, which reduces distance to customers and provides an available amount of finished goods inventory. UGC also tends to sell more steel roofing in the wake of weather disturbances in the Philippines involving strong winds which increases the demand for roofing around the country.

Although solar power generation is highly dependent on weather condition, PHINMA Solar's revenue on sales of solar rooftop systems will not be affected unless extreme weather conditions cause project delays. On the other hand, facilities owned by PHINMA Solar may experience variable production level due to seasonality effect, which is normal and acceptable in the industry. In terms of project implementation timelines, extreme weather conditions may cause delays in inbound shipment of materials and equipment, and completion of facilities under construction.

The Construction Materials Group companies maintain adequate level of insurance coverage over the materials, equipment, and facilities involved.

Educational Services

The Education Group is likewise affected by weather disturbances as it can affect the ability to hold face-to-face classes at each particular location. A major calamity (such as an earthquake, fire, or similar emergency) occurring during school hours may pose significant risks to student and employee safety and may result in temporary disruption of school operations. This is mitigated to the extent that all the schools have policies established and experience in conducting blended learning modalities. The Head Office of the Company works with the schools in ensuring emergency preparedness such as during unforeseen weather disturbances, among others. The schools have also historically acted as evacuation centers and provide local typhoon relief to their particular communities.

11. Information Security Risk

In conducting their businesses, the business segments are required to retain confidential information from customers. Although the business segments take the necessary precautions to secure such information, advances in the field of cryptography and increased exposure due to the recent prevalence of online transactions could result in compromise or breaches of security systems and personal data stored in our systems. The security measures set up by the Company and/or its subsidiaries may be inadequate to prevent security breaches which could adversely affect business operations.

The Company and its subsidiaries take precautions to protect the personal information of its

customers through existing and periodically updated IT security policies. These policies are implemented by the respective IT teams of the Company and each of the subsidiaries. In addition, the Company and its subsidiaries have various information security software and tools, including firewalls, anti-virus, and 2-FA (2-Factor Authentication). IT risk assessment is periodically conducted using vulnerability assessment and penetration testing to check the vulnerability of the Company's and the subsidiaries' IT systems and network. Finally, information security awareness and training are also provided to all employees.

Educational Services

As the PHINMA Education network continues to grow, part of its priorities for 2025 was to improve on its information security measures which includes the development of an information security plan, the acquisition of a cyber insurance product, and a network-wide installment of a Modern Security Operations Center (MSOC), a system that identifies, analyses, defends against, investigates, and reports cybersecurity-related incidents. These measures, alongside other plans in the pipeline, improve the protection of PEHI's systems against cyber threats.

RISKS RELATED TO THE PHILIPPINES

1. Territorial Disputes

The Philippines, China and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea.

In January 2013, the Philippines lodged an arbitration case against China at the Permanent Court of Arbitration in The Hague to resolve the territorial dispute. China refused to recognize that the international tribunal had jurisdiction over the case. In July 2016, the international tribunal ruled in favor of the Philippines in its case against China by upholding the position that China's "nine dash line" maritime claim is excessive and that it encroached into the Philippines' 200-nautical mile exclusive economic zone. It held that China had no legal basis to claim historic and economic rights to resources within the sea areas falling within the "nine-dash line".

Should territorial disputes between the Philippines and other countries in the region continue or escalate further, the Philippines and its economy may be disrupted and the Company's operations could be adversely affected as a result. Further disputes between the Philippines and other countries may lead to reciprocal trade restrictions on the other's imports or suspension of visa-free access and/or OFW permits. Any impact from these disputes in countries in which the Company has operations could materially and adversely affect the business, financial condition and results of operations of the Company and its Subsidiaries.

2. Foreign Exchange Risk

Majority of the Company's revenues are denominated in Philippine peso. Nonetheless, the Company has offshore transactions such as its U.S. dollar-denominated preferred share investment in Vietnam, investments in schools in Indonesia and sourcing of cement from Vietnam. The Company likewise has plans of expanding its footprint in Southeast Asia, thus exposing PHINMA to more foreign exchange risks.

At present, the country's exchange rate policy supports a freely floating exchange rate system whereby the BSP allows market forces, such as supply and demand, market-moving events, to dictate exchange rate movement. The implementation of the revised Foreign Exchange rules eased the purchase of foreign currencies in the banking system. There is no assurance that the Philippine Peso will not deprecate against other currencies.

To mitigate its exposure to exchange rate fluctuation, the exchange rate risks on other foreign currencies are managed through constant monitoring of the global political and economic environment and its impact on the foreign exchange rates. Additionally, the Company takes advantage of hedging instruments such as deliverable and non-deliverable forward contracts to mitigate said risks.

Item 2. Properties

Table - Property, Plant and Equipment (in thousands)

	Dec. 31, 2025*	Dec. 31, 2024*
Cost		
Land	**₱5,503,443**	₱4,783,992
Plant site improvements	**4,620,907**	4,313,745
Buildings and improvements	**9,023,664**	7,696,426
Machinery and equipment	**3,777,168**	3,451,573
Transportation and other equipment	**1,162,964**	1,157,033
Linens, Curtains and Draperies	**40,224**	35,564
	24,128,370	21,438,333
Less : accumulated depreciation		
Plant site improvements	**882,824**	698,796
Buildings and improvements	**2,946,059**	2,624,527
Machinery and equipment	**2,710,795**	2,436,801
Transportation and other equipment	**897,844**	795,695
Linens, Curtains and Draperies	**33,212**	29,798
	7,470,734	6,585,617
	16,657,636	14,852,716
Construction in progress	**3,922,421**	2,008,892
Net Book Value	**20,580,057**	₱16,861,608

**Source: Audited financial statements as of December 31, 2025.*

Outstanding construction in progress pertains to construction costs for various buildings and hospital renovations which are expected to be completed in various dates from 2026 to 2027.

The following table summarizes the Group's principal properties as of December 31, 2025:

Description	Location	Use	Mortgages
PHINMA			
Land	Silang, Cavite; Calaca, Batangas; San Fernando, La Union; Samal Island, Davao Del Norte	Investment property; Residential	No encumbrances
Buildings and improvements	Makati City, Metro Manila; Silang, Cavite; San Fernando, La Union	Office space and parking lots; Residential	No encumbrances
UGC			
Land, plant and equipment	Calamba City, Laguna; Davao City, Davao del Sur	Plant operations and office	Encumbered
Lease improvements, machinery and equipment	San Fernando City, La Union; San Fernando City, Pampanga; Batangas City, Batangas; Cainta, Rizal; Pili, Camarines Sur; Bacolod City, Negros Occidental; Cebu City, Cebu; Tacloban City, Leyte; Iloilo City, Iloilo; Butuan City, Agusan del Norte; Cagayan de Oro City,	Roll forming operations	No encumbrances

Description	Location	Use	Mortgages
	Misamis Oriental; Zamboanga City, Zamboanga de Sur		
Lease improvements, machinery and equipment	Lucena City, Quezon; Ozamis City, Misamis Occidental	Warehousing operations	No encumbrances
Condominium unit	Las Pinas City, Metro Manila;	Investment property	No encumbrances
Residential lot	Davao City, Davao del Sur; Isulan, Sultan Kudarat	Investment property	No encumbrances
Philcement			
Plant site improvements	Mariveles Diversion Road, Mariveles Bataan Roxas, Zamboanga del Norte	Industrial	Encumbered
Land	Baseco, Mariveles, Bataan	Residential	No encumbrances
Land	Roxas, Zamboanga del Norte	Industrial	Encumbered
PHINMA Solar			
Owned solar rooftop systems	Quezon Province; Quezon City; Cavite; Laguna; La Union; Pampanga; Rizal; Davao City; General Santos City; Batangas	Residential, Commercial and Industrial	No encumbrances
UIPC			
Land and land improvements	Pampanga	Industrial	No emcumbrances
Educational Services			
Land, buildings and improvements	San Jose, Nueva Ecija; Urdaneta City, Pangasinan; Aurora, Quezon City; Cubao, Quezon City; Sampaloc, Metro Manila; Calamba, Laguna; San Pablo, Laguna; Sta. Cruz, Laguna; Dasmariñas, Cavite; Cebu City, Cebu; Danao, Cebu; Talisay City, Cebu; Roxas City, Capiz; Iligan City, Lanao del Norte	Educational, hospital, commercial, residential	No encumbrances
Land, buildings and improvements	Cabanatuan City, Nueva Ecija; Dagupan City, Pangasinan; Bacolod, Negros; Iloilo City, Iloilo; Cagayan de Oro City, Misamis Oriental	Educational and residential	Encumbered
PPHC			
Building and building improvements, leasehold improvements, Office Equipment	Metro Manila, Bulacan, Cavite, Bacolod, Iloilo, Cebu, Davao	Administrative and Office use	No encumbrances
Machinery, Field Equipment	Metro Manila, Batangas, Cebu, Davao,	Construction	No encumbrances
Right of use asset	Metro Manila, Davao, Bacolod	Administrative and Office Use	No encumbrances
PSHC			
Land	Calumpit, Bulacan	Industrial	Encumbered
PIBI			
Lot	Heritage Park, Taguig City	Investment Property	No encumbrances

Lease Agreements

The Company, UGC, and schools also enter into lease agreements or other arrangements with various persons and entities for use in operations and office space. Lease agreements are subject to renewal under such terms and condition as may be mutually agreed upon by both parties.

PHINMA leases a portion of its office space which have a term of one (1) year, renewable at the option of the lessor at such terms and conditions to be mutually agreed by the parties.

Construction Materials

Union Galvasteel Corporation, Philcement and Phinma Solar entered into lease agreements covering its plants and warehouses, which have terms ranging from one (1) to twenty-five (25) years, renewable subject to mutual agreement of UGC, Philcement or Phinma Solar and the lessor under certain terms and conditions. In 2025, payments related to leases amounted to ₱119 million.

Educational Services

As a Lessee

On April 1, 2019, the College entered into a lease contract to occupy a four (4) story building to be used exclusively for educational or school purposes for a period of 5 years. The lease agreement can be renewed subject to mutual agreement and can be terminated at the option of the College on the 3rd and 5th year of the lease. Refundable deposit related to the lease contract amounting to Php 0.2 million in 2024 and 2023 equivalent to one month's rent shall be returned to the College after the expiration of lease term. In 2022, the College and the lessor agreed to amend the monthly rate from Php 220,000 to Php 90,000 starting June 2021 until the College resumes face-to-face classes. In 2023, the College and lessor agreed to increase the monthly rate to Php200,000 starting December 2022.

As a Lessor

PHINMA Education's schools enter into operating leases on some of its properties, particularly, portions of its land and buildings for the operation of cell sites, canteens, food stands and convenience stores. These leases have terms ranging from less than a year to twenty-five (25) years. They include upward revisions or escalation clauses on the rental charge on an annual basis according to the prevailing market conditions, and are renewable subject to mutual agreement under certain terms and conditions.

On August 31, 2023, SWU entered into another lease contract for its investment properties. The lease term is ten years with two months rent-free period. Monthly rental is Php 70,000, subject to 5% rent escalation beginning on the third year of commencement of the lease.

Hospitality

As a Lessee

On August 16, 2009, the Company entered into a lease agreement with EMAR for the lease of office space, subject to annual renewal. Lease payments made in 2025 amount to Php 5,541,638.

Insurance

As a Lessee

PIBI entered into a lease agreement with PHINMA Corporation, its parent company, for the use of office space located at Phinma Plaza, Makati City. The lease covers approximately 43.88 square meters of office space and one (1) reserved car slot. The lease term commenced on January 1, 2025 and runs until December 31, 2025, subject to renewal under mutually agreed terms. Rent is payable monthly in advance in accordance with the lease agreement

Item 3. Legal Proceedings

Construction Materials

Cohaco Merchandising & Development Corp., Fortem Cement Corporation, NGC Land Corp., Pabaza Import and Export Inc., and Philcement Corporation vs. Secretary Of Trade And Industry, Secretary of Finance, Commissioner Of Customs, And Chairman of The Tariff Commission (Court of Tax Appeals Case No. 10185)

On October 11, 2019, Philcement Corporation, a subsidiary of the Company, together with other cement importers Cohaco Merchandising & Development Corp., Fortem Cement Corporation, NGC Land Corp., Pabaza Import and Export Inc. , filed a Petition for Review ("SGD Petition") with the Court of Tax Appeals ("CTA") praying for the reversal and nullification of the decision of the Secretary of the Department of Trade and Industry ("DTI") dated 27 August 2019, or DTI Department Administrative Order ("DAO") No. 19-13, safeguard duties (the "Duties) on imported cement classified. Said petitioners also seek a declaration that they are not liable for payment of said Duties and a refund of the Duties already paid. They principally assert that their importations cause no serious injury or threat of serious injury to the domestic cement industry. Further, consistent with the position of the Philippine Competition Commission, the imposition of the Duties would weaken competitive pressure and endanger the realization of huge benefits that a competitive landscape in the cement industry would bring. In August 2024, the CTA decided to deny the SGD Petition. Philcement filed a Motion for Reconsideration with alternative motion to present supplemental evidence ("Motion for Reconsideration"). In December 2024, the CTA allowed Philcement to present supplemental evidence for the CTA to decide the case on the merits with complete evidence from all parties.

Cohaco Merchandising & Development Corp., Fortem Cement Corporation, Ngc Land Corp., Pabaza Import And Export Inc., Lemery Cement Silo Tank Corporation And Philcement Corporation Vs Secretary Of Trade And Industry, Secretary Of Finance, Commissioner Of Customs, Chairman Of The Tariff Commission, and Cement Manufacturers' Association Of The Philippines (Court of Tax Appeals Case No. 12247)

On 20 November 2025, the Petitioners filed a Petition for Review with the Court of Tax Appeals seeking to reverse and nullify DTI Department Administrative Orders No. 25-01 and No. 25-15, which imposed provisional and definitive safeguard duties on cement imports classified under AHTN Codes 2523.29.90 and 2523.90.00. The Petition also seeks a declaration that Petitioners are not liable for the imposed safeguard duties, the permanent enjoinment of government agencies from collecting such duties on their cement importations, and the refund of all safeguard bonds and duties collected, amounting to at least PhP639.32 million as of 14 November 2025, including any amounts subsequently collected. The Petition further argues that the assailed orders were issued in violation of the Safeguard Measures Act, citing the absence of serious injury or causal link attributable to imports, alleged procedural bias in the Tariff Commission's findings, and that the safeguard duty imposed is excessive and contrary to public interest.

Properties

PPHC and its subsidiaries and affiliates are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. In the opinion of PPHC's management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material effect on the Group's consolidated financial position.

Insurance

PIBI is not involved in any material legal proceedings arising from the ordinary course of business.

Item 4. Submission of Matters to a Vote of Security Holders

During the calendar year covered by this report, no matter was submitted to a vote of security holders through solicitation of proxies or otherwise.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholders' Matters

Market Price

The shares of stock of PHN are listed and traded in the Philippine Stock Exchange, Inc. (PSE). The high and low market prices of the shares of stock of PHN for each quarter within the last two (2) years, and for the months January to March 2026, are as follows:

Period	High	Low
Calendar Year 2026		
January	16.70	13.50
February	16.18	15.10
March 1-17	15.38	14.30
Calendar Year 2025		
January – March	18.98	16.94
April – June	18.98	17.08
July – September	17.90	16.50
October - December	16.98	15.00
Calendar Year 2024		
January – March	20.40	19.50
April – June	37.90	19.00
July – September	23.90	18.82
October - December	21.20	17.20

Dividends on Common Shares

Cash Dividends Payment on Common Shares

The payment by PHN of dividends shall be subject to the availability of retained earnings following the SEC rule on calculation of available retained earnings for dividend declaration, loan covenants and financial ratios.

PHN declares cash or stock dividends to its common stockholders in amounts determined by the Board taking into consideration the results of the Company's operations, its cash position, investments and capital expenditure requirements, and unrestricted retained earnings. The Company also declares special cash dividends where appropriate.

Dividends declared and paid from 2010 to 2025 are as follows:

	Dividend			
Date of Declaration	**Type**	**Rate**	**Record Date**	**Payment Date**
March 3, 2010	Cash	P0.40 per share	March 29, 2010	April 23, 2010
March 3, 2011	Cash	P0.40 per share	March 29, 2011	April 26, 2011
March 22, 2012	Cash	P0.40 per share	April 11, 2012	April 26, 2012
March 6, 2013	Cash	P0.40 per share	March 22, 2013	April 17, 2013
March 4, 2014	Cash	P0.40 per share	March 20, 2014	April 15, 2014

March 4, 2015	Cash	P0.40 per share	March 18, 2015	March 31, 2015
March 4, 2016	Cash	P0.40 per share	March 18, 2016	March 31, 2016
March 22, 2017	Cash	P0.40 per share	April 5, 2017	April 21, 2017
March 6, 2018	Cash	P0.40 per share	March 22, 2018	April 6, 2018
March 5, 2019	Cash	P0.40 per share	March 21, 2019	March 29, 2019
November 11, 2019	Cash	P0.40 per share	November 25,	December 9, 2019
February 28, 2020	Cash	P0.40 per share	March 17, 2020	March 27, 2020
March 2, 2021	Cash	P0.40 per share	April 14, 2021	May 5, 2021
March 1, 2022	Cash	P0.40 per share	March 22, 2022	April 6, 2022
March 1, 2022	Cash	P0.10 per share	March 22, 2022	April 6, 2022
March 3, 2023	Cash	P0.60 per share	March 22, 2023	April 5, 2023
March 5, 2024	Cash	P0.60 per share	March 25, 2024	April 12, 2024
April 14, 2025	Cash	P0.60 per share	May 13, 2025	May 26, 2025

On March 6, 2026, the Board of Directors declared regular cash dividend of P 0.60 per share to all shareholders of record as of March 31, 2026 payable April 13, 2026. The declaration of dividends and the details of the dividends were confirmed by the Executive Committee on March 10, 2026.

Stock Dividends Payment on Common Shares

No stock dividend was declared for the calendar years 2018 up to 2025.

Holders

As of January 31, 2026, there are 1,209 common shareholders.

Sale of Unregistered Securities Within the Last Three (3) Years:

On August 6, 2024, the Parent Company's BOD approved the SRO. The proceeds will be used to support PHINMA Corporation's subsidiaries in relation to their relevant expansion plans, increase capital for the Company's potential new ventures and/or general corporate purposes. AB Capital & Investment Corporation was designated as Issue Manager, Book Runner and Underwriter for the offer.

The Company sought exemption from registration requirements of up to Php 1,000,000,000 worth of Common Shares (the "Rights Shares"), with a par value of Php 10.00 per share, to existing eligible common shareholders (the "Eligible Shareholders") at an Offer Price of up to a 10% discount to the volume-weighted average price. The Rights Shares were offered through a Rights Offer consisting of a First and Second Round, both exclusively to shareholders, with any unsubscribed shares thereafter offered to Institutional Investors through an Institutional Offer.

In accordance with Rule 10.1.5 of the Implementing Rules and Regulations of the Securities Regulation Code, the Company applied for confirmation of exemption based on the following grounds:

- The Rights Offer qualified for exemption under Section 10.1(e) of the SRC, which exempts sales of securities to existing shareholders where no commission or other remuneration is paid or given directly or indirectly for soliciting such sales.

- The subsequent Institutional Offer qualified for exemption under Section 10.1(k), which covers sales to fewer than twenty (20) persons in the Philippines during any twelve-month period, and Section 10.1(l), which pertains to sales to "Qualified Buyers" as defined under the SRC and its IRR.

On October 16, 2024, the SEC issued a Notice of Confirmation of Exempt Transaction confirming that the Offer is exempt from the registration requirements of the Securities Regulation Code.

On October 21, 2024, the Philippine Stock Exchange (PSE) approved the application of the Parent Company for the listing of up to 51,493,306 common shares ("Offer Shares") for the Company's SRO

of common shares to be issued from the unissued capital stock of the Parent Company, at an offer price range of P19.42 to P21.55 per Offer Share.

On November 27, 2024, the Parent Company closed the SRO with an offered a total of 50,000,000 Common Shares with a par value of P10.00 per share (the "Rights Shares") at an offer price of P20.00 per share (the "Offer Price") and raised P1 billion in capital. The Offer Price was determined based on the volume-weighted average price of the Issuer's Common Shares traded on the PSE for each of the 90 consecutive trading days immediately prior to (and excluding) pricing date of 31 October 2024, subject to a discount of 3.46%. The entitlement ratio is one rights share for every 5.73 existing common shares.

The transaction resulted to increases in issued share capital of 50,000,000 common shares, capital stock of P500 million and additional paid-in capital of P473.5 million.

Below is the complete list of subscribers to the SRO:

	Name	Number of Shares Subscribed
1)	PCD NOMINEE CORP - FILIPINO	23,651,005
2)	PHINMA INC.	17,086,107
3)	EMAR CORPORATION	8,035,890
4)	AB CAPITAL INVESTMENTS CORPORATION	1,000,000
5)	EMAR CORPORATION	101,411
6)	DEL ROSARIO, VICTOR	76,676
7)	DEL ROSARIO, RAMON JR	14,463
8)	J.L. DE LEON INVESTMENTS, INC.	11,275
9)	GLORIA B. KARGANILLA &/OR FELICIANO BALDERAMA	10,161
10)	MARYDEL CORPORATION	4,439
11)	PCD NOMINEE CORP - NON-FILIPINO	3,550
12)	CAMARA, MA. REMEDIOS	2,435
13)	VILLANUEVA, MYRA	1,745
14)	VILLANUEVA, MYRNA	349
15)	TAN, WILBURN	174
16)	RUIZ, CLEMENCIA	150
17)	ASPERILLA, SYLVIA	91
18)	MAGNO, GERVACIO JR	79
	Total	**50,000,000**

Stockholders

As of January 31, 2026, PHN has 336,325,265 common shares outstanding held by 1,209 stockholders. The list of the top twenty (20) stockholders of the Company as recorded by the Stock Transfer Service, Inc., the Company's stock transfer agent, is as follows:

Rank	Stockholders	No. of Shares	% of ownership
1	Philippine Investment Management, Inc. (PHINMA)	22,8,298,233	67.88%
2	PCD Nominee Corp. (Filipino)	58,835,124	17.56%
3	Ramon R. del Rosario, Jr.	15,573,771	4.63%
4	Magdaleno B. Albarracin, Jr.	11,322,000	3.37%
5	Victor Juan J. del Rosario	5,635,203	1.68%
6	Jose Mari R. del Rosario	3,570,713	1.06%
7	Roberto M. Laviña	1,224,306	0.36%
8	Philippine Remnants Co.	1,176,308	0.35%

9	Michael C. Hilado	1,068,760	0.32%
10	Kayumanggi Publishers Co.	517,762	0.15%
11	Regina B. Alvarez	501,257	0.15%
12	PCD Nominee Corp. (Non-Filipino)	495,892	0.15%
13	Virginia S. Syjuco	178,204	0.05%
14	Daughters of Charity of St. Vincent de Paul	175,533	0.05%
15	The Roman Catholic Bishop of the Diocese of Juan de Dios	169,268	0.05%
16	United Life Assurance Corporation	153,916	0.05%
17	United Insurance Company, Inc.	149,860	0.05%
18	Rosalia M. Amando	142,632	0.04%
19	Blanquita S. Gonzalez	141,051	0.04%
20	Caridad Sanchez Babao	115,484	0.03%
TOTAL		**329,445,277**	**97.95%**

Stock Purchase Plan for Senior Officers

Following are the salient features of the Parent Company's Stock Purchase Plan:

Purpose	To motivate the Senior Officers to achieve the Parent Company's goals, to help make the personal goals and corporate goals congruent and to reward the senior officers for the resulting increase in the value of PHN shares.
Prices of share	The officers shall purchase shares of stock of PHN from those set aside under the Stock Purchase Plan at the average closing price of PHN shares in the stock market for 20 trading days, in no case shall the price be lower than par value.
Tranches	1/3 of the maximum shares can be purchased upon date of first notice and 1/3 each every year thereafter provided that work performance is deemed acceptable.
Holding period	One-third of the shares shall not be sold or transferred to a 3rd party for at least one year from the date of each purchase or until retirement whichever comes first. Another one-third of the shares shall not be sold or transferred to a 3rd party for at least two years from the date of each purchase or until retirement whichever comes first. The last one-third of the shares shall not be sold or transferred to a 3rd party for at least three years from the date of each purchase or until retirement whichever comes first. Any such sale or transfer shall be considered null and void.

On April 2, 2009 and April 20, 2010, the BOD and shareholders of PHN, respectively, approved the setting aside of 8.4 million shares from the unsubscribed portion of the Parent Company's 420 million authorized common shares for stock purchase by the Senior Officers of this Corporation. On January 26, 2012, the Philippine SEC approved the Parent Company's Stock Purchase Plan while the PSE approved for listing the 8.4 million shares on May 23, 2012.

Under the Stock Purchase Plan, officers of the Parent Company can purchase 30.5 million worth of shares over three years, subject to certain conditions. The shares can be purchased at the average closing price of PHN shares in the market 20 days prior to each notice, but in no case shall the price be less than par value.

As at December 31, 2023 and 2022, shares acquired under the stock purchase plan totaled 2,703, 501.

Total cumulative expense recognized in relation to the stock purchase plan amounted to nil as at December 31, 2023 and 2022. There were no unexercised vested shares as at December 31, 2023.

Item 6. Management's Discussion and Analysis or Plan of Operation

CALENDAR YEAR 2025

PHINMA Corporation's ("PHN" or the "Company") consolidated revenues for the fourth quarter stood at ₱6.54 billion, and consolidated net loss was at ₱49.39 million, mainly driven by the strong performance of PHINMA Education. The Company reported full year 2025 revenues of ₱22.84 billion and consolidated net income of ₱326.65 million, while net loss attributable to equity holders of the parent was ₱308.83 million. Consolidated EBITDA for the year was ₱ 3.48 billion.

PHINMA Education Holdings Inc. (PHINMA Education) booked revenues of ₱7.19 billion and a consolidated net income of ₱1.61 billion for the calendar year ended December 2025. Performance was driven by a record enrollment of 177,851 students in the Philippines and Indonesia for School Year 2025–2026, supported by continued improvements in student retention and completion. PHINMA Education also expanded its reach to underserved students by inaugurating new buildings in Southwestern University PHINMA, PHINMA Saint Jude College Quezon City, and Horizon University Indonesia.

PHINMA Construction Materials Group, PHINMA Properties, and PHINMA Hospitality accelerated investments during the year to expand capacity and strengthen operational capabilities. This was reflected in higher capital expenditures, with consolidated capex increasing from ₱3.14 billion in 2024 to ₱5.00 billion in 2025. These investments were undertaken amid a volatile macroeconomic and industry environment and were directed toward projects intended to support future operating capacity across the Group's businesses. During the year, the Group also refinanced portions of its borrowings by converting certain short-term obligations into longer-term debt, extending maturities and strengthening the Group's liquidity profile.

The PHINMA Construction Materials Group (PHINMA CMG), comprised of Union Galvasteel Corp. (UGC), Philcement Corp. (Philcement), Union Insulated Panel Corp. (UIPC), and PHINMA Solar Energy Corp., posted combined revenues of ₱13.33 billion and a net loss of ₱265.38 million. This was due to macroeconomic pressures amidst the fallout from the flood control corruption combined with industry-related challenges. While PHINMA CMG had no direct exposure to flood control projects, it proactively tightened credit controls in response to heightened market uncertainty. To better position PHINMA CMG towards growth, it sought opportunities in adjacent industries, front-loaded investments, and maximized business partnerships. UIPC secured major projects in the cold storage, commercial, and industrial segments and is on track to launch its first production facility this year. Philcement welcomed its newest minority shareholder Sumitomo Osaka Cement (SOC) following its acquisition of a 15% stake in the company.

PHINMA Property Holdings Corp. (PHINMA Properties) recognized ₱1.44 billion in revenues and a net loss of ₱646.56 million amid a broad slowdown in the Metro Manila real estate market. The company prioritized regional developments, particularly its Saludad township in Bacolod where market demand is favorable. Complementing this strategy while reinforcing the Company's mission, PHINMA CoHo Corporation (PHINMA Community Housing), had the groundbreaking for its first project catering to underserved workers and their families in Davao last November.

PHINMA's Hospitality segment, which includes Coral Way City Hotel Corporation, PHINMA Hospitality, Inc., and PHINMA Microtel Hotels, Inc., posted revenues of ₱527.33 million and a net loss of ₱17.94 million. Weak tourist arrivals and on-going expansion activities dampened demand, but pockets of resilience were seen in the leisure, corporate, meetings, and conventions space.

For the full year ended December 31, 2025, PHINMA Corporation had cash and cash equivalents of ₱3.19 billion, total assets of ₱59.39 billion, and total stockholders' equity of ₱16.71 billion on a consolidated basis.

2025 Highlights

PHINMA Education's mission is to make lives better by providing accessible and quality higher education for underserved students. It is a network of 13 colleges and universities in 17 campuses across Southeast Asia, currently serving 178,000 students. This school year, 13,074 students have completed their degrees, 3,642 have earned their professional licenses, and 77% of graduates secure employment within one year of graduation. The network maintains strong academic performance, with an overall board examination passing rate of 93% across 20 programs, including Nursing, Accountancy, Pharmacy, Elementary and Secondary Education, Psychometry, and Criminology. 30 programs achieved a 100% first-time taker passing rate, and 35 graduates ranked as topnotchers nationwide—its highest number in a single school year so far, and the year has not even ended yet.

The Philippine construction sector ended 2025 with its weakest fourth-quarter demand since the COVID-19 lockdowns in 2020. Public and private construction momentum slowed, real estate supply outpaced demand, and investor confidence remained low. Transparency concerns heavily affected infrastructure project flows, while heightened competition and pricing pressure compressed margins in steel and cement. These factors restricted the performance of the construction materials industry. Nevertheless, the Companies implemented decisive reforms to stabilize operations, protect liquidity, and strengthen its portfolio for long-term resilience. Performance reflected uneven conditions across business units: while steel and cement operations experienced industry-wide contraction, insulated panels and solar energy provided meaningful earnings contributions that partially offset broader pressures.

PHINMA Properties shapes new urban communities nurturing Filipinos to become better citizens, believing that supportive communities can help our countrymen achieve their full potential. In 2025, the Company navigated a challenging property market with discipline by prioritizing project delivery, liquidity, and long-term value. PHINMA Properties remains focused on serving the affordable and lower middle-income segment, catering to the urban workforce in growth centers nationwide through its Maayo developments.

Saludad in Bacolod continues to gain traction as the Company's largest-scale development to date, reflecting PHINMA Properties' commitment to responsible urbanization through well-planned and integrated communities. By bringing together residential, commercial, hospitality, and educational components within a master-planned environment, Saludad advances the Company's mission of building holistic communities that support how families live, work, learn, and connect.

PHINMA Hospitality group provides clean, comfortable, and secure lodging to leisure and business travelers in the country through its Microtel by Wyndham and TRYP by Wyndham properties. PHINMA Hospitality Management operates 13 Microtel by Wyndham hotels and one TRYP by Wyndham hotel in the Philippines. Several properties within the group recorded a revenue decline, attributable to flat tourism growth and intensified competition in certain locations.

2026 Outlook

In keeping true to its mission, PHINMA Education will continue to expand access and opportunities to reach its bigger ambition of 1-million students with better lives.
The construction materials businesses, on the other hand, enter 2026 with cautious optimism. Leaner operations, clearer priorities, and ongoing capacity expansions provide a stronger foundation for recovery. Despite pressured profitability in core segments, decisive actions in 2025 have positioned the Companies to restore earnings and capture growth as industry demand normalizes.

Entering 2026, PHINMA Properties remains focused on disciplined capital management and strategic execution as market conditions continue to evolve. The Company will prioritize the steady build-out of Saludad and its Maayo developments, aligning project pacing with demand while preserving financial flexibility. Anchored by a growing township platform, a cumulative track record of delivery, and a commitment to responsible urbanization, PHINMA Properties remains focused on long-term value creation and the continued transformation of lives through well-planned communities.

PHINMA Hospitality will enhance operational efficiency and elevate guest service excellence to strengthen profitability across the group. The group also has a pipeline of projects designed to deliver substantial revenue growth in the coming years, including the ongoing expansion of Microtel Mall of Asia. In addition, construction of the TRYP by Wyndham Bacolod is scheduled to break ground in the first half of the year, serving as the anchor tenant of the Saludad township. The TRYP by Wyndham Samal project, in partnership with Davao-based Damosa Land, marked its groundbreaking ceremony in January, paving the way for the PHINMA group's entry into the domestic condotel market.

Key Performance Indicators (KPI)

Below are the top five (5) KPI's used to measure the financial performance of PHINMA and its material subsidiaries for the periods indicated:

Financial KPI	Definition	December 2025	December 2024
Profitability			
Return on Equity (ROE)	Net Income Attributable to Equity holders of the Parent / Average Equity Attributable to Equity Holders of the Parent[1]	-3.36%	3.49%
Gross Profit Margin	Gross Profit[2] / Total Revenues	30.05%	30.51%
Efficiency			
Cash Flow Margin	Cash Flows from Operating Activities / Total Revenues	1.02%	-8.23%
Liquidity			
Current Ratio	Total Current Assets / Total Current Liabilities	1.09 : 1.00	0.85 : 1.00
Debt-to-Equity Ratio	Total Debt / Total Equity	2.55 : 1.00	2.40 : 1.00

Profitability

The return on equity is lower CY 2025, due mainly to net losses incurred by CMG and PPHC. Gross profit margin on the other hand slightly decreased from 30.51% due to slightly higher variable costs from schools, needed to support higher enrollment.

Efficiency

Net cash inflow from operations improved from -8.23% over the same period last year, mainly due to change in focus in PPHC from project construction to cash flow improvement and managing payables

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1*Average Equity Attributable to Equity Holders of the Parent is derived by dividing in two (2) the sum of beginning Equity Attributable to Equity Holders of the Parent and ending Equity Attributable to Equity Holders of the Parent.*

2*4 Gross Profit is calculated by deducting cost of sales and cost of educational, installation, hospital and consultancy service, cost of real estate and construction services, cost of hotel operations and cost of management and administrative expenses from total revenues.*

and expenses by the group.

Liquidity

Current ratio increased from .85 :1.00 in 2024 to 1.09 :1.00 in 2025 mainly due to 1) increase in Trade Receivables from CMG (₱1.81 billion) and the schools (₱668.51 million) ; and payment of notes payable by the schools (₱1.05 billion) and refinancing of notes payable to term loans by Parent (₱3.30 billion) and PPHC (₱2.27 billion)

Debt-equity ratio of PHINMA and its subsidiaries as of December 31, 2025 was 2.55:1.00 mainly due to increase in term loans of the Group.

Other Financial Ratios are as follows:

Financial Ratio	Definition	December 2025	December 2024
Asset to Equity	Total Assets / Total Equity	3.55	3.40
Interest Rate Coverage Ratio	EBITDA[3] / Interest Expense and Other Financing Charges	1.25	1.75

Asset to Equity ratio of PHN and subsidiaries as of end December 2025 increased from 3.40 to 3.55 due to 1) increase in Trade Receivables from CMG, 2) higher enrollment from schools, 3) expansion and renovation of the schools and 4) expansion of CMG plant , when combined, is bigger in magnitude compared with the increase in equity of ₱884.96 million.

Interest rate coverage ratio decreased from 1.75 in 2024, due to lower earnings in 2025 plus higher interest expense incurred in 2025 resulting from term loans obtained in 2025.

Accounting Policies and Principles

The accompanying consolidated financial statements of Phinma Corporation have been prepared in compliance with accounting principles generally accepted in the Philippines as set forth in Philippine Financial Reporting Standards (PFRS). The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss, available for sale investments and derivative investments that have been measured at fair value.

The consolidated financial statements are prepared in Philippine pesos, the company's functional and presentation currency.

Disclosures on Financial Statements

Below are additional disclosures on the Company's operations :

a. On any known trend, demand, commitment, event and uncertainty that will result in or likely to decrease its liquidity in any material way :

PHN does not anticipate having any cash flow or liquidity problems nor does it anticipate any default of any of its existing loans.

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3 5 EBITDA is net income of the Issuer after adding back (i) interest expense and other financing charges (ii) provision for (benefit from) income tax and (iii) depreciation and amortization.

b. On any event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation:

None

c. On material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other person created during the reporting period:

None

d. On material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures:

None

e. On any known trend, event or uncertainty that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations:

The geopolitical tensions, aggressive expansion across all industries and consequently higher domestic competition and interest rates remaining elevated, resulted in a sharp increase in input costs, which significantly affected the Company's margins. Their impact is reflected in the financial statements as of December 31, 2025.

The current US-Iran war in the Middle East poses a significant ongoing risk to the Global economies and to PHINMA's own businesses.

Risk management team, together with the management team of each business, are currently assessing the possible impacts to their respective businesses and consequently will prepare and identify action plans that can safeguard the achievement of their 2026 objectives and financial performance.

f. Any significant elements of income or loss that did not arise from the Issuer's continuing operations.

None.

g. On the causes for any material change from period to period which shall include vertical and horizontal analyses of any material item:

Increase or decrease of 5% or more in the financial statements are discussed below.

h. On any seasonal aspect that had a material effect on the financial condition or results of operations.

Like any other company in the construction industry, the operations of UGC are affected by seasonality demand. Demand for roofing materials is greater during the months from December to May than during the rainy months of June to November. Hence, the demand for the first semester of the calendar year is normally higher than that of the second semester.

The revenues of the PHINMA Education schools decline during summer months. Hence, net income during the first half of the calendar year is lower than the second half.

For other subsidiaries, there is no significant seasonality that would materially affect their

operations.

Material Changes in Statement of Financial Position Accounts

As of December 31, 2025, the Group's total consolidated assets stood at ₱59.39 billion, higher by 10.27 % than previous year.

Similarly, total consolidated liabilities amounted to ₱42.69 billion, higher by 12.22 % or by ₱4.65 billion than total consolidated liabilities as of December 31, 2024.

The following are the material changes in account balances:

ASSETS

Cash and cash equivalents
The movements in cash and cash equivalents are shown in the cash flow statement.

Investments held for trading
The ₱981.21 million decrease in the account is mainly attributable to redemption of placements by PEHI, Hospitality and the Parent Company.

Current portion - Trade and other receivables
The net increase in receivables of ₱2.56 billion is mainly due to increase in receivables from CMG and the schools

Current portion - Contract assets
The ₱302.57 million decrease in the account is mainly due to PPHC collections amounting to ₱1.78 billion and sale cancellations of ₱571.42 million This was partially offset by re-classification of P1.99 billion from noncurrent contract assets.

Inventories
The net decrease in inventory of ₱381.94 million is attributable to the recording of inventory on hand in Mindanao in Petra Cement's books, partially offset by increase in construction in PPHC projects.

Input value-added taxes and other current assets
The net increase in this account is mainly due to creditable withholding tax and deposit to suppliers of PPHC, and input tax on purchases made by the group.

Assets held for sale
Pertain to land properties of Parent and Phinma Solar, which are placed in the market for sale, as approved by the Board.

Noncurrent portion - Trade and other receivables
The net increase in receivables – noncurrent of ₱74.25 million is driven by the increase in PPHC's advances to contractors, partially offset by APHI's collection of its advances to PRISM amounting to ₱51.0 million .

Noncurrent portion - Contract assets
This account with a balance of ₱1.52 billion as of December 31, pertains to contract asset of PPHC, ₱1.99 billion becoming current in 2026, partially offset by new sales of ₱1.64 billion.

Financial asset at fair value through profit or loss
The increase of ₱80.91 million is due to the mark-to-market gain on investment in preferred shares of Song Lam.

Financial asset at fair value through OCI

The ₱43.66 million decrease is mainly due to sale of Parent's Manila Polo Club shares.

Property, plant and equipment
The ₱3.72 billion increase in this account is mainly due to: 1) renovation and expansion of schools and investment in information system amounting to ₱2.21 billion; 2) construction in progress of Panabo and Tibungco terminals for ₱1.39 billion and 3) ongoing construction of UIPC plant amounting to ₱176.40 million.

Investment properties
The net decrease in this account mainly represents reclassification of Parent's land properties as assets held for sale.

Intangibles
The ₱21.71 million net increase in this account mainly represents PPHC's goodwill from acquisition of JEPP shares, goodwill resulting from the purchase of St. Jude College – Cavite and investment of the schools on information system, partially offset by amortization of software from CMG.

Right-of-use assets
The ₱18.84 million net increase in this account mainly represents additional leases for buildings and warehouses by CMG, net of depreciation.

Deferred tax assets - net
The 57% net increase in this account pertains mainly to an increase in deferred tax assets arising from net operating loss carryover of CMG .

Derivative asset – non-current
The 17% increase in this account pertains mainly to the unrealized gain on put option of the Parent company, related to the investment in Song Lam preferred shares.

Other noncurrent assets
The ₱137.81 million net decrease in this account pertains mainly to the reclassification of advances by the schools to PPE.

LIABILITIES

Notes payable
The ₱3.63 billion decrease in this account is attributable mainly to the 1) refinancing of the Parent's ₱3.0 billion Corporate Bond, 2) refinancing of PPHC's ₱2.27 billion notes payable into term loan and 3) payment of ₱1.05 billion notes payable by the schools, partially offset by ₱2.57 billion notes payable of CMG for working capital requirements.

Trade and other payables
The 19% increase in Trade and other payables is mainly due to: 1) increase in working capital requirements of CMG and consolidation of payables of PIBI to the Parent.

Contract Liabilities
Tuition fees for the semester are accrued as receivable at the start of the semester and the corresponding liability is booked under Contract Liabilities. The account increased by ₱389.22 million mainly due to higher enrollment of the schools and reservation fee from PPHC customers.

Trust receipts payable
The net increase of ₱637.24 million in the account is attributable to CMG's incurrence of trust receipts payable.

Income and other taxes payable
The net decrease of ₱115.04 million in the account is attributable to lower income tax payable of CMG and PPHC due to losses in 2025.

Current portion - long-term debt
The decrease in this account is mainly attributable to payment of PEHI's loan and refinancing of Parent's short term loan

Current portion - lease liability
The increase in the account represents CMG's lease contract

Due to related parties
The net decrease in this account is mainly attributable to the payments made by PEHI and PPCH to the related parties

Long-term debt
The net increase in this account is mainly due to refinancing of Parent's short-term loans, new long-term loans acquired by the schools , CMG and PPHC.

Deferred tax liability
The net increase in the account amounting to ₱8.91 million represents mainly the increase in deferred tax liabilities of the schools, partially offset by expiration of DTA on NOLCO for PPHC.

Pension and other post-employment benefits
The net decrease in the account amounting to ₱46.08 million represents contribution to the fund by the schools.

Lease liability – noncurrent
The net decrease in the account amounting to ₱30.37 million represents mainly the decrease in lease liabilities of PPHC, CMG and Hospitality.

Other noncurrent liability
The net decrease in the account mainly represents reclassification of PPHC's liability into current..

EQUITY

Equity reserves
The movement in the account pertains to the excess of the purchase price of PIBI shares over the book value of the shares, when the parent acquired PIBI in January 2025 and from the additional investment of Rise Edu Pte. Ltd to PEHI.

Other comprehensive income
The ₱37.34 million decrease in this account is mainly due to the unrealized loss from the decrease in fair value of financial assets at FVOCI of the parent company and PHINMA Hospitality.

Retained earnings
The decrease in the account represents 1) dividends declared during the period amounting to ₱171.80 million, 2) the impact of the adoption of PIC Q&A 2018-12, affecting PPHC, on beginning retained earnings amounting to ₱142.17 million and the impact of net loss in 2025 and realized gain on sale of financial assets at FVOCI.

Material Changes in Income Statement Accounts

Revenues
The ₱918.3 million revenue drop is primarily due to lower CMG sales and reduced income from PHINMA Properties' real estate and construction contracts. In addition, the revenue of hotel operations of the Hospitality group also declined. The decrease was partly balanced by revenue growth from PHINMA Education due to higher enrollment, as well as increased rental, investment, and interest income.

Cost of sales
The ₱532.5 million net decrease is primarily due to reduced CMG volume, lower input costs improving efficiency, and decreased real estate and hotel operation expenses. This was partially offset by an increase in the variable cost of schools required to support the higher enrollment figures.

General and administrative expenses
General and administrative expenses increased from previous year mainly due to addition of a subsidiary, PHINMA Insurance, as well as increase in PEHI expenses related to the addition of 1 new school.

Selling expenses
The decrease in the account can be attributed to the reduction in selling expenses of PPHC.

Interest expense and other financing charges
The increase in interest expense is mainly due to availment of loans by the group.

Equity in net earnings (losses) of associates and joint ventures
The increase in equity in net earnings of associates and joint ventures is mainly attributable to the increase in PEHI's equity in IPM. This was partially offset by the decrease in PHINMA Hospitality's equity in hotels.

Unrealized gain (loss) on change in fair value of financial assets at fair value through profit or loss
Net gain is attributable to the unrealized foreign exchange loss from the investment in Song Lam preferred shares.

Net gains on derivatives
The gain on derivatives mainly resulted from the unrealized foreign exchange gain from the put option on the Song Lam preferred shares.

Foreign exchange gains (losses) - net
The net forex loss is mainly attributable to CMG's loss, which was partially offset by a gain in Parent's and PEHI's USD holdings restated at the forex rate of ₱58.79: $1.

Gain on sale of investment properties
The increase in the account is mainly due to the higher valuation of the put option related to our investment in Song Lam preferred share

Gain loss) on sale of property, plant and equipment - net
The increase in this account is mainly on the gain on sale of investment properties by PHINMA Properties.

Others – net
The decrease in this account is mainly due to the non-occurrence of one-off other income item of APHI from previous year

Provision for (benefit from) income tax
The decrease in this account is mainly from the tax benefist from CMG, partially offset by the provision in the schools, Parent, PIBI and PHINMA Properties.

CALENDAR YEAR 2024

PHINMA Corporation's ("PHN" or the "Company") consolidated revenues rose to ₱23.76 billion for the period ending December 31, 2024 from ₱21.27 billion in the previous year. The Company's consolidated net income and net income attributable to equity holders of the parent were at ₱936.87 million and ₱279.55 million, compared to the restated 2023 figures of ₱1.50 billion and ₱831.27 million respectively. PHN restated its Calendar Year (CY) 2023 financial statements following an

internal review by its subsidiary Union Galvasteel Corporation (UGC), leading to lower retained earnings.

The Company's balance sheet strengthened in 2024 through its ₱1-billion stock rights offering listed in November and the ₱2.52-billion initial investment of leading global investment firm KKR in PHINMA Education through Phoenix Investments II Pte. Ltd. KKR also acquired the PHINMA Education shares of former investors Kaizenvest, Asian Development Bank, and FMO–allowing PHN to book an addition to equity of ₱1.45 billion arising from this reversal of a contingent put liability on these shares. As of end-2024, following the additional equity infusion and increase in equity reserves, PHN's book value per share rose to ₱27.76 from ₱23.29.

PHINMA Education Holdings, Inc. (PHINMA Education) recognized revenues of ₱6.39 billion, an increase of 17% compared to the prior year. Meanwhile, consolidated net income for the same period stood at ₱1.19 billion. The robust performance was primarily driven by enrollment growth as the network expanded its total enrollment to 163,854 students across the Philippines and Indonesia in School Year (SY) 2024-2025, marking a 12% increase from the previous academic year. Additionally, PHINMA Education achieved an overall board passing rate of 88% and 25 board topnotchers in 2024.

The PHINMA Construction Materials Group (PHINMA CMG) - comprised of UGC, Philcement Corporation (Philcement), and PHINMA Solar Energy Corporation (PHINMA Solar) - reported combined revenues of ₱14.30 billion due to its enhanced sales and production capabilities. In addition, PHINMA CMG's development of higher margin products and the expansion of sales channels enabled it to achieve a combined net income of ₱80.64 million in 2024 despite rising input costs and heightened market competition.

PHINMA Property Holdings Corp. (PHINMA Properties) registered revenues of ₱2.34 billion and a net loss of ₱98.28 million amid lower sales volumes and increasing interest costs. The decline is also attributable to upfront expenses related to expansion projects, the timing of revenue recognition, and the implementation of new Significant Financing Component accounting standards. The unbooked revenues will be recognized as construction progresses. PHINMA Properties looks to sustain gains from key developments particularly Saludad, its 21-hectare master-planned township in Bacolod. Meanwhile the PHINMA Group sees significant opportunities in its newly organized PHINMA Community Housing Corporation as the vehicle for its renewed thrust in the underserved socialized housing sector.

Coral Way City Hotel Corporation (Coral Way), PHINMA Hospitality, Inc., and PHINMA Microtel Hotels, Inc. posted combined revenues of ₱591.63 million and combined net income of ₱65.58 million. Sustained demand from conventions, events and corporate bookings led to a pickup in both chainwide occupancy and the average daily rates, resulting in revenue growth for the aforementioned companies. Furthermore, PHINMA Microtel Hotels Inc.'s new franchise agreement for a TRYP by Wyndham condominium-hotel project in Samal Island, Davao also contributed to the revenue increase.

For CY 2023, PHN restated its financial report after UGC identified certain adjustments needed to correct certain line items resulting from the inconsistent application of certain accounting policies. These one-off, non-cash adjustments reduced 2023 income by ₱128.92 million and retained earnings at the start of the year by ₱893.48 million. Moving forward, UGC is reinforcing its internal controls. The company has also strengthened its finance team and executive leadership, mainly with the appointment of its new Chief Operating Officer Gil Amilbangsa. Mr. Amilbangsa, a University of the Philippines industrial engineering alumnus, brings three decades of leadership experience in steel manufacturing and operations in the Philippines and abroad.

PHINMA Corporation had cash and cash equivalents of ₱3.10 billion, consolidated total assets of P53.86 billion, and total stockholders' equity of ₱15.82 billion.

2024 Highlights

PHINMA Education provides accessible, quality education to underserved youth – low-income high school graduates who are often the first in their families to go to college. On its 20th year, the company

acquired its 10th Philippine school, St. Jude College Dasmariñas, Cavite and began managing its second school in Indonesia, Kalbis University in Jakarta. PHINMA Education is the largest network of tertiary education schools in Southeast Asia with enrollment of more than 163,000 students.

PHINMA CMG provides a reliable supply of essential construction materials that help Filipinos build better homes, communities, and futures. Union Galvasteel Corporation (UGC) formed its Insulated Panel Division into its own business: Union Insulated Panel Corporation (UIPC), which broke ground on its state-of-the-art manufacturing plant in Porac, Pampanga. UIPC is well-positioned to enhance the country's cold storage infrastructure and food supply chain with annual capacity of one million square meters of insulated panels. Philcement entered into partnerships with Petra Cement, Inc. and Big Boss Cement, Inc., effectively expanding the company's production capacity and sales reach through operating new plants in Zamboanga del Norte and Pampanga. Meanwhile, PHINMA Solar focused on completing its 9,39-MWac solar rooftop projects that were awarded in 2023 under the government's Green Energy Auction Program (GEAP II).

PHINMA Properties shapes new urban communities, nurturing Filipinos to become better citizens, often providing homes to first-time homebuyers. Saludad, the Group's first-ever township, highlights the synergy of PHINMA by hosting the first Southwestern University outside of Cebu, a TRYP by Wyndham hotel, as well as by utilizing construction materials from PHINMA CMG. It integrates these with the Bacolod's rich cultural heritage. The business unit also expanded PHINMA Maayo Tugbok in Mindanao and saw families start moving its various projects.

PHINMA Hospitality provides clean, comfortable, and secure lodging to leisure and business travelers in the country through its Microtel by Wyndham and TRYP by Wyndham properties. PHINMA Hospitality operates 14 Microtel by Wyndham hotels and one TRYP by Wyndham hotel in the Philippines. The hotels saw strong growth in revenue per available room (RevPAR) due to strong domestic tourism, the continued resurgence of business travel, and a steady rise in international arrivals. The increased frequency of in-person meetings and events significantly boosted demand for both accommodations and function rooms.

Key Performance Indicators (KPI)

Below are the top five (5) KPI's used to measure the financial performance of PHINMA and its material subsidiaries for the periods indicated:

Financial KPI	Definition	December 2024	December 2023 (As Restated)
Profitability			
Return on Equity (ROE)	Net Income Attributable to Equity holders of the Parent / Average Equity Attributable to Equity Holders of the Parent[4]	3.49%	11.75%
Gross Profit Margin	Gross Profit[5] / Total Revenues	30.51%	29.21%
Efficiency			
Cash Flow Margin	Cash Flows from Operating	-9.53%	0.65%

4 *Average Equity Attributable to Equity Holders of the Parent is derived by dividing in two (2) the sum of beginning Equity Attributable to Equity Holders of the Parent and ending Equity Attributable to Equity Holders of the Parent.*

5 *4 Gross Profit is calculated by deducting cost of sales and cost of educational, installation, hospital and consultancy service, cost of real estate and construction services, cost of hotel operations and cost of management and administrative expenses from total revenues.*

	Activities Total Revenues		
Liquidity Current Ratio	Total Current Assets Total Current Liabilities	0.85 : 1.00	1.07 : 1.00
Debt-to-Equity Ratio	Total Debt Total Equity	2.40 : 1.00	3.43 : 1.00

Profitability

The return on equity of 3.49 % in CY 2024, is lower than 11.75% return of the previous year due mainly to losses incurred by CMG and PPHC in 2024. Gross profit margin on the other hand slightly increased from 29.21% to 30.51% in 2024 due to initiatives from CMG to effectively optimize margins across product lines.

Efficiency

Net cash inflow from operations is-9.53% compared to net cash flow margin of 4.96% over the same period last year, mainly due to higher sales to institutional customers of CMG, acquisition of land and increase in project development costs from PPHC and payment of interest expense by the group.

Liquidity

Current ratio decreased from 1.07:1.00 in 2023 to 0.85:1.00 in 2024 mainly due to 1) increase in Notes Payable of Parent (P3.4 billion), CMG (₱3.1 billion), PPHC (₱1.4 billion) and the schools (P1.1 billion); and 2) the increase in contract liabilities of the schools (₱900 million) and CMG (₱466 million).

Debt-equity ratio of PHINMA and its subsidiaries as of December 31, 2024 was 2.40:1.00 mainly due to increase in Notes Payable of the Group.

Other Financial Ratios are as follows:

Financial Ratio	Definition	December 2024	December 2023
Asset to Equity	Total Assets Total Equity	3.40	4.43
Interest Rate Coverage Ratio	EBITDA[6] Interest Expense and Other Financing Charges	2.38	3.44

Asset to Equity ratio of PHN and subsidiaries as of end December 2024 decreased from 4.43 to 3.40 due to 1) higher sales to institutional customers of CMG, 2) higher enrollment from schools 3) acquisition of land and increase in project development costs from PPHC and 4) expansion and renovation of the schools which were smaller in magnitude when compared with the increase in equity of ₱9.7 billion resulting from CMG's adjustment, Parent's SRO, investment of Phoenix Investments II Pte. Ltd in PEHI and the derecognition of the related contingent NCI put liability.

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6 *EBITDA is net income of the Issuer after adding back (i) interest expense and other financing charges (ii) provision for (benefit from) income tax and (iii) depreciation and amortization.*

Interest rate coverage ratio decreased from 3.44 in 2023 to 2.38 in 2024, due to lower earnings in 2024 plus higher interest expense incurred in 2024 resulting from notes payable and loans payable obtained in 2024 at higher interest rates.

Accounting Policies and Principles

The accompanying consolidated financial statements of Phinma Corporation have been prepared in compliance with accounting principles generally accepted in the Philippines as set forth in Philippine Financial Reporting Standards (PFRS). The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss, available for sale investments and derivative investments that have been measured at fair value.

The consolidated financial statements are prepared in Philippine pesos, the company's functional and presentation currency.

Disclosures on Financial Statements

Below are additional disclosures on the Company's operations :

a. On any known trend, demand, commitment, event and uncertainty that will result in or likely to decrease its liquidity in any material way :

   PHN does not anticipate having any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing loans.

b. On any event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation:

   None

d. On material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other person created during the reporting period:

   None

d. On material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures:

   None

e. On any known trend, event or uncertainty that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations:

   The geopolitical tensions, aggressive expansion across all industries and consequently higher domestic competition and interest rates remaining elevated, resulted in a sharp increase in input costs, which significantly affected the Company's margins. Their impact is reflected in the financial statements as of December 31, 2024. Phinma Corporation and its subsidiaries continue to monitor developments and to adapt accordingly with continuous implementation of cost management measures/cost rationalization across departments.

f. Any significant elements of income or loss that did not arise from the Issuer's continuing operations.

   None.

g. On the causes for any material change from period to period which shall include vertical and horizontal analyses of any material item:

Increase or decrease of 5% or more in the financial statements are discussed below.

h. On any seasonal aspect that had a material effect on the financial condition or results of operations.

Like any other company in the construction industry, the operations of UGC are affected by seasonality demand. Demand for roofing materials is greater during the months from December to May than during the rainy months of June to November. Hence, the demand for the first semester of the calendar year is normally higher than that of the second semester.

The revenues of the PHINMA Education schools decline during summer months. Hence, net income during the first half of the calendar year is lower than the second half.

For other subsidiaries, there is no significant seasonality that would materially affect their operations.

Material Changes in Statement of Financial Position Accounts

As of December 31, 2024, the Group's total consolidated assets stood at ₱53.86 billion, higher by 25.85 % than the ₱42.80 billion total consolidated assets as of December 31, 2023.

Similarly, total consolidated liabilities amounted to ₱38.04 billion, higher by 14.79 % or by ₱4.90 billion than total consolidated liabilities as of December 31, 2023.

The following are the material changes in account balances:

ASSETS

Cash and cash equivalents
The movements in cash and cash equivalents are shown in the cash flow statement.

Investments held for trading
The increase in the account is mainly attributable to PEHI and the Parent Company's placement of the proceeds from equity received and SRO respectively, partially offset by redemption of placements of API.

Current portion - Trade and other receivables
The net increase in receivables of ₱2.73 billion is mainly due to higher sales in 2024 compared to 2023 and higher sales to institutional clients of CMG which have longer credit terms, higher enrollment for schools, partially offset by reduction in PPHC receivables amounting to P369 million.

Current portion - Contract assets

The ₱1.06 billion decrease in the account is mainly due to PPHC collections amounting to ₱1.27 billion, sale cancellations of ₱542.42 million and impact of adjustments related to Significant Financing Component amounting to ₱218.38 million. This was partially offset by re-classification of P 967.98 million from noncurrent contract assets.

Inventories
The net increase in inventory of ₱2.48 billion is attributable to the on-going property development of PPHC amounting to ₱1.56 billion and higher inventory of CMG due to its Petra operations and higher material costs.

Input value-added taxes and other current assets
The net increase in this account is mainly due to creditable withholding tax and deposit to suppliers of PPHC, scholarship grants of schools which are amortized by the end of the semester, prepayments and input tax on purchases made by the group

Noncurrent portion - Trade and other receivables
The net increase in receivables – noncurrent of ₱18.53 million is driven by the increase in PPHC's receivables from HDMF and APHI's advances to PRISM, partially offset by reduction in receivables of CMG.

Noncurrent portion - Contract assets
This account with a balance of ₱1.33 billion as of December 31, pertains to contract asset of PPHC, arising from new sales, partially offset by reclassification of contract assets, amounting to ₱967.98 million, to current.

Investment in and advances to associates and joint venture
The ₱242.52 million increase is mainly due to additional investment of PHINMA Education in PT Ind-Phil Management (IPM) amounting to ₱206.70 million partially offset by share in IPM's net loss of ₱20.87 million plus the investment of CMG in DITC Bulk Terminal.

Financial asset at fair value through profit or loss
The increase of ₱125.95 million is due to the mark-to-market gain on investment in preferred shares of Song Lam.

Financial asset at fair value through OCI
The ₱24.10 million decrease is mainly due to sale of Alabang Country Club share by Parent.

Property, plant and equipment
The ₱2.38 billion increase in this account is mainly due to: 1) renovation and expansion of schools amounting to ₱1.84 billion; 2) construction in progress of ship onloader and solar farm and packaging line of CMG amounting to ₱395.23 million and 3) ongoing construction of UIPC plant amounting to ₱147.84 million, partially offset by depreciation.

Investment properties
The net increase in this account mainly represents PPHC's increase in investment property.

Intangibles
The ₱442.76 million net increase in this account mainly represents PPHC's goodwill from acquisition of JEPP shares and goodwill resulting from the purchase of St. Jude College – Cavite.

Deferred tax assets - net
The 39% net increase in this account pertains mainly to an increase in deferred tax assets arising from provision for ECL of schools, accrued and pension expense of CMG as well as increase in PHINMA Hospitality companies' deferred tax assets.

Derivative asset – non-current
The 12% increase in this account pertains mainly to the unrealized gain on put option of the Parent company, related to the investment in Song Lam preferred shares.

Other noncurrent assets
The ₱173.26 million net increase in this account pertains mainly to the cost of digital transformation projects of PEHI and the schools which are currently under development plus the reclassification of accounts of PPHC.

LIABILITIES

Notes payable
The ₱8.40 billion increase in this account is attributable mainly to the 1) refinancing of the Parent's

₱3.0 billion Corporate Bond, 2) ₱3.08 billion notes payable of CMG for working capital requirements, 3) ₱1.05 notes for working capital and expansion of the schools and 4) notes payable obtained by PPHC for property development.

Trade and other payables
The 23% increase in Trade and other payables is mainly due to: 1) increase in working capital requirements of the schools; 2) accrual of commission and processing costs related to sales of PPHC and 3) liabilities incurred from acquisition of land by PPHC.

Contract Liabilities
Tuition fees for the semester are accrued as receivable at the start of the semester and the corresponding liability is booked under Contract Liabilities. The account increased by ₱1.30 billion mainly due to higher contract liability of the schools, resulting from high enrolment in SY2425 and CMG's increase in contract liability.

Trust receipts payable
The net decrease of ₱187.99 million in the account is attributable to settlement of CMG's trust receipts payable.

Income and other taxes payable
The net increase of ₱148.19 million in the account is attributable to increase in taxes payable from PPHC, partially offset by the settlement of CMG's and PEHI's tax payable.

Current portion - long-term debt
The increase in this account is mainly attributable to the reclassification to current portion of PEHI and CMG's long-term debt, partially offset by payment of the Parent's corporate bond.

Current portion - lease liability
The decrease in the account represents periodic lease payments by CMG

Due to related parties
The net decrease in this account is mainly attributable to the decrease in the amounts due to the parent holding company.

Long-term debt
The net decrease in this account is mainly due to portion of Parent, PEHI and CMG's long-term loans becoming current, partially offset by new long-term loans acquired by the schools amounting to P407.02 million.

Non-controlling interest put liability
The decrease in the account represents derecognition of the contingent amount payable by Phinma Corporation to non-controlling shareholders of Phinma Education.

Deferred tax liability
The net decrease in the account amounting to ₱56.76 million represents mainly the decrease in deferred tax liabilities of PPHC

Pension and other post-employment benefits
The net increase in the account amounting to ₱94.28 million represents accrual of retirement expense by the group.

Lease liability – noncurrent
The net increase in the account amounting to ₱32.12 million represents mainly the increase in lease liabilities of PPHC and CMG

Other noncurrent liability
The net increase in the account mainly represents adjustments in accrued land liability of PPHC.

EQUITY

Treasury shares
The movement in the account represents the Parent company's shares held for investment by a subsidiary (ABCIC Property Holdings, Inc.), which are classified as treasury shares during consolidation.

Exchange differences on translation of foreign operations
The movement in the account represents the adjustments arising from the translation of the financial statements of One Animate Limited (OAL) to Philippine Pesos.

Equity reserves
The movement in the account is related to the derecognition of the put option on shares in PHINMA Education and the and the acquisition of ownership interest of NCI in SWU.

Other comprehensive income
The ₱14.25 million decrease in this account is mainly due to the unrealized loss from the decrease in fair value of financial assets at FVOCI of the parent company and PHINMA Hospitality.

Retained earnings
The decrease in the account represents 1) dividends declared during the period amounting to ₱171.80 million, 2) the impact of the adoption of PIC Q&A 2018-12, affecting PPHC, on beginning retained earnings amounting to ₱142.17 million partially offset by the net income for the 2024 and realized gain on sale of financial assets at FVOCI.

Material Changes in Income Statement Accounts

Revenues
The ₱2.49 billion increase in revenues is mainly due to :1) consolidation of sales and construction contracts of Phinma Properties and revenue from hotel operations, management, royalty and franchise fees of the Hospitality businesses in the combined amount, for both businesses (The revenues of the Property and Hospitality business were consolidated starting July 2023); 2) increase of ₱1.17 billion of PHINMA Education revenues arising from record enrollment; 3) net increase of ₱1.03 billion of CMG sales and 4) Increase in rental and investment income offset by a decrease in consultancy income of the parent company businesses.

Cost of sales
The net increase in cost of sales is attributable to increased volume of CMG coupled with higher materials cost and consolidation of cost of real estate and management of PPHC, and cost of sales and hotel operations of PHINMA Microtel and Coral Way amounting to ₱447.78 million. (PPHC, Phinma Microtel and Coral Way were consolidated starting July 2023). The increase is also due to increase in the schools' variable costs to support the higher enrollment for SY2024-25 compared to previous school year.

General and administrative expenses
General and administrative expenses increased from previous year mainly due to consolidation of operating expenses of PPHC, PHINMA Microtel and Coral Way amounting to ₱481.43 million, increase in PHINMA Education expenses amounting to ₱415.17 million, increase in CMG expenses amounting to ₱268.59 million and one-off expenses for strategic business review for the parent and subsidiaries amounting to ₱67.3 million.

Selling expenses
The increase in the account can be attributed to the consolidation of selling expenses of PPHC, PHINMA Microtel and Coral Way partially offset by reduction in selling expenses of the schools.

Interest expense and other financing charges
The increase in interest expense is mainly due to availment of loans by the group.

Unrealized gain (loss) on change in fair value of financial assets at fair value through profit or loss
Net gain is attributable to the unrealized foreign exchange loss from the investment in Song Lam preferred shares.

Net gains on derivatives
The gain on derivatives mainly resulted from the unrealized foreign exchange gain from the put option on the Song Lam preferred shares.

Equity in net earnings (losses) of associates and joint ventures
Equity in net earnings of associates refers to PEHI's equity in IPM and PHINMA Hospitality's equity in hotels.

Foreign exchange gains (losses) - net
The net forex gain is attributable to Parent's USD holdings restated at the forex rate of ₱57.85: $1 compared to ₱55.37: $1 as of December 31, 2023. This was partially offset by CMG's net forex loss.

Gain on sale of investment properties
The amount represents the gain on sale of land by SWU.

Gain loss) on sale of property, plant and equipment - net
The amount represents the loss on sale of service vehicles by CMG.

Others – net
The increase in this account is mainly due to the increase in other income of APHI, the schools and PPHC.

Provision for (benefit from) income tax
The provision resulted mainly from the schools, CMG and the Hospitality group, partially offset by tax benefit in PPHC.

CALENDAR YEAR 2023

PHINMA Corporation (PHN) realized strong consolidated revenues of ₱21.27 billion in 2023, a 20% increase from 2022. Consolidated net income correspondingly rose to ₱1.63 billion from last year's ₱1.53 billion while consolidated core net income rose 40% to ₱1.67 billion from the ₱1.19 billion recorded last year.

PHN's stronger financial results were driven by the sustained growth in the Education business which continued to see enrolment growth , along with the Construction Materials Group (CMG) and PHINMA Property Holdings Corp. (PHINMA Properties)'s efforts to improve cost efficiency. The Hospitality business likewise took advantage of the continued recovery in domestic travel and events, particularly in the Mall of Asia area.

PHINMA Education Holdings, Inc. (PHINMA Education) remained steadfast in its commitment to provide accessible quality education to the affordable segment. For the first semester of School Year (SY) 2023-2024, PHINMA Education logged its highest enrolment at 146,546 students in the Philippines and Indonesia, an 18% overall increase compared to the previous school year while also achieving savings on operational costs. As a result, PHINMA Education posted consolidated revenues of ₱5.44 billion and consolidated net income of ₱1.19 billion for calendar year 2023.

The Construction Materials Group (CMG), composed of Union Galvasteel Corporation (UGC), Philcement Corporation (Philcement), and PHINMA Solar Corporation (PHINMA Solar), posted combined revenues of ₱13.27 billion and a combined net income of ₱430.95 million for the calendar year 2023. UGC saw a growth in sales volumes as construction activities rebounded in the second half of 2023. Meanwhile, Philcement implemented various cost-saving initiatives and strategic pricing

amid the highly competitive environment. PHINMA Solar also secured 58 projects, totaling 9.39 mWp, in the government's Green Energy Auction Program (GEAP II) – making it the only company to successfully bid in the solar rooftop segment.

PHINMA Property Holdings Corp. (PHINMA Properties) aims to build sustainable communities to address the Philippines' growing housing backlog. In July 2023, PHN acquired additional shares of PHINMA Properties, increasing the company's ownership from 40.10% to 76.81%. The consolidated net income for the second half of 2023 worth ₱281.99 million offset the equitized net loss of ₱63.87 million in the first six months of the year.

With the acquisition of PHINMA Hospitality and PHINMA Microtel shares in July 2023, PHN consolidated net earnings of Coral Way, PHINMA Hospitality and PHINMA Microtel for the year of ₱26.56 million. This is inclusive of the equitized net income in Coral Way amounting to ₱5.25 million during the first half of the year. Coral Way benefitted from the resurgence of conventions, events and corporate bookings in the Mall of Asia area.

Consolidated net income attributable to equity holders of the parent was at ₱957.63 million with an earnings per share of ₱3.34 during the period. Core net income attributable to equity holders of the parent stood at P3.52 per share. Total cash and cash equivalents were at ₱2.91 billion at the end of the period. Meanwhile, consolidated total assets amounted to ₱43.48 billion and total stockholders' equity amounted to ₱10.70 billion.

2023 Highlights

PHINMA Education provides accessible quality education to underserved youth, and is today one of the largest private education networks in Southeast Asia. In the 2023-2024 academic year (AY), the company recorded its highest enrollment of 146,546 students, an 18% increase over the previous AY.

2023 academic results showed a continued commitment to our students' needs. In Indonesia, Horizon Education secured full university status for its first institution, and in the Philippines, PHINMA Education achieved an 83.11% first-time pass rate across all licensure exams with 26 topnotchers.

This commitment resulted in significant financial growth with consolidated revenues of ₱5.44 billion and net income of nearly ₱1.2 billion in Calendar Year (CY) 2023—up from ₱4.07 billion and PHP 818 million in CY 2022, respectively.

PHINMA CMG—which is composed of Union Galvasteel Corporation (UGC), Philcement Corporation (Philcement), and PHINMA Solar Energy Corporation (PHINMA Solar)—supports public and private infrastructure development by supplying galvanized iron and steel building products, cement, and solar rooftop generation solutions.

Buoyed by the country's resilient economic performance in 2023, PHINMA CMG improved its cost efficiency operations as the group coursed through geopolitical tensions from the lingering Russia-Ukraine war, delayed rebound of China's economy, and delays in government infrastructure projects.

UGC's Light Steel Frames and Insulated Panels divisions have been gaining ground from their launch in 2022—all in line with the company's pivot towards the future. Philcement saw its sales volume increase but faced challenges in improving prices amid tough competition. The company also successfully concluded talks in 2023 with Petra Cement for a strategic partnership. On top of its highest-ever revenues, PHINMA Solar secured 58 projects totaling 9.39 mWp from the government's second Green Energy Auction Program—making it the sole firm to bid successfully in the solar rooftop segment.

The three companies of PHINMA CMG produced combined revenues of ₱13.27 billion, rising slightly year-on-year. The group's combined net income moderated to ₱430.95 million, largely owing to a tight competitive environment.

PHINMA Properties shapes new urban communities nurturing Filipinos to become better citizens, believing that supportive communities can help our countrymen achieve their full potential. The affordable housing segment remained PHINMA Properties' primary market this 2023, with its Maayo line still focused on the urban workforce in growth centers nationwide. The company also reactivated its economic and socialized housing segment as the country's housing backlog continues to grow.

For 2023, PHINMA Properties registered consolidated revenues of ₱2.52 billion and a consolidated net income after tax of ₱114 million—a 17% year-on-year climb.

PHINMA Hospitality Inc. (PHINMA Hospitality) remains steadfast to its commitment to provide clean, comfortable, and secure lodging to leisure and business travelers in the country through its Microtel by Wyndham and TRYP by Wyndham. PHINMA Hospitality operates 13 Microtel by Wyndham hotels and one TRYP by Wyndham hotel in the Philippines.

The hotels witnessed significant recovery from the pandemic owing to strong local tourism, the return of business travel, and the sustained increase in international travels. The uptick in face-to-face meetings and events likewise drove up demand for accommodations and function rooms.

PHINMA Corporation acquired shares of PHINMA Hospitality and PHINMA Microtel shares last July 2023. The Company consolidated net earnings of Coral Way, PHINMA Hospitality and PHINMA Microtel for the year of ₱26.56 million. This includes the equitized net income in Coral Way amounting to ₱5.25 million in the first half of 2023.

The Group's efforts to make lives better for Filipino families and communities go beyond our business operations. We participated in the Department of Education's Brigada Eskwela program for the 17th straight year, where we revitalized nearly 160 classrooms in 50 public schools—directly benefiting 28,000 students and 570 teachers. Other efforts included tree plantation and bloodletting, all made possible by the mobilization of 2,000 PHINMA Hero volunteers.

This year, PHINMA Foundation, Inc. (PFI) welcomed 73 new college scholars into its flagship PHINMA National Scholarship (PNS) program. The PNS currently supports 150 scholars across partner institutions Philippine Normal University Manila, University of the Philippines Diliman, Technological University of the Philippines Manila, and PHINMA-University of Pangasinan. PHINMA employees also provide scholars mentorship through the Big Brother and Big Sister Program—accounting for over 70% of its total mentors. PHINMA Education also assists qualified students through the Hawak Kamay (HK) Scholarship Program in the Philippines, and the Beasiswa Sahabat Horizon Program in Indonesia which reduce tuition fees by as much as 75%. This SY, some 66,759 college students or 58% of enrolled students within the network are covered.

This year, your Company has also promoted and fortified synergies among its strategic business units. PFI scholars and PHINMA Education students can pursue internships required by their degree programs under our businesses. Several PHINMA schools and property developments also utilize solar panels from PHINMA CMG, while PHINMA Properties has exercised its construction capabilities in some schools. Our Ugnayan initiative includes hybrid groupwide townhalls and regional townhall meetings to help facilitate updates and networking among our businesses' employees nationwide.

PHINMA Corporation's strong business performance has allowed it to maintain a healthy balance sheet in 2023. We are also happy to report that the Board has declared a regular cash dividend of ₱0.60 per share, which is payable on 12 April 2024.

Key Performance Indicators (KPI)

Below are the top five (5) KPI's used to measure the financial performance of PHINMA and its material subsidiaries for the periods indicated:

Financial KPI	Definition	December 2023	December 2022
Profitability			

Return on Equity (ROE)	Net Income Attributable to Equity holders of the Parent / Average Equity Attributable to Equity Holders of the Parent[7]	**11.92%**	11.94%
Gross Profit Margin	Gross Profit[8] / Total Revenues	**29.81%**	24.74%
Efficiency			
Cash Flow Margin	Cash Flows from Operating Activities / Total Revenues	**0.65%**	-7.30%
Liquidity			
Current Ratio	Total Current Assets / Total Current Liabilities	**1.13:1.00**	1.71 : 1.00
Debt-to-Equity Ratio	Total Debt / Total Equity	**3.06:1.00**	1.87 : 1.00

Profitability

The return on equity of 11.92 % in CY 2023, is slightly lower than 11.94% return of the previous year due to higher average equity attributable to shareholders of the parent in 2023. Gross profit margin on the other hand increased from 24.74% to 29.81% in 2023 due to initiatives from CMG and PHINMA Education to effectively manage fixed and semi-variable costs.

Efficiency

Net cash inflow from operations amounted to ₱138.64 million in CY2023 compared to net cash outflow of ₱1,289.70 million in CY 2022, mainly due to higher operating income in CY2023.

Liquidity

Current ratio dipped to 1.13:1.00 in CY 2023 as the P3 billion corporate bond became current as of December 31, 2023.

Debt-to-equity ratio of PHN and its subsidiaries as of end December 2023 increased from 1.87:1.00 to 3.06:1.00, mainly due to consolidation of indebtedness from the Properties and Hospitality group, resulting from the acquisition of shares in those businesses in July 2023.

Other Financial Ratios are as follows:

Financial Ratio	Definition	December 2023	December 2022

7 Average Equity Attributable to Equity Holders of the Parent is derived by dividing in two (2) the sum of beginning Equity Attributable to Equity Holders of the Parent and ending Equity Attributable to Equity Holders of the Parent.

84 Gross Profit is calculated by deducting cost of sales and cost of educational, installation, hospital and consultancy service, cost of real estate and construction services, cost of hotel operations and cost of management and administrative expenses from total revenues.

Asset to Equity	Total Assets / Total Equity	**4.06**	2.87
Interest Rate Coverage Ratio	EBITDA[9] / Interest Expense and Other Financing Charges	**3.56**	4.17

Asset to Equity ratio of PHN and subsidiaries as of end December 2023 increased from 2.87 to 4.06 due to consolidation of assets of PPHC and PHINMA Hospitality companies.

Interest rate coverage ratio decreased from 4.17 in 2022, due to higher interest expense incurred in 2023 resulting from notes payable and loans payable obtained in 2023 at higher interest rates.

Accounting Policies and Principles

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The consolidated financial statements are prepared in Philippine pesos, the company's functional and presentation currency.

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PHN does not anticipate having any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing loans.

b. On any event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation:

None

e. On material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other person created during the reporting period:

None

d. On material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures:

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e. On any known trend, event or uncertainty that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing

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9 *EBITDA is net income of the Issuer after adding back (i) interest expense and other financing charges (ii) provision for (benefit from) income tax and (iii) depreciation and amortization.*

operations:

The geopolitical tensions from the lingering Russia-Ukraine war, delayed rebound of China's economy, delays in government infrastructure projects, tighter domestic competition as industries plan for aggressive expansion and interest rates remaining elevated, resulted in a sharp increase in input costs, which significantly affected the Company's margins. Their impact is reflected in the financial statements as of December 31, 2023. Phinma Corporation and its subsidiaries continue to monitor developments and to adapt accordingly with continuous implementation of cost management measures/cost rationalization across departments.

g. Any significant elements of income or loss that did not arise from the Issuer's continuing operations.

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g. On the causes for any material change from period to period which shall include vertical and horizontal analyses of any material item:

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i. On any seasonal aspect that had a material effect on the financial condition or results of operations.

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Material Changes in Statement of Financial Position Accounts

As of December 31, 2023, the Group's total consolidated assets stood at ₱43.48 billion, higher by 35.83 % than the ₱32.01 billion total consolidated assets as of December 31, 2022.

Similarly, total consolidated liabilities amounted to ₱32.78 billion, higher by 57.07 % or by ₱11.91 billion than total consolidated liabilities as of December 31, 2022.

The following are the material changes in account balances:

ASSETS

Cash and cash equivalents
The movements in cash and cash equivalents are shown in the cash flow statement.

Investments held for trading
The decrease in the account is mainly attributable to redemption of investments in UITF of the Parent Company and schools, partially offset by consolidation of investments held for trading of APHI, PPHC and PHINMA Hospitality companies.

Current portion - Trade and other receivables
The net increase in receivables of ₱2.88 billion is driven by the consolidation of trade receivables of

PPHC and PHINMA Hospitality companies amounting to ₱1.58 billion, in addition to the increase in receivables from CMG amounting to ₱745.36 million as business started to pick up in the third quarter. Receivables of schools likewise increased resulting from higher enrolment in SY2324.

Current portion - Contract assets
This account with a balance of ₱3.11 billion as of December 31, pertains to contract asset of PPHC, which is consolidated into the balance sheet starting July 2023 as a result of the purchase of PPHC shares by the Parent company.

Inventories
The net increase in inventory of ₱1.39 billion is attributable to the first-time consolidation of inventory of PPHC amounting to ₱1.37 billion and APHI inventory amounting to ₱42.46 million. This was partially offset by CMG's inventory reduction initiatives through purchasing process improvements.

Input value-added taxes and other current assets
The increase in the account is attributable to input tax on the Parent's purchase of shares and properties in July 2023, CMG's purchases of imported solar panels and mounting steels to support increased sales, and consolidation of PPHC and PHINMA Hospitality's input taxes and current assets.

Noncurrent portion - Trade and other receivables
The net increase in receivables – noncurrent of ₱150.78 million is driven by the consolidation of noncurrent trade receivables of PPHC and PHINMA Hospitality amounting to ₱73.67 million, in addition to the increase in receivables from CMG amounting to ₱77.11 million as business started to pick up in the third quarter.

Noncurrent portion - Contract assets
This account with a balance of ₱516.75 million as of December 31, pertains to contract asset of PPHC, which is consolidated into the balance sheet starting July 2023 as a result of the purchase of PPHC shares by the Parent company.

Investment in and advances to associates and joint venture
The decrease of ₱794.11 million is mainly due to reclassification of investment in PPHC and PHINMA Hospitality companies from associates to subsidiaries as a result of the purchase of shares of said companies in July 2023.

Financial asset at fair value through profit or loss
The decrease of ₱292.85 million is due to the mark-to-market loss on investment in preferred shares of Song Lam.

Financial asset at fair value through OCI
The ₱40.15 million increase in this account pertains mainly to APHI, PPHC and PHINMA Hospitality's financial assets at fair value, consolidated starting the third quarter of 2023.

Property, plant and equipment
The 20% increase in this account represents the following: 1) purchase of lot and property by the schools as part of their expansion projects, amounting to ₱1.90 billion and CMG's mixer plant facility; 2) purchase of office space in July 2023 by the Parent company and 3) consolidation of property, plant and equipment of PPHC, PHINMA Hospitality and Coral Way starting Q3 of 2023.

Investment properties
The net increase in this account mainly represents the purchase of properties by the Parent company in July 2023, in addition to PPHC's investment property, which was consolidated starting Q3 2023.

Deferred tax assets - net
The 29% net increase in this account pertains mainly to an increase in deferred tax assets arising from lease liabilities, provision for ECL, accrued and pension expense of CMG as well as consolidation of PPHC and PHINMA Hospitality companies' deferred tax assets.

Derivative asset – non-current
The 37% increase in this account pertains mainly to the unrealized gain on put option of the Parent company, related to the investment in Song Lam preferred shares.

Other noncurrent assets
The ₱337.45 million net increase in this account pertains mainly to the cost of digital transformation projects of the schools which are currently under development plus the consolidation of PPHC and PHINMA Hospitality companies' other non-current assets.

LIABILITIES

Notes payable
The ₱4.85 billion increase in this account is attributable mainly to the ₱ 3.49 billion notes payable of PPHC, consolidated for the first time in Q3 2023, plus the increase in short-term notes availed by CMG for working capital requirements, amounting to ₱1.35 billion.

Trade and other payables
The net increase in Trade and other payables is mainly due to consolidation of trade payables of PPHC and PHINMA Hospitality companies amounting to ₱1.13 billion as well as accrual of expenses by the schools.

Contract Liabilities
Tuition fees for the semester are accrued as receivable at the start of the semester and the corresponding liability is booked under Contract Liabilities. The account increased by ₱392.79 million mainly due to PPHC's contract liability consolidated starting Q3 2023 plus the higher contract liability of the schools, resulting from high enrolment in SY2324.

Trust receipts payable
The increase of ₱754.86 million in the account is due to availment of new trust receipts payables in November and December 2023 by CMG, which allowed the group to maintain a sufficient cash balance at the end of the year.

Derivative liability
The decrease in this account is mainly attributable to lower forward rate on CMG's deliverable forward contracts compared to closing rate for the period.

Income and other taxes payable
The net increase in this account is mainly attributable to increase in tax payable from CMG and the schools.

Current portion - long-term debt
The increase in this account is mainly attributable to the reclassification to current portion of the Parent company's ₱3.0 billion corporate bond which will mature in August 2024.

Current portion - lease liability
The net increase in this account is mainly attributable to PPHC and Coral Way's lease liability consolidated beginning Q3 2023, partially offset by a decrease in CMG's and PEHI's lease liability.

Due to related parties
The net decrease in this account is mainly attributable to the decrease in the amounts due to the parent holding company.

Non-controlling interest put liability
The ₱382 million increase represents an increase in present value of the contingent amount payable by PHINMA Corporation to non-controlling shareholders of PHINMA Education.

Deferred tax liability
The net increase in the account amounting to ₱269.93 million resulted mainly from the first-time consolidation of PPHC's deferred tax liability.

Pension and other post-employment benefits
The net increase in the account amounting to ₱82.72 million represents accrual of retirement expense by the schools as well as consolidation of accrued retirement from PPHC and the PHINMA Hospitality companies, shares of which were purchased in July 2023.

Lease liability – noncurrent
The net increase is mainly due to PPHC and Coral Way's lease liabilities which were consolidated starting Q3 2023, plus increase in CMG's lease liability.

Other noncurrent liability
The net increase mainly represents PPHC's other non-current liabilities which were consolidated beginning Q3 2023.

EQUITY

Treasury shares
The movement in the account represents the Parent company's shares held for investment by a subsidiary (ABCIC Property Holdings, Inc.), which are classified as treasury shares during consolidation.

Exchange differences on translation of foreign operations
The movement in the account represents the adjustments arising from the translation of the financial statements of One Animate Limited (OAL) to Philippine Pesos.

Equity reserves
The movement in the account is related to the put option on shares in PHINMA Education and the non-cash consolidation adjustments resulting from the purchase of shares of PPHC, PHINMA Hospitality and PHINMA Microtel and PEHI in July 2023.

Other comprehensive income
The increase in this account is mainly attributable to the increase in fair market value of Parent company's investment in club shares, which the Company classified as financial assets at FVOCI.

Share in other comprehensive income of associates
The change is attributable to consolidation of PPHC, Coral Way and ABCIC Property Holdings Inc., which were previously associates of the Parent company.

Retained earnings
The increase in the account represents increase in net income for the year, partially offset by dividends declared during the period amounting to ₱171.80 million.

Non-controlling interests
The increase is mainly attributable to the share of non-controlling shareholders in the income of the schools, CMG, PPHC and PHINMA Hospitality companies, offset by the impact of the accretion of the contingent NCI put liability.

Material Changes in Income Statement Accounts

Revenues
The ₱3.61 billion increase in revenues is mainly due to an increase of ₱1.53 billion of PHINMA Education arising from record enrollment and revenues of the Property and Hospitality businesses amounting to ₱2.21 billion which were consolidated beginning July 2023.

Cost of sales
The ₱1.64 billion net increase in cost of sales is attributable to first-time consolidation of cost of sales of PPHC, PHINMA Microtel and Coral Way and the increase in variable costs of the schools to

support the increase in enrollment in SY2023-24.

General and administrative expenses
General and administrative expenses also increased from previous year mainly due to consolidation of administrative expenses of PPHC and PHINMA Hospitality companies, coupled with higher personnel cost to support enrollment growth in SY2023-24.

Selling expenses
The increase in the account can be attributed to CMG's initiatives to deliver budgeted sales volume by implementing various marketing strategies.

Interest expense and other financing charges
Interest expense is higher in 2023 mainly due to increase in notes payable and loans availed of by the Parent company, CMG and the schools at higher interest rates plus the consolidation of interest expense for the second half of 2023 of PPHC and Coral Way amounting to ₱134.94 million.

Equity in net earnings (losses) of associates and joint ventures
Equity in net loss of investees is mainly due to the equitized loss in PHINMA Property Holdings Corp for the first half of 2023.

Foreign exchange gains (losses) - net
The drop in foreign exchange gain is attributable to a relatively stronger peso in 2023, with an exchange rate of ₱55.37:$1, compared to ₱55.76:$1 as of December 31, 2022.

Unrealized gain on change in fair value of financial assets at fair value through profit or loss
Net loss is attributable to the unrealized foreign exchange loss from the investment in Song Lam preferred shares.

Gain (Loss) on derivatives
The gain on derivatives mainly resulted from the unrealized foreign exchange gain from the put option on the Song Lam preferred shares.

Gain on sale of investment properties
The amount represents the gain on sale of land by SWU.

Gain on sale of property, plant and equipment - net
The amount represents the gain on sale of service vehicles by CMG.

Others – net
The net increase in this account is attributable to the consolidation of PPHC's other income for the second half of 2023, partially offset by other charges from the schools

Provision for (benefit from) income tax
The provision for income tax increased as tax rates for schools reverted to 10% starting July 2023, compared to 1% for the same period last year. PHN also consolidated starting July 2023 tax provision of PPHC and PHINMA Hospitality companies amounting to ₱95.30 million, partially offset by provision for deferred income tax of CMG.

Information on Independent Accountant and other Related Matters

The Company paid or accrued fees for professional services rendered by PwC for the past two (2) years:

The audit fees are for the audit of the Company's annual financial statements or services normally provided in connection with statutory and regulatory filings or engagements for CY 2025 and 2024.

Tax fees – The Company did not engage PwC for tax advisory services for the year ended December 31, 2024 thus fees amounting to zero. In 2025 however, the Company engaged other audit firms to

assist in tax concerns.

All Other Fees in CY 2025 represent various engagement like company valuation, transfer pricing, security risk assessment, training and seminars and review of prospectus for the company's stock rights offering.

The Audit Committee discusses with the external auditor before the audit commences, the nature and scope of the audit. The Committee also approves audit plans, audit fees, scope and frequency before the conduct of external audit. It evaluates and determines non-audit work by the external auditor and reviews the non-audit fees paid to the external auditor, both in relation to their significance to the audit and ensuring that there is no conflict with the audit work and in relation to the Company's total expenditure on consultancy.

Refer to **Annex F** –for further details on the breakdown of audit and other services fees.

Item 7. Financial Statements

Please find the Audited Consolidated Financial Statements of the Company for calendar years ended December 31, 2025, 2024 and 2023 attached hereto as **Annex A.** The Audited Parent Financial Statements are attached as **Annex A-1.**

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

During the past year, there has been no event in which PHINMA Corporation and PwC has any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

The Company is in compliance with SRC Rule 68, paragraph 3(b) (ix) requiring the rotation of external auditors or engagement partners who have been engaged by the Company for a period of five (5) consecutive years and the mandatory two-year cooling-off period for the re- engagement of the same signing partner or individual auditor. The engagement partner who conducted the audit for Calendar Year 2025 is Ms. Lois Gregorio-Abad , a SEC accredited auditing partner of PwC. This is the first year of Ms. Gregorio-Abad as audit partner of the company.

The Audit Committee, the Board of Directors and the stockholders of PHINMA Corporation approved the engagement of PwC as the Company's external auditor for CY 2025.

The members of the Audit and Related Party Transactions Committee are the following:

Juan B. Santos	-	Chairman
Edgar O. Chua	-	Member
Jose L. Cuisia Jr.	-	Member
Edilberto C. de Jesus *	-	Member
Rizalina G. Mantaring **	-	Member

** Mr. Edilberto C. de Jesus transferred to the Corporate Governance Committee effective June 5, 2025.*
***Ms. Rizalina G. Mantaring joined the Committee effective June 5, 2025.*

The external auditors for the most recently completed calendar year are expected to be present at the shareholders' meeting, will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

a) ***Board of Directors***

The Company's Board of Directors is responsible for the overall management and direction of the Company. The Board meets quarterly or as often as required, to review and monitor the Company's financial position and operations.

The directors of the Company are elected at the Annual Stockholders Meeting to hold office for one year and until their respective successors have been elected and qualified. No director has resigned nor declined to stand for re-election to the Board since the date of the last annual meeting of the Company because of a disagreement with the Company on matters relating to the Company's operations, policies and practices. The Board of Directors has no reason to believe that any of the aforesaid nominees will be unwilling or unable to serve if elected as a director.

The attendance of the directors at the meetings of the Board of Directors ("Board") held in 2025 is as follows:

	ASM	Organizational Meeting	Regular Meetings							
Directors	Apr. 14	Apr. 14	Mar. 6	Mar. 21	May 9	Jun. 5	Aug. 7	Oct. 30	Nov. 6	Dec. 11
OSCAR J. HILADO* Chairman Emeritus	P	P	P	A	P	P	P	-	-	-
RAMON R. DEL ROSARIO, JR. Chairman & CEO	P	P	P	P	P	P	P	P	P	P
MAGDALENO B. ALBARRACIN, JR. Vice Chairman	P	P	P	P	P	P	P	P	P	P
MELITON B. SALAZAR, JR. President & COO	P	P	P	P	P	P	P	P	P	P
VICTOR J. DEL ROSARIO Non- Executive Director	P	P	A	P	P	P	P	P	P	P
EDUARDO A. SAHAGUN Executive Vice President	P	P	P	P	P	P	P	P	P	P
JOSE L. CUISIA, JR. Non-Executive Director	P	P	P	P	P	P	P	P	P	P
Guillermo D. Luchangco Non-Executive Director	P	P	P	P	P	P	P	P	P	P
JUAN B. SANTOS Independent Director	P	P	P	P	P	P	P	P	P	P
LILIA B. DE LIMA Independent Director	P	P	P	P	P	P	P	P	P	P
RIZALINA G. MANTARING Independent Director	P	P	P	P	P	P	P	P	P	P
EDGAR O. CHUA Independent Director	P	P	P	P	P	P	P	P	P	P
DATO TIMOTHY ONG TECK MONG Independent Director	P	P	P	A	P	P	P	P	P	P
EDILBERTO C. DE JESUS Independent Director	P	P	P	P	P	P	P	P	P	P
CIELITO F. HABITO Independent Director*	P	P	P	P	P	P	P	P	P	P
MICHAEL C. HILADO** Non-Executive Director	-	-	-	-	-	-	-	P	P	P

Except for Mr. Ramon R. del Rosario, Jr. who owns 4.631% and Dr. Magdaleno B. Albarracin, Jr., a member of the Board of Directors who directly owns 3.366% of PHN shares, none of the members of the Board of Directors and Officers directly own more than 2% of PHN shares.

Listed are the incumbent directors of the Company with their qualifications which include their ages, citizenship, current and past positions held and business experience for the past five years.

Ramon R. del Rosario, Jr. Filipino, 81, is the Chairman and Chief Executive Officer of PHINMA Corporation. He has been a Director of the Company since October 1993. He is a member of the Executive Committee, Nominations Committee, and Executive Compensation Committee.

He is also the Chairman and CEO of PHINMA Inc. He is the Chairman of PHINMA Education Holdings Inc., the schools under the PHINMA Education Network, and PHINMA CoHo Corp. He is the Board of Commissioners President of PT Ind Phil Management and a Director of Philcement Corp., Union Galvasteel Corp., Union Insulated Panel Corp., and PHINMA Solar Energy Corp. Mr. del Rosario is likewise the Chairman of Philippine Business for Education (PBEd), Co-Chairman of the PHINMA-DLSU Center for Business and Society, and Vice Chairman of Caritas Manila and PHINMA Foundation. He is also a Trustee of the Makati Business Club, where he previously served as chairman, and a member of the World Bank-Civil Service Organizations (CSO) Advisory Group and the Management Association of the Philippines (MAP), where he was formerly a president. He also served as Chairman of the National Museum of the Philippines and of the Ramon Magsaysay Award Foundation. He is the brother of Mr. Victor del Rosario and Mr. Jose Mari del Rosario.

He served as the Philippines' Secretary of Finance from 1992 to 1993. His recognitions include the 1978 Ten Outstanding Young Men (TOYM) award in the field of Investment Banking and Finance, "Management Man of the Year for 2010" by the Management Association of the Philippines, and the Asia CEO Awards' Lifetime Achievement Award in 2024. Mr. del Rosario received the "Business as a Noble Vocation Award" given by the International Christian Union of Business Executives or UNIAPAC during the XXVI World Congress in 2018 and the Pro Ecclesia et Pontifice Award, the highest Papal Award conferred on the laity, in 2024. He has also been granted honorary doctorate degrees by De La Salle University Manila, Ateneo de Zamboanga University, and University of St. La Salle Bacolod.

Mr. del Rosario holds a BSC-Accounting and AB-Social Sciences degree (magna cum laude) from De La Salle University and a Master's degree in Business Administration from Harvard Business School.

Dr. Magdaleno B. Albarracin, Jr. Filipino, 89, is the Vice Chairman of PHINMA Corporation. He has been a Director of the Company since April 1980. He is the Chairman of the Executive Committee and a member of the Risk Oversight Committee.

He is the Vice Chairman of PHINMA, Inc. and a member of PHINMA, Inc.'s Executive Committee. He has been with PHINMA, Inc. since June 23, 1971. He is a Member of the Board in all companies under the PHINMA Group.

Dr. Albarracin was a former President and Director of Holcim Philippines, Inc. He was also a member of the Board of Regents of the University of the Philippines (UP) as well as Board of Trustees of UP Engineering Research and Development Foundation, Inc. (UPERDFI). He was the Chairman of the Board of Trustees of the University of San Carlos, Cebu City. He served as Dean of the UP College of Business Administration and was President of the ASEAN Federation of Cement Manufacturers.

Dr. Albarracin has a Bachelor of Science degree in Electrical Engineering from UP and a Master of Science degree in Electrical Engineering from the University of Michigan. He obtained his Master in Business Administration degree from UP and his Doctorate in Business Administration from Harvard University.

Dr. Meliton B. Salazar, Jr., Filipino, 60, is the President and Chief Operating Officer of PHINMA Corporation. He was first elected as a Director of the Company in April 2021 and is a member of the Executive Committee and Nominations Committee.

As Head of Education at PHINMA Corporation, Dr. Chito B. Salazar serves as President and CEO of PHINMA Education Holdings, Inc. and sits on the boards of its academic institutions, as well as several PHINMA companies including PHINMA, Inc., Union Galvasteel Corp., Philcement Corp., PHINMA Property Holdings Corp., PHINMA Hospitality Inc., and Union Insulated Panel Corp. He is also the President and Co-Founder of Philippine Business for Education (PBEd); Vice-Chairman of the Board of Trustees of Ateneo de Manila University; a board member of Philippine Business for Social Progress; and a member of the Advisory Council for EDCOM II.

Prior to joining PHINMA, Dr. Salazar spent decades in the education sector as an executive and as a lecturer. He was also Executive Director of the Philippine Forum Foundation, the President Fidel V. Ramos Research Chair in Policy Studies, and the Asian Institute of Management, Washington Sycip Policy Center.

Dr. Salazar has a BS Management Engineering degree from ADMU; an MA in International Political Economy and Development from Fordham University in New York; and a PhD in International Relations, Major in International Development and Development Management from the School of International Service at The American University in Washington, D.C.

Victor J. del Rosario Filipino, 76, is a Director of PHINMA Corporation. He was first elected to the PHN Board of Directors in September 2008.

He is the President of PHINMA, Inc. (PHI) and the Chairman of Philcement Corp., Philcement Mindanao Corp., Union Galvasteel Corp., and Union Insulated Panel Corp. Mr. del Rosario is also a Director of PHI, EMAR Corp., PHINMA Education Holdings, Inc., Southwestern University PHINMA, PHINMA-Cagayan de Oro College, and other PHINMA-managed companies.

He previously served as the Executive Vice President & Chief Strategic Officer of PHINMA Inc. and Executive Vice President & Chief Finance Officer of PHINMA Corporation prior to his retirement in 2021. He is also the Vice Chairman of the Board of The Table Group, Inc. and Seventy 7 Seeds, Inc. and has been a director of CBTL Holdings, Inc. since 2005. He is the brother of Mr. Ramon R. del Rosario, Jr. and Mr. Jose Mari del Rosario.

Mr. del Rosario holds a Bachelor's Degree in Economics and Accounting from De La Salle University and a Master's degree in Business Administration from Columbia University. He attended the PHINMA Group Annual Corporate Governance Enhancement Session on October 2, 2023 on Data Analytics and Artificial Intelligence (AI), Workplace Reimagined and Overview of Corporate Governance conducted by SGV & Co.

Eduardo A. Sahagun, Filipino, 68, is the Company's Executive Vice President, Construction Materials and was first elected as a Director of the Company in April 2021. Effective April 1, 2026, he will serve as Executive Vice President, Cement of PHINMA Corporation.

He is the President and Chief Executive Officer of Union Galvasteel Corp. (UGC), PHINMA Solar Energy Corp., and Philcement Corp. since 2017. He is also a Director of Philcement, PSEC, Union Insulated Panel Corp., PHINMA Property Holdings Corp., PHINMA Insurance Brokers, Inc., Song Lam Joint Stock Company, First Batangas Hotel Corporation, and Cagayan de Oro College, Inc., and also serves as a member of the PHINMA Foundation, Inc.'s Board of Trustees. He also is the current Chairman of Edcommerce Corporation and an Independent Director of Philippine Savings Bank.

Mr. Sahagun formerly served as President and Country Chief Executive Officer of Holcim Philippines Inc., as a Director of Holcim Philippines Manufacturing Corporation, and as a Director of Holcim Mining and Development Corporation.

A Certified Public Accountant, Mr. Sahagun obtained his Bachelor of Science in Commerce degree, major in Accounting from Holy Angel University and his Master in Business Administration from the Ateneo Graduate School of Business. He also earned his graduate degree in Management Science from the Arthur D. Little Management Education Institute (now known as Hult International Business

School) in Cambridge, Massachusetts, USA. He likewise took up the Senior Management Program, Senior Leadership Program, and Managing Change Program at the Institute for Management Development, based in Lausanne, Switzerland.

Jose L. Cuisia, Jr. , Filipino, 80, has been a Director of the Company since April 1994. He is currently a member of the Executive Committee and Audit and Related Party Transactions Committee.

Amb. Cuisia holds directorships in Century Properties Group, Inc., PHINMA, Inc., and Asian Breast Center, Inc., and is currently the Independent Director and Audit Committee Chairman of XENDIT Remittance Inc. He is also the Chairman of the Board of FWD Life Insurance Company, Adlemi Properties Inc., Five J's Diversified Inc., JVC Holdings Corporation, and the Board of Trustees of ASA Philippines Foundation. He was previously the Chairman of Far East Bank and Trust Company, Union Bank of the Philippines, Asian Institute of Management, BPI-Philam Life Assurance Co., Philam Foundation, Tower Club, Inc., and De La Salle University. He was elected Chairman of the Board of Trustees of the University of Asia & the Pacific in 2019, and in December 2019 as a Trustee of the De La Salle Medical & Health Sciences Institute and De La Salle University–Dasmariñas. Amb. Cuisia is a past Chairman, Treasurer, and Trustee of the Ramon Magsaysay Award Foundation. A current Trustee of the Makati Business Club and Convenor-Trustee of Philippine Business for Education, Amb. Cuisia has also been recognized with numerous honors including the Ten Outstanding Filipino Award (2016), the Order of the Sikatuna (2016), and the Management Man of the Year Award (2007) from the Management Association of the Philippines.

He was previously the Philippine Ambassador Extraordinary and Plenipotentiary to the United States of America and held other assignments as non-resident Ambassador to other smaller countries. He also served as Governor of the Bangko Sentral ng Pilipinas and chaired its Monetary Board from 1990 to 1993, and was Governor for the Philippines to the International Monetary Fund and Alternate Governor to the World Bank. Amb. Cuisia was also Administrator and CEO of the Philippine Social Security System from 1986 to 1990 and Commissioner representative of the Employer's Group for the Social Security System from September to December 2010. He was the former Vice Chairman, Lead Independent Director, and Audit Committee Chairman of SM Prime Holdings and previously an Independent Director of Manila Water Company, Inc.

Amb. Cuisia obtained his BSC-Accounting and AB-Social Sciences degrees, magna cum laude, from DLSU and Master's degree in Business Administration from University of Pennsylvania. He attended the PHINMA Group Annual Corporate Governance Enhancement Session on October 2, 2023 on Data Analytics and Artificial Intelligence (AI), Workplace Reimagined and Overview of Corporate Governance conducted by SGV & Co.

Guillermo D. Luchangco , Filipino, 86, was elected as a Non-Executive Director of the Company in April 2024. He is currently a member of the Risk Oversight Committee. He was also an Independent Director in PHINMA Corporation from 2005 to 2021 and in PHINMA, Inc. from 2021 to 2024.

He is the Chairman & CEO of the ICCP Group and as such sits as Chairman of Science Park of the Philippines, Inc., Chairman & CEO of Pueblo de Oro Development Corporation and Cadence Property Development Corporation, and Chairman Emeritus of Manila Exposition Complex, Inc. and Investment & Capital Corporation of the Philippines. He also chairs the Executive Committee of the last-named company. He is also a Director of listed company Ionics, Inc. and past Director of Globe Telecoms, Roxas & Co., Inc. and Phinma Energy Corporation.

He was a former Managing Director and Regional Coordinator for Management Services of SGV & Company and Executive Director of SGV Goh Pte. Ltd. in Singapore. He is a member and past Philippine Co-Chairman of the Philippines-Singapore Business Council and a member of several other joint councils, such as the Philippines-US Business Council and Philippines-British Business Council. He is a member and past Director of the Makati Business Club and member and past President of the Management Association of the Philippines.

Mr. Luchangco earned his Bachelor of Science Degree in Chemical Engineering, (magna cum laude) from De La Salle University and obtained his Master of Business Administration Degree from the

Harvard Business School.

Michael C. Hilado was elected to the Board of Directors in October 2025. Prior to this, he was a member of the PHN Board of Advisers.

He is concurrently the Chief Finance Officer and Treasurer of PHINMA Property Holdings Corporation. He is a Member of the Board of Trustees in PHINMA University of Pangasinan, PHINMA Rizal College of Laguna, Union College of Laguna, and PHINMA Foundation Inc. He is also a Board Member of PHINMA Microtel Hotels Inc. and PHINMA Insurance Brokers Inc.

Mr. Hilado completed his AB-Economics and BSC-Management of Financial Institutions degrees from De La Salle University and Master in Business Administration from The Darden School, University of Virginia, USA.

Juan B. Santos, Filipino, 87, was elected as an Independent Director in April 2018 and was appointed as Lead Independent Director in June 2021. He is currently the Chairman of the Audit and Related Party Transactions Committee and a member of the Executive Committee.

He is the Chairman of RCBC Trust Corp. and the Lead Independent Director of House of Investments, Inc. He is a Director of Marsman Drysdale Agribusiness Holdings Inc., Marsman Drysdale Travel Inc., Marsman Drysdale Foundation Inc., Allamanda Management Corporation, and Camarines Minerals Inc. He is a member of the Advisory Board of Mitsubishi Motors Phils. Corp. and East-West Seeds Co and a member of the Board of Trustees of St. Luke's Medical Center. He also serves as Consultant to Marsman Drysdale Group of Companies.

Mr. Santos' past executive positions include: Chairman of Social Security System; Secretary of Trade and Industry, Philippines; Chairman and CEO of Nestle Philippines, Singapore and Thailand; and Director of Philex Mining Corporation, Philippine Long Distance Telephone Company, and San Miguel Corporation.

Mr. Santos graduated with a Bachelor of Science in Business Administration degree from Ateneo de Manila University (ADMU). He also took up Advanced Management at the International Institute of Management Development (IMD), Lausanne, Switzerland and postgraduate studies on Foreign Trade from Thunderbird School of Global Management in Arizona, USA.

Dr. Lilia B. de Lima , Filipino, 84, was elected as an Independent Director of the Company in April 2018. She is currently the Chairperson of the Corporate Governance Committee and a member of the Risk Oversight Committee.

She is an Independent Director of IONICS, Inc., IONICS EMS, FWD Insurance Philippines, Dusit Thani Philippines, Science Park of the Philippines, Inc. (SPPI), SPPI San Jose, Inc., SPPI New Clark, Inc., Hermosa Ecozone Development Corporation, RFM Science Park of the Philippines, Pueblo de Oro Development Corporation, Regatta Properties Inc. and Cadence Property Development.She is a Director/Trustee of Fatima Center for Human Development and a Senior Adviser to the Board in RCBC. She is Executive in Residence at Asian Institute of Management, Lifetime Member Management Association of the Philippines, Board Adviser for The Outstanding Women in the Nations Service (TOWNS) and Philippines-Japan Economic Cooperation Committee, Inc. (PHILJEC).

Atty. de Lima received the 2017 Ramon Magsaysay Award for her sustained leadership as Director General of the Philippine Economic Zone Authority, in building a credible and efficient ("PEZA") during her 21 years of service from its creation in 1995 to 2016. She is the first woman honored as "Management Man of the Year" by the Management Association of the Philippines in 2010. In 2014 The Philippine-Japan Society recognized her Outstanding Achievement in the Promotion of Philippine-Japan Relation, the first woman to receive the award in 36 years. The Joint Foreign Chambers of Commerce of the Philippines awarded her The Arangkada Lifetime Achievement Award in 2014. She was awarded the Robert Storey International Award for Leadership by The Center for American and International Law in Dallas, Texas in 2013. She was awarded the ASEAN CEO Award

in 2011 and in 2010 the Government of Japan bestowed on her the highest award given to a non-head of State, the Order of the Rising Sun, Gold and Silver Star. She is twice a recipient of the Presidential Medal of Merit from the Philippine government. Atty. de Lima was also recognized as Outstanding Women in the Nation's Service Award in the field of law in 1983. She was elected Delegate to the 1971 Constitutional Convention, served as Director of the Bureau of Domestic Trade, Executive Director of the Price Stabilization Council, Department of Trade and Industry, Chief Operating Officer of World Trade Center Manila and Commissioner of the National Amnesty Commission.

Atty. de Lima earned her Associate in Arts from the Centro Escolar University and her Bachelor of Laws from the Manuel L. Quezon University and subsequently passed the Philippine Bar. She was conferred a Doctor of Laws Honoris Causa by Manuel L. Quezon University and is a fellow of the Center for American and International Law in Dallas, Texas, USA.

Rizalina G. Mantaring , Filipino, 65, was elected as an Independent Director of the Company in April 2019. She is the Chairperson of the Risk Oversight Committee and a member of the Audit and RPT Committee.

Ms. Mantaring is the Lead Independent Director of Ayala Corporation and Bank of the Philippine Islands. She is also an Independent Director of Universal Robina Corporation Inc.; BPI Asset Management & Trust Company (BPI Wealth); GoTYME Bank, Inc.; Maxicare Healthcare Corporation Inc. and East Asia Computer Center Inc. (FEU Institute of Technology) and a Director of Sun Life Grepa Financial. Her other affiliations include Trustee of the Makati Business Club, where she serves as Treasurer, and of the Philippine Business for Education.

She was the CEO of Sun Life Financial Philippines until her retirement in June 2018, after which she assumed the chairmanship of Sun Life Financial Philippine Holding Co. until she stepped down in August 2019. She started her career in Information Technology, joining Sun Life in 1992 as Senior Manager for Asia Pacific of its Information Systems Department and progressively took on a variety of roles until she was appointed Chief Operations Officer for Asia in 2008. She was also President of the Management Association of the Philippines and the Philippine Life Insurance Association. A recipient of the Asia Talent Management Award in the Asia Business Leaders Award organized by the global business news network Consumer News and Business Channel (CNBC), she has also been recognized by the International Association of Business Communicators (Philippines) with the CEO Excel award, and was named by Moneysense Magazine as one of the 12 Most Influential in Personal Finance. She was selected as one of the 100 Most Outstanding Alumni of the past century in 2010 by the University of the Philippines College of Engineering and received the PAX award, the highest award given to outstanding alumnae, in 2019 from St. Scholastica's College Manila.

Ms. Mantaring holds a BS Electrical Engineering degree from the University of the Philippines where she graduated with honors. She obtained her MS degree in Computer Science from the State University of New York at Albany. She is also a Fellow, Life Management Institute (with distinction) and Associate, Customer Service (with honors) of the Life Office Management Association.

Edgar O. Chua, Filipino, 69, was first elected as an Independent Director of the Company at the Annual Stockholders' Meeting held in April 2021. He is the Chairman of the Executive Compensation Committee and a member of the Audit and Related Party Transactions Committee.

He is currently the Chairman of Makati Business Club, Philippine Business for the Environment, Ramon Magsaysay Award Foundation, Pilipinas Shell Foundation Inc. and President of De La Salle Philippines. He is an Independent Director of Shell Philippines Corporation since 2025, Metropolitan Bank and Trust Company since 2017, Philcement since 2021, First Gen since 2021, Horizon University Indonesia since 2025 and JG Summit Olefins since 2022. He was the Chairman of De La Salle University, the College of Saint Benilde and University of La Salle Bacolod. He is a Trustee/Treasurer of Philippine Business for Education and was a Trustee for the De La Salle Greenhills from 2019 till 2026, The English-Speaking Union of the Philippines, Inc. since 2009, Gawad Kalinga Community Development Foundation Inc. from 2005 until 2026. Mr. Chua is also a

Member of the Advisory Board of Mitsubishi Motors Phil. Corp. and formerly of Coca Cola Bottlers Phils. He is likewise affiliated with the Integrity Initiative, National Resilience Council, and the Phil. Disaster and Resilience Foundation, Zuellig Family Foundation and Alvarez Family Foundation.

Mr. Chua held senior positions within various Shell Group of Companies, both locally and outside of the Philippines, including but not limited to being the Chairman and President of Pilipinas Shell Petroleum from September 2003 to May 2017 and being the Country Chairman of Shell companies in the Philippines from September 2003 to October 2016.

Mr. Chua earned his Bachelor of Science degree in Chemical Engineering from DLSU in 1978 and attended various international seminars and courses including the senior management course in INSEAD in Fontainebleau, France. He was awarded an Honorary Doctorate Honoris Causa by De La Salle Araneta University in 2017.

Dato Timothy Ong Teck , Bruneian, 72, was elected an independent director of the Company in April 2024. He is currently a member of the Corporate Governance Committee and Risk Oversight Committee.

He is also an independent director of PHINMA Education Holdings. In Brunei, Dato Ong is Chairman of Asia Inc Forum and Board Member of Baiduri Bank, Baiduri Finance and National Insurance. He is a member of the Board of Governors of the Asian Institute of Management (AIM) and a former trustee of the Ramon Magsaysay Awards Foundation (RMAF).

Dato Ong has a Bachelor of Arts Degree in Economics and Political Science from the Australian National University (ANU) and a Master of Science in International Relations from London School of Economics (LSE).

Dr. Edilberto C. de Jesus, Filipino, 82, was elected as an Independent Director of the Company in April 2024, after stepping down as Independent Director of PHINMA, Inc., where he had served since 2009. He is currently a member of the Corporate Governance Committee and chairs the Nominations Committee.

Mr. de Jesus sits on the Boards of institutions in the Far Eastern University Group—among them the Public Policy Center, the Institute of Technology, FEU Roosevelt College, and the FEU High School. He is also part of the Board of Trustees of the Foundation for Liberty and Prosperity, a position he's held since the Foundation's founding in 2010, and of the Board of Advisers of the Philippine Business for Education (PBEd) and the Doshisha Business School in Kyoto, Japan. He is likewise a member of the Makati Business Club, the Institute of Corporate Directors, the Asian Dialogue Society based in Singapore and a Non-Resident Sr. Research Fellow at the Ateneo de Manila School of Government.

Mr. de Jesus had previously served as president of Far Eastern University, the University of the Cordilleras, and the Asian Institute of Management. He had served on the boards of the Ateneo de Manila University. Far Eastern University, and Centro Escolar University. He served in the Cabinet of Corazon Aquino as Presidential Adviser, with a concurrent appointment in the Peace Commission as Deputy Commissioner. In the first term of Gloria Arroyo, he served as Secretary of the Department of Education, assuming during this period the presidency of the Southeast Asia Ministers of Education Organization (SEAMEO). After his DepEd term, he served as SEAMEO Secretariat Director in Bangkok.

Mr. de Jesus obtained his Bachelor of Arts Honor Degree in Humanities from the Ateneo de Manila University, and his Master of Philosophy and PhD degrees in History from Yale University.

Dr. Cielito F. Habito, Filipino, 72, was elected as an Independent Director of the Company on April 23, 2024. He is currently a member of the Corporate Governance Committee and Executive Compensation Committee.

Dr. Habito is the former Secretary of Socioeconomic Planning and Director-General of the National Economic and Development Authority. He is Chairman and Founding Partner of consultancy think tank Brain Trust Inc, and Chairman of Operation Compassion Philippines. He also writes the weekly op-ed column "No Free Lunch" in the Philippine Daily Inquirer, now in its 23rd year. He was a Professor of Economics at the Ateneo de Manila University from 2001-2024, where he was also Senior Fellow and former Director of the Ateneo Center for Economic Research and Development. He is currently an Independent Director of First Philippine Holdings, Sun Life Prosperity Funds, and the Manila Exposition Complex, Inc. He also chairs the Advisory Committee of the Japan International Cooperation Agency (JICA) and is a member of the World Bank Civil Society Advisory Group. He had also worked at the World Bank, Harvard University, Center for Southeast Asian Studies in Kyoto University, and Asian Development Bank Institute in Tokyo.

Dr. Habito holds a Bachelor of Science in Agriculture (Agricultural Economics) (summa cum laude) from the University of the Philippines Los Baños, Master of Economics from the University of New England (Australia), and a Ph.D. in Economics and Master of Arts in Economics from Harvard University.

Roberto M. Laviña, was appointed as Board Adviser of the Corporation on June 5, 2025. He is currently the Chairman of the Board of PHINMA Property Holdings Corporation, PHINMA Insurance Brokerage, Inc. and is a Member of the Board of PHINMA, Inc. and the companies in the PHINMA Group which include companies in hotels, steel roofing, property development, and insurance brokerage. He holds a Bachelor of Arts degree in Economics from the Ateneo de Manila University and obtained his Master's degree in Business Management from the Asian Institute of Management. He also finished the Program for Management Development at Harvard University. He was first elected as a Director of the Company on May 20, 2004.

b) ***Executive Officers***

The officers of PHINMA Corporation are elected annually by the Board of Directors and serve for one (1) year and until their respective successors are elected and qualified.

Except for Mr. Ramon R. del Rosario, Jr. who owns 4.631% and Dr. Magdaleno B. Albarracin, Jr., a member of the Board of Directors who directly owns 3.366% of PHN shares, none of the officers of the Company holds more than two percent (2%) of the Company's shares.

Name	Citizenship	Age	Position
Ramon R. del Rosario, Jr.	Filipino	81	Chairman and CEO
Meliton B. Salazar, Jr.	Filipino	60	President and COO, Head of Education
Eduardo A. Sahagun	Filipino	68	Executive Vice President, Construction Materials
Jose Mari del Rosario	Filipino	68	Senior Vice President, Hospitality
Raphael B. Felix	Filipino	54	Senior Vice President, Properties
Jose Luis M. Oquiñena	Filipino	56	Vice President, Community Housing
Edmund Alan A. Qua Hiansen	Filipino	42	Senior Vice President, CFO
Regina B. Alvarez	Filipino	59	Senior Vice President, Group Controller
Nanette P. Villalobos	Filipino	53	Vice President, Treasurer
Annabelle S. Guzman	Filipino	53	Vice President, Controller
Rolando D. Soliven	Filipino	51	Vice President, Corporate Governance and Chief Compliance Officer
Peter Angelo V. Perfecto	Filipino	60	Vice President, Public Affairs
Alejandro Diego Luis Giles R. Katigbak	Filipino	55	Assistance Vice President, Chief Risk Officer
Ivy V. Villasquez-Bermas	Filipino	45	Chief Audit Executive
Ma. Gracia M. Purisima	Filipino	43	Assistant Treasurer

Robert James G. Pabustan	Filipino	54	Assistant Vice President, Business Development
Troy A. Luna	Filipino	63	Corporate Secretary
Daneia Isabelle F. Palad	Filipino	36	Assistant Corporate Secretary

Jose Mari del Rosario is the Senior Vice President, Hospitality of PHINMA Corporation. He concurrently serves as Chairman and CEO of PHINMA Microtel Hotels Inc. and PHINMA Hospitality Management Co., the master franchise holder and management company, respectively, of international hotel brands Microtel by Wyndham & TRYP by Wyndham in the Philippines. He is also the President and CEO of PHINMA Hospitality, Inc.

He is also a Director of PHINMA Inc., PHINMA Property Holdings Corporation, Philcement Corporation, and other subsidiary companies of the PHINMA Group. He likewise sits on the Board of R. Among his recognitions are the Ernst & Young Entrepreneur of the Year – Industry Entrepreneur award in 2015 for his game-changing role in the hospitality industry and GoNegosyo's Most Inspiring Tourism Entrepreneur in 2007. He is the brother of Mr. Ramon R. del Rosario, Jr. and Mr. Victor J. del Rosario.

Mr. del Rosario earned his Diploma in Hotel & Restaurant Management in Hotelconsult Schulhotels (now César Ritz Colleges) Valais, Switzerland and Master in Business Administration at Arthur D. Little School of Management (now Hult International Business School) in Cambridge, Massachusetts. He is also an alumnus of Cornell University's General Managers Program.

Raphael B. Felix**,** Senior Vice President, Properties of PHINMA Corporation (PHN) is concurrently the President and Chief Executive Officer of PHINMA Property Holdings Corporation (PHINMA Properties), PHN's real estate subsidiary.

He is also the President of PHINMA Prism Development Corporation, which is involved in upscale housing developments. He also serves as the Chairman of PPHC construction arm CDCC Builders Corporation and the Vice Chairman of PHINMA CoHo Corporation (PHINMA Community Housing). He joined PHINMA Properties in 2007 as the Business Planning Manager.

Mr. Felix is a graduate of AB Economics from the Ateneo de Manila University and has attended business planning, data analytics, and strategy courses from Asian Institute of Management, Ateneo Graduate School and Harvard Business Review.

Edmund Alan A. Qua Hiansen is the Company's Senior Vice President, Chief Financial Officer (CFO) effective April 2024. He is also a Director of PHINMA Property Holdings Corp., PHINMA Community Housing Corp., PHINMA Prism Development Corp., PHINMA Insurance Brokers Inc., and PHINMA Solar Energy Corp.

He was the President of the Financial Executives Institute of the Philippines (FINEX) in 2025 and is the Chairman of the FINEX Foundation. He is the CFO of Song Lam Cement Joint Stock Company. Mr. Qua Hiansen is also an Independent Director of ATR Financial Advisory and Management, Inc.; a member of the Board of Advisors of the PHINMA-DLSU Center for Business and Society; and a Trustee of the FINEX Academy, Capital Markets Development Foundation Inc., Mariposa Foundation Inc., and Assumption College, Inc.

His previous PHN positions include Vice President, Corporate Strategy and Planning; Vice President and Investor Relations Officer; and Executive Assistant to the President and CEO. He also served as Vice President for PHINMA Foundation Inc.

Mr. Qua Hiansen holds a Bachelor of Science degree in Finance from Butler University in Indianapolis, Indiana, USA where he was recognized as one of the Top 100 Outstanding Students in 2005 and a Master's degree in Global Finance from HKUST-NYU Stern.

Regina B. Alvarez is the Company's Senior Vice President, Corporate Services and Planning. She was appointed as Senior Vice President, Finance of the Company in April 2005 and was previously Senior Vice President and Group Controller. Ms. Alvarez is concurrently General Manager of Philippine Investment Management (PHINMA), Inc., President of ABCIC Property Holdings Inc. and President of PHINMA Plaza Condominium Corporation. She is currently a director of PHINMA Prism Development Corporation, St. Jude College, Inc., Asian Plaza, Inc., Mariposa Properties, Inc. and Rockwell Center Association, Inc.

She was previously a director of Araullo University, Inc, Cagayan de Oro College, Inc, Southwestern University Inc., PHINMA Insurance Brokers Inc, and PHINMA Foundation, Inc.

Ms. Alvarez, a Certified Public Accountant, holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines and a Master's degree in Business Administration from the Wharton School of Business.

Nanette P. Villalobos was appointed Vice President and Treasurer of PHINMA Corporation in January 2019.

Currently, she also holds the following positions: Vice President and Treasurer for PHINMA, Inc., Assistant Treasurer for PHINMA Property Holdings Corp., Treasurer for PHINMA Education Holdings, Inc. and PHINMA CoHo Corp., Treasurer and Compliance Officer for PHINMA Insurance Brokers, Inc. and Treasurer for PHINMA Hospitality Inc. She is also a member of Fund Managers Association of the Philippines (FMAP) and Financial Executives Institute of the Philippines (FINEX).

She was also previously the Treasurer for PHINMA Energy Corporation and South Luzon Thermal Energy Corporation.

Ms. Villalobos completed her Executive Master of Business Administration Program in Singapore Management University. She earned her Bachelor of Science degree in Accountancy from the University of the East. She completed the Ateneo-BAP Treasury Certification Program, Basic Management Program at the Asian Institute of Management, and a Certification study for Macroeconomics at University of Asia and the Pacific. She also took up the Diploma Program in Corporate Finance of the Ateneo Graduate School of Business-Center for Continuing Education.

Annabelle S. Guzman was appointed as Vice President, Controller of PHINMA Corporation in April 2021. She is also the Controller of PHINMA Community Housing effective 2025. Prior to joining the Company, she has been working in the financial services industry as VP – Fund Administration Manager with JP Morgan Chase & Co and as Finance Head of Pepper Financial Services.

Ms. Guzman is a Certified Public Accountant and holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines.

Rolando D. Soliven was elected Chief Compliance Officer in April 2021 and is concurrently Vice President, Group Corporate Governance since April 2019 and Data Protection Officer since May 2022.

An officer of PHN since March 2012, his prior positions include Chief Risk Officer, Chief Audit Executive, VP Group Corporate Assurance, and AVP Internal Audit. Before joining the Company, he was the Founding Director and Chief Operating Officer of Prodigy Philippines & Global Standards; VP Corporate Systems and Internal Audit of Atlanta Group of Companies; and Founding Director of Excelcia Knowledge Institute.

Mr. Soliven is a Certified Internal Auditor (CIA) and a recipient of the William Smith Certificate of Honor for submitting one of the global top 25 results in the November 2005 exams. He is also Certified in Risk Management Assurance (CRMA), ISO 31000 Certified Risk Manager (CRM), and Certified Fraud Examiner (CFE). He is a Fellow of the Institute of Corporate Directors (ICD) and a member of

both the Institute of Internal Auditors (IIA) and the Association of Certified Fraud Examiners (ACFE) where he also previously served as a member of the board of trustees.

Mr. Soliven is a Certified Public Accountant and holds a Bachelor of Science degree in Accountancy from San Beda College. He has also completed the Enterprise Wide Risk Management Program and the Business Analytics Program of the Asian Institute of Management.

Peter Angelo V. Perfecto was appointed Vice President, Public Affairs in April 2019.

In the PHINMA Group, he also plays a Public Affairs role in PHINMA, Inc and was formerly Executive Assistant to the President and Vice President of PHINMA Foundation. Inc.

He served as President of the most recently recognized 22nd Oxfam International affiliate and is currently the Oxfam Pilipinas Treasurer. Previously, he was the Executive Director (ED) of the Makati Business Club where he took on leadership and secretariat roles in the People's Survival Fund, Integrity Initiative, Bishops-Businessmen's Conference for Human Development, National Competitiveness Council and the APEC Business Advisory Council. He was also the inaugural ED of the Philippine Business for Education. His other previous positions include Director for Media and Public Affairs of the Office of the Presidential Adviser on the Peace Process, ED of Amnesty International Philippines and SecGen of Lakas ng Kabataang Pilipino, the youth arm of the EDSA People Power Revolution's Lakas ng Sambayanan coalition of people's organizations.

Mr. Perfecto holds a Bachelor of Science in Management Engineering from Ateneo de Manila University.

Jose Luis M. Oquiñena was appointed Vice President, Community Housing of PHINMA Corporation in June 2025. He is concurrently the President and CEO of the newly organized PHINMA Community Housing Corporation.

He is the Chairman of Gawad Kalinga Foundation, a Director of PHINMA Rizal College Laguna and PHINMA Union College of Laguna, and a Trustee of PHINMA Foundation, Inc. Among his most significant awards is the Skoll Awards for Social Innovation, a global recognition given by Skoll Foundation to social innovators whose work targets the root cause of societal problems that are ripe for transformational social change, which he received in 2012.

Mr. Oquiñena earned his degrees in Bachelor of Science in Mechanical Engineering and Bachelor of Science in Industrial Management from the University of Negros Occidental Recoletos. He also completed the Strategic Business and Economics Program, a fellowship program, and the certificate course Applied Sustainability Management Program from the University of Asia and the Pacific.

Alejandro Diego Luis Giles R. Katigbak was appointed as Assistant Vice President, Chief Risk Officer effective April 2022.

Prior to joining the Company, he was employed in a financial advisory capacity at various Philippine firms including Investment & Capital Corporation of the Philippines, Jardine Fleming Exchange Capital Group, Inc., and SyCip, Gorres, Velayo and Company.

Mr. Katigbak received his Bachelor's degree in Management Economics from the Ateneo de Manila University and an MBA with concentration in Finance and Corporate Accounting from the University of Rochester in New York.

Ivy Villasquez Bermas was appointed as Chief Audit Executive in April 2024.

She is a member of the Institute of Internal Auditors, Philippines and Philippine Institute of Public Accountants. She is also a Certified Internal Auditor.

A Certified Public Accountant (CPA), Ms. Villasquez-Bermas holds a Bachelor of Science in Accountancy from Miriam College and completed her Master of Business Administration in De La Salle Lipa, Batangas.

Ma. Gracia M. Purisima was appointed as Assistant Treasurer in April 2019.

She is also concurrently the Treasurer of PHINMA Foundation Inc. and Asian Plaza Inc., and a member of the Fund Managers Association of the Philippines (FMAP). She is also a member of the Board of Trustees in Alpha Salcedo Condominium Corp.

She was previously the Assistant Treasurer of PHINMA Inc. and Treasury Manager for PHINMA Energy Corporation, formerly Trans-Asia Oil and Energy Development Corporation. Prior to joining the Corporation in 2011, she worked for Citibank N.A. and Deutsche Knowledge Services Pte. Ltd.

Ms. Purisima earned her Bachelor of Arts degree in Management Economics from Ateneo de Manila University in 2003 and completed the Treasury Certification Program from the Ateneo de Manila University Graduate School of Business and Bankers Association of the Philippines (Ateneo-BAP). She also completed the Emerging Finance Leadership Program of the Financial Executives Institute of the Philippines (FINEX) Academy and P&A Grant Thornton in 2024, where her team received the Best Capstone Project Award. She completed the Management Development Program at the Asian Institute of Management (AIM) in 2025. She also attended the PHINMA Group Annual Corporate Governance Enhancement Session in 2023 on Data Analytics and Artificial Intelligence (AI), Workplace Reimagined and Overview of Corporate Governance conducted by SGV & Co.

Robert James G. Pabustan was appointed as Assistant Vice President, Business Development in April 2024. He is also the Finance Head of PHINMA CoHo Corporation effective 2025.

His previous positions in the Group include AVP Supply Chain for PHINMA's construction materials businesses and AVP Treasurer South Luzon Thermal Energy Corporation.

Mr. Pabustan earned his BA in Humanities (Business Administration) from the University of Asia & the Pacific and his Master's degree in Business Management (Finance) from the Asian Institute of Management.

Troy A. Luna was elected as Corporate Secretary in March 2017.

A Senior Partner of the Migallos & Luna Law Offices, he is also the Corporate Secretary of PHINMA, Inc., and other PHINMA-related corporations such as PHINMA Education, PHINMA Education Network schools, Asian Plaza, Inc., Union Galvasteel Corp., Philcement Corp., ABCIC, and Toon City Animation, Inc. Atty. Luna holds the same position in other companies and organizations like TCL Sun, Inc., Newminco Pacific Mining Corporation and Philippine Business for Education. He is also a Trustee of the Licensing Executives Society of the Philippines and the Intellectual Property Alumni Association, where he is also the President. Atty. Luna likewise served as a Director of PHN from November 2020 to April 2021.

Atty. Luna holds a Liberal Arts in Economics degree from the De La Salle University and a Bachelor of Laws degree from the Ateneo de Manila University School of Law. He was admitted to the Philippine Bar in 1987. He attended the 2025 PHINMA Group Annual Corporate Governance Training Enhancement Session on October 7, 2025 conducted by SGV & Co.

Daneia Isabelle F. Palad was elected Assistant Corporate Secretary in April 2024.

A Partner at Migallos & Luna Law Offices, she serves as Assistant Corporate Secretary in several companies within the PHINMA Group and advises a number of publicly listed companies on compliance and corporate governance matters. Her practice focuses on securities law, mergers and

acquisitions, business law, intellectual property law, and litigation.

Atty. Palad was admitted to the Philippine Bar in 2015. She received her Bachelor of Arts degree in both Economics and Development Studies from the Ateneo de Manila University in 2010, with a minor in Chinese Studies from Sun Yat Sen University in Guangzhou City, China. She earned her Juris Doctor degree from the Ateneo School of Law in 2014.

Significant Employees

Other than the Directors and Officers identified in the item on Directors and Executive Officers in this Information Statement, there are no other employees of the Company who may have significant influence in the Company's major and/or strategic planning and decision-making.

Family Relationships

Ramon R. del Rosario, Jr. is the brother of Mr. Victor J. del Rosario and Mr. Jose Mari del Rosario. Other than the foregoing family relationships, none of the directors, executive officers or persons nominated to be elected to PHN's Board are related up to the fourth civil degree, either by affinity or consanguinity.

Pending Legal Proceedings

The Company is not aware of any of the following events having occurred during the past five years up to the date of this report that are material to an evaluation of the ability or integrity of any director, nominee for election as Director, executive officer, underwriter or controlling person of the Company :

1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time ;
2) any conviction by final judgment, including the nature of the offense in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign , excluding traffic violations and other minor offenses ;
3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities ; and
4) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.
5) A securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

Other than the case disclosed in ***Item 3. Legal Proceedings***, the Company is not involved in or aware of any material legal proceedings that may significantly affect the Company, or any of its subsidiaries or affiliates.

Independent Directors

On June 30, 2004, the SEC approved amendment to the Amended By-Laws of PHINMA Corporation to incorporate a provision stating that it shall conform to the requirement of law to have independent directors. On May 27, 2010, the SEC approved a further amendment to the Amended By-laws adopting and stating that the Company shall comply with Securities Regulation Code (SRC) Rule 38 as

amended and all rules and regulations relative to the requirements on nomination and election of independent directors.

The following are the nominees for independent directors, as submitted to and pre-screened by the Nominations Committee of the Company using the aforementioned guidelines, pertinent provisions of the Company's Manual on Good Corporate Governance and its Amended By-Laws. They are neither officers nor substantial shareholders of the Company. Mr. Ramon R. del Rosario, Jr. nominated the candidates for independent directors. Mr. Del Rosario is not related to the independent director-nominees by consanguinity or affinity.

1. Juan B. Santos
2. Lilia de Lima
3. Rizalina G. Mantaring
4. Edgar O. Chua
5. Dato Timothy Ong
6. Edilberto C. de Jesus
7. Cielito F. Habito

All the independent directors possess the qualifications and none of the disqualifications under Securities Regulation Code or the Company's Manual of Corporate Governance.

Item 10. Compensation of Directors and Executive Officers

The Directors are paid a bonus based on the net income of the Company for each calendar year. The compensation received by the officers who are not included in the Board of Directors of the Company represents salaries and bonuses.

For the calendar years ended December 2025 and 2024, the total salaries, allowances and bonuses paid by the Company to the directors and executive officers as well as estimated compensation of directors and executive officers for CY 2026 are as follows:

TABLE 12 - Compensation of Directors and Executive Officers

Name and Principal Position	Year	Salary	Bonus	Others
CEO and the Top 4				
Oscar J. Hilado Chairman Emeritus				
Ramon R. del Rosario, Jr. Chairman and CEO				
Meliton B. Salazar, Jr. President and COO, Head of Education				
Pythagoras L. Brion, Jr. Group CFO				
Edmund Alan A. Qua Hiansen Senior Vice President, CFO **				
Regina B. Alvarez Senior Vice President, Corporate Services and Planning				
TOTAL	2026* 2025 2024	49,058,431 47,171,568 47,603,796	11,878,818 11,133,188 10,040,370	1,550,000 1,550,000 1,925,000
All other Directors and Officers as a Group unnamed	2026* 2025 2024	39,786,847 38,256,583 37,156,289	13,458,950 12,347,468 13,202,775	8,465,000 8,465,000 9,010,000

** Estimated compensation of directors and executive officers for the year.*
*** Promoted to SVP, CFO role on April 1, 2024*
**** Majority of employers from PHINMA Inc. was transferred to PHINMA Corp, starting Jan 1, 2024, as a result of 1PHINMA consolidation*

a) Compensation of Directors

The Directors receive per diem and variable per diem based on a percentage of the audited consolidated net income attributable to shareholders of the parent of the previous year. Per diem for attending board and executive committee meetings is P75,000 and P25,000 for all other committee meetings. In 2025, a total of P10,015,000 was given to the directors for the meetings they attended. Amount is provided in aggregate due to confidentiality of the information.

There are no other existing arrangements/agreements to which said Directors are to be compensated during the last completed calendar year and the ensuing year.

b) Employment Contracts and Termination of Employment and change-in Control Arrangements

There is no existing contract between the Company, the executive officers or any significant employee.

Under Article VI, Section 1 of the Company's By-Laws, the Officers of the Corporation shall hold office for one (1) year and until their successors are chosen and qualified in their stead. Any Officer elected or appointed by the majority of the Board of Directors may be removed by the affirmative vote of the Board of Directors.

Compensatory Plan or Arrangement

The compensation received by Officers who are not members of the Board of Directors of the Company represents salaries, bonuses and other benefits.

All permanent and regular employees of the Company and its subsidiaries are covered by PHINMA Group retirement plan (the "Plan"). The Plan provides benefits upon normal retirement beginning at age sixty-five (65), optional retirement at sixty (60) and early retirement beginning at age fifty (50) with completion of at least ten (10) years of service, voluntary separation beginning upon completion of at least ten (10) years of service, total and physical disability, death and involuntary separation. The benefits are based on the employee's final monthly basic salary and length of service.

The Company also provides a defined contribution plan that covers all regular full-time employees under which the Company pays fixed contributions based on the percentage contributed by the employees from their monthly salaries.

c) Compensation Committee

The members of the Compensation Committee are as follow:

Edgar O. Chua	-	Chairman
Oscar J. Hilado*	-	Member
Ramon R. del Rosario, Jr.	-	Member
Cielito F. Habito	-	Member

**Mr. Oscar J. Hilado passed away in September 2025.*

Item 11. Security Ownership of Certain Beneficial Owners and Management

a) ***Security Ownership of Certain Record and Beneficial Owners:***

The table below shows persons or groups known to PHN as of January 31, 2026 to be directly or indirectly the record or beneficial owners of more than 5% of the company's voting securities:

Table 13 - Owners of Voting Securities

Title of Class	Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	# of Shares held	%
Common	Phil. Investment Mgmt. (PHINMA), Inc. ("PHINMA, Inc.")[1] Level 12, Phinma Plaza, No. 39 Plaza Drive Rockwell Center, Makati City Stockholder	Phil. Investment Mgmt. (PHINMA), Inc. which is also the record owner. Mr. Ramon R. del Rosario, Jr., Chairman of Board and CEO, is the person appointed to exercise voting power	Filipino	228,298,233	67.88%
Common	Philippine Depository and Trust Corporation[2] MSE Bldg. Ayala Avenue Makati City Stockholder	Various	Filipino	58,835,124	17.49%

1 Phinma Inc.'s principal stockholders are: 1) EMAR Corporation (53.99%), a Filipino company principally owned by the immediate family of the late Amb. Ramon V. del Rosario, Sr., 2) Mariposa Properties, Inc. (34.88%), which is owned by Mr. Oscar J. Hilado and the members of his immediate family, and 3) Dr. Magdaleno B. Albarracin, Jr. who owns 5.29% of Phinma Inc.'s outstanding shares. The Del Rosario and Hilado Families are expected to direct the voting of the shares held by EMAR Corp. and Mariposa Properties, Inc.

2 Philippine Depository and Trust Corporation ("PDTC") is a wholly owned subsidiary of Philippine Central Depository, Inc., ("PCD") which acts as trustee-nominee for all shares lodged in the PCD system. It was formerly known as PCD Nominee Corporation. The beneficial owners of such shares are PCD participants who hold the shares on their behalf or on behalf of their clients.

Security Ownership of Management

The table below shows the securities beneficially owned by all directors, nominees and executive officers of PHN as of January 31, 2026.

Table 14 - Security Ownership of Management

Title of	Name of Beneficial Owner	No. of shares	Nature of Beneficial Ownership	Citizenship	% o f Ownership
Common	Magdaleno B. Albarracin, Jr.	11,322,000	Direct	Filipino	3.366%
Common	Victor J. del Rosario	1,179,173	Direct	Filipino	.351%
		1,244,989	Indirect	Filipino	.370%
		3,211,041	Indirect	Filipino	.955%
Common	Ramon R. del Rosario, Jr.	493,705	Direct	Filipino	.147%
		293,630	Indirect	Filipino	.087%
		3,211,042	Indirect	Filipino	.955%
		11,575,394	Indirect	Filipino	3.442%
Common	Jose L. Cuisia, Jr.	27,757	Direct	Filipino	.008%
Common	Meliton B. Salazar Jr.	1	Direct	Filipino	.000%
		20,270	Indirect	Filipino	.006%
Common	Eduardo A. Sahagun	1	Direct	Filipino	.000%
Common	Rizalina G. Mantaring	13,201	Direct	Filipino	.004%
Common	Juan B. Santos	50,001	Direct	Filipino	.015%
Common	Lilia B. de Lima	1	Direct	Filipino	.000%
Common	Edgar O. Chua	1	Direct	Filipino	.000%
Common	Cielito F. Habito	1	Direct	Filipino	.000%
Common	Dato Timothy Ong	1	Direct	Filipino	.000%
Common	Edilberto C. De Jesus	34,501	Direct	Filipino	.010%
Common	Guillermo D. Luchangco	1	Direct	Filipino	.000%
Common	Roberto M. Laviña	1,224,306	Direct	Filipino	.364%
Common	Michael C. HIlado	22,000	Direct	Filipino	.007%
		1,046,760	Indirect	Filipino	.311%

Common	Regina B. Alvarez	501,257	Direct	Filipino	.149%
Common	Jose Mari del Rosario	593,965	Direct	Filipino	.177%
		849,247	Indirect	Filipino	.253%
		2,127,501	Indirect	Filipino	.633%
Common	Raphael B. Felix	29,363	Direct	Filipino	.009%
Common	Peter V. Perfecto	29,000	Direct	Filipino	.009%
Common	Edmund Alan A. Qua Hiansen	26,800	Direct	Filipino	.008%
Common	Nanette P. Villalobos	26,450	Direct	Filipino	.008%
Common	Annabelle S. Guzman	10,000	Direct	Filipino	.003%
Common	Grace M. Purisima	2,900	Direct	Filipino	.001%
Common	Ivy V. Bermas	1,000	Direct	Filipino	.000%
Directors and Officers as a Group		**39,167,260**			**11.646%**

Item 12. Relationships and Related Transactions:

Parties are related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions and the parties are subject to common control. Related parties may be individual or corporate entities.

The Company, in the regular conduct of business, has entered into transactions consisting of reimbursement of expenses, office space rentals, consultancy fees and grant of non-interest-bearing advances with associates and other related parties. Transactions entered into with related parties are at arm's length and have terms similar to the transactions entered into with third parties.

The Company maintains policies requiring directors to disclose any self-dealing or related party transactions. For the relevant period, no such disclosures were received, and the Company is not aware of any transactions involving directors that would require disclosure under applicable laws, rules, and regulations.

The Company has a management contract with Philippine Investment-Management (PHINMA), Inc. up to June 30, 2029 renewable thereafter upon mutual agreement. Under this contract, PHINMA has a general management authority with the corresponding responsibility over all operations and personnel of the Company including planning, direction, and supervision of finance and other business activities of the Company. Under the existing management agreement, the Company pays PHINMA, Inc. a fixed monthly management fee plus an annual incentive based on a certain percentage of the Parent Company's net income. Renewal has been approved by the Board on March 5, 2024 and approved by the shareholders during the Annual Shareholders' Meeting on April 23, 2024.

As of January 31, 2026, PHINMA Inc. owns 228,298,233 shares, which represent 67.88% of total outstanding shares of stock of the Company.

Material related party transactions are reviewed by the Audit and Related Party Committee of the Board. The Company have approval requirements and limits on the amount and extent of related party transactions in compliance with the requirements under Revised SRC Rule 68.

Refer to Note 32 – Related Party Transactions of the 2024 Audited Consolidated Financial Statements for further details.

PART IV – CORPORATE GOVERNANCE

Item 13. Compliance Program

Compliance Policy

PHINMA Corporation (the "Corporation) believes that good governance is an integral component of sound business management and exerts every effort necessary to ensure compliance within the organization.

In accordance with the State's policy to actively promote corporate governance reforms aimed to raise investor confidence, develop capital market and help achieve high sustained growth for the corporate sector and the economy, the Board of Directors, Management, and Employees of PHINMA Corporation commit to the principles and best practices contained in the Manual on Good Corporate Governance approved in August 2002 and as amended in March 2004, February 2008, March 2011, June 2014. The Manual was further amended to substantially adopt the 2016 Code of Corporate Governance for Publicly-Listed Companies in May 2017 and March 2018. Relevant provisions from the 2019 Revised Corporation Code of the Philippines (R.A. 11232) were incorporated into the Manual in October 2020 and November 2022.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT (I-ACGR)

SEC MC No. 15, Series of 2017 released in December 2017 mandates all publicly listed companies to submit an Integrated Annual Corporate Governance Report (IACGR) covering all relevant information for the year on May 30 of each year.

PHINMA Corporation submitted to the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE) its I-ACGR for 2024 on May 23, 2025. The I-ACGR for YE 2025 is due to be submitted on May 29, 2026.

As of December 31, 2025, PHINMA Corporation has substantially complied with the principles and best practices contained in the Manual on Good Corporate Governance. There were no sanctions imposed on any director, officer or employee for non-compliance with the Manual.

COMPLIANCE MONITORING AND IMPROVING CORPORATE GOVERNANCE

The Compliance Officer and the Internal Auditor monitor the Corporation's compliance with the Manual and the timely submission of reports and disclosures to both SEC and PSE. In addition, the SEC and PSE websites are constantly monitored for relevant circulars or memorandums affecting, improving, and updating the corporate governance of the Corporation. As appropriate, the Manual and relevant policies are promptly amended and circulated for implementation.

As a result of the Compliance Program, there is effective management of the relationships between shareholders, stakeholders, directors, creditors, government, and employees. Furthermore, the internal workings of the Corporation are directed and controlled leading to corporate integrity, transparency, and enhanced corporate performance, a dominant theme of Good Corporate Governance.

In March 2023, the PHINMA Governance Library, an internal online resource for governance documents was completed and cascaded to the Strategic Business Units with the aim of sharing best practices and synergizing corporate governance within the PHINMA Group. This online resource is continuously being maintained and updated by the Governance team.

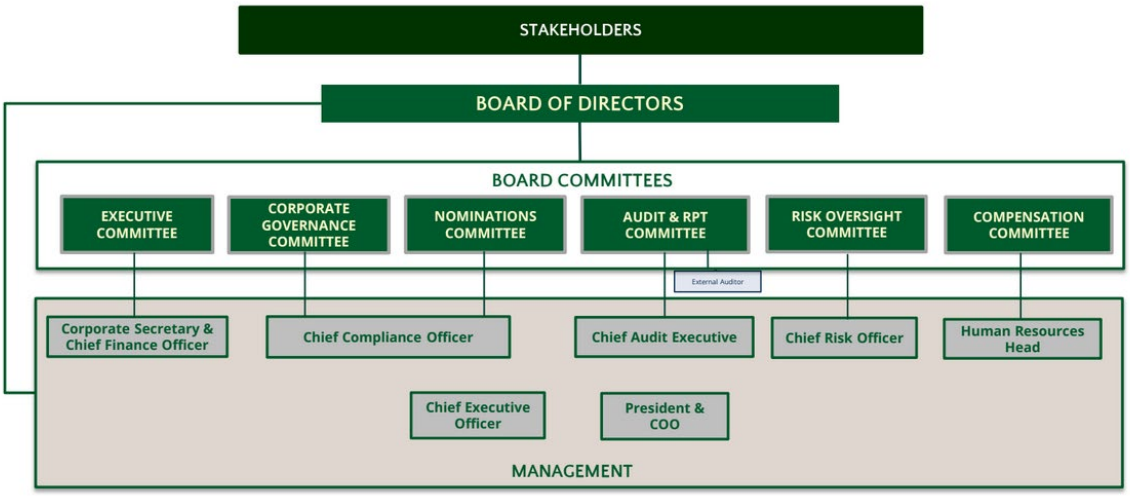
PHINMA Corporation received Two-Arrow Award recognitions for three consecutive years based on the results of the 2021, 2022 and 2023 ASEAN Corporate Governance Scorecard (ACGS) assessments and One-Arrow award for YE 2024 assessment. The Golden Arrow is awarded by the

Institute of Corporate Directors (ICD) to publicly-listed companies that exhibited observable conformance with the Philippine Code of Corporate Governance and internationally recommended corporate governance practices as espoused by the ACGS.

DISCLOSURE AND TRANSPARENCY

PHINMA commits itself to high standards of disclosure and transparency. In addition to submitting annual and quarterly financial information and other statutory requirements, the corporation promptly discloses to the SEC and PSE material and market-sensitive information that may affect the public's investment decisions, such as declaration of dividends, investments and divestments and other items. The disclosures are also uploaded to the Corporation's website for the benefit of the public.

CORPORATE GOVERNANCE FRAMEWORK



BOARD OF DIRECTORS

Key Roles and Responsibilities

As mandated by its Charter, the Board's roles and responsibilities include fostering the long-term success of the Corporation and securing its sustained competitiveness and profitability in a manner consistent with its corporate objectives and fiduciary responsibility. The Board always takes into consideration the best interest of the Corporation, its shareholders, and other stakeholders when it exercises its powers and duties. The Board conducts itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities and acts on a fully informed basis, in good faith, with due diligence and care in directing the Corporation towards sustained progress.

Composition

As of December 31, 2025, the Board of Directors consists of 15 members, nominated in accordance with the By-Laws of the Corporation. In compliance with the legal requirement of SEC for publicly listed corporations, PHINMA's Board of Directors includes seven (7) independent directors. The independent directors hold no interest or have no relationship with the corporation that may hinder their independence from the corporation or management or would interfere with the exercise of independent judgment in carrying out their responsibilities.

In the Organizational Meeting of the Board of Directors of PHINMA Corporation (PHN) held on June 5, 2025, the board approved the appointment of Mr. Roberto M. Laviña and Mr. Michael C. Hilado as Member of the Board of Advisors.

At the special meeting of the Board of Directors of PHINMA Corporation (PHN) held on October 30, 2025, the board approved the election of Mr. Michael C. Hilado as replacement director to fill the board

seat vacancy due to the passing of Mr. Oscar J. HIlado and to serve the unexpired term until the next Annual Stockholders Meeting and the appointment of Dr. Magdaleno B. Albarracin, Jr. as Chairman of the Executive Committee.

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Diversity

PHINMA values diversity and supports workforce equality and is strongly against discrimination of any form at all levels thus it ensures that its board members are a combination of executive, non-executive and independent directors with varied but substantial professional knowledge and experience on the industries it operates in which creates a platform for balanced-view discussion necessary to arrive at key business decisions.

		RRR	MBA	MBS	EAS	VJR	JLC	MCH	JBS	LBL	RGM	EOC	GDL	CFH	DTO	ECJ
Industry Sector Expertise	Educational Services	o	o	o		o	o	o	o	o		o		o	o	o
	Construction Industry	o	o		o	o		o	o	o						o
	Real Estate / Property Development	o	o		o		o		o		o	o	o		o	o
	Hospitality and Tourism	o		o			o	o	o	o					o	o
	Banking and Finance	o			o	o	o		o		o	o	o	o	o	o
	Insurance	o			o		o	o		o	o	o			o	o
Subject Matter Expertise	Executive Leadership	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o
	Accounting	o			o	o	o		o			o			o	
	Capital Management	o	o		o	o	o		o	o	o	o	o		o	
	Corporate Governance	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o
	Corporate Financing	o			o	o	o	o	o		o		o	o	o	
	Risk Management	o	o	o	o	o	o		o	o	o	o	o	o	o	o
	Information Technology			o	o	o		o								
	Sustainability	o			o			o	o	o	o	o		o		o
	Government Relations	o		o	o		o	o	o	o		o		o	o	o
Board Tenure in Years		46	46	5	5	18	32	>1	8	8	7	5	2	2	2	2
Age		81	89	60	68	77	81	61	87	85	65	69	86	72	72	83
Gender		M	M	M	M	M	M	M	M	F	F	M	M	M	M	M

Independence

The company has seven (7) Independent Directors constituting more than the required 1/3 of its 15 board seats and none of the independent directors have reached the nine-year limit. The company keeps track of the period of service rendered by its Independent Directors counted from the reckoning date of 2012.

The Non-Executive Directors held a separate meeting with the External Auditor, the Chief Audit Executive, the Chief Compliance Officer and Chief Risk Officer on December 17, 2025, without any executive directors present. Updates on compliance and governance, audit (external and internal) and risk were presented during the meeting. The Non-Executive Directors made their comments on management's performance in meeting the Company's goals and objectives. The meeting was chaired by Mr. Juan B. Santos, as the Lead Independent Director. The Board Charter mandates the lead independent director to act as an intermediary between the Chairman of the Board and other Directors; convene, determine the agenda and chair the periodic meetings of non-executive directors (NEDs) and independent directors (IDs); and contribute to the performance evaluation of the Chairman of the Board.

BOARD PERFORMANCE

During the year, the Board of Directors held a total of nine (9) meetings, eight (8) regular board and one (1) organizational meeting. The details of the matters taken up during the Board meetings are detailed in the Definitive Information Statement sent to shareholders.

The attendance of the directors to the Annual Stockholders Meeting, Organizational Meeting and Board Meetings in 2025 is as follows:

	ASM	Organizational Meeting	Regular Meetings							
Directors	Apr. 14	Apr. 14	Mar. 6	Mar. 21	May 9	Jun. 5	Aug. 7	Oct. 30	Nov. 6	Dec. 11
OSCAR J. HILADO* Chairman Emeritus	P	P	P	A	P	P	P	-	-	-
RAMON R. DEL ROSARIO, JR. Chairman & CEO	P	P	P	P	P	P	P	P	P	P
MAGDALENO B. ALBARRACIN, JR. Vice Chairman	P	P	P	P	P	P	P	P	P	P
MELITON B. SALAZAR, JR. President & COO	P	P	P	P	P	P	P	P	P	P
VICTOR J. DEL ROSARIO Non- Executive Director	P	P	A	P	P	P	P	P	P	P
EDUARDO A. SAHAGUN Executive Vice President	P	P	P	P	P	P	P	P	P	P
JOSE L. CUISIA, JR. Non-Executive Director	P	P	P	P	P	P	P	P	P	P
Guillermo D. Luchangco Non-Executive Director	P	P	P	P	P	P	P	P	P	P
JUAN B. SANTOS Independent Director	P	P	P	P	P	P	P	P	P	P
LILIA B. DE LIMA Independent Director	P	P	P	P	P	P	P	P	P	P
RIZALINA G. MANTARING Independent Director	P	P	P	P	P	P	P	P	P	P
EDGAR O. CHUA Independent Director	P	P	P	P	P	P	P	P	P	P
DATO TIMOTHY ONG TECK MONG Independent Director	P	P	P	A	P	P	P	P	P	P
EDILBERTO C. DE JESUS Independent Director	P	P	P	P	P	P	P	P	P	P
CIELITO F. HABITO Independent Director*	P	P	P	P	P	P	P	P	P	P
MICHAEL C. HILADO** Non-Executive Director	-	-	-	-	-	-	-	P	P	P

P : Present A : Absent
*Mr. Oscar J. Hilado passed away on 17 September 2025.
**Mr. Michael C. Hilado was elected on 30 October 2025.

A summary of significant resolutions approved by the Board of Directors in 2025 are detailed in Annex F of the Definitive Information Statement.

Board Committees

To assist it in discharging its duties and responsibilities, the Board constitutes committees which directly report to the Board in accordance with duly approved procedures.

As of December 31, 2025 the board committees and its members were as follows:

	Executive	**Audit & RPT**	**Risk Oversight**	**Corporate Governance**	**Nominations**	**Executive Compensation**
Ramon R. del Rosario, Jr.	M				M	M
Magdaleno B. Albarracin, Jr.	**C**		M			
Jose L. Cuisia Jr.	M	M				
Victor J. del Rosario						

Eduardo A. Sahagun						
Meliton B. Salazar, Jr.	M				M	
Michael C. Hilado	-	-	-	-	-	-
Edgar O. Chua		M				**C**
Juan B. Santos	M	**C**				
Lilia B. de Lima (			M	**C**		
Rizalina G. Mantaring		M	**C**			
Guillermo D. Luchangco			M			
Dato Timothy Ong Teck Mong			M	M		
Edilberto C. de Jesus				M	**C**	
Cielito F. Habito				M		M

Executive Committee
The Executive Committee is composed of five (5) directors, one of whom is an independent director. The Committee is tasked to assist the Board in matters concerning its interests and the management of its business and may exercise all the powers and perform the duties of the Board within the authority granted to it. It acts by majority vote of all its members during the interim period between scheduled Board meetings.

Corporate Governance Committee
The Corporate Governance Committee is composed of four (4) directors, all of whom are independent directors with experience, expertise and working knowledge on corporate governance. The Committee was first formed at the Organizational Meeting on April 10, 2017 tasked to assist the Board in the performance of its corporate governance responsibilities which include the implementation and periodic review of the Corporate Governance Manual, policies and framework, annual board self-assessment and continuing training program for directors. Until April 2022, the Committee was named Corporate Governance and Nominations Committee and reviewed the profiles of candidates for directors, including the proposed composition of committees.

The following sets forth the actions taken by the Committee in 2025:

1. Reviewed the summary of results of the Board Evaluation for year-end 2024 (February 2025) Reviewed the CG Calendar of Activities for the Year 2025 (February 2025)

2. Submitted and presented to the Board the Report of the CG Committee for the Year 2024. (March 2025)

3. Reviewed and approved for submission the Integrated Annual Corporate Governance Report (I-ACGR) for year-end 2024. (May 2025)

4. Reviewed and approved the CEO Retirement Policy jointly with Nominations and CG Committees of the PHINMA Group. (May 2025)

5. Reviewed the proposals by SEC-accredited training providers and approved the selection of SGV & Co. who conducted the annual training for directors on Overview of Corporate Governance, Artificial Intelligence and Cybersecurity. (July 2025)

6. Reviewed the proposals and approved the Institute of Corporate Directors to facilitate the PHINMA Corporation Board Performance Assessment for YE 2025.

7. Reviewed and endorsed to the Board for approval of the Charter of the Board of Advisers. (July 2025)

8. Reviewed and endorsed to the Board for approval of the Dividend Policy. (July 2025)

9. Reviewed the summary of results of the Annual Corporate Governance Scorecard assessment and Gap Analysis for year-end 2023 noting the Areas for Improvement. (July 2025)

10. Attended the annual PHINMA Group Corporate Governance Training conducted by SGV & CO. on Overview of Corporate Governance, Artificial Intelligence and Cybersecurity. (October 2025)

11. Attended the meeting of the Non-Executive Directors (NED). (December 2025)

Corporate Governance Committee	**Feb. 18**	**May 13**	**Jul. 15**
LILIA B. DE LIMA - CHAIRPERSON	P	P	P
RIZALINA G. MANTARING*	P	-	-
EILBERTO C. DE JESUS**	-	P	P
DATO TIMOTHY ONG	P	P	P
CIELITO F. HABITO	P	P	P

P : Present I *A : Absent*
*Mr. Rizalina G. Mantaring transferred to the Audit & RPT Committee effective June 5, 2025.
**Mr. Edilberto C. de Jesus joined the Corporate Governance Committee effective June 5, 2025.

Nominations Committee
The Nominations Committee is composed of three (3) directors (as of Dec. 31, 2025), one of whom is an independent director who is also the Chairman. The Committee was first formed at the Organizational Meeting on April 12, 2022. The Committee oversees the nomination and election process for the company's Board of Directors and appointment of key management officers. The Committee reviews the qualifications of candidates and submits a list of qualified nominees.

The Nominations Committee held there (3) meetings in 2025.

Nominations Committee	**Feb. 11**	**May 13**	**Oct. 10**
EDILBERTO C. DE JESUS - CHAIRPERSON	P	P	P
OSCAR J. HILADO*	P	P	-
RAMON R. DEL ROSARIO, JR.	P	P	P
MELITON B. SALAZAR, JR.	P	P	P

The Nominations Committee completed the following activities in 2025:

1. Evaluated the qualifications and endorsed to the Board the:
    a. Nomination of fifteen (15) incumbent Directors, including seven (7) Independent Directors.
    b. Proposed composition of the Board Committees
    c. Reappointment of Key Management Officers.
    d. Nomination and election of Mr. Michael Hilado as replacement director to serve the unexpired term until the next ASM.
    e. Appointment of Dr. Magdaleno B. Albarracin, Jr. as Chairman of the Executive Committee.
2. Reviewed and endorsed to the Board the PHINMA Management Succession policy and CEO Retirement policy.
3. Reviewed the proposed amendments to the Company By-laws as following:
    a. Removal of General Manager Position; and
    b. Inclusion of 50% attendance requirement in meetings of the Board as qualification for nomination

Executive Compensation Committee
The Compensation Committee is composed of three (3) directors, one (1) of whom is an independent director who is also the Chairman. The duties and responsibilities of this committee include establishing policies on executive remuneration, ensuring that the compensation is consistent with the Corporation's culture, strategy and control environment, and strengthening policies on conflict of interest, salaries and benefits and compliance with statutory requirements. The Executive Compensation Committee held one meeting on April 30, 2025 with all members present.

Risk Oversight Committee
The Risk Oversight Committee is composed of five (5) members, four (4) of whom are independent directors, including the Chairman. The Committee assists the Board of the Corporation in fulfilling its corporate governance responsibility with respect to its oversight of the Corporation's risk management framework. While the Committee has responsibilities and powers set forth in the Charter, the Corporation's management is ultimately responsible for designing, implementing, and maintaining an effective risk management program. In 2025, the Risk Oversight Committee held two (2) meetings on July 4, 2025 and November 25, 2025. The Committee reviewed the Corporation's Risk Management Framework and its Top Business Risks, including strategic risks, business risk assessments and corresponding mitigation plans. In doing so, the Committee also reviewed the Top Business Risks and corresponding mitigation plans of its subsidiary companies.

The Risk Oversight Committee held two (2) meetings in 2025.

	YEAR 2025	
Risk Oversight Committee	**Jul. 4**	**Nov. 25**
RIZALINA G. MANTARING - CHAIRPERSON	P	P
MAGDALENO B. ALBARRACIN, JR.	P	P
LILIA B. DE LIMA	P	P
DATO TIMOTHY ONG TECK MONG	P	A
GUILLERMO D. LUCHANGCO	P	P

P : Present I *A : Absent*

Audit and Related Party Transactions Committee
The Audit and Related Party Transactions Committee is composed of four (4) members of the Board, three (3) of whom are independent directors, including the Chairman. The Committee assists the board of directors of PHINMA Corporation in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, the audit process, and the Corporation's process for monitoring compliance with laws and regulations. In 2025, the Committee held five (5) meetings. All meetings obtained complete attendance.

The Committee reviewed the audited financial statements for 2024 and the interim statements for the quarters ending March 31, June 30, and September 30 for the year 2025. Pursuant to the Company's

current corporate governance principles and requirements on the periodic review of an external auditor's appointment, in our Committee meeting held March 17, 2025, we agreed to propose to the Board of Directors the appointment of PwC Isla Lipana & Co. as the external auditor for 2025 together with their proposed fees.

During the year, the Committee reviewed and approved the scope and deliverables of the PwC audit plan. The Committee approved the Internal Audit plan for 2025 and 2026, reviewed the audit reports, and evaluated Internal Audit's performance. The Committee reviewed the material related party transactions for 2025, the 2026 top risks and the corresponding mitigating controls of the Company, and activities related to the Integrity Assurance programs. The Committee also performed a self-assessment of the Committee's performance against the approved Charter, in line with the guidelines issued by the SEC.

The Audit and RPT Committee held five (5) meetings in 2025.

Audit and RPT Committee	**2025**				
	Mar. 17	**May 6**	**Aug. 6**	**Nov. 5**	**Nov. 25**
JUAN B. SANTOS - CHAIRPERSON	P	P	P	P	P
EDILBERTO C. DE JESUS*	P	P	-	-	-
JOSE L. CUISA, JR.	P	P	P	P	P
EDGAR O. CHUA	P	P	P	P	P
RIZALINA G. MANTARING**	-	-	P	P	P

P : Present I *A : Absent*
* Mr. Edilberto C. de Jesus transferred to the Corporate Governance Committee effective June 5, 2025.
**Ms. Rizalina G. Mantaring joined the Committee effective June 5, 2025.

INTERNAL AUDIT

PHINMA Corporation has an independent Internal Audit organization that reports directly to the Board of Directors, through the Audit and Related Party Transactions Committee, and administratively to Senior Management. The Internal Audit (IA) team provides the Corporation with professional assurance and consulting services that are designed to add value and improve operations. Consistent with its thrust to become better business partners, Internal Audit helps the Corporation accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of PHINMA's risk management, control, and governance processes. Additionally, IA provides the Board, senior management and stockholders with reasonable assurance that the Corporation's key organizational and procedural controls are effective, appropriate and faithfully complied with.

To ensure the independence of Internal Audit, the Audit and Related Party Transactions Committee reviewed and approved the IA Charter which outlines internal audit's purpose, reporting relationships, authorities and responsibilities. Through this Charter, the internal auditors are kept free from interference by any element in the organization in matters of audit selection, scope, procedures, frequency, timing, or report content. Likewise, members of Internal Audit do not have any direct operational responsibility or authority over any of the activities audited and, as such, are further prohibited from implementing internal controls or engaging in any other activity that may impair the internal auditor's judgment.

Under the IA Charter, IA performed various internal control reviews of the Corporation and its subsidiaries and affiliates. Based on the results of these reviews, Internal Audit reported that overall controls are adequate and effective as contained in the Audit and Related Party Transactions Committee Report for 2025.

BOARD PERFORMANCE EVALUATION

Policy
PHINMA Corporation has an approved Board Assessment Policy and Procedures that prescribe a self-assessment process that uses a five-point rating scale (1-Excellent to 5-Poor) to evaluate the performance of the Board as a body, the Board Committees, individual directors, Chairman of the Board and Key Officers. The criteria used in this assessment covered the key areas of governance,

based on the duties and responsibilities listed in the Manual on Corporate Governance, Board Charter, and other relevant company policies. The Company also recognizes the SEC Code of Corporate Governance recommendation that a third-party facilitates the board evaluation after three years.

Third Party Facilitator
As duly-endorsed by the Corporate Governance Committee in July 2025 and approved by the Board in August 2025, the company engaged the services of Institute of Corporate Directors (ICD) as the Third-Party Board Evaluation Facilitator for YE 2025. In February 2026, the summary of results of the Board Evaluation for year-end 2025 facilitated by ICD were reviewed and the action plans presented to the Corporate Governance Committee and to the Board.

In 2022, the Company also engaged the services of Good Governance Advocates & Practitioners of the Philippines (GGAPP) as the Third-Party Board Evaluation Facilitator as duly-endorsed by the Corporate Governance Committee and approved by the Board in August 2022. In March 2023, the summary of results of the Board Evaluation for year-end 2022 facilitated by GGAPP were reviewed and the action plans presented to the Board.

Results and Action Plans
PHINMA Corporation continues to demonstrate high levels of effectiveness, with an overall evaluation score of 95% across all quantitative ratings. The Chairperson's Leadership received near-perfect scores (99%), reflecting strong governance and effective leadership. The Board recorded its highest scores in Structure and Composition and Board Dynamics, with respondents commending its strong composition of expertise and productive discussions. (98%)

The Committee’s overall evaluation shows high effectiveness ratings across all board committees, with scores ranging from 85% to 99%. Overall, the results indicate robust governance performance and strong confidence in committee functions.

Overall, the Board’s Assessment Key Management Officers received a high score of (93%).

All (15) fifteen directors of the company participated in the online assessment exercise completed in February 2026. The results of the board evaluation and action plans were presented to the Corporate Governance Committee and to the Board of Directors in February 2026.

TRAINING OF DIRECTORS AND OFFICERS

From the feedback of directors in the board evaluation exercise, insights and recommendations were gathered to address continuing training needs and pursue further improvements in board performance.
Proposals from SEC-accredited training providers were reviewed and the Board approved SGV & Co. who conducted the online training for directors and officers on SGV & Co. who conducted the annual training for directors on Overview of Corporate Governance and Cybersecurity and Mr. Chris Hanlon, Director at KKR Capstone last October 7, 2025. The training was likewise attended by directors and key officers from the Strategic Business Units of PHINMA.

For the past three years, the directors and key officers have attended trainings on Artificial Intelligence overview, Internal Control Environment, Sustainability Reporting, Change Management, Succession Planning, Business Continuity Planning, Artificial Intelligence and SEC Updates including the Revised Corporation Code of the Philippines conducted by SEC-accredited training providers.

It is the company’s policy to provide onboarding training to new directors within the first month of their election or before the next Board meeting to orient the new directors on business structure, strategy, Governance Codes and Policies, Articles, By-Laws, Corporate Governance Manual, Board and Committee Charters, SEC-mandated governance and related matters necessary for the effective performance of their duties and responsibilities.

CODE OF CONDUCT

We believe that our commitment to ethical business practices, good corporate governance and social responsibility is vital and integral to the pursuit of our Mission to help build our Nation through competitive and well-managed business enterprises. As a matter of policy, every employee and officer of PHINMA is directed to avoid any situation that could interfere or appear to interfere with his or her independent judgement in performing his or her duties. The policy also prohibits employees from using their official position to secure a contract of employment for a related party, soliciting gifts or any property for personal gain from any individual or organization that deals with the company and using company information for personal gain. No employee may engage in any business or undertaking that is indirectly or directly in competition with or prejudicial to the interests of the Corporation.

The PHINMA Code of Business Conduct (the “PHINMA Code”) is founded on the PHINMA core values of integrity, patriotism, competence and professionalism. It embodies this unwavering commitment, and sets forth policies and guidelines on the following:

- Conflict of Interest
- Insider Trading
- Gifts and Gratuities
- Sexual Harassment
- Anti-Fraud
- Whistleblowing and Non-retaliation
- Related Party Transactions
- Health, Safety and Welfare

For more discussion and relevant information on the PHINMA Code you may refer to the Corporation’s website at www.phinma.com.ph

PART V – EXHIBITS AND SCHEDULES

Item 14. List of Exhibits

Annex A – Audited Consolidated Financial Statements For Calendar Years 2025, 2024 and 2023
Statement of Management's Responsibility For Financial Statements
Report of Independent Public Accountants
Consolidated Statements of Financial Position as of December 31, 2025 and 2024
Consolidated Statements of Income for the Years ended December 31, 2025, 2024 and 2023
Consolidated Statements of Comprehensive Income for the Years ended December 31, 2025, 2024 and 2023.
Consolidated Statements of Changes in Equity for the Years ended December 31, 2025, 2024 and 2023.
Consolidated Statements of Cash Flows for the Years ended December 31, 2025, 2024 and 2023.
Notes to Consolidated Financial Statements

Annex B – Supplementary Schedules To The Audited Financial Statements	
SCHEDULE	**DESCRIPTION**
A	Financial Assets
B	Accounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Intangible Assets – Other Assets
E	Long-term Debt
F	Indebtedness to Related Parties (Long-term loans from Related Companies)
G	Guarantees of Securities of Other Issuers
H	Capital Stock
Additional Components :	
i)	Reconciliation of Retained Earnings Available for Dividend Declaration
ii)	Map of Relationships of the Companies within the Group
iii)	Financial Soundness Indicators – December 31, 2025

Annex C - SEC Form 17 - C	
Date Filed	**Description**
January 6, 2025	An advisory on the attendance of directors to board meetings held in 2024
January 7, 2025	An advisory on the acquisition of St. Jude College of Dasmarinas Cavite, Inc.by PHINMA Education
January 9, 2025	An advisory on the purchase of PHINMA Insurance Brokers, Inc. from PHINMA Inc.
March 21, 2025	An advisory on the Board approval of: 1) Investment in PHINMA Community Housing; 2) Appropriation of Retained Earnings of P1 billion; 3) Reversal of appropriation of Retained Earnings amounting to P1.6 billion; 4) Postponement of the ASM to a date later than third week of April; and 5) Nominees as Board of Directors for 2025
April 14, 2025	An advisory on the matters approved by the board : 1) Audited Financial Statements for the year ended December 31, 2024; 2)

	Declaration of regular cash dividend; 3) Appointment of PwC/Isla Lipana & Co. as External Auditor for 2025; and 4) Scheduling of the company's ASM on June 5, 2025
April 14, 2025	An advisory on the press release on the audited financial results of CY2024
May 9, 2025	An advisory on the press release on the financial results of Q1 2025
May 9, 2025	An advisory on the approval of the financial results for the three-month period ended March 31, 2025
June 5, 2025	An advisory on the actions takes during the Company's ASM
July 16, 2025	An advisory on the additional investment by PHINMA Corporation to PHINMA Property Holdings Corporation towards the development of the Saludad township project in Bacolod
July 21, 2025	An advisory on the press release on additional investment by PHINMA Corporation in Bacolod township Saludad
August 7, 2025	An advisory on the discussion and approval of the financial results for the six-month period ended June 30, 2025, PHINMA dividend policy and PHINMA Board of Advisers Charter
August 7, 2025	An advisory on the press release on the financial results for the first half of 2025
August 9, 2025	An advisory on the reallocation of SRO proceeds and update of the timing of disbursements
August 13, 2025	An advisory on the receipt of remittance by PHINMA Education of the investment by Rise Edu Ote. Ltd.
September 16, 2025	An advisory on the signing of Philcement a Share Subscription Agreement with Sumitomo Osaka Cement Co. Ltd.
September 19, 2025	An advisory on the passing of PHINMA Corporation's Chairman Emeritus, Mr. Oscar J. Hilado
October 30, 2025	An advisory on: 1) the election of Mr. Michael C. Hilado as replacement director to fill the board seat vacancy due to the passing of Mr. Oscar J. HIlado and to serve the unexpired term until the next Annual Stockholders Meeting and 2) appointment of Dr. Magdaleno B. Albarracin, Jr. as Chairman of the Executive Committee.
November 6, 2025	An advisory on the approval by the Board of : 1) Financial results for the nine-month period ended September 30, 2025; 2) Waiver of pre-emptive rights to subscribe to the common shares to be offered by PHINMA Community Housing; 3) Waiver of pre-emptive rights to subscribe to the common and preferred shares to be offered by Philcement to Sumitomo Osaka Cement Co. Ltd.
November 6, 2025	An advisory on the press release on the financial results for the nine-month period ended September 30, 2025

Annex D - SEC Form 17 - Q	
Quarter Ending	**Date Submitted**
March 31, 2025	May 14, 2025
June 30, 2025	August 14, 2025
September 30, 2025	November 14, 2025

Annex E - Sustainability Report

Annex F - Supplementary Schedule of External Auditor Fee-Related Information

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized in the City of Makati on April APR 13 2026, 2026

By:

[redacted]

RAMON R. DEL ROSARIO, JR.
Chairman and Chief Executive Officer

[redacted]

MELITON B. SALAZAR, JR.
President and Chief Operating Officer
Head of Education

[redacted]

EDMUND ALAN A. QUA HIANSEN
Senior Vice President, Chief Financial Officer

[redacted]

ANNABELLE S. GUZMAN
Vice President - Controller

[redacted]

TROY A. LUNA
Corporate Secretary

APR 13 2026

SUBSCRIBED AND SWORN to before me this _____ day of April 2026, affiants exhibiting to me their government issued IDs, as follows:

Name	ID Presented	Date of Issue	Place of Issue
Ramon R. Del Rosario, Jr.	Passport No. [redacted]	January 26, 2018 – January 25, 2028	DFA NCR EAST
Meliton B. Salazar, Jr.	Passport No. [redacted]	May 09, 2019 – May 08, 2029	DFA ANTIPOLO
Edmund Alan A. Qua Hiansen	Passport No. [redacted]	February 10, 2018 – February 09, 2028	DFA MANILA
Annabelle S. Guzman	Passport No. [redacted]	June 18, 2022 – June 17, 2032	DFA MANILA
Troy A. Luna	Passport No. [redacted]	January 7, 2022 – January 6, 2032	DFA MANILA

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Page No. 96
Book No. 80
Series of 2026

ATTY. RYAN ANTHONY G. PEREÑA
NOTARY PUBLIC for MAKATI CITY
Commission No. M-012 until Dec. 31, 2027
Roll of Attorneys 77327
PTR No. 10764513; 01/02/2026; Makati City
IBP OR No. 566188; 12/16/2025; Pasig City
MCLE Compliance No. VIII-0000389
8553 San Jose St., Guadalupe Nuevo, Makati City

ANNEX A

Audited Consolidated Financial Statements December 31, 2025

PHINMA
Making Lives Better

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of PHINMA CORPORATION (the "Company") and SUBSIDIARIES (collectively the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2024 and December 31, 2023, and for each of the three years in the period ended December 31, 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud of error.

In preparing the consolidated financial statements, management is responsible for assessing the Company and its subsidiaries' 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 and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group'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.

Isla Lipana & Co., the independent auditor appointed by the stockholders as at and for the period ended December 31, 2024, has audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing and in its report to the Stockholders, has expressed their opinion on the fairness of presentation upon completion of such audit.

The comparative information for the consolidated financial statements is based on the consolidated financial statements as at December 31, 2023 and for the period ended December 31, 2023 and 2022 which were audited by Sycip Gorres Velayo & Co.. in accordance with the Philippine Standards on Auditing.

12th Floor, PHINMA Plaza
39 Plaza Drive, Rockwell Center
Makati City, Philippines 1210

Tel: +632 8870 0100
Fax: +632 8870 0456
www.phinma.com.ph

PHINMA
Making Lives Better

PHN Statement of Management Responsibility
For Consolidated Financial Statements
Page....2

[redacted]

RAMON R. DEL ROSARIO, JR.
Chairman of the Board and Chief Executive Officer

[redacted]

MELITON B. SALAZAR, JR.
President and COO, Head of Education

[redacted]

EDMUND ALAN A. QUA HIANSEN
Senior Vice President, Chief Financial Officer

Signed this 14th day of April 2025.

12th Floor, PHINMA Plaza
39 Plaza Drive, Rockwell Center
Makati City, Philippines 1210

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Fax: +632 8870 0456
www.phinma.com.ph

PHINMA
Making Lives Better

—PHN Statement of Management Responsibility
For Consolidated Financial Statements
Page....3

15 APR 2025

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2025 in Makati City, affiants exhibiting to me their respective identifications, as follows:

Name	ID Presented	Date of Issue	Place of Issue
Ramon R. del Rosario, Jr.	Passport No. [redacted]	26-Jan-2018 25-Jan-2028	DFA NCR East
Meliton B. Salazar, Jr.	Passport No. [redacted]	09-May-2019 08-May-2029	DFA Antipolo
Edmund Alan A. Qua Hiansen	[redacted]	10-Feb-2018 09-Feb-2028	DFA Manila

Doc No.: 233;
Page No.: 48;
Book No.: 60;
Series of 2025

ATTY. MIKHAIL JOSE AMANDO R. FABIO III
NOTARY PUBLIC FOR AND IN MAKATI CITY
APPOINTMENT NO. M 326 VALID UNTIL DECEMBER 31, 2025
PTR No. MKT 10471129 / 01-06-25 / MAKATI CITY
IBP No. 501098 01-07-2025 Roll No. 81066
MCLE Compliance No. VIII-0008160 April 14, 2025
VALID UNTIL APRIL 14, 2028

12th Floor, PHINMA Plaza
39 Plaza Drive, Rockwell Center
Makati City, Philippines 1210

Tel: +632 8870 0100
Fax: +632 8870 0456
www.phinma.com.ph

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						1	2	3	9	7

COMPANY NAME

P	H	I	N	M	A		C	O	R	P	O	R	A	T	I	O	N		A	N	D		S	U	B	S	I	D	I

A	R	I	E	S																										

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

1	2	T	H		F	L	O	O	R	,		P	H	I	N	M	A		P	L	A	Z	A	,		3	9		P

L	A	Z	A		D	R	I	V	E	,		R	O	C	K	W	E	L	L		C	E	N	T	E	R	,		M

A	K	A	T	I		C	I	T	Y																					

Form Type				
A	A	C	F	S

Department requiring the report			
S	E	C	

Secondary License Type, If Applicable			
N	A		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
ciobci@phinma.com.ph	8870-0100	09178558312

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,209	April 17	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Annabelle S. Guzman	asguzman@phinma.com.ph	8870-0104	09178766377

CONTACT PERSON's ADDRESS

12th Floor, PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City

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

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

Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
PHINMA Corporation
12/F, Phinma Plaza
39 Plaza Drive, Rockwell Center
Makati City 1210

Our Opinion

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

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of income for the years ended December 31, 2025 and 2024;
- the consolidated statements of comprehensive income for the years ended December 31, 2025 and 2024;
- the consolidated statements of changes in equity for the years ended December 31, 2025 and 2024;
- the consolidated statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine group of member firms and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the 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.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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.

Key audit matters identified in our audit are real estate revenue recognition, recoverability of goodwill, and valuation of unquoted investment classified as financial asset at fair value through profit or loss (FVPL).

Key Audit Matters	How our audit addressed the Key Audit Matters
Real estate sales recognition The Company's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas affecting the occurrence and accuracy of the revenue recognized as described in Note 4 of the consolidated financial statements: 1) assessment of the probability that the entity will collect the consideration from the buyer; 2) application of the input method as the measure of progress in determining real estate revenue; 3) estimation of the total project cost; and 4) computation of the significant financing component.	• Obtained understanding of the Group's revenue recognition policies in accordance with PFRS 15, Revenue from Contracts with Customers and PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. • Obtained an understanding of the business processes and information technology (IT) environment, and the end-to-end process on the computation of the significant financing component. • Performed controls testing and inspected the contracts to sell to validate the completeness and accuracy of data reflected in IT system, the review and approval of progress billings and percentage of completion computations, including the review of accomplishment reports.

Key Audit Matters	How our audit addressed the Key Audit Matters
For the year ended December 31, 2025, real estate sales and interest income from significant financing component amounted to P969.4 million and P168.8 million, respectively, comprising 5.0% of the consolidated revenue.	• Tested the reasonableness of the project construction budgets by testing the controls in relation to the budget creation process and approval and performing a lookback analysis by comparing differences of budget to actual results based on completed projects. • Inspected the billing statements, official receipts and proof of payment to ascertain the collections from customers. Tested the reasonableness of the minimum collection threshold as basis for revenue recognition. • Tested the accuracy, existence and completeness of the percentage of completion (POC) through inspection of supporting evidence such as the project construction budgets, project accomplishment reports, purchase orders, invoices, and certificate of completion, including the review of the cost monitoring worksheets and POC monitoring worksheets which contain the actual costs for each project. • Performed site visits and inventory count across various ongoing developments and projects to test the existence of the project reports. • Performed accuracy and reasonableness testing, on a sample basis, of the revenue recognized and percentage of completion during the year through recalculation.

Key Audit Matters	How our audit addressed the Key Audit Matters
	• On the significant financing component, the following procedures were performed: a. Reviewed the management's methodology and assumptions used in the calculation of the significant financing component; b. Tested the relevant inputs to the calculation such as POC and collection schedules through inspection of the construction forecasts and contracts to sell; c. Assessed the reasonableness of the discount rates used with reference to market rates and performed sensitivity analysis; and d. Tested the reasonableness of the interest income/expense.

Key Audit Matters	How our audit addressed the Key Audit Matters
Recoverability of goodwill Under PAS 36 Impairment of Assets, the Group is required to annually test the amount of goodwill for impairment. As at December 31, 2025, the Group's goodwill arising from its acquisitions of educational institutions and other businesses amounted to P2.26 billion, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and estimation. The Group's disclosures about goodwill are included in Notes 5 and 17 to the consolidated financial statements.	• Obtained an understanding of the goodwill recognition and impairment assessment process. • Engaged our valuation experts to assist in evaluating the reasonableness of the assumptions and methodologies used in management's calculation. • Reviewed management's basis for identifying the CGU where goodwill is attributed to. • Performed evaluation and tested reasonableness of assumptions, estimates, and judgments used in the valuation model. This includes: a. inputs used in determining the discount rate, including the Weighted Average Cost of Capital (WACC) with reference to comparable schools and companies; b. terminal growth rates to externally derived data; c. revenue growth rates to historical data; and d. cost and operating expense ratios based on historical results. • Tested the accuracy of the discounted cash flow and the CGU's carrying amount calculation. • Performed sensitivity analysis on the assumptions used.

Key Audit Matters	How our audit addressed the Key Audit Matters
Valuation of Unquoted Investment Classified as Fair Value Through Profit or Loss (FVPL) The Group has unquoted equity investment classified as financial assets at FVPL amounting to P2.12 billion, comprising 3.6% of total assets as at December 31, 2025. The valuation of this investment is significant to our audit because 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. These assumptions include discount rate, terminal growth rate, volatility, and option-adjusted spread. The Group's disclosures relevant to its unquoted equity investment classified as financial assets at FVPL are included in Note 13 to the consolidated financial statements.	• Obtained an understanding of the process involved in determining the fair value of the financial asset at FVPL. • Engaged our valuation experts to assist in evaluating the assumptions and methodologies used in management's calculation. • Reviewed management's data, model and methodologies. • Performed evaluation and tested reasonableness of assumptions, estimates, and judgements used in the valuation model. This includes: a. inputs used in determining the discount rates with reference to comparable companies; b. terminal growth rates to externally derived data; c. stock volatility based on historical results; and d. option adjusted spread through recalculation. • Performed sensitivity analysis on the assumptions used. • Tested the appropriateness of the accounts used in recognizing the fair value, the presentation and disclosure of the financial asset at FVPL and the completeness of the disclosed significant assumptions.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 17-A, SEC Form 20-IS (Definitive Information Statement) and Annual Report, but does not include the consolidated financial statements and our auditor's report thereon, which are expected to be made available to us after the date of the 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 audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the SEC Form 17-A, SEC Form 20-IS (Definitive Information Statement) and Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the SEC.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2023 were audited by another auditor whose report, dated March 5, 2024, expressed an unqualified opinion on those consolidated financial statements.

We were not engaged to audit, review or apply any procedures to the Group's consolidated financial statements for the year ended December 31, 2023 other than with respect to the adjustments provided in Note 41 and, accordingly, we do not express an opinion on any other form of assurance on the 2023 consolidated financial statements taken as a whole. Our opinion is not modified in respect of this matter.

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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, 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 PSA, 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 ability of the Group 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 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 related 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 Ma. Lois G. Abad.

Isla Lipana & Co.



Ma. Lois G. Abad
Partner
CPA Cert. No. 0104589
P.T.R. No. 0028729; issued on January 8, 2026 at Makati City
SEC A.N. (Individual) as general auditors 104589-SEC, Category A;
valid to audit 2021 to 2025 financial statements
SEC A.N. (Firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements
T.I.N. [redacted]
BIR A.N. 08-000745-129-2024, issued on November 8, 2024; effective until November 7, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
March 10, 2026

Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
PHINMA Corporation
12/F, Phinma Plaza
39 Plaza Drive, Rockwell Center
Makati City 1210

We have audited the consolidated financial statements of PHINMA Corporation (the "Parent Company") and its subsidiaries (together, the "Group") as at and for the year ended December 31, 2025, on which we have rendered the attached report dated March 10, 2026. The supplementary information shown in the Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration and Map of the Relationship of the Companies within the Group, as additional components required by Part I, Section 5 of the Revised SRC Rule 68, and Schedules A, B, C, D, E, F, and G, as additional components required by Part II, Section 6 of the Revised Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information and schedules are the responsibility of the Group's management and has been subjected to auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised Rule 68 of the SRC.

Isla Lipana & Co.

[redacted]
Ma. Lois G. Abad
Partner
CPA Cert. No. 0104589
P.T.R. No. 0028729; issued on January 8, 2026 at Makati City
SEC A.N. (Individual) as general auditors 104589-SEC, Category A;
valid to audit 2021 to 2025 financial statements
SEC A.N. (Firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements
T.I.N. [redacted]
BIR A.N. 08-000745-129-2024, issued on November 8, 2024; effective until November 7, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
March 10, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
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Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine group of member firms and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
PHINMA Corporation
12/F, Phinma Plaza
39 Plaza Drive, Rockwell Center
Makati City 1210

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of PHINMA Corporation (the "Parent Company") and its subsidiaries (together, the "Group") as at and for the years ended December 31, 2025 and 2024, and have issued our report thereon dated March 10, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Components of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Rule 68 of the SRC issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2025 and 2024 and no material exceptions were noted.

Isla Lipana & Co.

[redacted]
Ma. Lois G. Abad
Partner
CPA Cert. No. 0104589
P.T.R. No. 0028729; issued on January 8, 2026 at Makati City
SEC A.N. (Individual) as general auditors 104589-SEC, Category A;
valid to audit 2021 to 2025 financial statements
SEC A.N. (Firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements
T.I.N. [redacted]
BIR A.N. 08-000745-129-2024, issued on November 8, 2024; effective until November 7, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
March 10, 2026

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PHINMA Corporation and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2025 and 2024
(Amounts in thousands of Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	8	3,194,549	3,096,553
Investments held for trading	9	359,648	1,340,861
Current portion of:			
Trade and other receivables	10	13,550,168	10,987,541
Contract assets	24	1,745,221	2,047,789
Inventories	11	5,448,159	5,830,094
Input value-added taxes (VAT) and other current assets	18	3,427,822	2,727,742
Current assets - excluding held for sale		27,725,567	26,030,580
Assets held for sale	15, 16	224,793	-
Total current assets		27,950,360	26,030,580
Noncurrent assets			
Noncurrent portion of:			
Trade and other receivables	10	424,500	350,248
Contract assets	24	1,521,676	1,844,418
Investment in and advances to associates and joint ventures	12	863,462	861,040
Financial assets at fair value through profit or loss (FVPL)	13	2,123,097	2,042,183
Financial assets at fair value through other comprehensive income (FVOCI)	14	95,355	139,013
Property, plant and equipment	15	20,580,057	16,861,608
Investment properties	16	864,009	967,940
Intangible assets	17	2,415,943	2,394,238
Right-of-use assets	35	423,511	404,670
Deferred tax assets - net	33	361,106	229,381
Derivative asset	13	1,173,929	1,000,586
Other noncurrent assets	18	596,280	734,088
Total noncurrent assets		31,442,925	27,829,413
Total assets		59,393,285	53,859,993
Liabilities and Equity			
Current liabilities			
Notes payable	19	12,388,806	16,022,789
Trade and other payables	20	5,612,973	4,717,866
Contract liabilities	21	3,596,291	3,207,075
Trust receipts payable	11	1,332,356	695,121
Income and other taxes payable		257,501	372,538
Current portion of:			
Long-term debt	22	1,995,780	5,349,901
Lease liabilities	35	143,464	90,271
Due to related parties	32	34,592	77,452
Total current liabilities		25,361,763	30,533,013
Noncurrent liabilities			
Long-term debt - net of current portion	22	15,627,227	5,587,656
Deferred tax liabilities - net	33	645,600	639,693
Pension and other post-employment benefits	34	406,525	452,604
Lease liabilities - net of current portion	35	397,762	428,129
Other noncurrent liabilities	36	246,455	395,908
Total noncurrent liabilities		17,323,569	7,503,990
Total liabilities		42,685,332	38,037,003
Equity attributable to equity holders of the Parent			
Capital stock	23	3,363,312	3,363,312
Additional paid-in capital	23	919,367	919,367
Treasury shares	23	(2,282)	(2,282)
Exchange differences on translation of foreign operations		(1,113)	(1,113)
Equity reserves	6	129,353	(44,678)
Other comprehensive income	14	12,185	49,523
Retained earnings	23	4,597,823	5,052,873
Equity attributable to equity holders of the Parent		9,018,645	9,337,002
Non-controlling interests		7,689,308	6,485,988
Total equity		16,707,953	15,822,990
Total liabilities and equity		59,393,285	53,859,993

PHINMA Corporation and Subsidiaries

Consolidated Statements of Income
For the years ended December 31, 2025 and 2024
(With comparative figures for the year ended December 31, 2023)
(Amounts in thousands of Philippine Peso, except per share data)

	Notes	2025	2024	2023
				(As restated)
Revenues				
Revenue from contracts with customers	24	22,183,836	23,146,900	20,840,789
Investment and interest income	25	523,955	496,155	329,681
Rental income	16	133,055	116,103	103,348
		22,840,846	23,759,158	21,273,818
Costs and expenses				
Cost of sales	26	(12,194,226)	(12,769,379)	(11,807,090)
General and administrative expenses	27	(4,067,971)	(3,868,697)	(2,778,457)
Cost of educational, hospital and installation services	26	(2,629,561)	(2,198,626)	(2,053,833)
Selling expenses	28	(954,328)	(988,977)	(720,468)
Cost of real estate sold and construction services	26	(803,078)	(1,200,572)	(984,290)
Cost of hotel operations	26	(238,008)	(224,526)	(131,322)
Cost of management and administrative services	26	(112,958)	(117,183)	(83,875)
		(21,000,130)	(21,367,960)	(18,559,335)
Other income (expenses), net				
Interest expense and other financing charges	31	(1,823,823)	(1,606,394)	(1,004,689)
Unrealized gain (loss) on change in fair value of financial assets at FVPL	13	80,914	125,945	(292,850)
Net gains on derivatives	13	172,733	110,865	241,212
Equity in net (losses) earnings of associates and joint ventures	12	4,538	(19,163)	(81,596)
Foreign exchange gains (losses) - net	38	(6,198)	43,709	4,580
Gain (loss) on sale of property, plant and equipment - net	15	52,712	(205)	2,366
Gain on sale of investment properties	16	3,719	-	7,764
Others - net	25	128,323	155,771	70,341
		(1,387,082)	(1,189,472)	(1,052,872)
Income before income tax		453,634	1,201,726	1,661,611
Provision for (benefit from) income tax	33			
Current		211,645	297,219	144,701
Deferred		(84,663)	(32,361)	19,228
		126,982	264,858	163,929
Net income		326,652	936,868	1,497,682
Attributable to:				
Equity holders of the Parent		(308,827)	279,550	831,266
Noncontrolling interests		635,479	657,318	666,416
Net income		326,652	936,868	1,497,682
Basic/Diluted earnings (loss) per common share - Attributable to equity holders of the Parent	37	(0.92)	0.95	2.90
Dividends declared per share	23	0.60	0.60	0.60

The notes on pages 1 to 120 are integral part of these consolidated financial statements.

PHINMA Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income
For the years ended December 31, 2025 and 2024
(With comparative figures for the year ended December 31, 2023)
(Amounts in thousands of Philippine Peso)

	Notes	2025	2024	2023
				(As restated)
Net income		326,652	936,868	1,497,682
Other comprehensive income (loss)				
Items not to be reclassified to profit or loss in subsequent periods				
Unrealized (loss) gain on change in fair value of financial assets at FVOCI	14	10,006	(7,845)	32,542
Remeasurement loss on defined benefit obligation	34	(1,801)	(56,647)	(16,112)
Share in unrealized loss on change in fair value of financial assets at FVOCI and defined benefit obligation of associates and joint venture	12	-	-	(201)
Income tax effect		3,677	12,149	(6,409)
		11,882	(52,343)	9,820
Item to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations		-	(428)	208
Total other comprehensive income (loss)		11,882	(52,771)	10,028
Total comprehensive income		338,534	884,097	1,507,710
Attributable to:				
Equity holders of the Parent		(290,593)	240,087	854,517
Noncontrolling interests		629,127	644,010	653,193
Total comprehensive income		338,534	884,097	1,507,710

The notes on pages 1 to 120 are integral part of these consolidated financial statements.

PHINMA Corporation and Subsidiaries

Consolidated Statements of Changes In Equity
For the years ended December 31, 2025 and 2024
(With comparative figures for the year ended December 31, 2023)
(Amounts in thousands of Philippine Peso)

		Equity Attributable to Equity Holders of the Parent											
									Retained earnings (Note 23)				
	Notes	Capital stock (Note 23)	Additional paid-in capital	Treasury shares (Note 23)	Exchange differences on translation of foreign operations	Equity reserves (Note 6)	Other comprehensive income (Note 14)	Share in other comprehensive income of associates and joint ventures (Note 12)	Appropriated	Unappropriated	Subtotal	Noncontrolling interests	Total (Note 23)
Balance, January 1, 2023 (as previously reported)		**2,863,312**	**396,845**	**(182)**	**(933)**	**(299,535)**	**50,920**	**9,809**	**1,765,500**	**3,595,143**	**8,380,879**	**2,761,790**	**11,142,669**
Prior period adjustments	41	-	-	-	-	-	-	-	-	(893,481)	(893,481)	(18,106)	(911,587)
Balance, January 1, 2023 (as restated)		2,863,312	396,845	(182)	(933)	(299,535)	50,920	9,809	1,765,500	2,701,662	7,487,398	2,743,684	10,231,082
Comprehensive income (loss)													
Net income		-	-	-	-	-	-	-	-	831,266	831,266	666,416	1,497,682
Other comprehensive income (loss)		-	-	-	160	-	27,370	(201)	-	(4,078)	23,251	(13,223)	10,028
Total comprehensive income (loss)		-	-	-	160	-	27,370	(201)	-	827,188	854,517	653,193	1,507,710
Transactions with owners													
Cash dividends	23	-	-	-	-	-	-	-	-	(171,795)	(171,795)	(301,564)	(473,359)
Business combination	5	-	-	-	-	(636,375)	(14,280)	(9,608)	-	(10,631)	(670,894)	573,887	(97,007)
Dilution of equity shares	6	-	-	-	-	(3,053)	-	-	-	-	(3,053)	(734)	(3,787)
Acquisition of NCI	6	-	-	-	-	(522,315)	-	-	-	-	(522,315)	(542,437)	(1,064,752)
Accretion of interest in NCI put liability	6	-	-	-	-	(248,477)	-	-	-	-	(248,477)	(133,821)	(382,298)
Reversal of appropriation	23	-	-	-	-	-	-	-	(1,765,500)	1,765,500	-	-	-
Appropriation of retained earnings	23	-	-	-	-	-	-	-	1,600,000	(1,600,000)	-	-	-
Parent company shares held by a subsidiary	23	-	-	(57,727)	-	-	-	-	-	-	(57,727)	-	(57,727)
Total transactions with owners		-	-	(57,727)	-	(1,410,220)	(14,280)	(9,608)	(165,500)	(16,926)	(1,674,261)	(404,669)	(2,078,930)
Realized gain on sale of financial assets at FVOCI	14	-	-	-	-	-	(238)	-	-	238	-	-	-
Balance, December 31, 2023		**2,863,312**	**396,845**	**(57,909)**	**(773)**	**(1,709,755)**	**63,772**	**-**	**1,600,000**	**3,512,162**	**6,667,654**	**2,992,208**	**9,659,862**
Adjustment on PFRS 15: Significant financing component		-	-	-	-	-	-	-	-	(142,170)	(142,170)	(9,068)	(151,238)
Balance, January 1, 2024 (as adjusted)		2,863,312	396,845	(57,909)	(773)	(1,709,755)	63,772	-	1,600,000	3,369,992	6,525,484	2,983,140	9,508,624
Comprehensive income (loss)													
Net income		-	-	-	-	-	-	-	-	279,550	279,550	657,318	936,868
Other comprehensive income (loss)		-	-	-	(340)	-	(5,594)	-	-	(33,529)	(39,463)	(13,308)	(52,771)
Total comprehensive income (loss)		-	-	-	(340)	-	(5,594)	-	-	246,021	240,087	644,010	884,097
Transactions with owners													
Cash dividends	23	-	-	-	-	-	-	-	-	(171,795)	(171,795)	(377,197)	(548,992)
Stock rights offering (SRO)	23	500,000	473,500	-	-	-	-	-	-	-	973,500	-	973,500
Business combination	5	-	-	-	-	-	-	-	-	-	-	474,084	474,084
Issuance of shares from stock purchase plan (SPP)	6	-	-	-	-	(8,424)	-	-	-	-	(8,424)	58,933	50,509
Dilution of equity shares	6	-	-	-	-	(443,539)	-	-	-	-	(443,539)	(391,688)	(835,227)
Issuance of shares of subsidiaries	6	-	-	-	-	977,637	-	-	-	-	977,637	1,670,473	2,648,110
Buyback of shares in UGC	6	-	-	-	-	(30,995)	-	-	-	-	(30,995)	24,012	(6,983)
Accretion of interest in NCI put liability	6	-	-	-	-	(279,069)	-	-	-	-	(279,069)	(57,747)	(336,816)
Derecognition of NCI put liability	6	-	-	-	-	1,449,467	-	-	-	-	1,449,467	1,457,968	2,907,435
Parent company shares held by a subsidiary	23	-	49,022	55,627	-	-	-	-	-	-	104,649	-	104,649
Total transactions with owners		500,000	522,522	55,627	-	1,665,077	-	-	-	(171,795)	2,571,431	2,858,838	5,430,269
Realized gain on sale of financial assets at FVOCI	14	-	-	-	-	-	(8,655)	-	-	8,655	-	-	-
Balance, December 31, 2024		**3,363,312**	**919,367**	**(2,282)**	**(1,113)**	**(44,678)**	**49,523**	**-**	**1,600,000**	**3,452,873**	**9,337,002**	**6,485,988**	**15,822,990**
Comprehensive income (loss)													
Net income		-	-	-	-	-	-	-	-	(308,827)	(308,827)	635,479	326,652
Other comprehensive income (loss)		-	-	-	-	-	16,643	-	-	1,591	18,234	(6,352)	11,882
Total comprehensive income (loss)		-	-	-	-	-	16,643	-	-	(307,236)	(290,593)	629,127	338,534
Transactions with owners													
Cash dividends	23	-	-	-	-	-	-	-	-	(201,795)	(201,795)	(321,638)	(523,433)
Business combination	5	-	-	-	-	(101,713)	-	-	-	-	(101,713)	-	(101,713)
Dilution of equity shares	6	-	-	-	-	(33,437)	-	-	-	-	(33,437)	357,137	323,700
Issuance of shares of subsidiaries	6	-	-	-	-	309,181	-	-	-	-	309,181	538,694	847,875
Reversal of appropriation of retained earnings	23	-	-	-	-	-	-	-	(1,600,000)	1,600,000	-	-	-
Appropriation of retained earnings	23	-	-	-	-	-	-	-	1,000,000	(1,000,000)	-	-	-
Total transactions with owners		-	-	-	-	174,031	-	-	-	398,205	(27,764)	574,193	546,429
Realized gain on sale of financial assets at FVOCI	14	-	-	-	-	-	(53,981)	-	-	53,981	-	-	-
Balance, December 31, 2025		**3,363,312**	**919,367**	**(2,282)**	**(1,113)**	**129,353**	**12,185**	**-**	**1,000,000**	**3,597,823**	**9,018,645**	**7,689,308**	**16,707,953**

The notes on pages 1 to 120 are integral part of these consolidated financial statements.

PHINMA Corporation and Subsidiaries

Consolidated Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(With comparative figures for the year ended December 31, 2023)
(Amounts in thousands of Philippine Peso)

	Notes	2025	2024	2023
				(As restated)
Cash flows from operating activities				
Income before income tax		453,634	1,201,726	1,661,611
Adjustments for:				
Interest expense and other financing charges	31	1,823,823	1,606,394	1,004,689
Depreciation and amortization	30	1,150,751	1,022,656	786,056
Provision for ECL	10	248,395	266,359	-
Pension and other employee benefits expense	34	141,582	193,619	125,143
Unrealized foreign exchange loss (gain) - net	38	6,198	(43,709)	(4,580)
Dividend income	25	(96)	(4,873)	(208)
(Gain) loss on pre-termination of long-term leases	35	(106)	349	225
Gain on sale of investment properties	16	(3,719)	-	(7,764)
Equity in net (earnings) losses of associates and joint ventures	12	(4,538)	19,163	81,596
Gain on investments held for trading - net	9, 25	(14,772)	(12,419)	(15,124)
(Gain) loss on sale of property, plant and equipment	15	(52,712)	205	(2,366)
Unrealized (gain) loss on change in fair value of financial assets at FVPL	13	(80,914)	(125,945)	292,850
Net gain on derivatives	13	(172,733)	(110,865)	(241,212)
Interest income	25	(509,087)	(478,864)	(314,349)
Operating income before working capital changes		2,985,706	3,533,796	3,366,567
(Increase) decrease in:				
Trade and other receivables		(2,520,195)	(2,862,783)	(1,759,614)
Contract assets		625,310	(420,863)	(1,092,158)
Inventories		381,948	(1,956,928)	(125,989)
Input value-added taxes and other current assets		(690,849)	(832,639)	(308,577)
Other noncurrent assets		137,826	(229,159)	-
Increase (decrease) in:				
Trade and other payables		458,026	1,059,456	41,002
Due to related parties		(42,860)	5,471	-
Trust receipts payable		637,235	(187,985)	754,857
Contract liabilities		389,216	1,295,432	142,082
Other noncurrent liabilities		(149,453)	93,990	-
Net cash (used in) provided by operations		2,211,910	(502,212)	1,018,170
Interest paid		(1,732,319)	(1,485,736)	(912,060)
Income tax paid		(362,986)	(225,908)	(239,392)
Contributions to the pension fund	34	(156,921)	(128,763)	(101,679)
Benefits paid from operating fund	34	(45,521)	(15,191)	(11,016)
Interest received		317,839	402,267	212,618
Net cash used in operating activities		232,002	(1,955,543)	(33,359)
Cash flows from investing activities				
Proceeds from sale of:				
Investments held for trading	9	1,185,828	1,496,882	507,416
Property, plant and equipment	15	357,368	14,715	10,761
Financial assets at FVOCI		54,000	16,300	250
Short-term investment		50,000	-	
Investment properties	16	10,275	-	19,928
Dividends received	12, 25	2,212	6,566	208
Gross inflow (outflow) in other noncurrent assets		-	55,895	195,737
Proceeds from collection of advances to associates and joint ventures	12	-	1,299	5,000
Acquisition of subsidiaries - net of cash acquired	5	(98,489)	(368,391)	(983,362)
Additions to:				
Investment in and advances to associates and joint ventures	12	-	(264,671)	(165,024)
Investment properties	16	(4,085)	(53,801)	(241,193)
Intangible assets	17	(104,328)	(45,790)	(32,391)
Investment held for trading	9	(184,036)	(2,450,228)	(68,000)
Property, plant and equipment	15	(5,022,525)	(3,612,973)	(2,432,584)
Net cash used in investing activities		(3,753,780)	(5,204,197)	(3,183,254)
Cash flows from financing activities				
Proceeds from availments of:				
Long-term debt	38	10,314,250	496,250	3,159,325
Notes payable	38	10,167,403	19,118,011	9,029,800
Issuance of shares to noncontrolling interests	1, 6	1,192,546	2,698,619	-
Proceeds from sale of treasury shares	23	-	104,649	-
Proceeds from the SRO	23	-	973,500	-
Gross outflow in due to related parties		-	-	(85,767)
Gross inflow in other noncurrent liabilities		-	-	86,245
Acquisition of noncontrolling interests	6	(20,971)	(842,210)	(1,068,538)
Payments of:				
Lease liabilities	35, 38	(167,539)	(170,794)	(111,449)
Cash dividends	23, 38	(394,727)	(588,269)	(405,795)
Long-term debt	22, 38	(3,655,000)	(3,740,063)	(748,958)
Notes payable	19, 38	(13,805,072)	(10,722,251)	(7,158,495)
Net cash provided by financing activities		3,630,890	7,327,442	2,696,368
Effect of exchange rate changes on cash and cash equivalents		(11,116)	22,938	4,580
Net increase (decrease) in cash and cash equivalents		97,996	190,640	(515,665)
Cash and cash equivalents at beginning of year		3,096,553	2,905,913	3,421,578
Cash and cash equivalents at end of year	8	3,194,549	3,096,553	2,905,913

The notes on pages 1 to 120 are integral part of these consolidated financial statements.

PHINMA Corporation and Subsidiaries

Notes to Consolidated Financial Statements
As at and for the years ended December 31, 2025 and 2024
(With comparative figures for the year ended December 31, 2023)
(In the notes, all amounts are shown in thousands of Philippine Peso unless otherwise stated)

1 Corporate Information

PHINMA Corporation (PHN or the Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on March 12, 1957.

The Parent Company is listed in the Philippine Stock Exchange (PSE) since August 15, 1958. On August 2, 2006, the Philippine SEC approved the extension of the Parent Company's corporate life for another 50 years. On May 27, 2010, the Philippine SEC approved the change in the Parent Company's corporate name from Bacnotan Consolidated Industries, Inc. to PHINMA Corporation. Its principal activity is holding investments in shares in various subsidiaries, associates and investees and other financial instruments.

Following are the subsidiaries of the Parent Company and the nature of their principal business activities:

			December 31, 2025			December 31, 2024		
Subsidiaries	Nature of Business	Calendar/ Fiscal Yearend	**PHN Direct Interest**	**Direct Interest of Subsidiary**	**PHN Effective Interest**	PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest
Construction Materials Group								
Union Galvasteel Corporation (UGC)	Manufacturing and distribution of steel products	December 31	**98.97**	**-**	**98.97**	98.64	-	98.64
PHINMA Solar Energy Corporation (PHINMA Solar)	Solar rooftop	December 31	**-**	**100.00**	**98.97**	-	100.00	98.64
Bacnotan Solar Power Corporation (BSPC) [(j)]	Solar rooftop	December 31	**-**	**100.00**	**98.97**	-	-	-
Union Insulated Panel Corporation [(i)]	Manufacturing and distribution of insulated panel	December 31	**-**	**100.00**	**98.97**	-	100.00	98.64
Philcement Corporation (PCC) [(g)]	Manufacturing and distribution of cement products	December 31	**60.00**	**-**	**60.00**	60.00	–	60.00
Philcement Mindanao Corporation (PMC) [(g) (l)]	Manufacturing and distribution of cement products	December 31	**-**	**70.00**	**42.00**	-	70.00	42.00
Education Group								
PHINMA Education Holdings, Inc. (PEHI) [(a)]	Holding company	March 31	**63.93**	**-**	**63.93**	66.42	-	66.42
Pamantasan ng Araullo (Araullo University), Inc. (AU) [(a)]	Educational institution	March 31	**-**	**97.77**	**62.50**	-	97.76	64.93
Cagayan de Oro College, Inc. (COC) [(a)]	Educational institution	March 31	**-**	**92.92**	**59.40**	-	91.27	60.62
University of Iloilo (UI) [(a)]	Educational institution	March 31	**-**	**69.33**	**44.32**	-	69.23	45.98
University of Pangasinan (UPANG) and Subsidiary [(a)]	Educational institution	March 31	**-**	**69.40**	**44.37**	-	69.33	46.05
Southwestern University (SWU) [(a)]	Educational institution	March 31	**-**	**95.57**	**61.10**	-	94.51	62.77
St. Jude College, Inc. (SJCI) [(a)]	Educational institution	March 31	**-**	**98.58**	**63.02**	-	98.44	65.38
Republican College, Inc. (RCI)	Educational institution	December 31	**-**	**99.99**	**63.92**	-	99.97	66.40
Rizal College of Laguna (RCL) [(a)]	Educational institution	April 30	**-**	**90.00**	**57.54**	-	90.00	59.80
Union College of Laguna (UCLI)	Educational institution	December 31	**-**	**80.91**	**51.73**	-	80.91	53.74
St. Jude College, Inc. Cavite (SJC-C)	Educational Institution	December 31	**-**	**94.62**	**60.49**	-	94.62	62.85
Career Academy Asia, Inc. (CAA) [(a and b)]	Educational Institution	March 31	**90.00**	**-**	**90.00**	90.00	-	90.00
Properties Group								
PHINMA Property Holdings Corporation (PPHC) [(d)]	Real estate development	December 31	**80.31**	**19.03**	**94.93**	78.61	22.38	94.01
PHINMA CoHo Corporation (PCH)	Socialized housing development	December 31	**99.45**	**0.55**	**99.97**	-	-	-
P & S Holdings Corporation (PSHC)	Investment and real estate holdings	December 31	**60.00**	**-**	**60.00**	60.00	-	60.00
Asian Plaza, Inc. (API)	Lease of real property	December 31	**57.62**	**-**	**57.62**	57.62	-	57.62
Community Developers and Construction Corporation (CDCC) [(d)]	Real estate development	December 31	**-**	**99.22**	**94.19**	-	99.22	93.28
Community Property Managers Group, Inc. (CPMGI) [(d)]	Property Management	December 31	**-**	**95.35**	**90.52**	-	95.75	90.01
ABCIC Property Holdings, Inc. (APHI) [(d)]	Selling of real and personal properties	December 31	**89.99**	**-**	**89.98**	89.98	-	89.98
JEPP Property Corporation [(e)]	Real estate development	December 31	**-**	**55.00**	**52.21**	-	55.00	51.71
Hospitality Group								
PHINMA Hospitality, Inc. (PHI) and Subsidiaries [(d and h)]	Management services and investment holdings	December 31	**63.77**	**36.23**	**84.65**	63.77	36.23	84.65
PHINMA Hospitality Management Corporation (PHMC)	Management services and investment holdings	December 31	**100.00**	**-**	**100.00**	-	-	-
PHINMA Microtel Hotels, Inc. (PHINMA Microtel) [(d)]	Hotel franchising	December 31	**51.00**	**-**	**51.00**	51.00	-	51.00
Coral Way City Hotel Corp. (Coral Way) [(l)]	Hotel operations	December 31	**23.75**	**26.44**	**46.13**	23.75	26.44	46.13
Krypton Esplanade Hotel Corporation (KEHC) [(l)]	Hotel operations	December 31	**-**	**100.00**	**46.13**	-	100.00	46.13

Subsidiaries	Nature of Business	Calendar/ Fiscal Yearend	December 31, 2025 PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest	December 31, 2024 PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest
Others								
PHINMA Insurance Brokers, Inc. (PIBI) [k]	Insurance brokers	December 31	**100.00**	-	**100.00**	-	-	-
One Animate Limited (OAL) and Subsidiary [c]	Business process outsourcing - animation services	December 31	**80.00**	-	**80.00**	80.00	-	80.00

[a] *Balances at and for the year ended December 31 of these subsidiaries were used for consolidation purposes.*
[b] *CAA ceased its operations on March 31, 2019.*
[c] *OAL owns 100.00% interest in Toon City Animation, Inc. (Toon City). OAL and Toon City ceased operations in April 2013.*
[d] *On July 17, 2023, PHN acquired shares in the following companies: 36.71% ownership interest of PPHC; 63.47% ownership interest of APHI; 63.77% ownership interest of PHI; 51.00% ownership interest of PHINMA Microtel and 8.03% ownership interest of PEHI*
[e] *PPHC and Jepp Real Estate Co. Inc. (JREC) entered into a joint development agreement in 2022 to form Jepp Property Corporation (JEPP) in Bacolod. On November 6, 2024, PPHC obtained 55% controlling shares of stock of JEPP.*
[f] *PHMC was incorporated on May 9, 2024. In 2025, PHN investment for a 100% ownership interest.*
[g] *On March 15, 2024, Philcement Mindanao Corporation (PMC) was incorporated. Philcement entered in a share purchase agreement with Philcement Dipolog Corporation (PDC) (previously Petra Cement, Inc.) for the acquisition of 100% outstanding shares of PDC. PCC intends to transfer the shares of PDC to PMC. On April 17, 2025, the transfer agreement between PCC and PMC was finalized but still pending regulatory approvals. As at December 31, 2025, the transaction valuation is still pending approval of the SEC.*
[h] *On May 15, 2024, the Board of Directors (BOD) approved PHN's additional investment to be made to PHI amounting to P252 million.*
[i] *On September 2, 2022, Union Insulated Panel Corporation (UIPC) was incorporated, which is 100% owned by UGC. On August 6, 2024, the BOD approved an investment up to P210 million in UIPC Insulated Panel Plant Project, through UGC.*
[j] *On October 24, 2025, Phinma Solar acquired 100% ownership interest in BSPC.*
[k] *On January 9, 2025, PHN and PHINMA, Inc. executed a Deed of Sale for the purchase of investments of PHINMA, Inc. for 100% ownership interest in PIBI.*
[l] *Entities in which the Group holds less than a 50%-effective interest but considered subsidiaries, as the Parent Company, together with its immediate parent companies, has established control by having the ability to direct the relevant activities that significantly affect the returns from these entities.*

The Parent Company and its subsidiaries (collectively referred to as "the Company") were all incorporated in the Philippines, except for OAL which was incorporated in Hong Kong. The Company's ultimate parent company is Philippine Investment-Management (PHINMA), Inc. (PHINMA, Inc.), which is also incorporated in the Philippines.

The information on the segments of the Company is presented in Note 40 to the consolidated financial statements.

The registered office address of the Parent Company is 12th Floor, PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City.

The consolidated financial statements of the Company as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025 were reviewed and recommended for approval by the PHN Audit Committee on March 4, 2026. On March 6, 2026, the PHN Board of Directors (BOD) authorized its Executive Committee to approve the issuance of the Company's consolidated financial statements. The Executive Committee subsequently approved the issuance of the consolidated financial statements on March 10, 2026.

2 Basis of Preparation and Consolidation and Statement of Compliance

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

- investments held for trading;
- investments in financial assets at fair value through profit or loss (FVPL);
- financial assets at fair value through other comprehensive income (FVOCI);
- derivative financial instruments that are measured at fair value; and
- fair value of plan assets in relation to pension obligation.

The consolidated financial statements are presented in Philippine Peso (Php) which is the Parent Company's functional and presentation currency, and rounded to the nearest thousands peso, except when otherwise indicated.

Statement of Compliance

The consolidated financial statements as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by SEC in response to COVID-19 pandemic for the year ended December 31, 2023.

The Company availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of Philippine Interpretations Committee (PIC) Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- PAS Standards; and
- Interpretations issued by the of the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Basis of Consolidation

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

The Company controls an investee if and only if the Company has:

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

For entities wherein the indirect ownership is equal to or lower than 50%, management considers the situations when control is achieved in determining whether the entities will be classified as controlled subsidiaries.

The consolidated financial statements include additional information about subsidiaries that have NCI that are material to the Company (Note 7). Management determined material partly-owned subsidiaries as those with carrying value of NCI greater than 5% of total NCI as at end of the year.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction and is shown as part of "Equity reserves" under the consolidated statement of changes in equity.

Accounting policies and reporting period of its subsidiaries applied and used in the preparation of the consolidated financial statements are consistent with the policies adopted by and the reporting period of the Parent Company.

Changes in ownership interests in subsidiaries without change of control

Transactions with noncontrolling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. For purchases from noncontrolling interests, the difference between any consideration paid and the relevant share acquired in the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to noncontrolling interests are also recorded in equity.

Disposal of a subsidiary

When the Company ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the Company surrenders control to a related party within the group it ultimately belongs, the difference between the consideration received and the fair value of the subsidiary at divestment date, is recognized as other charges to equity.

Changes in Accounting Policies and Disclosures

New standards, amendments and interpretations adopted by the Company

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2025. The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of this amendment to the existing standards did not have any significant impact on the consolidated financial statements of the Company.

- Lack of Exchangeability - Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*

  On August 15, 2023, the International Accounting Standards Board (IASB) amended PAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, PAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2025 that are considered to be relevant or have material impact on the Company’s consolidated financial statements.

Future Changes in Accounting Policies and Disclosures

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

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Financial Instruments: Disclosures* (effective for annual periods beginning on or after January 1, 2026)

  On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at FVOCI.

  The adoption of the above amendments is not expected to have a material impact on the consolidated financial statements of the Company except on the timing of derecognition of financial liability through electronic fund transfers and checks.

- Annual Improvements to PFRS Accounting Standards - Volume 11 (effective for annual periods beginning on or after January 1, 2026)

  On July 18, 2024, the IASB has issued narrow amendments to PFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several PFRS Accounting Standards. The Company does not expect the amendments to have a significant impact on the Company's consolidated financial statements. The amended Standards are:

  - PFRS 1, *First-time Adoption of International Financial Reporting Standards*;
  - PFRS 7, *Financial Instruments: Disclosures*, and its accompanying Guidance on implementing PFRS 7;
  - PFRS 9, *Financial Instruments*;
  - PFRS 10, *Consolidated Financial Statements*; and
  - PAS 7, *Statement of Cash Flows*.

- PFRS 18*, Presentation and Disclosure in Financial Statements* (effective for annual periods beginning on or after January 1, 2027)

  PFRS 18 will replace PAS 1, *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of PFRS 18 will have no impact on the Company's net profit, the Company expects that grouping items of income and expenses in the statements of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Company has performed, the following items might potentially impact operating profit:
  - Foreign exchange differences currently aggregated in the line item 'other income (expenses), net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
  - PFRS 18 has specific requirements on the category in which derivative gains or losses are recognized - which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognized, and the group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statements of financial position.
- The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  - management-defined performance measures;
  - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
  - for the first annual period of application of PFRS 18, a reconciliation of each line item in the statements of profit or loss between the restated amounts presented by applying PFRS 18 and amounts previously presented applying PAS 1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

There are no other relevant standards, amendments or interpretations that are effective beginning on or after January 1, 2025 that are expected to have a material impact on the Company's financial statements.

3 Summary of Material Accounting Policy Information

Financial Instruments - Initial Recognition and Subsequent Measurement

Financial assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, in the following measurement categories:

a) those to be measured subsequently at fair value (either through OCI or through profit or loss), and;
b) those to be measured at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company 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 Company has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset, to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are '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.

For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement. For purposes of subsequent measurement, the Company's existing financial assets are classified into three categories:

- financial assets at amortized cost (debt instruments)
- financial assets at FVOCI (equity instruments)
- financial assets at FVPL

Financial Assets at Amortized Cost (Debt Instruments). 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 consolidated statements of income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables, refundable deposits (presented under "Input value-added taxes and other current assets" and "Other noncurrent assets") and deposits (presented under "Other noncurrent assets") as at December 31, 2025 and 2024.

Financial Assets Designated FVOCI (Equity Instruments). Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as "Investment income" in the consolidated statement of income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Company elected to classify irrevocably under this category its investment in club shares and non-listed equity investments as at December 31, 2025 and 2024.

Financial Assets at FVPL. Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of income.

This category includes investments held for trading and non-listed equity investment which the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognized as "Investment income" in the consolidated statement of income when the right of payment has been established.

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 profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would 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 either at amortized cost or at fair value depending on whether the cash flows of the hybrid contract are solely payments of principal and interest and the assessment of the business model within which the financial asset is held.

Modification of Financial Assets. The Company derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded. The Company considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated statement of financial position) when:

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

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

With the exception of purchased or originated credit impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to:

- 12-month expected credit losses (ECLs) - these are ECLs that result from default events that are possible within 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs - these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

For cash and cash equivalents, other receivables and deposits (presented under "Other noncurrent assets" account in the consolidated statement of financial position), the Company applies a general approach which measures ECL on either a 12-month or lifetime basis depending on whether a significant increase in credit risks has occurred once initial recognition on whether an asset is considered to be credit-impaired, adjusted for the effects of collateral, forward-looking factors and time value of money.

For trade receivables including real estate installment contracts receivable (ICR) and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience for trade receivables, and external-credit mapping for other debt instruments at amortized cost to calculate ECLs, adjusted for forward-looking factors specific to the debtors and the economic environment.

For its real estate ICR and contract assets, the Company uses the vintage analysis for ECL by calculating the cumulative loss rates of a given real estate ICR and contract asset pool. It derives the probability of default (PD) from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The Company, in general, considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off, in whole or in part, when the asset is considered uncollectible, the Company has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

The receivables of PEHI, PCC, UGC and PPHC that were subjected to specific identification were not included in the credit loss computation. Specifically impaired receivables are receivables that have high non-collectibility risk and fully provided for ECL.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, financial liabilities at amortized cost (loans and borrowings and 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.

The Company's financial liabilities include notes payable, trade and other payables, trust receipts payable, due to related parties, lease liabilities, and long-term debt.

The Group has no financial liabilities at FVPL or derivative liabilities designated as hedging instruments during and at the end of each reporting period.

Subsequent Measurement. The measurement of financial liabilities depends on their classification, as described below:

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as "Interest expense and other financing charges" in the consolidated statement of income.

This category generally applies to notes payable, trade and other payables, trust receipts payable, due to related parties, lease liabilities, and long-term debt of the Company as at December 31, 2025 and 2024.

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

Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset, if any, are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Other borrowing costs are recognized and charged to profit or loss in the year in which these are incurred.

Noncontrolling Interest Put Liability

While the NCI put remains unexercised, the Company accounts for it at the end of each reporting period as follows:

a. The Company determines the amount that would have been recognized for the NCI including an update to reflect allocations of profit or loss, allocations of changes in OCI and dividends declared for the reporting period, as required by PFRS 10, *Consolidated Financial Statements*;
b. The Company derecognizes the NCI as if it was acquired at that date;
c. The Company recognizes a financial liability at the present value of the amount payable on exercise of the NCI put in accordance with PFRS 9. There is no separate accounting for the unwinding of the discount due to the passage of time; and
d. The Company accounts for the difference between (b) and (c) as an equity transaction.

If the NCI put is exercised, the same treatment is applied up to the date of exercise. The amount recognized as the financial liability at that date is extinguished by the payment of the exercise price.

If the NCI put expires unexercised, the position is unwound so that the NCI is recognized at the amount it would have been, as if the put option had never been granted. The financial liability is derecognized, with a corresponding credit to the same component of equity.

Determination of Fair Value

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these account as 'listed' are traded in an active market. When the Company has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and with reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

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

Cash

Cash and cash equivalents consist of cash on hand, cash in banks and other short-term highly liquid investments with maturities of three months or less from date of acquisition. These are measured in the statement of financial position at fair value and subsequently carried at amortized cost which approximates the face or nominal amount.

Cash in banks earn interest at the prevailing bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Inventories

Inventories are valued at the lower of cost or net realizable value (NRV). Costs incurred in bringing each inventory to its present location and conditions are accounted for as follows:

Finished goods	-	determined using the moving average method; cost includes direct materials, labor and a proportion of manufacturing overhead costs based on normal operating capacity but excludes borrowing costs.
Raw materials, spare parts and others	-	determined using the moving average method.

The net realizable value of inventories, except spare parts, is the selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of spare parts is the current replacement cost.

The Company writes down the cost of inventories and supplies whenever the NRV of inventories, spare parts, supplies and other inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. Inventory items identified to be obsolete and unusable are also written off and charged as expense for the year.

Real Estate Inventories. Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as real estate inventory and are measured at the lower of cost and NRV. Principally, this is the land, condominium and residential units and parking slots that the Company develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Acquisition costs of raw land;
- Amounts paid to contractors for construction and development; and
- Capitalized borrowing costs, planning and design costs, cost of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated costs of completion and estimated costs necessary to make the sale.

When a real estate inventory is sold, the carrying amount of the property is recognized as an expense in the period in which the related revenue is recognized. The carrying amount of the real estate inventory recognized in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

Construction Materials Inventory. This pertains to construction materials, which are stated at lower of cost and NRV. Cost is determined using the first-in, first-out method and composed of purchase price, transport, handling and other costs directly attributable to the acquisition. NRV of construction materials inventory is the current replacement cost. In determining the NRV, the Company considers any adjustment necessary for obsolescence.

Other Current Assets

Deferred charges. Deferred charges refer to scholarship and discounts unamortized as of the end of financial reporting period.

Prepaid taxes. This consists of creditable withholding taxes which are withheld from purchases to suppliers that will be used within the normal operating cycle of the Company.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before they are utilized. Prepayments expected to be realized for no more than twelve months after the reporting period, are classified as current assets. Otherwise, they are classified as other noncurrent assets.

Investment in Associates and Joint Ventures

Associates

Associates are all entities over which the group has significant influence but not control or joint control.

This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Joint ventures

Under PFRS 11, *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company does not have arrangements classified as joint operations.

Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated statement of financial position.

The consolidated statement of income reflects the Company's share of the results of operations of the associates and joint ventures. In addition, when there has been a change recognized directly in the equity of the associates and joint ventures, the Company recognizes its share of any changes, when applicable, in equity. Unrealized gains and losses resulting from transactions between the Company and the associates and joint ventures and are eliminated to the extent of the interest in the associate or joint ventures.

The Company's share of profits or losses of its associates and joint ventures is shown on the face of the consolidated statement of income outside operating profit and represents profit. This is the profit or loss attributable to equity holders of the associates and joint ventures and therefore is profit or loss after tax and net of controlling interest in the subsidiaries of the associates and joint venture.

The accounting policies of the associates and joint ventures are consistent to those used by the Company for like transactions and events in similar circumstances. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

When the Company's share of losses exceeds its interest in an equity-accounted associate and joint venture, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation or have made payments on behalf of the associates or joint ventures.

Management determined material associates and joint ventures as those associates and joint ventures where the carrying amount of the Company's investment is greater than 5% of the total investments in associates and joint ventures as at end of the year and the associate or joint venture contributes more than 5% of the consolidated net income based on the equity in net earnings/losses. As at December 31, 2025 and 2024, the Company has no material associates and joint ventures (Note 12).

After application of the equity method, the Company determines whether it is necessary to recognize an additional impairment loss on the Company's investments in associates and joint ventures. The Company determines at the end of each reporting period whether there is any objective evidence that the Company's investment in associates and joint ventures is impaired.

If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of its investment in the associates and joint ventures and its carrying amount and recognizes the amount in the Company's consolidated statement of income.

Upon loss of significant influence or joint control over the associates or joint venture, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amounts of the Company's investment in the associates and joint ventures upon loss of significant influence or joint control and the fair value of the remaining investment and proceeds from disposal is recognized in consolidated statement of income.

Property, Plant and Equipment

Property, plant and equipment, except land, are stated at cost less accumulated depreciation, amortization and any impairment loss. Land is carried at cost (initial purchase price and other cost directly attributable to the acquisition) less any impairment loss.

Depreciation commences once the property, plant and equipment are available for use and is computed using the straight-line method over the following estimated useful lives of the assets:

Plant site improvements	10 - 20 years
Buildings and improvements	10 - 50 years
Machinery and equipment	5 - 20 years
Transportation equipment	2 - 10 years
Office furniture and equipment	3 - 10 years
Leasehold improvements	3 - 10 years or lease term, whichever is shorter

Investment Properties

Investment properties are measured initially at cost, including direct transaction costs.

The carrying amount includes the cost of replacing part of an existing investment property at the time the 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, investment properties (except land) are stated at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment in value.

Depreciation is calculated on a straight-line basis over 50 years. The estimated useful lives of the depreciable investment properties pertain to building, apartment and condominium units.

Depreciation of the building improvements is calculated over the shorter between the estimated useful life of the building improvements and the remaining useful life of the building unit.

Assets Held for Sale

Noncurrent assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and groups of contracts within the scope of PFRS 17, *Insurance Contracts*, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the noncurrent asset (or disposal group) is recognized at the date of derecognition.

Noncurrent assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Noncurrent assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

Business Combinations, Goodwill and Impairment of 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 NCI in the acquiree. For each business combination, the Company measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

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

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified at equity is not re-measured, and its subsequent settlement is not accounted for within equity.

Business combinations under common control used an accounting similar to pooling-of-interest method. In pooling-of-interests method, the assets and liabilities of the acquired entities are based on the carrying values reported in the consolidated financial statements of the original parent. Accordingly, the assets and liabilities of the acquired entities will be based on the fair value as at the date the acquired entities became part of the original parent and adjusted for subsequent transactions. Any goodwill relating to the acquired entities that was recognized in the original parent's consolidated financial statements will also be recognized. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of combination that would otherwise be done under the acquisition method. The only adjustments that are made are to align the accounting policies. The difference in the carrying values of the acquired entities and the fair value of the consideration given is accounted for as "Other reserves" and is presented as a separate component of equity in the consolidated statement of financial position. No new goodwill is recognized as a result of the business combination. Whereas, the carrying amount with respect to the new parent are the same as those in its existing financial statements prior to taking over control of the other entity. The consolidated statement of income in the year of acquisition reflects the results of the combined entities starting when the combination took place.

The Company did not restate the periods prior to the combination under common control but retained the equity balances. While the financial information for periods prior to the transaction are not restated, the values assigned to the acquired entities, including equity reserves, are determined as if pooling had been applied since the entities were under common control.

This means that any equity values associated with the acquired entities that would have been recognized in equity are carried over as at the date of transaction. This view of not restating balances is consistent with of the pooling-of-interests concept.

Further, the Company's common control business combination involves acquisition of partially owned subsidiaries of the original parent. The NCI is acquired as part of the common control business combination at the same time as the common control transaction. Accordingly, the acquisition of the NCI by the new parent is accounted for from the date of acquisition of these interests.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statement of income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete.

During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date.

During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

Goodwill is not amortized but is reviewed for impairment at least annually. For purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the synergies of the combination. In certain circumstances where it is not possible to complete the initial allocation of the goodwill to a CGU or group of CGUs for impairment purposes before the end of the annual period in which the combination is effected, the goodwill (or part of it) is left unallocated for that period. Goodwill must then be allocated before the end of the first annual period beginning after the acquisition date.

Impairment of Goodwill. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Under PAS 36, *Impairment of Assets*, the Company is required to perform annual impairment tests on the amount of goodwill acquired in a business combination. Moreover, if the Company did not finalize the goodwill allocation to CGUs, as required by PAS 36, and there are indicators that the provisional goodwill may be impaired, an impairment test of the provisional goodwill is performed. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible Assets (Except for Goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

The useful lives of intangible assets are as follows:

Franchise	20 years
Software costs	5 years
Student lists	3 years
Leasehold rights	Based on the term in the facility lease agreement

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the leasehold rights, student lists and software costs and franchise are accounted for by changing the appropriate amortization period or method, as appropriate, and treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in consolidated statement of income.

Impairment of Non-financial Assets

Other non-financial assets, mainly property, and equipment, intangible assets and investment properties, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). Impairment losses, if any, are recognized in profit or loss. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

When impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. Reversals of an impairment loss are credited in profit or loss.

Equity

Capital stock

Common and preferred shares are stated at par value and are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Additional paid in capital

Any amount received by the Company in excess of par value of its shares is credited to Additional paid-in capital which forms part of the non-distributable reserve of the Company and can be used only for purposes specified under corporate code

Treasury Shares

Treasury shares are recorded at cost and deducted from the Company's equity. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue or cancellation of the Company's own equity instruments. On subsequent issuance, any difference between the carrying amount and the consideration received is recognized under "Additional paid-in capital" account in the consolidated statement of financial position.

Shares of the Parent Company held by a subsidiary are reflected as treasury shares in the consolidated statements of changes in equity.

Equity Reserves

Other reserves consist of equity transactions other than capital contributions, such as equity transactions arising from transactions with NCI and share-based payment transactions.

Retained earnings

Retained earnings represents the cumulative balance of periodic profit/loss, dividend distributions, prior period adjustments and effect of changes in accounting policy and capital adjustments.

Dividend distribution to the shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved and declared by the Company's BOD.

Revenue

When determining the Company's performance obligations, the Company assesses its revenue arrangements against specific criteria to determine if the Company is acting as principal or agent. The Company considers both the legal form and the substance of the agreement to determine each party's respective roles in the agreement.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

The specific recognition criteria before revenue is recognized are as follows:

Sale of Goods. Revenue from sale of goods is principally derived from sale of roofing and other steel products, books, uniforms and incidentals, and pharmacy sales and payment is normally due upon delivery to customers or up to 60 days for sale of roofing and other steel products. Revenue from stand-alone sale of roofing and other steel products, sale of books, uniforms and incidentals in bookstores and sale of medicines and supplies in pharmacy are considered as single performance obligations and recognized at a point in time when control of the asset is transferred to the customer, generally on delivery of the promised goods.

There are no other promises in these types of arrangements that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). There are no variable consideration, significant financing components, noncash consideration, and consideration payable to the customer that could affect the determination of the transaction price.

Certain books, uniforms and incidentals are included already in the total amount of fees to be paid by the students upon enrolment. The consideration for these goods are assessed separately from tuition and other fees. The Company determined that these goods are distinct promises from the educational services since the students can benefit from the books, uniforms and incidentals either on their own or together with other resources that are readily available to the student, and the Company's promise to transfer the said goods to the students is separately identifiable from the educational services in the contract.

Installation Services. The Company provides installation services for roofing and other steel products that are bundled together with the sale of the roofing and other steel products and payment is normally due within 60 days from progress billing. The Company assessed that while the installation services can be obtained by the customers from other providers, the installation and the goods are not distinct within the context of the contract since the Company provides a significant service of integrating the goods or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output for which the customer has contracted. In other words, the Company is using the goods or services as inputs to produce or deliver the combined output specified by the customer.

Hence, the transaction price which corresponds to the contract price net of discount is allocated entirely to the installation service. The Company recognizes revenue from installation services over time, using an output method based on the percentage of completion to measure progress towards complete satisfaction of the service, because the customer controls an asset as it is created or enhanced by the Company in the customer's premises.

Tuition, School Fees and Other Services. Revenue is recognized over time when the related educational services are rendered using the output method (i.e., time lapsed over the service period such as semester or school year, depending on the curriculum registered). Total assessments of tuition and other school fees, net of monthly amortization to revenue, are recorded as part of "Contract liabilities" account in the consolidated statement of financial position and are normally due upon enrollment up to 5 months which corresponds to one semester.

Hospital Routine Services. Revenue is recognized over time upon rendering of medical services and administration of medicines and other pharmaceutical products to in-patient customers to be used in their medical operations and payment is due normally upon performance of the service up to one year. The Company elects to use the right to invoice practical expedient in recognizing revenue because the Company has a right to the consideration from the patient in an amount that corresponds directly with the value to the patient of the Company's performance to date. The Company assessed that the medical services and products used by in-patients are not distinct within the context of the contract since the Company provides a significant service of integrating the promises within the contract. The total consideration, net of discount, for the medical services and the medicines used by in-patients comprises the transaction price which is allocated entirely to hospital routine services.

Consultancy Services. Revenue from consultancy services are recognized over time using an output-based measure of progress based on milestones achieved assessed by project managers since based on the terms and conditions of the Company's contract with its customers, the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date. Payment for consultancy services is normally due within 60 days from progress billing. Revenue from consultancy services also include the revenue on services provided by the Parent Company as a consultant in establishing and facilitating cement sale deals between its subsidiary and a cement seller.

Real Estate Sales. The Company enters into contracts with customers to sell property that are either completed or under development.

- Completed Real Estate Inventory
- The sale of completed property constitutes a single performance obligation and the Company has determined that it is satisfied at the point in time when control is transferred. For unconditional exchange of contracts, this generally occurs when legal title is transferred to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied.

Real Estate Inventory under Development. The Company considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to sale of property under development, the Company is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g., windows, doors, cabinetry, etc.) and finishing work. The Company accounts for these items as a single performance obligation because it provides a significant service integrating the goods and services (the inputs) in the completed property (the combined output) which the customer has contracted to buy.

For the sale of real estate inventory under development, the Company has determined that its performance does not create an asset with alternative use to the Company based on the terms and conditions of its contract with the buyers and it has concluded, at all times, it has an enforceable right to payment for performance completed to date. Therefore control is transferred and revenue is recognized over time.

The Company's performance is measured using input method, by reference to the costs incurred to the satisfaction of a performance obligation (e.g., resources consumed, labor hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the completion of the property. The Company excludes the effect of any costs incurred that do not contribute to the Company's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labor or other resources) and adjusts the input method for any costs incurred that are not proportionate to the Company's progress in satisfying the performance obligation (such as land, mobilization costs, temporary facilities and uninstalled materials).

Revisions in the estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, for part of total project costs on a prospective basis, is allocated between costs of sales and real estate inventories.

Construction Contracts. Revenue from construction contracts are recognized over time using the input method. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation, or the total estimated costs of the project. The Company uses the cost accumulated by the accounting department to determine the actual resources used. Input method exclude the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on onerous contracts are recognized immediately when it is probable that the total unavoidable contract costs will exceed total contract revenue. The amount of such loss is determined irrespective of whether or not work has commenced on the contract; the stage of completion of contract activity; or the amount of profits expected to arise on other contracts, which are not treated as a single construction contract.

Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements that may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined. Profit incentives are recognized as revenue when their realization is reasonably assured.

Significant financing component. In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the Company and the customer provides the customer or the Company with a significant benefit of financing the sale of real estate to the buyer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

In adjusting the promised amount of consideration for a significant financing component, the Group uses the discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception. That rate would reflect the credit characteristics of the party receiving financing in the contract, as well as any collateral or security provided by the customer or the entity, including assets transferred in the contract. The Company determines that rate by identifying the rate that discounts the nominal amount of the promised consideration to the price that the customer would pay in cash for the goods or services when (or as) they transfer to the customer.

Service Fees. Service fees pertains to rental management, technical services and property administration and management. These services pertain to the Company's obligation to look for different tenants and manage different condominium covered by the management agreement. Related fees are recognized over time when services are rendered.

Unit Improvement Income. Unit improvement income under pre-completion stage are recognized over time during the construction period or percentage of completion (POC) since based on the terms and conditions of its contract with the buyers, the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Company uses output method. The Company recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Water Revenues. Revenue from water services is recognized upon the supply of water to the customers and when the related services are rendered. The performance obligations are satisfied over-time.

Forfeitures and Cancellations of Real Estate Contracts. Income from forfeited reservation and collections is recognized when the deposits from potential buyers are deemed nonrefundable due to prescription of the period for entering into a contracted sale. Such income is also recognized, subject to the provisions of Republic Act (RA) No. 6552, *Realty Installment Buyer Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

In 2021, PPHC adopted the third acceptable approach in accounting for cancellations under PIC Q&A 2020-05 where the cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable). Under this approach, revenues and related costs previously recognized shall be reversed in the period of cancellation and the inventory shall be reinstated at cost.

Commission Income. Revenue from commissions is recognized upon collection of insurance premium from policyholders.

Management Fees. Management fees represent payment to the Company for services rendered as covered by existing management contracts. Management fees are recognized over time when earned based on a certain percentage of gross revenues of hotels as provided in the management contracts.

License, Marketing and Reservation Fees. License fees represent payment to the Company in consideration for the services provided by the Company to hotel licensees with respect to training, consultation, compliance and other services. Marketing and reservation fees represent the share of the hotel licensee in the marketing and promotional efforts provided by the Company for the hotel brand. License, marketing and reservation fees are recognized over time when earned based on certain percentage of gross revenues of the licensees as provided in the license agreements.
Franchise Fees. Franchise fees represent the one-time fee payment equivalent to a fixed rate upon signing of the license agreement. Franchise fees are recognized when earned based on certain amount per guest room of the licensee.

Hotel Operations. Revenue is recognized based on actual occupancy. Based on the Company's assessment, all of the Company's contracts with customers generally undertake to provide single performance obligation are fixed price which is mainly hotel services and sale of goods.

The Company recognizes revenue as the services are rendered over time. Revenue from stand-alone sale of hotel supplies are considered as a single performance obligation recognized at a point in time when control of the asset is transferred to the customer, generally on delivery of the promised goods.

Contract Balances

Receivables. A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. The Company currently does not have right to consideration that is conditional.

For the Company's real estate segment, the amounts recognized as revenue related to sale of a property under development for a given period do not necessarily coincide with the amounts billed to or certified by the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed, the difference is recognized as a contract asset.

For the Company's construction segment, contract assets include costs and estimated earnings in excess of billings on uncompleted contracts which represents total costs incurred and estimated earnings recognized in excess of amounts billed.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company 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 Company performs under the contract. These pertain to unearned revenue from tuition, school and other service fees and deposits from customers for future goods and services.

For the Company's real estate segment, contract liability is recognized in the case of contracts in which the goods or services transferred are lower than the amount billed to the customer.

For the Company's construction segment, contract liabilities include billings in excess of costs and estimated earnings on uncompleted contracts which represents billings in excess of total costs incurred and estimated earnings recognized.

Costs to Obtain Contract. The Company pays sales commission to its employees for each contract that they obtain for sale of roofing and other steel products and installation services. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions included under "Selling expenses" account because the amortization period of the asset that the Company otherwise would have used is one year or less.

On the other hand, the Company's real estate segment pays sales commission to its brokers and marketing agents for contracts that they obtain to sell certain units of property and capitalizes the incremental cost of obtaining a contract that meet the criteria in PFRS 15. These costs are amortized and are charged to expense in the period in which the related revenue is recognized as earned. Capitalized costs to obtain such contracts are represented as "Cost to obtain contract" under "Other current assets" account in the consolidated statement of financial position and its amortization is included in the "Operating expenses" as "Commission expense" in the consolidated statement of income.

The real estate segment assesses, at each reporting date, whether the carrying amount exceeds the remaining amount of consideration that the entity expects to receive in exchange for the residential development less the costs that relate directly to completing the development and that have not been recognized as expenses.

Contract Fulfillment Assets. The Company's contract fulfillment costs pertain to cost of temporary facilities, mobilization and demobilization costs, capitalized borrowing costs and land acquisition costs as included in the "Inventories" account in the consolidated statement of financial position.

The Company amortizes contract fulfillment assets over the expected construction period using POC following the pattern of real estate revenue recognition. The amortization is included within cost of sales (for contract fulfillment asset) and operating expenses (for capitalized costs to obtain a contract).

Other Revenues

Investment Income. Investment income includes net gains and losses on investments held for trading and interest income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset. Dividend income is recognized when the shareholder's right to receive the payment is established.

Rental Income. Revenue is recognized on a straight-line basis over the lease term or based on the terms of the lease as applicable.

Costs and Expenses

Costs and expenses are generally recognized as incurred. Costs and expenses constitute the following:

Cost of Sales, Cost of Real Estate Sold and Construction Services, Cost of Educational Services, Cost of Installation Services, Cost of Hotel Operations, Cost of Hospital Services, and Cost of Management Services. Cost of sales includes direct materials used, personnel costs, as well as repair and power and fuel used to run production of steel products. Cost of sales also includes cost of books, uniforms and incidentals and cost of medicines and pharmaceutical products sold. Cost of educational services constitutes costs incurred to administer academic instruction. Cost of hospital services includes professional fees paid to medical personnel, utilities and other medical supplies used to render medical services. Costs of hotel services includes advertising and promotions expenses incurred for advertising schemes and promotional activities for indorsing the project hotels of the Company. Costs of real estate sold includes cost of land and development. Costs of management services constitute costs incurred for the general management of all operations and personnel of customers and costs of administering the business. These expenses are expensed as incurred.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business and are expensed as incurred.

Selling Expenses. Selling expenses include costs of distribution of steel products, books, incidentals, personnel costs, freight expenses, commission and advertising. Selling expenses are expensed as incurred.

Pension and Other Employee Benefits

Defined Benefit Plan. The Parent Company, PHI, PHINMA Microtel Hotels, PPHC, UGC, PHINMA Solar, PEHI, UPANG, AU, COC, UI, SJCI, RC, RCL, UCLI, and SWU have distinct funded, noncontributory defined benefit retirement plans covering all permanent employees, each administered by their respective Retirement Committees. The rest of the subsidiaries have no retirement plan either because the subsidiaries ceased commercial operations or accounting or administrative functions are handled by an employee of another company within the group. Retirement costs on these defined benefit retirement plans are actuarially determined using the projected unit credit method. The retirement plan meets the minimum retirement benefits required under Republic Act (RA) No. 7641, otherwise known as *"The Philippine Retirement Pay Law"*.

The liability (or asset) recognized in the consolidated statement of financial position is the present value of the defined benefit obligation less fair value of the plan assets at the reporting date. In cases when the amount determined results in an asset, the Company measures the resulting asset at the lower of such amount determined and the present value of any economic benefits available to the Company in the form of refunds or reductions in future contributions to the plan. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit obligation.

Remeasurement gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity (within reserve for remeasurement on defined benefit obligation) in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

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

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

Defined Contribution Plan. The Parent Company also provides a defined contribution plans that cover all regular full-time employees under which the Company pays fixed contributions based on the percentage contributed by the employees from their monthly salaries. The retirement funds for the defined benefit and defined contribution plans cannot be used to meet the funding requirements of each other. While the Company is covered under R.A. 7641, which provides for qualified employees to receive a defined minimum guarantee, the existing defined benefit plan is sufficient to cover the required minimum retirement obligation under the law. Accordingly, the Company accounts for its monthly defined contribution as expense when incurred.

Termination Benefits. Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee Leave Entitlement. Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees.

Share-based payments

PEHI has a stock sharing plan (SSP) offered to BOT members, executives and employees which gives them the right to purchase a fixed number of Company shares set aside by the SSP ("equity-settled transactions").

The cost of equity-settled transactions is measured by reference to the fair value at the date when they are granted, determined using the appropriate valuation techniques. The amount is fixed at grant date. The cost of equity-settled transactions, together with a corresponding increase in equity, is recognized over the period in which the service and/or performance conditions are fulfilled, ending on the date on which the relevant executives and employees become fully entitled to the awarded (the vesting date). The amount recognized in equity is subsequently reclassified to additional paid-in capital upon exercise or expiration of the options.

The cumulative expense recognized for the equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit in profit or loss for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Leases

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

- *Right-of-use Assets*. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follow:

Land	5-25 years
Buildings	3.5-5 years
Warehouses	2-20 years
Vehicles	3-3.5 years
Others	3-5 years

  Right-of-use assets are subject to impairment.

- *Lease Liabilities*. At the commencement date of the lease, the Company 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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

  In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Short-term Leases*. The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date or initial application of PFRS 16 and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Company as Lessor. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated income to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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 assessment of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase due to the passage of time is recognized as interest expense in the consolidated statement of income. When the Company expects a provision to be reimbursed, the reimbursement is recorded as a separate asset but only when the receipt of the reimbursement is virtually certain.

Foreign Currency-denominated Transactions and Translation

The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. The subsidiaries determine their own functional currency and items included in the financial statements of each subsidiary are measured using that functional currency.

Other than OAL, that ceased operations since 2023 (Note 1), the functional and presentation currency of the subsidiaries within the Company is Philippine peso. The functional currency of OAL is U.S. Dollar. The assets and liabilities of foreign operations are translated into Philippine peso at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the consolidated statement of income.

Taxes

Current Income Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

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

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) and unused tax losses from net operating loss carry over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of unused MCIT and NOLCO can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates and interest in joint venture. Deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

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

Value-Added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as part of "Income and other taxes payable" account 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 part of "Input value-added taxes" account in the consolidated balance sheet to the extent of the recoverable amount.

Earnings per Common Share (EPS) Attributable to the Equity Holders of the Parent

Basic EPS is computed by dividing net income attributable to the common equity holders of the Parent Company by the weighted average number of outstanding common shares during the year after giving retroactive effect to any stock dividend declared during the year.

The Company does not have potential common share or other instruments that may entitle the holder to common shares. Hence, diluted EPS is the same as basic EPS.

Segment Reporting

The Company is organized into six (6) business segments namely, investment holdings, property development, construction materials, educational services, hospitality (including hotel franchising and management), and insurance brokerage and others (OAL - business process outsourcing). Financial information about the Company's business segments is presented in Note 40 to the consolidated financial statements.

Contingencies

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

Related party transactions and relationships

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

Restatement

The Company presents a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements if: (a) it applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or reclassifies items in its financial statements; and (b) the retrospective application, retrospective restatement or the reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period. The Company determines the practicability of presenting a third statement of financial position based on the circumstances of the adjustments required in relation to the nature of the restatement (Note 41).

Events After Financial Reporting Date

Post year-end events up to the date of approval of the consolidated financial statements by the BOD that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4 Significant Accounting Judgments, Estimates and Assumptions

The accompanying consolidated financial statements prepared in conformity with PFRS Accounting Standards require management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. In preparing the Company's consolidated financial statements, management has made its best judgments, estimates and assumptions of certain amounts, giving due consideration to materiality. The judgments, estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

The Company believes the following represents a summary of these significant judgments, estimates and assumptions and related impact and associated risks in its consolidated financial statements.

Judgments

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

- *Revenue Recognition for Real Estate*

i. Existence of a Contract.

Existence of a Contract. For real estate sales, the Company's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, quotation sheets and other documents, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Company before real estate revenue recognition is to assess the probability that the Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, the Company considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age, pricing of the property and ability to comply with the documentary requirements. The Company requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Company. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

For construction contracts, the Company assessed that various documents or arrangements (whether separately or collectively) will create a contract in accordance with PFRS 15. The Group considered relevant facts and circumstances including customary business practices and assessed that the enforceability of its documents or arrangements depends on the nature and requirements stated in the terms of those documents or arrangements. Certain documents that indicate enforceability of contract include Letter/Notice of Award, Letter of Intent, Notice to Proceed and Purchase Order.

ii. Revenue Recognition Method.

For sale of real estate inventories under development, the Company has concluded that revenue is to be recognized over time because (a) the Company's performance does not create an asset with an alternative use and; (b) the Company has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Company's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

The Company has determined that input method used in measuring progress of the performance obligation faithfully depicts the Company's performance in transferring control of real estate development to the customers.

For construction contracts, the Company concluded that revenue is to be recognized over time because (a) the customer controls assets as it is created or enhanced; (b) the Company's performance does not create an asset with an alternative use and; (c) the Company has an enforceable right for performance completed to date. The Company assessed that the first criterion is consistent with the rationale for POC revenue recognition approach for construction contract. Moreover, the customer can also specify the design of the asset being constructed and the Company builds the asset on the customer's land and the customer can generally control any work in progress arising from the Company's performance. The last criterion is evident in the actual provisions of the contract. As the Company cannot direct the asset to another customer, it satisfies the criteria of no alternative use.

The Company elected to use the input method to measure the progress of the fulfillment of its performance obligation, which is based on the actual costs incurred to date relative to the total estimated costs to complete the construction projects. The Company believes that this method faithfully depicts the Company's performance towards satisfaction of its performance obligation because there is a direct relationship between the Company's effort (i.e., costs incurred) and the transfer of control of the services provided to the customer.

iii. Identifying Performance Obligation.

Construction projects of the Company usually includes individually distinct goods and services. These goods and services are distinct as the customers can benefit from the service on its own and are separately identifiable. However, the Company assessed that goods and services are not separately identifiable from other promises in the contract. The Company provides significant service of integrating the various goods and services (inputs) into a single output for which the customer has contracted. Consequently, the Company accounts for all of the goods and services in the contract as a single performance obligation.

iv. Consideration of Significant Financing Component in a Construction Contract.

The Company usually imposes to its customers a percentage of contract price as an advance payment of the total contract price as mobilization fees. The Company concluded that there is no significant financing component for those contracts where the customer pays in advance, considering: (a) the advance payments have historically been recouped within 12 months from the reporting date; and (b) the billings are normally based on the progress of work.

The lag time between performance of construction service which is measured through POC and actual billing and billing to collection is substantially within 12 months.

- *Determining the Lease Term of Contracts with Renewal and Termination Options - Company as a Lessee*.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Rent expense for short-term leases amounted to P103.4 million, P130.4 million and P140.1 million for the years ended December 31, 2025, 2024 and 2023, respectively (Note 35).

Estimates and Assumptions

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

- *Business Combination*

The Company's consolidated financial statements and financial performance reflect acquired businesses after the completion of the respective acquisition. Except for business combination under common control for which pooling of interest method is applied, the Company accounts for the acquired businesses using the acquisition method, which require extensive use of accounting judgments and estimates to allocate the purchase price to the fair market values of the acquiree's identifiable assets and liabilities and contingent liabilities, if any, at the acquisition date.

Any excess in the purchase price over the estimated fair market values of the net assets acquired is recorded as goodwill in the Company's consolidated statement of financial position. Thus, the numerous judgments made in estimating the fair market value to be assigned to the acquiree's assets and liabilities can materially affect the Company's financial performance.

The Company entered into multiple business combination transactions as disclosed in Note 5.

- *Leases - Estimating the Incremental Borrowing Rate*

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Company's lease liabilities amounted to P541.2 million and P518.4 million as at December 31, 2025 and 2024, respectively (Note 35).

- *Determining the Significant Financing Component from revenue from real estate sales*

The Group's revenue from real estate sales provides various payment schemes which are usually different from the progress of the transfer of goods and services through POC. As such, the Group concluded that a significant financing component exists. In adjusting the promised amount of consideration for a significant financing component, the Group uses the discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception. That rate would reflect the credit characteristics of the party receiving financing in the contract, as well as any collateral or security provided by the customer or the entity, including assets transferred in the contract. The Group determines that rate by identifying the rate that discounts the nominal amount of the promised consideration to the price that the customer would pay in cash for the goods or services when (or as) they transfer to the customer.

As at December 31, 2025, interest income recognized as significant financing component amounted to P168.8 million (2024 - P133.7 million, 2023 - nil) (Note 25).

- *Estimating Allowance for ECLs*

The following information explains the inputs, assumptions and techniques used by the Company in estimating ECL:

a. General approach for cash and cash equivalents, other receivables and deposits

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. The Company considers the probability of its counterparty to default in its obligation and the expected loss at default after considering the effects of collateral, any potential value when realized, forward-looking estimates and time value of money.

b. Simplified approach for receivables from customers

The Company uses a simplified approach for calculating ECL on receivables from customers through the use of provision matrix to calculate ECLs. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography and customer type and rating).

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

For the Company's real estate segment, it uses vintage analysis approach to calculate ECLs for real estate ICR and contract assets. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default (PD) from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

c. Incorporation of forward-looking information

The Company considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. A broad range of forward-looking information are considered as economic inputs such as the gross domestic product, inflation rate, unemployment rates, industry growth rates and other economic indicators.

The macroeconomic factors are aligned with information used by the Company for other purposes such as strategic planning and budgeting.

The Company identifies and documents key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key macro-economic indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past three (3) to five (5) years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

d. Grouping of instruments for losses measured on collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a segmentation are homogeneous. The Company segmentized its receivable from students on the basis of the geographical location of each school (e.g., Pangasinan, Cebu, Iloilo, Nueva Ecija, Manila, Quezon City, Cagayan de Oro) while receivable from customers of construction materials are segmentized based on the type of customer (e.g., contractors, hardwares, developers, roofing specialists, fabricators and end users). Receivable from patients, consultancy services, and others are assessed as separate segments.

Receivables from real estate sales are grouped based on shared risk characteristics, such that risk exposures within a group are homogenous. In performing this grouping, there must be sufficient information for the Company to be statistically credible.

Where sufficient information is not available internally, the Company has considered benchmarking internal/external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine groupings for real estate receivables are (i) bank financing, (ii) in-house financing and (iii) HDMF financing.

The following credit exposures are assessed individually:

a. All stage 3 assets, which are considered to be specifically impaired, regardless of the class of financial assets; and
b. Cash and cash equivalents, other receivables and deposits

There have been no significant changes in estimation techniques or significant assumptions. The receivables of the Company that were subjected to specific identification were not included in the credit loss computation. Specifically impaired receivables are receivables that have high non-collectibility risk and fully provided for ECL.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The changes in the gross carrying amount of receivables during the year did not materially affect the allowance for ECLs.

Provision for ECL amounted to P248.4 million for the year ended December 31, 2025 (2024 - P266.4 million; 2023 - P88.1 million) (Note 10). The allowance for ECL amounted to P1,545.5 million as at December 31, 2025 (2024 - P1,780.6 million). The carrying amounts of trade and other receivables amounted to P13,974.7 million as at December 31, 2025 (2024 - P11,337.8 million) (Note 10).

- *Estimating Net Realizable Value of Inventories*

The Company carries inventories at net realizable value when this becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

The Company recognized reversal for inventory obsolescence of P1.9 million for the year ended December 31, 2025 (2024 - provision of P0.5 million; 2023 - reversal of P4.1 million). There are no inventories written off for the years ended December 31, 2025 and 2024. The allowance for inventory obsolescence amounted to P5.3 million as at December 31, 2025 (2024 - P7.3 million). The carrying amounts of inventories amounted to P5,448.2 million as at December 31, 2025 (2024 - P5,830.1 million) (Note 11).

- *Impairment of Goodwill*

The Company performs impairment testing of goodwill on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the VIU of the CGU to which the goodwill is allocated. VIU is determined by making an estimate of the expected future cash flows from the CGU and applies a discount rate to calculate the present value of these cash flows. Goodwill acquired through business combination has been allocated to one CGU which is also the operating entity acquired through business combination and to which the goodwill relates. The recoverable amount of goodwill has been determined based on VIU calculation using cash flow projections covering a five-year period. The calculation of VIU for the Company's goodwill is sensitive to revenue growth rates and discount rates.

Revenue growth rates estimates are based on values acquired in previous years and also takes into account anticipated increase from various market initiatives. Discount rate reflects the current market assessment of the risk specific to each CGU. The discount rate is based on the average percentage of the weighted average cost of capital for the industry.

This rate is further adjusted to reflect the market assessment of any risk specific to the CGU for which future estimates of cash flows have not been adjusted. The carrying amounts of the CGUs and the assumptions used in management's assessment are disclosed in Note 17.

Management believes that no reasonably possible change in these key assumptions would cause the carrying values of goodwill to materially exceed its recoverable amount. The Company performs its annual testing of goodwill every December 31.

There was no impairment loss on goodwill in 2025 and 2024. The carrying amount of goodwill amounting to P2,255.3 million as at December 31, 2025 (2024 - P2,249.3 million), was presented under "Intangible assets" account in the consolidated statements of financial position (Note 17).

- *Realizability of Deferred Tax Assets*

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The assessment in the recognition of deferred tax assets on temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. This forecast is based on past results and future expectations on revenues and expenses. However, there is no assurance that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized.

Carrying values of deferred tax assets amounted to P1,107.2 million as at December 31, 2025 (2024 - P906.8 million) (Note 33). The Company's deductible temporary differences, unused NOLCO and MCIT, for which no deferred tax assets are recognized in the consolidated statements of financial position are disclosed in Note 33.

- *Estimating Useful Lives of Property, Plant and Equipment, Investment Properties and Intangible Assets with Finite Useful Lives*

The Company estimates the useful lives of depreciable property, plant and equipment, depreciable investment properties and intangible assets with finite useful lives based on the period over which the property, plant and equipment, investment properties and intangible assets with finite useful lives are expected to be available for use and on the collective assessment of industry practice, internal technical evaluation and experience with similar assets and in the case of intangible assets, useful lives are also based on the contracts covering such intangible assets. The estimated useful lives of property, plant and equipment, investment properties and intangible assets with finite useful lives are reviewed at each financial year-end and updated if expectations differ materially from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property, plant and equipment, investment properties and intangible assets with finite useful lives. However, it is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances.

The carrying amounts of depreciable property, plant and equipment, investment properties and intangible assets with finite useful lives are disclosed in Notes 15, 16 and 17 of these consolidated financial statements.

- *Pension Benefits*

The cost of pension plans is determined using projected unit credit method. Actuarial valuation includes making various assumptions which consists, among other things, discount rates, rates of compensation increases and mortality rates. Due to complexity of valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in assumptions. While the Company believes that its assumptions are reasonable and appropriate, significant differences in its actual experience or significant changes in its assumptions may materially affect its cost for pension and other retirement obligations. All assumptions are reviewed every year-end in Note 34.

Pension costs for the year ended December 31, 2025 amounted to P141.6 million (2024 - 193.6 million; 2023 - P128.1 million) (Notes 29 and 34). Pension and other-employment benefits liability amounted to P406.5 million as at December 31, 2025 (2024 - P452.6 million) (Note 34).

- *Fair Value of Financial Instruments*

When the fair values of financial instruments recorded on the consolidated statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility. The Company's investments held for trading, financial assets at FVPL, financial assets at FVOCI and derivatives instruments are recorded at fair value.

The methods and assumptions used to estimate the fair value of financial assets and liabilities are discussed in Note 39.

- *Contingencies and tax assessments*

The Company is currently involved in various legal proceedings and assessments for local and national taxe*s*

The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Company currently does not believe these proceedings will have a material adverse effect on the Company's consolidated financial statements. Based on management's assessment, appropriate provisions were made in the consolidated statements of financial position.

5 Business Combination

i. Acquisition of JEPP Properties Corporation by PPHC

On October 22, 2022, PPHC and Jepp Real Estate Co. Inc (JREC). entered into a joint development agreement to form JEPP Property Corporation (JEPP), in Bacolod. JEPP was incorporated and registered with Philippine SEC on December 12, 2022. The Company's purpose is to deal and engage in the real estate business in all aspects: to hold, develop, finance and otherwise deal in and dispose of all kinds of real estate development. As at December 31, 2022, the PPHC has no ownership interest in JEPP.

On January 19, 2023, PPHC and JREC entered into a Contract to Sell whereby PPHC agreed to purchase 9.7% ownership interest in JEPP from JREC, for a total consideration of P294.1 million. These were recorded as advances to third party as part of receivables, pending resolution of certain conditions in the agreement.

On November 17, 2023, PPHC entered into a subscription agreement with JEPP, whereby it agreed to subscribe and purchase 18.2 million shares of JEPP for a price of P18.2 million. As at December 31, 2023, PPHC has no ownership interest in JEPP.

PPHC entered into additional subscription agreement with JEPP whereby it agreed to subscribe and purchase 60.0 million shares of JEPP for a price of P60.0 million, and 55.04 million shares of JEPP for a price of P55.04 million, these were paid on January 15, 2024 and October 28, 2024, respectively.

On November 6, 2024 (the acquisition date), PPHC obtained 55.00% controlling shares of stock of JEPP for a total consideration of P827.1 million, of which P399.7 million is outstanding as at December 31, 2024. The amount also includes the abovementioned subscriptions for primary shares of JEPP amounting to P133.2 million. Net purchase consideration paid to JREC amounted to P294.1 million. The acquisition increased PPHC's market through expansion in Bacolod.

The fair value of the identifiable assets and liabilities of JEPP as at the date of the acquisition are as follows:

	Fair Values Recognized at Acquisition Date
Total assets:	
Cash and cash equivalents	5,043
Trade and other receivables	52,081
Inventories	657,827
Prepaid expenses and other current assets	18,009
Property, plant and equipment	553
Total assets	733,513
Total liabilities:	
Trade payables and other payables	(101,192)
Total liabilities	(101,192)
Total identifiable net assets acquired	632,321
Less: PPHC subscriptions to JEPP	(133,238)
Net identifiable assets acquired	499,083
Less: Share of NCI in net assets acquired	(478,042)
Add: Goodwill arising from acquisition	273,077
Purchase consideration transferred for net assets acquired	294,118

The net assets recognized in the December 31, 2024 financial statements were based on a provisional assessment of the fair value. The Company recognized the noncontrolling interests using fair value method. Upon acquisition, PPHC recognized goodwill amounting to P273.1 million attributable to the increase in market share and will not be deductible for tax purposes.

From the date of acquisition, JEPP's revenues and net income amounting to P316.4 million and P123.5 million, respectively, formed part of the 2024 consolidated statement of income. If the combination had taken place at the beginning of 2024, JEPP's total contribution to revenues and net income to the 2024 consolidated statements of income would have been P316.4 million and P100.2 million, respectively.

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	294,118
Less cash of acquired subsidiaries	(5,043)
Net cash outflow	289,075

In 2025, PPHC completed its review of the provisional fair values of identifiable assets acquired and liabilities assumed that were initially disclosed as of December 31, 2024. The final purchase price allocation resulted in an increase in recognized goodwill by P3.6 million (Note 17) due to an adjustment in the valuation of acquired receivables. The adjustments in allocation of fair values were not considered significant and were taken up in the current year. PPHC determined that the finalized fair value measurements represent the most reasonable allocation of purchase consideration.

ii. Acquisition of St. Jude College - Cavite by PEHI

On December 6, 2024, PEHI entered into a deed of absolute sale of shares agreement to acquire a 94.62% ownership in St. Jude College - Cavite.

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

	Fair Values Recognized at Acquisition Date
Total assets:	
Cash and cash equivalents	5,277
Property, plant and equipment	89,504
Other assets	18,015
Total assets	112,796
Total liabilities:	
Trade and other payables	(183,194)
Pension	(3,167)
Total liabilities	(186,361)
Total identifiable net liabilities assumed	(73,565)
Add: Proportionate share of NCI in net liabilities assumed	3,958
Goodwill arising from acquisition	154,200
Purchase consideration transferred	84,593

The net liabilities assumed in the December 31, 2024 financial statements were based on a provisional assessment of the fair value. The Company recognized the noncontrolling interests at their proportionate share of the acquired net identifiable liabilities.

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	84,593
Less cash of acquired subsidiaries	(5,277)
Net cash outflow	79,316

From the date of acquisition, SJC Cavite's revenues and net income amounting to P19.4 million and P8.0 million, respectively, formed part of the 2024 consolidated statement of income. If the combination had taken place at the beginning of 2024, SJC Cavite's total contribution revenues and net loss in the 2024 consolidated statements of income would have been P142.5 million and P111.7 million, respectively.

In 2025, PEHI completed its review of the provisional fair values of identifiable assets acquired and liabilities assumed that were initially disclosed as of December 31, 2024. The final purchase price allocation resulted in an increase in recognized goodwill by P2.3 million (Note 17) due to an adjustment in the valuation of other assets. The amount of increase is considered insignificant and was charged to other income and expense in 2025. PEHI determined that the finalized fair value measurements represent the most reasonable allocation of purchase consideration.

iii. Acquisition of PHINMA Property Holdings Corporation, ABCIC Property Holdings, Inc. PHINMA Hospitality and PHINMA Microtel Hotels, Inc.

On July 17, 2023, the Parent Company and PHINMA, Inc., executed a Deed of Sale for the purchase of investments of PHINMA, Inc. in the following Companies:

Company	Description	PHINMA, Inc.'s Direct Ownership	Transaction Value (in millions)
PPHC	Holding company of the Company's property development arm	36.71%	588.9
PHI	Management company of the Company's Microtel and TRYP hotels; part-owner in 7 hotels	63.77%	251.2
PHINMA Microtel	Master franchisor of Microtel and TRYP hotels in the Philippines	51.00%	21.2
APHI	Owner of real estate properties	63.47%	409.4
Total			1,270.7

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

Company	PPHC	PHI	PHINMA Microtel	APHI
Current assets	5,872,075	177,847	72,639	119,008
Noncurrent assets	958,256	271,740	3,172	250,352
Total assets	6,830,331	449,587	75,811	369,360
Current liabilities	(4,255,742)	(22,216)	(17,530)	(592)
Noncurrent liabilities	(1,258,421)	(10,248)	(11,070)	(70)
Total liabilities	(5,514,163)	(32,464)	(28,600)	(662)
Net assets acquired	1,316,168	417,123	47,211	368,698

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	1,270,699
Less cash of acquired subsidiaries	(287,337)
Net cash outflow	983,362

The Parent Company and all the entities above are subsidiaries of PHINMA, Inc. before and after the business combination. Thus, the acquisition was accounted for as business combination under common control for which pooling of interests method was applied in the preparation of the consolidated financial statements. The assets, liabilities and equity of the acquired businesses are included in the consolidated financial statements at their carrying amounts. Financial information for periods prior to the date of business combination was not restated.

In 2023, the combination resulted to equity adjustment from common control business combination, included under "Equity reserves" account, amounting to P636.4 million. It also resulted to increase in "Noncontrolling interests" account amounting to P573.9 million and decreases in "Retained earnings", "Other comprehensive income" and "Share in other comprehensive income of associates and joint ventures accounts amounting to P10.6 million, P14.3 million and P9.6 million, respectively.

iv. Acquisition of PHINMA Insurance Brokers, Inc.(PIBI)

On January 9, 2025, the Parent Company and PHINMA, Inc. executed a Deed of Sale for the Parent Company's purchase of 100% ownership interest in PIBI for P150.5 million. PIBI is an insurance brokerage company involved in developing, packaging and servicing life, non-life and HMO insurance programs while dealing with reputable local and global insurance companies to answer its clients' various requirements,

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

	Amount
Current assets	
Cash and cash equivalents	52,046
Short-term investments	50,000
Investments held for trading	5,807
Current portion of trade and other receivables	2,971
Other current assets	8,417
	119,241
Noncurrent assets	
Noncurrent portion of trade and other receivables	950
Property, plant and equipment	1,602
Investment properties	1,872
Deferred tax assets - net	8,777
Other noncurrent assets	17
	13,218
Total assets	132,459
Current liabilities	
Trade and other payables	(63,293)
Income and other taxes payable	(7,602)
	(70,895)
Noncurrent liabilities	
Pension and other post-employment benefits	(12,742)
Total liabilities	(83,637)
Net assets acquired	48,822

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	150,535
Less cash of PIBI	(52,046)
Net cash outflow	98,489

The Parent Company and PIBI are subsidiaries of PHINMA, Inc. before and after the business combination. Thus, the acquisition was accounted for as business combination under common control for which pooling of interests method was applied in the preparation of the consolidated financial statements. The assets, liabilities and equity of PIBI are included in the consolidated financial statements at their carrying amounts. Financial information for periods prior to the date of business combination was not restated.

In 2025, the combination resulted to equity adjustment from common control business combination, included under "Equity reserves" account, amounting to P101.7 million.

6 Transactions with Noncontrolling Interests and Other Changes in or New Ownership

a. PEHI and subsidiaries

(i) Issuance of shares from SPP

On July 14, 2023, PEHI's stock purchase plan was approved by its Board of Trustees and shareholders. The stock sharing plan was offered to PEHI's executives and employees with more than 1 year of service as of March 31, 2023. For the year ended December 31, 2024, PEHI granted 638,570 shares to its employees with a fair value at grant date of P58.9 million (2023 - nil). This resulted to a corresponding decrease of the Parent Company's ownership interest in PEHI amounting to P8.4 million (2023 - nil) or to 75.01%. The transaction resulted to the decrease in "Equity reserves" and increase to "Noncontrolling interests" accounts by P8.4 million and P58.9 million, respectively.

(ii) Call and Put Option over the NCI in PEHI and Issuance of shares to NCI

In 2021, PEHI and the Parent Company signed a Shareholders Agreement with third party investors (the "Investors") who acquired noncontrolling interest in PEHI. As part of the signed investment agreement of PEHI and the Investors, in the event that an initial public offering (IPO) of PEHI is not completed on the fifth anniversary of the agreement, the Investors have an irrevocable right and option to sell to and obligate the Parent Company to purchase all or portion of their shares (put option). On the other hand, the Parent Company has an irrevocable right and option to purchase and obligate all of the Investors to sell all of its shares under certain conditions.

The exercise price of the options is based at a price that generates 10% internal rate of return, based on the investor US dollar subscription price per share, which is calculated at the agreed exchange rate for the period beginning on the closing date and ending on the date of the relevant notice.

Asian Development Bank (ADB) invested 1.1 million shares of PEHI for a total consideration of P625.0 million. The stock purchase agreement contains call and put options and as a result, additional noncontrolling interest put liability is recognized.

The transactions described above resulted to recognition of "Noncontrolling interest put liability" amounting to P2,570.6 million as at 2023, and derecognition of "Noncontrolling interests" amounting to P133.8 million in 2023, with the difference recorded as "Equity reserves" amounting to P248.5 million in 2023.

For the year ended December 31, 2024 , accretion of interest in the put liability amounts to P336.8 million, presented in the statements of changes in equity as decreases in "Equity Reserves" and "Noncontrolling interest" amounting to P279.1 million and P57.7 million, respectively.

On May 21, 2024, PEHI signed an investment agreement with Phoenix Investments II Pte. Ltd (Phoenix II), an investment vehicle of funds managed by KKR, a leading global investment firm, relating to the issuance of newly issued shares. Concurrently, Phoenix II entered into an agreement to acquire all of the shares in PEHI owned, directly or indirectly, by Asian Development Bank (ADB), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) and Kaizen Private Equity II Pte. Ltd. (Kaizen) and a termination agreement between PHN and the original shareholders was executed.

In the fourth quarter of 2024, all of the completion obligation requirements indicated in the new shareholder agreement and termination agreement were met. Following the completion of the two transactions, ADB, FMO and Kaizen will no longer be shareholders of PEHI and PHN derecognized the put liability amounting to P2,907.4 million and the related reserve in equity amounting to P1,449.5 million, and increased the noncontrolling interest by P1,458.0 million.

In October 2024, PEHI sold 25,132,793 shares to Phoenix Investments II Pte LTD (KKR) for a total consideration of P2,439.7 million. The transaction resulted to the increase in "Equity reserves" and "Noncontrolling interests" accounts in the statements of changes in equity by P977.6 million and P1,462.1 million, respectively.

The transactions described above further reduced the Company's ownership in PEHI to 66.42% as at December 31, 2024.

In August 2025, PEHI issued 8,204,057 common shares to Rise Edu Pte. Ltd. for a total consideration of P825.0 million. The transaction resulted to the increase in "Equity reserves" and Noncontrolling interest" accounts in the statements of changes in equity by P309.2 million and P515.8 million, respectively. The Company's ownership decreased to 63.93%.

(iii) Acquisition of PEHI from PHINMA, Inc.

On July 17, 2023, the Parent Company acquired the shares in PEHI held by PHINMA, Inc. for a total cost of P1,064.8 million, which increased its ownership interest to 75.21%. The transaction resulted to the decrease in "Noncontrolling interests" and "Equity reserves" accounts in the statements of changes in equity by P542.4 million and P522.3 million, respectively.

(iv) Additional Investment in SWU

On April 26, 2024, PEHI acquired additional 226,922 common shares of SWU for a total consideration of P835.2 million, which increased its ownership interest to 97.76%. The acquisition resulted to the decrease in "Equity reserves" and "Noncontrolling interest" accounts in the statements of changes in equity by P443.5 million and P391.7 million, respectively.

(v) Additional Investment in AU, UI, UPang, COC, SWU and RCI

On September 1, 2023, PEHI acquired 32,361 shares in AU for a total cost of P3.79 million, which increased its ownership interest to 97.76%. The transaction resulted to the decrease in "Equity reserves" and "Noncontrolling interests" accounts in the statements of changes in equity by P3.1 million and P0.7 million, respectively.

In 2025, PEHI acquired 679,234 unissued common shares of UI for a total consideration of P347.8 million, increasing its ownership interest to 69.33%. At the same month, PEHI also acquired an additional 9,959,885 unissued common shares of UPang for a total consideration of P348.6 million, increasing its ownership interest to 69.40%.

In 2025, PEHI acquired 195,768 unissued common shares of COC for a total consideration of P195.8 million, increasing its ownership interest to 92.92%. It also acquired an additional 128,903 common shares of SWU for a total consideration of P193.4 million, increasing its ownership interest to 95.57%. Furthermore, PEHI acquired an additional 1,999,988 unissued common shares of RCI for a total consideration of P200.0 million, increasing its ownership interest to 99.99%.

The transactions resulted to the increase in "Equity reserves" and "Noncontrolling interests" accounts by P21 million and P302.7 million.

b. CMG

(i) Buy back of UGC shares

On May 22, 2024, UGC acquired 780,811 shares of its own common shares under stock purchase plan from retired employees for P6.98 million which increased the Company's ownership interest to 98.64%. The transaction resulted to the decrease in "Equity reserves" and increase to "Noncontrolling interests" accounts by P31 million and P24 million, respectively.

(ii) Acquisition of Ownership Interest in PMC

In the fourth quarter of 2024, ANFLO Management and Investment Corporation subscribed to 30% ownership interest in PMC for a total consideration of P208.3 million.

(iii) Additional Investment in UGC

In 2025, the Parent Company acquired additional shares of UGC for P380 million resulting in a change in ownership interest from 98.64% to 98.97%. The transaction also resulted to a decrease in "Equity reserves" and increase in "Noncontrolling interests" accounts by P4.5 million.

(iv) Acquisition of BSPC

On October 24, 2025, Phinma Solar acquired 100% ownership of BSPC, an entity whose primary activities is to construct, develop, own, operate, manage, repair and maintain solar power generation plants including solar farms, to generate electricity from such power plants and to market and sell the electricity produced, for P1 million. BSPC was incorporated only on August 6, 2024 and has not started commercial operations as of December 31, 2025.

c. Hospitality

(i) Additional Investment in Coral Way

In 2025, the Company acquired additional shares of Coral Way amounting to P7.1 million upon the SEC's approval of the increase in authorized capital stock of Coral Way. There is no change in the Company's ownership interest but the transaction resulted to an increase in "Noncontrolling interests" by P22.9 million.

(ii) Investment in PHMC

On June 16, 2025, the Parent Company infused P20 million investment to PHMC, an entity engaged in the business of developing, owning and managing economy lodging facilities, for a 100% ownership interest in PHMC. PHMC started commercial operations in October 2025, after the transfer of certain management contracts from PHI.

d. Properties

(i) Dilution and Acquisition of Ownership Interest in PPHC

In 2025, the Company's advances to PPHC amounting to P276 million was converted to investment in PPHC upon the SEC's approval of PPHC's equity restructuring and increase in capital stock on December 11, 2025. This resulted in a change in ownership interest from 76.81% to 80.31%.

The transaction resulted to a decrease in "Equity reserves" and increase in "Noncontrolling interests" accounts by P49.9 million.

(ii) Investment to PHINMA Community Housing Corporation (PCH)

On March 21, 2025, the Company's BOD approved the investment of P250 million in PHINMA Community Housing Corporation for a 99.45% ownership interest. The initial investment will be used to purchase of land and its initial working capital requirements.

Summary of the transactions above and their impact on equity is as follows:

	Reference	Equity reserves	Noncontrolling interests
2025			
Issuance of shares of subsidiaries	a(ii), c(i)	309,181	538,694
Dilution of equity shares	a(v), b(iii), d(i)	(33,437)	357,137
2024			
Derecognition of NCI put liability	a(ii)	1,449,467	1,457,968
Issuance of shares of subsidiaries	a(ii), b(ii)	977,637	1,670,473
Issuance of shares from SPP	a(i)	(8,424)	58,933
Buyback of shares in UGC	b(i)	(30,995)	24,012
Accretion of interest in NCI put liability	a(ii)	(279,069)	(57,747)
Dilution of equity shares	a(iv)	(443,539)	(391,688)
2023			
Dilution of equity shares	a(v)	(3,053)	(734)
Accretion of interest in NCI put liability	a(ii)	(248,477)	(133,821)
Acquisition of NCI	a(iii)	(522,315)	(542,437)

7 Material Partly-owned Subsidiaries

Financial information of subsidiaries that have material NCI are provided below:

Proportion of equity interest held by NCI in 2025 and 2024 are as follows:

	NCI Percentage of Ownership	
Name	2025	2024
API	42.38	42.38
PPHC and subsidiaries	5.07	5.99
PCC	40.00	40.00
PEHI and subsidiaries	36.07	33.58

Accumulated balances of material NCI as at December 31 are as follow:

Name	2025	2024
PEHI and subsidiaries	5,271,250	4,060,287
PCC	924,556	973,950
PPHC and subsidiaries	855,668	796,505
API	135,508	162,023

Profit (loss) allocated to material NCI for the years ended December 31 follows:

Name	2025	2024
PEHI and subsidiaries	709,178	538,858
PCC	(49,394)	88,798
PPHC and subsidiaries	9,249	2,526
API	(26,515)	(1,301)

The summarized financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarized total assets and liabilities as at December 31, 2025 and 2024 are as follows:

	PPHC and subsidiaries	PEHI and subsidiaries	API	PCC
2025				
Current assets	7,808,650	7,159,373	48,569	7,287,285
Noncurrent assets	2,502,459	16,101,359	200,446	4,889,910
Total assets	10,311,109	23,260,731	249,015	12,177,175
Current liabilities	5,177,976	5,705,480	27,234	8,740,527
Noncurrent liabilities	3,468,648	5,259,161	-	697,040
Total liabilities	8,546,624	10,964,641	27,234	9,437,567
2024				
Current assets	7,655,734	6,915,371	66,956	7,010,952
Noncurrent assets	2,771,855	14,064,961	283,551	4,083,782
Total assets	10,427,589	20,980,332	350,507	11,094,734
Current liabilities	7,007,812	7,342,116	52,414	8,090,743
Noncurrent liabilities	1,188,742	3,413,592	-	144,116
Total liabilities	8,196,554	10,755,708	52,414	8,234,859

Summarized statements of comprehensive income for the years ended December 31, 2025, 2024 and 2023:

	PPHC and subsidiaries	PEHI and subsidiaries	API	PCC
2025				
Revenues	1,439,324	7,192,381	2,288	8,381,607
Cost of sales	(916,036)	(3,007,327)	-	(7,840,431)
Administrative and selling expenses	(747,010)	(2,255,120)	(329)	(294,940)
Finance costs	(456,996)	(220,896)	-	(419,685)
Other income (expenses) - net	55,132	83,378	(64,217)	7,748
Income (loss) before income tax	(625,586)	1,792,416	(62,258)	(165,701)
Income tax	(20,976)	(184,972)	(550)	39,874
Net income (loss)	(646,562)	1,607,444	(62,808)	(125,827)
Other comprehensive income (loss)	(1,032)	(12,842)	-	2,342
Total comprehensive (loss) income	(647,594)	1,594,602	(62,808)	(123,485)
2024				
Revenues	2,342,133	(2,652,148)	3,458	9,467,919
Cost of sales	(1,358,186)	(2,018,437)	-	(8,400,222)
Administrative and selling expenses	(765,465)	(241,040)	(519)	(420,435)
Finance costs	(397,174)	60,362	-	(371,946)
Other income (expenses) - net	121,716	1,535,518	(5,594)	20,956
Income (loss) before income tax	(56,976)	(3,315,745)	(2,655)	296,272
Income tax	(41,305)	1,364,354	(415)	(74,053)
Net income (loss)	(98,281)	(1,951,391)	(3,070)	222,219
Other comprehensive income (loss)	(6,334)	1,348,279	-	(367)
Total comprehensive (loss) income	(104,615)	(603,112)	(3,070)	221,852
2023				
Revenues	1,915,503	5,438,698	3,588	8,664,116
Cost of sales	(1,068,166)	(2,405,211)	-	(7,821,066)
Administrative and selling expenses	(391,002)	(1,600,733)	(1,509)	(289,544)
Finance costs	(122,759)	(210,544)	-	(261,349)
Other income - net	32,578	17,960	15,409	19,866
Income (loss) before income tax	366,154	1,240,170	17,488	312,023
Income tax	(84,009)	(45,994)	-	24,266
Net income (loss)	282,145	1,194,176	17,488	336,289
Other comprehensive income (loss)	(11,440)	(24,638)	-	(1,785)
Total comprehensive (loss) income	270,705	1,169,538	17,488	334,504

Summarized statements of cash flows for the years ended December 31, 2025, 2024 and 2023:

	PPHC and subsidiaries	PEHI and subsidiaries	API	PCC
2025				
Operating	(416,813)	1,707,309	21,583	(1,513,690)
Investing	(97,408)	(1,939,226)	(24,987)	(943,472)
Financing	748,774	(170,116)	-	2,087,220
Net (decrease) increase in cash and cash equivalents	(234,553)	(402,033)	(3,404)	369,942
Dividends paid to noncontrolling interests	-	-	-	-
2024				
Operating	(793,301)	1,017,995	1,783	(1,582,093)
Investing	(234,182)	(4,092,466)	(50,771)	(291,514)
Financing	1,078,483	3,099,485	-	1,950,204
Net (decrease) increase in cash and cash equivalents	51,000	25,014	(48,988)	76,597
Dividends paid to noncontrolling interests	-	351,231	20,657	-
2023				
Operating	(1,074,261)	67,667,789	16,316	435,491
Investing	(25,769)	(68,794,704)	2,324	(365,809)
Financing	789,987	804,306	-	138,595
Net (decrease) increase in cash and cash equivalents	(310,043)	(322,609)	18,640	208,277
Dividends paid to noncontrolling interests	-	259,994	-	40,000

8 Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks	2,382,326	2,005,188
Short-term deposits	812,223	1,091,365
	3,194,549	3,096,553

Cash in banks earn interest at the prevailing bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Interest income from cash and cash equivalents amounted to P46.9 million for the year ended December 31, 2025 (2024 - P53.8 million; 2023 - P69.5 million) (Note 25).

9 Investments Held for Trading

This account consists of investments in:

	2025	2024
Unit Investment Trust Funds (UITFs)	356,344	1,337,191
Marketable equity securities	3,304	3,670
	359,648	1,340,861

Investments held for trading have yields ranging from 3.60% to 4.67% for the year ended December 31, 2025, (2024 - 3.95% to 5.12%; 2023 - 13.83% to 5.00%).

Movement in the investments held for trading for the years ended December 31 are as follows:

	Notes	2025	2024
At January 1		1,340,861	375,096
Business combination	5	5,807	-
Additions		184,036	2,450,228
Unrealized gain on investments	25	5,903	-
Sale of investments		(1,176,959)	(1,484,463)
At December 31		359,648	1,340,861

Additions to investments held for trading as at December 31, 2023 amounted to P68.0 million.

Proceeds from the sale of investments for the year ended December 31, 2025 amounts to P1,185.8 million (2024 - P1,496.9 million; 2023 - P507.4 million), resulting to gains from investments held for trading amounting to P8.8 million for the year ended December 31, 2025 (2024 - P12.4 million; 2023 - P15.1 million) (Note 25).

10 Trade and Other Receivables

This account consists of:

	Notes	2025	2024
Receivables from customers	24	8,486,384	8,398,405
Advances to suppliers and contractors		5,106,959	2,717,255
Accrued interest receivables		708,121	516,873
Due from related parties	32	287,170	181,356
Rent receivable		120,573	113,727
Advances to officers and employees		115,936	118,315
Advances to other third parties		102,086	278,434
Loans receivables		32,706	218,898
Others		560,261	575,165
		15,520,196	13,118,428
Less: Allowance for ECLs		(1,545,528)	(1,780,639)
		13,974,668	11,337,789
Less: Noncurrent portion		424,500	350,248
Current portion		13,550,168	10,987,541

Receivables from customers include the following

- Receivables from sale of roofing and other steel products, and cement to customers which are normally on a 30 to 60-day term;
- Receivables from photovoltaic rooftop system that are interest-bearing. Current portion of these receivables are generally with 30 to 60 days terms. Noncurrent portion of these receivables pertain to consideration for sold solar photovoltaic rooftop system with an annual effective interest rate of 6% and 8% payable monthly for five (5) to ten (10) years. Interest income realized from sale of solar photovoltaic rooftop system amounted to P14.9 million for the year ended December 31, 2025 (2024 - P19.1 million);
- Tuition and other school fees receivables which are normally collected within the current school semester;
- Receivables from guests, credit card companies and government accounts. Trade receivables from guests are unsecured, non-interest bearing and are generally on a 30- to 60-day credit term, while receivables from credit card companies are generally collectible after a certain number of days;

- Commission receivables which represents the profit commissions due from insurance companies normally collected within a year; and
- PPHC's trade receivables with detailed nature below:

Retention Receivables

Retention receivables include those arising from sale of real estate under HDMF financing and those from construction contracts.

Retention receivables from HDMF represent amounts withheld by HDMF on the Group's loan take-out of sales of condominium and housing units availed under HDMF financing scheme. These are released to the Group within two years from the date of loan take-out. Day 1 loss, as a result of discounting, recognized in relation to retention receivables from loan take-outs amounted to P29.6 million for the year ended December 31, 2025 (2024 - P13.3 million; 2023 - P9.7 million).

Interest income from accretion in value amounted to P15.7 million for the year ended December 31, 2025 (2024 - P11.5 million; 2023 - P10.5 million).

Retention receivable from construction contracts represents the amount retained by the contract owner as security for any construction defects and other non-compliance from the specifications and shall be released after the period as indicated in the contract.

As at December 31, 2025, retention receivables amount to P418.6 million (2024 - P430.7 million).

Real Estate ICR

Real estate ICR consist of accounts collectible in equal monthly installments with various terms up to a maximum of ten (10) years. These are carried at amortized cost. The corresponding titles to the condominium and housing unit sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Real estate ICR are subject to 16.0% interest rate per annum in 2025 and 2024.

Interest income earned from real estate ICR for the year ended December 31, 2025 amounted to P30.0 million (2024 - P25.3 million; 2023 - P24.4 million) (Note 25). As at December 31, 2025, real estate ICR amounts to P143.8 million (2024 - P72.1 million).

In 2023, PPHC entered into an agreement to sell receivables without recourse with a local financial institution whereby the Company sold its installment contracts. The carrying value of real estate ICR and contract assets sold amounted to P83.8 million in 2023. No similar transactions in 2024 and 2025.

Construction Contracts Receivable

Construction contract receivables principally consist of receivables arising from third-party construction projects. These receivables are based on progress billings provided to customers over the period of construction and are normally collected within 30 days.

As at December 31, 2025, construction contracts receivable amounts to P60.3 million (2024 - P63.8 million). No interest income earned from construction receivables as a result of delays in 2025, 2024 and 2023.

Property Management Receivables

Receivables from property management services are claims from condominium corporations and unit owners for the services rendered by the Group. These are generally on a 30-day credit term. As at December 31, 2025, property management receivables amount to P70.2 million (2024 - P82.4 million).

Advances to suppliers and contractors are noninterest-bearing and normally received within the next financial year. This account mainly consists of safeguard duties paid to Bureau of Customs in relation to the PCC's importation of cement and advances to PDC (formerly Petra Cement) for inventories, supplies and other reimbursable expenses.

In October 2019, PCC filed a petition with the Court of Tax Appeals (CTA) to reverse and nullify the imposition by the Department of Trade and Industry (DTI) of safeguard duties on its importation of cement during the year. As at December 31, 2025 and 2024, safeguard duties paid amounted to P1,242.6 million.

The loans receivables from third parties mainly consist of 10-year interest-bearing loans to a third party that are collectible on quarterly installments beginning January 1, 2024. Noncurrent portion of the loans receivable as at December 31, 2025 amounts to P5.0 million (2024 - P7.5 million). Interest income earned from notes receivable for the year ended December 31, 2025 amounted to P0.3 million (2024 and 2023 - nil) (Note 25).

Loans receivables as at December 31 consist of:

	Note	2025	2024
Related party	32	5,000	198,596
Third party		27,706	20,302
		32,706	218,898

Accrued interest receivables are normally collected within the next financial year. Interest income from trade and other receivables for the year ended December 31, 2025 amounted to P229.7 million (2024 - P190.1 million; 2023 - P35.2 million) (Note 25). Of the total interest income from trade and other receivables, P168.8 million pertains to the significant financing component (2024 - P133.6 million and 2023 - nil) (Note 25).

The terms and conditions of the amounts due from related parties are discussed in Note 32.

Advances to officers and employees pertain to advances made to officers and employees for business transactions they enter on behalf of the Company. These are normally liquidated within a year.

Advances to other third parties mainly represent advances to utility companies, brokers and agents. It also include PPHC's advances to condominium corporations for the out-of-pocket costs paid while in the process of establishing the condominium corporations.

Rent receivables are noninterest-bearing and are collectible within the next financial year.

Other receivables include receivables from Social Security System (SSS) and Philippine Health Insurance Corporation (Philhealth), which are noninterest-bearing and are normally collected within the next financial year.

Movements in the allowance for ECLs are as follows:

	Notes	Customer	Others	Total
2025				
Balance at January 1, 2025		1,602,100	178,539	1,780,639
Provisions	27	248,395	-	248,395
Write-off		(313,446)	(172,135)	(485,581)
Acquisition through business combination		2,075	-	2,075
Balance at December 31, 2025		1,539,124	6,404	1,545,528
2024				
Balance at January 1, 2024		1,376,992	147,705	1,524,697
Provisions	27	264,788	1,571	266,359
Write-off		(32)	-	(32)
Reclassification	24	(39,648)	29,263	(10,385)
Balance at December 31, 2024		1,602,100	178,539	1,780,639

For the year ended December 31, 2024, the Company reclassified a portion of its allowance for ECL from customers to others and contract assets amounting to P29.3 million and P10.4 million, respectively (Note 24). There are no similar transactions in 2025.

In 2025, the Company wrote-off fully-provided receivables amounting to P485.6 million after all collection efforts have been exhausted (2024 - P0.03 million).

11 Inventories

This account consists of:

	Note	2025	2024
At cost:			
Land and development cost		3,115,205	2,802,856
Finished goods	41	1,319,554	2,110,378
Raw materials		409,826	362,312
Spare parts and other		226,474	190,703
Condominium and housing units for sale		139,874	153,565
Other inventories		214,973	177,742
		5,425,906	5,797,556
At net realizable value:			
Finished goods		3,360	16,231
Other inventories		24,225	23,562
		27,585	39,793
Less: Allowance for inventory write down		(5,332)	(7,255)
		22,253	32,538
		5,448,159	5,830,094

Movements in the land and development costs and condominium and housing units for sale are as follows:

	Notes	2025	2024
Land and development costs			
Balance at beginning of year		2,802,856	1,218,512
Recognized as cost of sale - net of cancelled sales	26	(719,441)	(1,034,576)
Land and development cost		946,046	2,389,101
Land acquired during the year		77,263	229,800
Reclassification		8,468	-
Capitalized depreciation	30	13	19
Balance at end of year		3,115,205	2,802,856
Condominium and housing units for sale			
Balance at beginning of year		153,565	179,625
Recognized as cost of sale - net of cancelled sales	26	(5,223)	(26,060)
Reclassification		(8,468)	-
Balance at end of year		139,874	153,565

Real estate inventories recognized as costs of sales for the year ended December 31, 2025 amounted to P724.7 million (2024 - P1,060.6 million; 2023 - P909.1 million) (Note 26). Cost of real estate sales includes acquisition cost of land, amount paid to contractors, development costs and other costs attributable to bringing the real estate inventories to their intended condition. There are no borrowing costs capitalized as part of inventories in 2025 and 2024.

Under the terms of the agreements covering liabilities under trust receipts, certain inventories amounting to P1,332.4 million as at December 31, 2025 (2024 - P695.1 million), have been released to UGC and PCC in trust for the banks. UGC and PCC are accountable to the banks for the inventories under trust or its sales proceeds.

Trust receipts payable pertains to short-term import loans from banks for purchases of inventories from foreign suppliers with annual interest ranging from 6.4% to 7.4% for the year ended December 31, 2025 (2024 - 6.6% to 7.5%) and maturities ranging from 90 days to 180 days (2024 - 90 days to 182 days). UGC and PCC opened lines of credit with local banks that would initially pay the suppliers' banks for the cost of imported goods upon the receipt of the commercial invoice from the supplier.

Finished goods mainly represent roofing and other steel products of UGC.

The cost of spare parts and other inventories carried at net realizable value amounted to P27.8 million as at December 31, 2025 (2024 - P28.5 million).

The Company has allowance for inventory write-down amounting to P5.3 million as at December 31, 2025 (2024 - P7.3 million).

The movements in allowance for inventory write-down for the years ended December 31 follow:

	2025	2024
Balance at beginning of year	7,255	6,708
(Reversals) provisions, net	(1,923)	547
Balance at end of year	5,332	7,255

For the year ended December 31, 2025, the Company reversed the allowance for inventories amounting to P1.9 million related to inventories that were disposed or sold after the allowance was recognized. There are no reversals of inventories for the year ended December 31, 2024.

Cost of inventories sold, presented as inventories used under cost of sales, for the year ended December 31, 2025 amounted to P10,838.7 million (2024 - P11,414.6 million; 2023 - P10,716.5 million) (Note 26).

Depreciation charges were capitalized to "Land and development" for the year ended December 31, 2025 amounting to P13 thousand (2024 - P19 thousand; 2023 - P19 thousand) (Note 30).

There are no real estate inventory used as collateral or pledged as security to secure the borrowings of the Company.

12 Investment in and Advances to Associates and Joint Ventures

Investments and advances to associates and joint ventures as at December 31 consist of:

	2025	2024
Interests in joint ventures	700,199	694,604
Investment in associates	163,263	166,436
	863,462	861,040

The Company's associates and joint ventures consist of the following:

	Percentage of Ownership (Effective)	
	2025	2024
Interests in joint ventures:		
PHINMA Saytanar Education Company Limited (PHINMA Saytanar) [(c)]	31.97	33.21
PT Ind-Phil Management (IPM) [(c)]	43.93	45.64
Investment in associates:		
Diniwid Beach Hotel Corp. (DBHC) [(s)]	36.46	36.46
First Batangas Hotel Corp (FBHC) [(a)]	35.83	35.83
Nemo Beach Hotel Corp. (NBHC) [(a)]	16.93	16.93
First Commonwealth Hotel Corp.(FCHC) [(a)]	16.93	16.93
South Forbes Silangan Hotel Corp. (SFSHC) [(a)]	25.39	25.39
Inphin8 Space, Inc. (InPHIN8) [(b)]	42.72	42.30
Phinma Properties Sales and Marketing Inc. (PPSMI) [(b)]	37.97	37.60
DITC Bulk Terminal, Inc. (DBTI) [(d)]	18.00	18.00

(a) *Indirect ownership through PHI.*
(b) *Indirect ownership through PPHC.*
(c) *Indirect ownership through PEHI.*
(d) *Indirect ownership through PCC*

Interests in Joint Ventures

PHINMA Saytanar and IPM were incorporated in Myanmar and Indonesia, respectively. The reporting period of the joint ventures end at December 31. The detailed carrying values of interests in joint ventures (accounted for under the equity method) are as follows:

	2025	2024
IPM	700,199	694,604
PHINMA Saytanar	-	-
	700,199	694,604

The movements and details of the investments in joint venture are as follows:

	2025	2024
Acquisition costs:		
Balance at beginning of year	715,859	509,793
Additions	-	206,066
Balance at end of year	715,859	715,859
Accumulated equity in net (losses) earnings:		
Balance at beginning of year	(21,255)	(387)
Equity in net income (losses)	5,595	(20,868)
Balance at end of year	(15,660)	(21,255)
	700,199	694,604

The Company has no material joint venture as at December 31, 2025 and 2024.

The aggregate comprehensive income (loss) of joint ventures that are not individually material follows:

	2025	2024	2023
Share in net income (loss)/total comprehensive income (loss)	5,595	(20,868)	(5,028)

Following are the status of operations and significant transactions of the interests in joint ventures:

a. IPM

On February 11, 2019, PEHI signed a Joint Venture Agreement with Tripersada Global Manajemen to form IPM for a 66.00% ownership of PEHI and 34.00% owned by Tripersada. In February 2019, PEHI invested US$2.6 million (equivalent to P133.2 million) into the joint venture. IPM has commenced its operations in June 2019.

On September 19, 2022, PEHI infused additional capital to IPM amounting to P109.2 million. This resulted in a change in ownership interest from 66% to 68.72%.

On December 6, 2024, PEHI infused additional capital to IPM amounting to P206.7 million. No change in the ownership interest of 68.72%.

There were no dividends received for the years ended December 31, 2025, 2024 and 2023.

b. PHINMA Saytanar

In February 2018, PEHI entered into a Joint Venture Agreement (JVA) with T K A H Company Ltd. (TKAH) to establish PHINMA Saytanar in Yangon, Myanmar to provide training in vocational courses in caregiving, particularly in the care of children, the elderly, persons with disabilities, and other cases requiring specialized care. Through the joint venture, the parties aim to provide various technical vocational education and training (TVET) programs and upon the issuance and clarification of rules and regulations in Myanmar, open a higher educational institution or college that will offer various undergraduate courses including courses in Business, Information Technology, Hospitality, Nursing, Healthcare and other disciplines.

PHINMA Saytanar have an initial capital stock of US$50,000, consisting of 100 shares at US$500 per share. Fifty percent shall be owned by PEHI, while the remaining fifty percent shall be owned by TKAH.

In May 2020, PHINMA Saytanar has ceased its operations pending formal filing with regulators. The investment is fully impaired as at December 31, 2025 and 2024.

The details of the Company's interest in Phinma Saytanar as at December 31, 2025 and 2024 are as follows:

	Amount
Interest in joint venture - cost:	
Balance at beginning and end of year	13,661
Accumulated equity in net losses	
Balance at beginning and end of year	(6,076)
Net investment	7,585
Allowance for impairment in investments	(7,585)
	-

Investment in Associates

The Company's associates are all incorporated in the Philippines. The carrying values below reflect the balances of the associates' financial statements as at December 31. The detailed carrying values of investments in associates (accounted for under the equity method) are as follows:

	2025	2024
DBTI	56,605	56,605
DBHC	31,686	33,774
SFSHC	32,588	30,473
FBHC	22,147	22,683
NBHC	7,615	9,168
FCHC	8,541	8,863
InPHIN8	3,413	4,202
PPSMI	668	668
	163,263	166,436

The movements and details of the investments in associates are as follows:

	2025	2024
Acquisition costs		
Balances at beginning of year	208,076	149,471
Addition	-	58,605
Balances at end of year	208,076	208,076
Accumulated equity in net losses		
Balances at beginning of year	(41,640)	(41,652)
Equity in net (loss) earnings	(1,057)	1,705
Dividends	(2,116)	(1,693)
Balances at end of year	(44,813)	(41,640)
	163,263	166,436

The Company has no material associates as at December 31, 2025 and 2024.

The aggregate comprehensive income (loss) of associates that are not individually material follows:

	2025	2024	2023
Share in net income (loss)	(1,057)	1,705	(76,568)
Share in other comprehensive loss	-	-	(201)
Share in total comprehensive income (loss)	(1,057)	1,705	(76,769)

InPHIN8

On June 11, 2019, InPHIN8 was incorporated and registered with the SEC. InPHIN8 is a company incorporated in the Philippines and involved in co-working space services thru providing facilities and equipment in connection therewith, extending all relevant support services, and undertaking any and all activities which may be required for the purpose of said business.

For the year ended December 31 2025, PPHC has a total share in net loss amounting to P0.8 million (2024 - P1.7 million).

The financial year end date of InPHIN8 is June 30. This was the reporting date established when InPHIN8 was incorporated. The transactions of InPHIN8 from July 1 to December 31 have been properly considered to reflect transactions and balances as at and for the year ended December 31 for purposes of the Company's consolidated financial statements.

PPSMI

On March 6, 2023, PPSMI was incorporated and registered with the SEC. PPSMI was established with the primary purpose of selling, marketing, leasing of real estate products. PPHC invested P2 million in PPSMI which is equivalent to a 40% ownership during 2024.

DBTI

On September 25, 2024, Philcement Corporation executed a subscription contract with Davao International Container Terminal to create the entity DBTI. DBTI is incorporated to oversee the construction and operation of a 200-meter Berth 5/bulk terminal intended for cement and cementitious materials.

The movement in advances to associate as at and for the year ended December 31, 2024 is as follows:

	Amount
Balance at beginning of year	1,299
Collections	(1,299)
Balance at end of year	-

There are no advances to associate as at and for the year ended December 31, 2025.

13 Financial Assets at FVPL

This account consists of:

	2025	2024
Investment in preferred shares	2,123,097	2,042,183

On September 18, 2019, the Parent Company executed a Term Sheet with Song Lam Cement Joint Stock Company (Song Lam), Vissai Ninh Binh Joint Stock Company (Vissai) and Hoang Manh Truong (Sponsor) for the investment of US$50.0 million via preferred shares in Song Lam. Song Lam manufactures, markets, distributes and exports clinker, cement and cement products and is a supplier of PCC, a 60%-owned subsidiary of PHN. Vissai is the parent company of Song Lam which owns and manages five cement plants in Vietnam.

In January 2020, the Parent Company, Song Lam, Vissai and Hoang Minh Truong entered into share subscription agreement related to the Parent Company's subscription of the new preferred shares of Song Lam. An advance payment of 10% equivalent to US$5.0 million was made on November 26, 2019 and the 90% balance or US$45.0 million was paid on May 18, 2021. The total US$50.0 million investment has an equivalent peso amount of P2.39 billion on May 18, 2021.

The preferred shares are entitled to receive an annual fixed cumulative dividend of 7.5%, independent of Song Lam's business outcome and regardless of operating business results of Song Lam and the existence of retained earnings. For the year ended December 31, 2025, the investment income recognized from the dividends in Song Lam amounts to P220.5 million (2024 - P217.5 million; 2023 - P207.6 million) (Note 25).

The preferred shares shall be convertible to common shares after two (2) years from issuance thereof. The Parent Company may convert the preferred shares between the last day of the second (2nd) year after issuance thereof until the end of the seventh (7th) year following said issuance.

The Parent Company has the option to sell the preferred shares or converted shares to Vissai, the Sponsor or Song Lam at a price equivalent to seventy-five million US Dollars (US$75,000,000), less the amount of preferred dividends received by the Parent Company. The put option may be exercised by the Parent Company after five (5) years from closing and until the end of the seventh (7th) year from said closing. As at reporting date, management does not have a clear expectation on the timing of exercising the put option before the expiry date.

The Parent Company performs valuation of embedded derivatives and financial assets at FVPL at every reporting date using Cox-Ross-Rubenstein Binomial Lattice Model (Binomial Model). This requires an estimation of the expected future cash flows from the investee and applying a discount rate to calculate the present value of these cash flows. The discount rate uses the weighted average cost of capital (WACC) which incorporates the median debt-to-equity ratios and median beta of comparable companies as well as applying an alpha based on small-risk premium. The cash flow projections cover a five-year period.

The significant assumptions used in the fair value computation as at December 31, 2025 and 2024 are as follows:

a. The discount rate applied to cash flow projection is 14.80% and 14.79%, respectively.
b. The terminal value in the discounted cash flow uses 5.60% and 6.10% long-term growth rate based on expected Vietnam Gross Domestic Product (GDP) growth rate in 2025 and 2024, respectively.
c. The binomial model uses 31.0% and 33.3% average volatility of comparable companies' quarterly historical prices and used interquartile range to consider outliers in 2025 and 2024, respectively.
d. The option-adjusted spread computed at inception from the binomial model is 9.93% in 2025 and 2024.

The unrealized gain (loss) on change in fair value of financial assets at FVPL amounted to P80.9 million gain, P125.9 million gain and P292.9 million loss in 2025, 2024 and 2023, respectively.

The derivative asset arising from the put option amounted to P1,173.9 million as at December 31, 2025 (2024 - P1,000.6 million). The unrealized gain on change in fair value of the derivative asset amounted to P172.7 million, P110.9 million and P241.2 million in 2025, 2024 and 2023, respectively.

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

	Increase (Decrease) in the fair value of financial asset at FVPL		Increase (Decrease) in the derivative asset	
	2025	2024	2025	2024
Discount rate:				
Increase by 1%	(149,149)	(157,352)	149,149	134,229
Decrease by 1%	203,542	223,759	(203,542)	(180,488)
Terminal value rate:				
Increase by 1%	151,051	134,229	(151,051)	(137,077)
Decrease by 1%	(122,295)	(128,141)	122,295	108,279
Volatility rate				
Increase by 1%	-	430	-	2,765
Decrease by 1%	(15,738)	(15,389)	15,738	9,911
Option-adjusted spread rate				
Increase by 1%	(72,103)	(68,708)	55,659	23,420
Decrease by 1%	72,344	82,559	(55,817)	(36,116)

14 Financial Assets at FVOCI

This account consists of:

	2025	2024
Non-listed equity securities	92,815	86,516
Listed equity securities and investment in club shares	2,540	52,497
	95,355	139,013

Investment in equity investments pertain to shares of stock and club shares which are not held for trading as shown below.

	2025	2024
Unquoted		
Beacon Property Ventures, Inc.	71,059	63,667
Manila Cordage	12,484	14,243
Others	9,272	8,606
Quoted		
Manila Polo Club	-	50,250
Others	2,540	2,247
	95,355	139,013

The Company has irrevocably designated the equity instruments at FVOCI, as the Company considers these investments to be strategic in nature. The dividends received were P0.6 million in 2024. There were no dividends received and receivable in 2025 and 2023.

The movements in net unrealized gain on financial assets at FVOCI, net of tax in 2025 and 2024 are as follows:

	2025	2024
Balance at beginning of year	49,523	63,772
Sale of equity instruments	(53,981)	(8,655)
Gain (loss) due to changes in fair value of investment in equity instruments	10,006	(7,845)
Income tax effect	6,637	2,251
	16,643	(5,594)
Balance at end of year	12,185	49,523

15 Property, Plant and Equipment

This account consists of:

	January 1, 2025	Acquisition through business combination (see Note 5)	Additions	Disposals	Reclassifications	December 31, 2025
Cost						
Land	4,783,992	-	719,451	-	-	5,503,443
Plant site improvements	4,313,745	-	1,126	(7,595)	313,631	4,620,907
Buildings and improvements	7,696,426	-	636,060	(15,637)	706,815	9,023,664
Machinery and equipment	3,451,573	-	329,107	(3,662)	150	3,777,168
Transportation and other equipment	1,157,033	11,398	68,412	(75,365)	1,486	1,162,964
Linens, curtains and draperies	35,564	-	4,660	-	-	40,224
	21,438,333	11,398	1,758,816	(102,259)	1,022,082	24,128,370
Less Accumulated Depreciation						
Plant site improvements	(698,796)	-	(185,716)	1,688	-	882,824
Buildings and improvements	(2,624,527)	-	(337,169)	15,637	-	2,946,059
Machinery and equipment	(2,436,801)	-	(290,065)	16,071	-	2,710,795
Transportation and other equipment	(795,695)	(9,796)	(104,192)	11,839	-	897,844
Linens, curtains and draperies	(29,798)	-	(3,414)	-	-	33,212
	(6,585,617)	(9,796)	(920,556)	45,235	-	7,470,734
	14,852,716	1,602	838,260	(57,024)	1,022,082	16,657,636
Construction in progress	2,008,892	-	3,482,319	(247,632)	(1,321,158)	3,922,421
Net Book Value	16,861,608	1,602	4,320,579	(304,656)	(299,076)	20,580,057

	January 1, 2024	Acquisition through business combination (see Note 5)	Additions	Disposals	Reclassifications	December 31, 2024
Cost						
Land	4,188,583	-	595,409	-	-	4,783,992
Plant site improvements	4,296,922	-	3,787	-	13,036	4,313,745
Buildings and improvements	6,588,237	183,618	905,842	(1,401)	20,130	7,696,426
Machinery and equipment	3,037,574	5,336	340,055	(10,989)	79,597	3,451,573
Transportation and other equipment	1,020,256	1,240	149,143	(23,756)	10,150	1,157,033
Linens, curtains and draperies	31,790	-	3,774	-	-	35,564
	19,163,362	190,194	1,998,010	(36,146)	122,913	21,438,333
Less Accumulated Depreciation						
Plant site improvements	(520,135)	-	(178,661)	-	-	(698,796)
Buildings and improvements	(2,219,309)	(96,751)	(309,868)	1,401	-	(2,624,527)
Machinery and equipment	(2,206,471)	(2,699)	(229,336)	1,705	-	(2,436,801)
Transportation and other equipment	(719,758)	(687)	(93,370)	18,120	-	(795,695)
Linens, curtains and draperies	(27,194)	-	(2,604)	-	-	(29,798)
	(5,692,867)	(100,137)	(813,839)	21,226	-	(6,585,617)
	13,470,495	90,057	1,184,171	(14,920)	122,913	14,852,716
Construction in progress	1,009,495	-	1,138,452	-	(139,055)	2,008,892
Net Book Value	14,479,990	90,057	2,322,623	(14,920)	(16,142)	16,861,608

In 2025, the Company transferred construction in progress amounting to P165.0 million to receivables as it agreed to transfer the construction of the related asset and claim the related costs from Petra Cement (Note 10), and reclassified completed assets to land improvements and intangibles amounting to P133.3 million and P0.7 million, respectively. In 2024, the Company classified completed assets of construction in progress to intangibles and expenses amounting to P15.3 million and P0.9 million, respectively (Note 17).

Land improvements amounting to P133.3 million was classified as asset held for sale as of December 31, 2025 since the Company have finalized its intention to sell the related assets as of reporting date.

Outstanding construction in progress pertains to construction costs for various buildings and hospital renovations which are expected to be completed in various dates from 2025 to 2027.

Interest capitalized as part of "Construction in progress" account in 2025 amounted to P168.0 million (2024 - P160.0 million) at a capitalization rate ranging from 6.00% to 8.20% (2024 - 6.65% to 8.20%).

Unpaid portion of the acquired property and equipment included under "Accounts payable and other current liabilities" in the consolidated statements of financial position amounted to P258.8 million as at December 31, 2025 (2024 - P40.2 million).

Certain property and equipment of AU, COC, UI, UPANG, PCC, UGC, Coral Way and Krypton Esplanade Hotel Corporation (KEHC) with aggregate amount of P6,578.1 million as at December 31, 2025 (2024 - P6,305.3 million) are used as collateral for their respective long-term debts obtained from local banks (Note 22).

In 2025, the Company sold various property and equipment with aggregate carrying value of P304.7 million for P357.4 million, resulting to a gain of P52.7 million.

In 2024, the Company sold various property and equipment with aggregate carrying value of P14.9 million for P14.7 million, resulting to a loss of P0.2 million.

In 2023, the Company sold various property and equipment with aggregate carrying value of P8.4 million for P10.8 million, resulting to a gain of P2.4 million

16 Investment Properties

This account consists of:

	January 1, 2025	Acquisition through business combination	Additions	Reclassifications	Disposals	December 31, 2025
Cost:						
Land	624,740	1,872	715	(91,457)	(6,556)	529,314
Buildings/units for lease	445,659	-	3,370	-	-	449,029
	1,070,399	1,872	4,085	(91,457)	(6,556)	978,343
Less accumulated depreciation:						
Buildings/units for lease	(102,459)	-	(11,875)	-	-	(114,334)
	967,940	1,872	(7,790)	(91,457)	(6,556)	864,009

	January 1, 2024	Acquisition through business combination	Additions	Reclassifications	Disposals	December 31, 2024
Cost:						
Land	624,740	-	-	-	-	624,740
Buildings/units for lease	391,858	-	53,801	-	-	445,659
	1,016,598	-	53,801	-	-	1,070,399
Less accumulated depreciation:				-		
Buildings/units for lease	(91,127)	-	(11,332)	-	-	(102,459)
	925,471	-	42,469	-	-	967,940

Land held as investment property amounting to P91.5 million was classified as asset held for sale as of December 31,2025 since the Company have finalized its intention to sell the related assets as of reporting date.

The profits from the investment properties for the years ended December 31 are as follows:

	Note	2025	2024	2023
Rental income		133,055	116,103	103,348
Depreciation and amortization	30	(11,875)	(11,332)	(6,610)
		121,180	104,771	96,738

The depreciation and amortization of investment properties are presented as part of general and administrative expenses in the consolidated statements of income.

The fair values of the investment properties amounted to P2,619.0 million as at December 31, 2025 (2024 - P4,367.3 million), based on valuations performed by accredited independent appraisers on various dates from 2023 to 2025.

The description of the valuation techniques used and key inputs to fair valuation are as follows:

	Valuation technique	Significant inputs	Range (in absolute amounts)	Relationship of unobservable inputs to fair value
Land	Market comparison approach	Price per square meter	250 to 100,000	The higher the price per square meter, the higher the fair value.
Buildings/units for lease - PPHC	Income approach	Discount rates for similar lease contracts, market rent levels, expected vacancy and expected maintenance	Discount rate - 8%	The higher the rate, the lower the fair value.
			Expected vacancy - 5%	The higher the rate, the lower the fair value.
			Expected maintenance - 15% of gross revenue	The higher the rate, the lower the fair value.
			Market rent levels (housing units) - 33,134 to 46,648	The higher the market rental rate, the higher the fair value.
			Market rent levels (commercial units) - 8,021 to 17,783	The higher the market rental rate, the higher the fair value.
Buildings/units for lease - Parent Company	Market comparison approach	Price per square meter	201,400 to 282,100	The higher the price per square meter, the higher the fair value.

The fair value disclosure is categorized under Level 3, except for the investment property of COC which is categorized under Level 2.

PSHC's land amounting to P220.0 million as at December 31, 2025 and 2024 is used as a security for its long-term debt (Note 22). Other than this, the Company has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties.

In 2025, the Company sold certain investment properties and recognized a net gain of P3.7 million There are no investment properties sold in 2024. In 2023, the Company sold certain investment properties and recognized a net gain of P7.8 million, respectively.

17 Intangible Assets

Following are the details and movements in this account:

	Student list	Software costs	Trademark with indefinite useful life	Goodwill	Total
Cost					
At January 1, 2024	165,638	215,758	15,335	2,225,190	2,621,921
Additions	-	44,960	830	427,277	473,067
Reclassification (Note 15)	-	15,252	-	-	15,252
At December 31, 2024	165,638	275,970	16,165	2,652,467	3,110,240
Additions	-	98,388	-	5,940	104,328
Reclassification (Note 15)	-	748	-	-	748
At December 31, 2025	165,638	375,106	16,165	2,658,407	3,215,316
Amortization and Impairment					
At January 1, 2024	(165,638)	(93,952)	(7,719)	(403,132)	(670,441)
Amortization (see Note 30)	-	(44,794)	(767)	-	(45,561)
At December 31, 2024	(165,638)	(138,746)	(8,486)	(403,132)	(716,002)
Amortization (Note 30)	-	(82,604)	(767)	-	(83,371)
At December 31, 2025	(165,638)	(221,350)	(9,253)	(403,132)	(799,373)
Net Book Value					
At December 31, 2025	-	153,756	6,912	2,255,275	2,415,943
At December 31, 2024	-	137,224	7,679	2,249,335	2,394,238

Goodwill from Group's business acquisitions are as follows:

	Note	2025	2024
Cost:			
Educational services group	5	2,377,610	2,379,390
Property development group	5	280,797	273,077
		2,658,407	2,652,467
Accumulated impairment loss		(403,132)	(403,132)
Balance at end of year		2,255,275	2,249,335

The Company performs its annual impairment test close to year-end, after finalizing the annual financial budgets and forecasts. The goodwill resulting from the acquisitions in 2024 are provisional goodwill are not covered by the impairment assessment performed for the year ended December 31, 2024.

For the goodwill acquired through business combination in 2024, the most recent detailed calculation was made on November 6, 2024 (date of acquisition) for JEPP Properties and on December 6, 2024 (date of acquisition) for SJC Cavite. The assets acquired and liabilities assumed have not changed significantly and no changes happened that would materially impact the recoverable amount calculation. Furthermore, there is a remote likelihood that a current recoverable amount determination would be less than the current carrying amount of the CGU. The goodwill resulting from acquisitions in 2024, including the results of finalized fair values of identifiable assets acquired and liabilities assumed in 2025, are described in Note 5.

The impairment test of goodwill is based on VIU calculations that uses the discounted cash flow model. Cash flow projections are based on the most recent financial budgets and forecast. Discount rates applied are based on market weighted average cost of capital with estimated premium over cost of equity.

The following are the key assumptions used by the management in the estimation of the recoverable amount:

Gross revenues

Gross revenues of the schools acquired that are part of the Educational services group over the next six (6) years are projected to have compounded annual growth rates ranging from 7.7% to 42.4% in 2025 (2024 - 18.9% to 25.0%). The growth is in line with historical revenue growth rates and takes into account anticipated increase from various market initiatives.

Costs and operating expenses

Costs and operating expenses are projected to grow based on historical cost and operating expense ratios against revenue.

Discount rate

Discount rates are derived from the acquired schools' Weighted Average Cost of Capital (WACC) which is used by the management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates, regard has been given to various market information, including, but not limited to, ten-year government bond yield, bank lending rates and market risk premium. The discount rates used ranges from 9.5% in 2025 and 11.0% to 13.0% in 2024, respectively.

Terminal growth rate

The long-term rate used to extrapolate the cash flow projections of the acquired investments beyond the period covered by the recent budget takes into account Philippine's GDP growth and forecasted inflation rate. The terminal growth rate used in the cash flow projections for all cash generating units is 2.0% and 4.6% and in 2025 and 2024, respectively.

Sensitivity analysis

The Company has determined that the recoverable amount calculations are most sensitive to changes in assumptions on cash flow projections, discount rate and verifiable industry growth rates. The Company has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount of the CGU. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of the CGU is based would not result in impairment loss due to the substantial headroom.

Based on the impairment test performed for each of the CGUs, there was no impairment loss in 2025, 2024 and 2023

18 Input VAT and Other Current Assets; Other Noncurrent Assets

Input VAT and other current assets

This account consists of:

	Notes	2025	2024
Creditable withholding tax		841,181	679,915
Deferred scholarships and discounts	21	807,797	519,387
Refundable and other deposits		680,523	517,909
Input VAT		505,102	306,192
Prepaid taxes		256,116	225,562
Prepaid expenses		209,077	307,117
Cost to obtain contracts	24	93,352	121,469
Others		34,674	50,191
		3,427,822	2,727,742

Creditable withholding taxes are attributable to taxes withheld by third parties arising from sales and services that will be applied to future income tax payable. Determining the realizability of creditable withholding taxes requires the assessment of the availability of taxable profit expected to be generated from the operations which effectively drives the tax liabilities against which such creditable taxes can be applied.

Deferred scholarships and discounts pertain to the unamortized portion of the student scholarships and discounts that are expected to be amortized within the current school semester.

Input VAT is recognized as asset in the period such input VAT become available as tax credits to the Company and carried over to the extent that it is probable that the benefit will flow.

Refundable and other deposits mainly pertain to advanced payments to various building contractors and utility providers while construction of properties are in progress and are recouped proportionately upon every progress billing payment. This also includes advances for future purchase of land to be developed as real estate inventory.

Prepaid taxes mainly consist of overpayments of property taxes and income taxes which can be applied against any future income tax liabilities. These are recognized to the extent that it is probable that future tax liabilities will be available against which tax credits can be utilized.

Prepaid expenses mostly pertain to insurance, office and hospital supplies, business permit fees, stadd house rental and other fees in relation to investment properties. The Company expects to recognize the expenses through amortization within the next twelve (12) months either with the passage of time or through use.

Cost to obtain contracts pertains to the capitalized commissions paid to brokers and marketing agents on the sale of pre- completed real estate units. These are charged to expense in the period in which the related revenue is recognized as earned. Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Other noncurrent assets

This account consists of:

	2025	2024
Advances to suppliers and contractors	480,252	622,541
Deposits in escrow - bonds	53,020	49,401
Refundable and other deposits	25,257	28,201
Noncurrent input VAT	18,919	-
Creditable withholding taxes	7,812	7,812
Indemnification assets	6,412	6,412
Others	4,608	19,721
	596,280	734,088

Advances to suppliers and contractors consist of amounts advanced to various building contractors, suppliers and utility providers while construction is in progress and are recouped proportionately upon every progress billing payment.

Deposits in escrow - bonds pertain to deposits made by PPHC and held by the escrow agent and will be returned once the conditions, as stated in the escrow agreement, is fulfilled. PPHC has an escrow agreement with HDMF, with Security Bank Corporation (SBC) Trust Division as the escrow agent, whereby HDMF, in relation to the conversion of the CTS to real estate mortgage, allowed PPHC to substitute the retention held by HDMF with an escrow account.

In 2023, PPHC has an escrow agreement with Rizal Commercial Banking Corporation (RCBC) on incentivized compliance provision for Metrotowne Las Piñas and Phinma Maayo San Jose projects.

Refundable deposits mainly pertain to deposits under operating lease and construction. Other deposits consist of deposits made for Company's utilities which are to be applied to the last billing of the utilities provider. The current portion is included in "Input value-added taxes and other current assets" amounting to P59.8 million as at December 31, 2025 (2024 - P36.7 million).

19 Notes Payable

This account consists of notes payable of the following subsidiaries:

	2025	2024
PCC	6,317,000	5,269,000
PPHC	2,509,267	4,670,294
PHN	100,000	3,400,000
UGC	2,353,539	1,690,495
PMC	600,000	-
Phinma Solar	509,000	253,000
COC	-	270,000
UPANG	-	270,000
SWU	-	100,000
AU	-	100,000
	12,388,806	16,022,789

The notes payable are unsecured short-term peso-denominated loans obtained from financial institutions with an annual interest rate ranging from 4.25% to 10.75% in 2025 (2024 - 4.25% to 17.0%).

Interest expense incurred from notes payable for the year ended December 31, 2025 amounted to P912.4 million (2024 - P767.8 million; 2023 - P302.6 million) (Note 31).

20 Trade and Other Payables

This account consists of:

	Notes	2025	2024
Trade		2,004,055	1,826,861
Accruals for:			
Professional fees and others		1,320,761	1,196,706
Interest		199,420	175,871
Commission		222,364	290,170
Personnel costs	32	140,237	162,067
Freight, hauling and handling		105,592	81,872
Processing cost		833	-
Dividends		343,687	214,981
Deposit liabilities		332,542	69,640
Deposits from buyers		308,421	256,399
Liability from acquisition of land	35	222,136	94,269
Retentions payable		171,783	168,662
Premiums due		20,986	-
Others		220,156	180,368
		5,612,973	4,717,866

Trade payables are noninterest-bearing and are normally settled on 30 to 90-day terms.

Accrued expenses and dividends are normally settled within the next financial year.

Dividends payable pertains to dividends not yet claimed by various stockholders. These are expected to be claimed by various stockholders within the next financial year.

Deposit liabilities mainly comprise of laboratory deposits, student development fund and alumni fees which are refundable to students. These represent collections from (i) graduating students for their alumni membership fees and alumni identification cards; (ii) Commission on Higher Education (CHED) for their scholars; and (iii) students for their student organizations and club fees. Organizational and club fees are used to defray costs of their activities, printing and other related expenses. It also represents PPHC's rents collected on behalf of the unit owner under rental management agreement, amounts collected from customers for processing of title and registration of purchased units and security deposits for water subscription.

Deposits from buyers pertains to equity payments on sale of condominium units and parking slots prior to recognition of revenue.

Retentions payable, representing 10.0% of each progress payments to suppliers and contractors retained by PPHC are released upon fulfillment of certain requirements.

Other liabilities pertain to other unpaid general and administrative expenses which are normally settled throughout the financial year.

21 Contract Liabilities

This account consists of:

	2025	2024
Unearned revenues	3,198,554	2,375,967
Customers' deposits	397,737	831,108
	3,596,291	3,207,075

Unearned revenues include portion of tuition fees received or due from students to which the Company still has an obligation to transfer services to the students within the next financial year. The amount of unearned revenues for a term shall be divided equally by the number of months covered by the term (five months each for the 1st and 2nd semesters and two months for summer). The resulting amount shall be recorded as the amount of tuition and school fees for the month, net of amortization of deferred scholarship and discounts. Total deferred scholarships and discounts amounted to P807.8 million as at December 31, 2025 (2024 - P519.4 million) presented under the "Input value-added taxes and other current assets" accounts in the statements of financial position.

Customers' deposits pertain to cash advance received to which the Company has an obligation to deliver roofing and other steel products and installation services within the next financial year.

Contract liabilities also include collections from real estate customers that have not yet met the equity threshold for revenue recognition, as well as collections in excess of the goods and services transferred by PPHC under the percentage-of-completion (POC) method (Note 24).

22 Long-term Debt

Long term debt as at December 31 are as follows:

	2025		2024	
	Current portion	Noncurrent portion	Current portion	Noncurrent portion
Long term loans payable, net of debt issuance costs	1,995,780	15,627,227	5,349,901	5,587,656

PHN Fixed Rate Bonds due 2024

On May 6, 2021, the Parent Company filed with the SEC a Registration Statement for the proposed offering of three-year fixed rate bonds due 2024 with an aggregate principal amount of up to two Billion Pesos (P2,000,000,000), with an oversubscription option of up to One Billion Pesos (P1,000,000,000) at an offer price of 100% of face value. This bond offering was authorized by resolutions of the BOD of the Parent Company on March 2, 2021 and the Executive Committee of the Parent Company on April 30, 2021. The Certificate of Permit to offer securities for sale was issued by SEC on August 10, 2021.

The interest rate was set at 3.5335% and the offer period commenced at 9:00 a.m. on August 10, 2021 and ended at 5:00 p.m. on August 16, 2021. The Parent Company appointed China Bank Capital Corporation and SB Capital Investment Corporation as Joint Issue Managers and Joint Lead Underwriters; Rizal Commercial Banking Corporation - Trust and Investments Group as the Trustee; and Philippine Depository & Trust Corp. as the Registrar and Paying Agent. The Bonds have a term ending three (3) years from the Issue Date, or on August 20, 2024. In 2024, the Company fully settled the bond liability upon maturity.

The bonds were listed in the Philippine Dealing & Exchange Corp. on August 20, 2021.

There are no fixed rate bonds as at December 31, 2025 and 2024. As at December 31, 2023, the Company's fixed rate bonds amounted to P2.9 billion, net of debt issuance cost amounting to P10.8 million. The debt issuance cost was fully amortized in 2024.

Long- Term Loans

	2025	2024
PHN	6,890,000	2,860,000
PPHC	3,489,375	490,625
PEHI	1,000,000	1,889,240
PCC	906,750	1,423,500
UGC	812,500	862,500
COC	781,964	314,688
AU	640,726	368,333
UPANG	604,447	673,350
SWU	571,500	577,500
UI	499,500	520,000
Coral Way	463,517	211,500
RCL	400,000	100,000
SJC	370,000	370,000
Phinma Solar	149,746	175,789
PSHC	85,998	93,998
UCLI	50,000	50,000
	17,716,023	10,981,023
Less debt issuance cost	(93,016)	(43,466)
	17,623,007	10,937,557
Less current portion - net of debt issuance cost	(1,995,780)	(5,349,901)
Noncurrent	15,627,227	5,587,656

The debt agreements presented in the succeeding pages include, among others, certain restrictions and requirements. The loan agreements with Security Bank Corporation (SBC), Rizal Commercial Banking Corporation (RCBC) and China Banking Corporation (CBC) stipulate, among others, positive and negative covenants which must be complied with by PHN, UGC, PCC, PEHI, AU, COC, UPANG, UI, SWU, PPHC and Coral Way for as long as the loans remain outstanding. Negative covenants include certain restrictions and requirements, such as maintenance of certain current, debt-to-equity and debt service coverage ratios.

As at December 31, 2024, the Company is in compliance with the required financial ratios and other loan covenants, except for two (2) subsidiaries, UGC and PCC, which resulted to the classification of long term debt amounting to P1,711.2 million to current liabilities. UGC breached the required current, debt-to-equity and debt service coverage ratios. PCC breached the required debt-to-equity ratio. In March 2025, PCC obtained a waiver from the bank related to the breach in the debt-to-equity ratio and classified the long term debt to noncurrent.

As at December 31, 2025, all entities within the group are compliant with the required financial ratios and other loan covenants, except for PHN, PCC and UGC. PHN breached the required debt service coverage ratios, PCC breached the required current and debt-to-equity ratios, and UGC breached the required debt-to-equity ratio. PHN and PCC were able to obtain waivers from its banks in relation to the breach and the related loans remain to be classified as noncurrent liabilities as at December 31, 2025. However, UGC was not able to obtain a waiver from its bank, which resulted in the classification of its long-term debt amounting to P812.5 million to current liabilities as at December 31, 2025.

Certain assets amounting P6,578.1 million as at December 31, 2025 and (2024 - P6,305.3 million), are mortgaged as collaterals for the respective long-term debts as follows (Notes 15 and 16):

Entity	Collateral
AU	Land and land improvements in the main campus
COC	Land in the main campus
UPANG	Land and land improvements
UI	Land and land improvements
PCC	Assignment of leasehold rights on the land where the cement terminal is constructed, registration of real estate or chattel mortgage on cement terminal building, equipment and other assets, and assignment of port ownership, right to land lease and rights to foreshore lease
UGC	Land, plant site improvements, buildings and installations and machinery and equipment
PSHC	Land
PPHC	Real estate ICR under receivable purchase agreements
Coral Way	Real estate mortgage on a hotel building
KEHC	Assignment of the lease rights over the land where the hotel is constructed and real estate mortgage over the hotel building and its permanent improvements

PEHI's loan agreement with CBC is covered by a negative pledge on the shares of stocks held by PEHI with AU, COC, UPANG, UI and SWU.

The balance of unamortized debt issuance cost follows:

	2025	2024
Beginning of year	43,466	71,218
Additions	75,750	3,750
Amortization	(26,200)	(31,502)
End of year	93,016	43,466

Interest expense (including amortization of debt issuance costs) pertaining to the long-term debt was presented as part of “Interest expense and other financing charges” account in the consolidated statements of income amounting to P727.3 million for the year ended December 31 ,2025 (2024 - P728.5 million; 2023 - P630.6 million) (Note 31).

The details of long-term loans are summarized below:

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					2025	2024
PEHI	1,500,000	December 7, 2015	RCBC	28 equal quarterly payments of P3.8 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 7, 2019.	December 7, 2025	First five years is based on the three-day average of five-year Philippine Dealing System Treasury Reference Rate (PDST-R2) plus a 1.35% spread or 5.00%, whichever is higher, and to be repriced at the end of the fifth year for the remaining five years at an interest rate based on the interest rate then current or the applicable five-year benchmark rate plus 1.35% spread or 5.00%, whichever is higher.	The loan is availed to finance the acquisition of majority ownership in AU, COC, UPANG, UI and SWU.	December 7, 2015	500,000	-	407,906
PEHI		December 7, 2015	RCBC	28 equal quarterly payments of P6.8 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 7, 2019.	December 7, 2025	First seven years is based on the three-day average of seven-year PDST-R2 plus a 1.40% spread or 5.00%, whichever is higher, and to be repriced at the end of the seventh year for the remaining three years at an interest rate based on the interest rate then current or the applicable three-year benchmark rate plus 1.40% spread or 5.00%, whichever is higher.		December 7, 2015	900,000	-	731,222
PEHI	1,000,000	December 1, 2015	CBC	28 equal quarterly payments of P3.8 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 8, 2019.	December 8, 2025	First five years is based on the three-day average of five-year PDST-R2 plus a 1.35% spread or 5.00%, whichever is higher, and to be repriced at the end of the fifth year for the remaining five years at an interest rate based on the interest rate then current or the applicable five-year benchmark rate plus 1.35% spread or 5.00%, whichever is higher.	The loan is availed to finance the acquisition of majority ownership in AU, COC, UPANG, UI and SWU.	December 8, 2015	500,000	-	410,349
PEHI	364,000	December 27, 2021	RCBC	16 equal quarterly payments of P2.73 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 27, 2022.	December 7, 2025	First 7 years is based on the 3-day average of 7-year PDST-R2 plus a 1.40% spread or 5.00%, whichever is higher, and to be repriced at the end of the 7th year for the remaining 3 years at an interest rate based on the interest rate then current or the applicable 3-year benchmark rate plus 1.40% spread or 5.00%, whichever is higher.	The loan is availed to refinance the loan used to invest in majority ownership of PEHI's subsidiaries, AU, COC, UPANG, UI and SWU.	December 27, 2022	364,000	-	329,434
PEHI	1,000,000	December 5, 2025	RCBC	Sculpted quarterly amortizations equivalent to 33% of the total principal amount payable from the 2nd quarter up to the 19th quarter and 67% of the total principal payable on the 20th quarter	December 5, 2030	Fixed for 5 years, higher of 5Y BVAL+87.5bps spread and floor rate of 5.75%	The loan is availed to finance the additional investments in COC, UPANG, UI, SWU and RCL.	December 5, 2025	1,000,000	992,619	-

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					2025	2024
COC	125,000	June 24, 2018	CBC	28 unequal quarterly payments as follows: 8 quarterly installments of P0.3 million from October 9, 2021 to July 9, 2023; 8 quarterly installments of P1.6 million from October 9, 2023 to July 9, 2025; 8 quarterly installment of P3.1 million from October 9, 2025 to July 9, 2027 and 4 quarterly installments of P21.3 million from October 9, 2027 to July 9, 2028. First principal payment commenced on July 9, 2021.	July 9, 2028	Fixed rate of 6.25% p.a. for the first five years; for remaining five years, higher of applicable five-year PDST-R2 plus a spread of up to 100 bps or 6.25% p.a.	The loan is availed to fund the expansion projects and development plans.	July 9, 2018	125,000	106,875	114,688
COC	200,000	February 1, 2023	CBC	Quarterly principal payments as follows: P1.69 million from May 10, 2025 to November 10, 2032 and; P97.5 million upon maturity on February 10, 2033	February 10, 2033	Interest payable quarterly in arrears at 7.3170% p.a. fixed up to 2/10/2028, and 7.6258% p.a. thereafter up to 2/10/2030. On the day after the seventh (7th) anniversary from the Initial Drawdown Date until the Maturity Date, the Interest Rate per annum shall be reset on the Interest Rate Resetting Date to the higher of: (a) Benchmark Rate plus Interest Spread, divided by the Interest Premium Factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	February 10, 2023	150,000	144,397	149,343
COC		February 1, 2023	CBC	Quarterly principal payments as follows: P0.565 million from May 10, 2025 to November 10, 2032 and; P32.5 million upon maturity on February 10, 2033	February 10, 2033	Interest payable quarterly in arrears at 7.2824% per annum fixed up to February 10, 2028, and 7.5897% per annum thereafter up to February 10, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.		March 17, 2023	50,000	48,133	49,771
COC	400,000	March 10, 2025	SBC	36 quarterly installments of P5.5 million for the first 9 years and P50 million quarterly on the 10th year	March 19, 2035	First 2 years floating rate, with repricing on semi-annual basis.	The loan is availed to fund the capital expenditures.	March 19, 2025	400,000	380,533	-
COC	100,000	November 25, 2025	SBC	36 quarterly installments of P1.4 million for the first 9 years and P12.5 million quarterly on the 10th year	March 19, 2035	First 2 years floating rate, with repricing on semi-annual basis.		November 25, 2025	100,000	97,643	-

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					2025	2024
UI	200,000	December 12, 2017	CBC	Quarterly principal payments as follows: P1.0 million per quarter for the 3rd and 4th year from initial drawdown; P1.5 million per quarter for the 5th and 6th year; P2.5 million per quarter for the 7th until 9th year and P37.5 million per quarter for the 10th year.	December 20, 2027	Fixed for the first seven years. Applicable seven- year PDST-R2 a spread up to 1.25%, for the remaining three years, the applicable three-year PDST-R2 plus a spread up to 1.25%	The loan is availed to finance the expansion and development plans, including school building upgrades and improvement of the existing facilities.	December 20, 2017	100,000	75,599	84,487
UI		December 12, 2017	CBC	Principal payments will be the same with the first drawdown. As per agreement both the first and second drawdown will be repaid at the same dates and terms.	December 20, 2027	Fixed for the first seven years. Applicable seven- year PDST-R2 a spread up to 1.25%, and for the remaining three years, the applicable three-year PDST-R2 plus a spread up to 1.25%.		April 24, 2018	100,000	75,836	84,749
UI	200,000	October 14, 2022	RCBC	Quarterly principal payments as follows: P1.5 million per quarter from the beginning of the 3rd year drawn	December 18, 2032	For the first seven years, from the initial drawn date to the end of the 7th year. Interest shall be based on the sum of the applicable 7-year benchmark and margin. For the next 3 years: from the beginning of the 8th year to final maturity date - sum of the applicable 3-year benchmark and the margin.	The loan is availed to finance the expansion and development plans, including school building upgrades and improvement of the existing facilities.	October 18, 2022	200,000	198,004	199,375
UI	150,000	October 17, 2024	RCBC	Quarterly principal payments as follows: P1.5 million per quarter from the beginning of the 3rd year drawn	October 17, 2032	For the first seven years, from the initial drawn date to the end of the 7th year. Interest shall be based on the sum of the applicable 7-year benchmark and margin. For the next 3 years: from the beginning of the 8th year to final maturity date - sum of the applicable 3-year benchmark and the margin. 6.9836% inclusive of GRT (first 5 years); 7.2048% inclusive of GRT (next 2 years)	The loan is availed to finance the expansion and development plans, including school building upgrades and improvement of the existing facilities.	October 17, 2024	150,000	148,503	148,914
AU	100,000	November 29, 2019	CBC	27 equal quarterly payments of P1.5 million starting from November 29, 2022 to May 5, 2029 with the remaining balance of P60.3 million to be paid on maturity date. First principal payment commenced on February 28, 2023.	November 29, 2029	Fixed rate for the first five years based on the five-year Benchmark rate of the term plus interest spread or a floor rate of 5.25% plus applicable GRT. Interest rate is subject for repricing for the remaining five years based on: i. Initial interest rate; or ii. Then prevailing five-year Benchmark rate plus interest spread, whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	November 29, 2019	100,000	82,500	88,672

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					2025	2024
AU	100,000	November 29, 2019	CBC	28 unequal quarterly payments as follows: 8 quarterly installments of P2.5 million from February 28, 2023 to November 29, 2024; 16 quarterly installments of P3.8 million from February 28, 2025 to November 29, 2028 and four quarterly installment of P5.0 million from February 28, 2029 to November 29, 2029. First principal payment commenced on February 28, 2023.	November 29, 2029	Fixed rate for the first five years based on the five-year Benchmark rate of the term plus interest spread or a floor rate of 5.25% plus applicable GRT. Interest rate is subject for repricing for the remaining five years based on: i. Initial interest rate or ii. Then prevailing five-year Benchmark rate plus interest spread, whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	November 29, 2019	100,000	65,000	79,569
AU	200,000	February 1, 2023	CBC	Quarterly principal payments as follows: P1.1 million from June 1, 2025 to December 1, 2032 and; P65.0 million upon maturity on March 1, 2033	March 1, 2033	Interest payable quarterly in arrears at 7.3900% per annum fixed up to March 1, 2028, and 7.7019% per annum thereafter up to March 1, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	March 1, 2023	100,000	95,696	99,446
AU	Included in the P200 million loan facility taken on February 1, 2023	February 1, 2023	CBC	Quarterly principal payments as follows: P1.1 million from June 1, 2025 to December 1, 2032 and; P65.0 million upon maturity on March 1, 2033	March 1, 2033	Interest payable quarterly in arrears at 7.7601% per annum fixed up to March 1, 2028, and 8.8076% per annum thereafter up to March 1, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	July 11, 2023	100,000	96,612	99,390
AU	200,000	March 17, 2025	CBC	28 quarterly installments of P14 million from June 17, 2027 to March 17, 2032, quarterly installment of P102 million from June 17, 2032 until maturity	March 17, 2035	First 2 years floating rate, with repricing on semi-annual basis + 8 years tiered fixed rate.	The loan is availed to finance the capital expenditures.	March 17, 2025	200,000	198,632	-

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					2025	2024
AU	100,000	March 17, 2025	CBC	28 quarterly installments of P14 million from June 17, 2027 to March 17, 2032, quarterly installment of P102 million from June 17, 2032 until maturity	March 17, 2035	First 2 years floating rate, with repricing on semi-annual basis + 8 years tiered fixed rate.		July 8, 2025	100,000	100,000	-
UPANG	190,000	March 27, 2018	CBC	32 unequal quarterly payments as follows: P1.9 million from June 27, 2020 to March 27, 2022; P2.9 million from June 27, 2022 to March 27, 2025; P4.8 million from June 27, 2025 to March 27, 2027; and P25.7 million from June 27, 2027 to March 27, 2028.	March 27, 2028	Interest shall be payable quarterly in arrears from February 27, 2018 to June 27, 2018 (92 days) shall be at 6.50% inclusive of GRT fixed for the first five years. Interest shall be based on five-year PDST-R2 (5.22% + 122 bps + 1% GRT. The interest rate for the remaining five years of the loan shall be the PDST-R2 plus a spread of up to 125 bps or 6.50% whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	March 27, 2018	190,000	117,333	143,061
UPANG	200,000	February 1, 2023	CBC	Quarterly principal payments as follows: P1.1 million from May 27, 2025 to November 27, 2032 and; P65.0 million upon maturity on February 27, 2033	February 27, 2033	Interest payable quarterly in arrears at 7.3871% per annum fixed up to February 27, 2028, and 7.6988% per annum thereafter up to February 27, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	February 27, 2023	100,000	96,613	99,594
UPANG	Included in the P200 million loan facility taken on February 1, 2023.	February 1, 2023	CBC	Quarterly principal payments as follows: P0.57 million from May 27, 2025 to November 27, 2032 and; P32.5 million upon maturity on February 27, 2033	February 27, 2033	Interest payable quarterly in arrears at 7.4081% p.a. fixed up to 2/27/2028, and 7.7207% p.a. thereafter up to 2/27/2030. On the day after the seventh (7th) anniversary from the Initial Drawdown Date until the Maturity Date, the Interest Rate per annum shall be reset on the Interest Rate Resetting Date to the higher of: (a) Benchmark Rate plus Interest Spread, divided by the Interest Premium Factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	July 3, 2023	50,000	48,306	49,771

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					2025	2024
UPANG	Included in the P200 million loan facility taken on February 1, 2023.	February 1, 2023	CBC	31 quarterly installments of P0.564 million from May 27, 2025 to November 27, 2032, full payment of P32.5 million upon maturity	February 27, 2033	Interest payable quarterly in arrears at 7.3775% p.a. fixed up to 2/27/2028, and 7.6888% p.a. thereafter up to February 27, 2030. On the day after the seventh (7th) anniversary from the Initial Drawdown Date until the Maturity Date, the Interest Rate per annum shall be reset on the Interest Rate Resetting Date to the higher of: (a) Benchmark Rate plus Interest Spread, divided by the Interest Premium Factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	December 13, 2023	50,000	48,306	49,776
UPANG Urdaneta	100,000	September 29, 2015	RCBC	28 quarterly payments, to commence at the end of the 13th quarter from the initial drawdown date.	September 29, 2025	Interest shall be payable quarterly in arrears. i. Fixed rate for the first seven (7) years of the term based on three-day average of seven-year PDST-R2 + 1.42%, subject to repricing at the end of the seventh year; and ii. On the last three years of the term, the interest rate shall be based on the interest rate then current or the three-day average of three-year PDST-R2 + 1.42%, whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	September 29, 2015	100,000	-	29,889
UPANG Urdaneta	300,000	April 25, 2023	RCBC	31 quarterly payments of P1.5 million with the remaining balance of P84.5 million to be paid on maturity date. First principal payment will commence on September 1, 2025.	June 1, 2033	Interest payable quarterly in arrears at 7.0200% per annum fixed up to June 1, 2028 and 7.3160% thereafter up to June 1, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	June 1, 2023	130,000	125,429	129,397
UPANG Urdaneta	Included in the P300 million loan facility taken on April 25, 2023.	April 25, 2023	RCBC	31 quarterly installments of P0.790 million from September 1, 2025 to March 1, 2033, full payment of P45.5 million upon maturity	June 1, 2033	Interest payable quarterly in arrears at 7.652% p.a. fixed up to June 1, 2028 and 7.9750% thereafter up to June 1 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	September 8, 2023	70,000	68,419	69,734
UPANG Urdaneta	Included in the P300 million loan facility taken on April 25, 2023.	April 25, 2023	RCBC	31 quarterly installments of P0.566 million from September 1, 2025 to March 1, 2033, full payment of P32.5 million upon maturity.	June 1, 2033	Interest payable quarterly at 7.691% inclusive of GRT (first 5 years); 8.015% inclusive of GRT (next 2 years)	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	July 5, 2024	50,000	48,871	50,475
UPANG Urdaneta	Included in the P300 million loan facility taken on April 25, 2023.	April 25, 2023	RCBC	31 quarterly installments of P0.566 million from September 1, 2025 to March 1, 2033, full payment of P32.5 million upon maturity.	June 1, 2033	Interest payable quarterly at 7.199% inclusive of GRT (first 5 years); 7.5030% inclusive of GRT (next 2 years)	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	November 22, 2024	50,000	48,871	50,486

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					2025	2024
SWU	400,000	December 6, 2017	RCBC	28 quarterly payments of P1.0 million. First principal payment commenced on March 7, 2021.	December 7, 2027	Interest is payable quarterly in arrears, commencing at the end of the first quarter from the initial drawdown date. Interest shall be fixed at 6.66% from years one to five and at 6.94% onwards until maturity.	The loan is availed to finance the building development, expansion and purchase of equipment for SWU's Hospital and building developments.	December 7, 2017; December 20, 2017; March 29, 2018	100,000 200,000 100,000	95,250 190,500 95,250	96,000 192,000 96,000
SWU	200,000	April 18, 2018	CBC	27 equal quarterly payments of P0.5 million with the remaining balance to be paid on maturity date. First principal payment commenced on July 18, 2021.	April 18, 2028	6.4178% from years one to five and subsequently interest shall be based on the applicable five-year base rate plus spread up to 125 basis points. Effective April 18, 2023, the interest rate was repriced to 7.44%.	The loan is availed to finance the building development, expansion and purchase of equipment for SWU's Hospital and building developments.	April 18, 2018	200,000	190,500	193,500
SJC	110,000	April 25, 2023	RCBC	31 quarterly payments of P1.2 million with the remaining balance of P71.5 million to be paid on maturity date. First principal payment commenced will commence on August 3, 2025	May 3, 2033	Interest payable quarterly in arrears at 7.2320% per annum fixed up to May 3, 2028 and 7.5340% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	May 3, 2023	110,000	109,583	109,506
SJC	70,000	April 25, 2023	RCBC	31 quarterly payments of P0.79 million with the remaining balance of P45.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025	May 3, 2033	Interest payable quarterly in arrears at 7.0670% per annum fixed up to May 3, 2028 and 7.3650% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	May 31, 2023	70,000	69,746	69,678
SJC	90,000	April 25, 2023	RCBC	31 quarterly payments of P1.0 million with the remaining balance of P58.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025	May 3, 2023	Interest payable quarterly in arrears at 7.5080% per annum fixed up to May 3, 2028 and 7.824% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	July 5, 2023	90,000	89,645	89,579
SJC	100,000	February 5, 2024	RCBC	31 quarterly payments of P0.5 million with the remaining balance of P32.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025.	May 3, 2033	Interest payable quarterly in arrears at 7.5080% p.a. fixed up to May 3, 2028 and 7.824% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	February 5, 2024	50,000	49,769	49,716

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					2025	2024
SJC				31 quarterly payments of P0.5 million with the remaining balance of P32.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025.	May 3, 2033	Interest payable quarterly in arrears at 7.1102% p.a. fixed up to May 3, 2028 and 7.4095% thereafter up to May 3, 2030.From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	November 8, 2024	50,000	49,648	49,632
RCL	100,000	March 19,2024	RCBC	31 quarterly payments of P0.564 million with the remaining balance of P39.5 million to be paid on maturity date. First principal payment will commence on September 27, 2026.	June 27, 2034	Interest payable quarterly in arrears at 7.690% p.a. fixed up to June 27, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	June 27, 2024	50,000	49,648	49,625
RCL			RCBC	31 quarterly payments of P0.564 million with the remaining balance of P39.5 million to be paid on maturity date. First principal payment will commence on September 27, 2026.	June 27, 2034	Interest payable quarterly in arrears at 7.3035% p.a. fixed up to June 27, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	August 15, 2024	50,000	49,647	49,626
RCL	300,000	March 19, 2024	RCBC	31 quarterly payments of P3.387 million with the remaining balance of P198 million to be paid on maturity date. First principal payment will commence on September 27,2026	June 27, 2034	Interest payable quarterly in arrears @ 7.3035% p.a. fixed up to June 27, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years	The loan is availed to finance capital expenditures.	August 7, 2025	300,000	297,829	-
UCLI	50,000	August 15, 2024	RCBC	31 quarterly payments of P0.564 million with the remaining balance of P39.5 million to be paid on maturity date. First principal payment will commence on August 15, 2026.	May 15, 2034	Interest payable quarterly in arrears at 7.3035% p.a. fixed up to August 15, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	August 15, 2024	50,000	49,576	49,626
PHN	2,000,000	May 23, 2017	SBC	Principal repayment shall commence at the end of the 3rd year from initial drawdown date until maturity date; balloon payment amounting to P1.9 billion or 94% of principal amount on maturity date.	May 21, 2027	Interest rate is equivalent to: i) the applicable 10-year PDST-R2 Benchmark Rate plus an interest spread of 125 basis points per annum (1.25% p.a.), and ii) 6.25% p.a., whichever is higher.	The loan is availed to refinance investments in subsidiaries and other general corporate purposes.	May 23, 2017	2,000,000	1,887,400	1,905,633
PHN	1,000,000	July 11, 2023	CBC	Principal repayment of P50.0 million after 1 year of initial drawdown date and balance on principal amount on maturity date.	July 17, 2025	With regular interest of 7.8557%. Interest to be paid on quarterly basis.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	July 17, 2023	1,000,000	-	947,900

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					2025	2024
PHN	1,500,000	August 15, 2025	SBC	Principal repayment of P3.75 million or 0.25% per quarter shall commence on February 17, 2026 with remaining balance of P1.432 billion or 95.5% to be paid on final maturity date.	August 15, 2030	Interest rate shall be the higher of i) applicable 5Y BVAL + 1.15% interest margin, and (ii) floor Rate of BSP Overnight Policy Rate + 50 bps	The loan is availed to refinance maturing short-term and long-term obligations, including investments in CMG, community housing and Bacolod Township	August 15, 2025	1,500,000	1,489,485	-
PHN	2,000,000	August 18, 2025	RCBC	Principal repayment of P20 million or 1% per year shall commence on August 18, 2026 with remaining balance of P1.820 billion or 91% to be paid on final maturity date	August 18, 2035	Interest rate is equivalent to the applicable 2Y+3Y+5Y BVAL plus 1.15% interest margin with floor rate of 5.75%		August 18, 2025	2,000,000	1,985,418	-
PHN	1,500,000	October 21, 2025	CBC	Principal repayment of P15 million or 1% per year shall commence on October 28, 2026 with remaining balance of P1.440 billion or 96% to be paid on final maturity date	October 28, 2030	Interest rate is equivalent to the applicable 5Y BVAL plus 1.15% interest margin with floor rate of 6.25%		October 28, 2025	1,500,000	1,489,087	-
UGC	1,000,000	February 18, 2022	BDO	Principal amortization commence three months after drawdown date and every quarter thereafter and shall be paid based on 1.25% every quarter for 4 years and the remaining 80% paid in balloon upon maturity.	February 18, 2027	Interest rate is based on 3Y BVAL 3.3618+ spread 1.25%= 4.6118% + 5% GRT = 4.8545%	The loan is availed to refinance the outstanding loan of UGC with BDO and convert the short term loans to long-term loans.	February 18, 2022	1,000,000	810,226	858,255
PCC	720,000	February 26, 2021	SBC	Eight quarterly principal payments of P10.3 million, nine quarterly principal payments of P20.5 million and remaining balance to be paid at maturity date	June 13, 2025	Interest rate of 6.73% GRT inclusive, fixed rate up to maturity Interest rate of 6.84% GRT inclusive, fixed rate up to maturity	The loan is availed to partially finance the acquisition of Phase 2 port terminal. This is a continuation of the remaining tenor with the original SNPSI loan.	February 26, 2021	369,363 350,637	- -	122,669 116,449
PCC	500,000	March 19, 2021	SBC	20 unequal quarterly payments	March 30, 2026	Interest rate of 5.1% GRT inclusive, fixed rate up to March 29, 2024 and for the remaining two years, the applicable two-year BVAL plus 40 bps, subject to a floor rate of 5.1%	The loan is availed to refinance short-term project costs and finance the mixer facility.	March 19, 2021	500,000	36,684	232,333
PCC	1,000,000	September 5, 2023	SBC	Eight quarterly principal payments of P10.0 million, Four quarterly payments of P50.0 million and four quarterly payments of P180.0 million. First principal payment commenced on December 7, 2023.	September 7, 2027	Interest rate of 7.2056% fixed rate for the first 2 years, subject to repricing at the end of the 2nd year (2+2 structure)	The loan is availed to refinance existing loans and finance the expansion and improvement projects in the Mariveles facility.	September 7, 2023	1,000,000	864,492	940,466

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					2025	2024
Phinma Solar	20,000	June 25, 2021	DBP	Principal repayment to commence at the end of the fifth (5th) quarter from date of Initial Draw Down. Principal shall be payable in thirty-six equal quarterly installments.	August 13, 2031	4.875% (4.924% GRT inc.) for the 1st 5 years. Next 5 years based on the relevant 5YR BVAL + 1% spread with a floor rate not lower than the rate prior to repricing (4.875%). Interest to be paid on quarterly basis	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	August 31, 2021	20,000	12,729	14,929
Phinma Solar	80,000	April 21, 2022	DBP	Principal repayment to commence at the end of the sixth (6) months from date of Draw Down. Principal shall be payable in thirty-six equal quarterly installments.	August 13, 2031	With regular interest of 6.37710%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	April 21, 2022	80,000	50,888	59,678
Phinma Solar	50,000	August 2, 2023	DBP	Principal repayment commenced on August 13, 2023 from date of drawdown and principal shall be payable in 33 equal quarterly installments.	August 13, 2031	With regular interest of 7.31470%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	August 2, 2023	50,000	34,662	40,640
PHINMA Solar	40,000	November 10, 2023	DBP	Principal repayment commenced on November 13, 2023 and shall be payable in 32 equal quarterly installments.	August 13, 2031	With regular interest rate of 7.5413%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	November 10, 2023	40,000	28,591	33,520
PHINMA Solar	30,000	December 22, 2023	DBP	Principal repayment commenced on February 13, 2024 and shall be payable in 31 equal quarterly installments.	August 13, 2031	With regular interest rate of 6.9291%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	December 22, 2023	30,000	21,770	25,588
PSHC	154,000	July 15, 2006	UPPC	Annual installment payments of P4 million for 32 years starting December 31, 2021.	December 31, 2052	The effective interest rate after the modification of term is 6.80%	The loan is availed to finance the acquisition of land from UPPC.	July 15, 2006	154,000	85,998	93,998
PPHC	500,000	March 31, 2016	CBC	Payable in 36 quarterly installments with final repayment on April 11, 2026. Annual principal payment of 1/4 of 1% of beginning principal balance to commence on 5th quarter with remaining principal balance payable on final maturity date. The loan has prepayment option and contains negative pledges.	April 11, 2026	Fixed interest rate per annum of 6.1567% Fixed interest rate per annum of 6.04%	The loan is availed to finance the ongoing projects of PPHC.	April 11, 2016 March 20, 2016	100,000 400,000	97,848 391,391	98,003 392,010
PPHC	3,000,000	December 22, 2025	RCBC	Sculpted principal amortizations commencing after the second year from initial drawdown date	December 22, 2035	Fixed for first 5 years, repricing after 5th year (5Y + 5Y) based on BVAL plus 1.50% excluding GRT. 1st drawdown: Interest rate of 7.27% for first 5 years, repricing after 5th year"	The loan is availed to refinance the existing short-term loan to term loan.	December 22, 2025	3,000,000	2,977,500	-

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					2025	2024
Coral Way	200,000	October 29, 2015	|BDO	40 quarterly installments in June 2021, the term of the loan was refinanced under the same term of the facility agreement except that the loan principal is payable quarterly until 2026.	October 29, 2026	First 7 years - fixed based on a seven-year Philippine Daily System Treasury Fixing - R2 benchmark rate plus the minimum spread of 1.4% or annual fixed 5.75%; whichever is higher. Next 3years – subject to repricing after the 7th year based on the prevailing market rate as mutually agreed upon by the third parties.	The loan is availed to partially finance the equity contribution in a subsidiary for construction of a hotel.	October 29, 2015	200,000	19,517	57,500
Coral Way	440,000	June 30, 2025	BDO	Sculpted amortization after 2 years of grace period	June 30, 2035	For 1st 5 years, fixed rate of 7.2567%p.a. (inclusive of 1% grt), subject to repricing after the 5th year based on 5-year BVAL + 1.25% spread divided by applicable interest rate premium factor (5% grt)	The loan is availed to finance expansion plans.	June 30, 2025	120,000	120,000	-
Coral Way	440,000	June 30, 2025	BDO	Sculpted principal amortizations commencing at the end of the 2nd year from drawdown date	June 30, 2035	Fixed for first 5 years, repricing after 5th year (5Y + 5Y) based on BVAL plus 1.25% excluding GRT. 1st drawdown: Interest rate of 7.26% for first 5 years, repricing after 5th year		December 4, 2025	170,000	170,000	-
KEHC	300,000	January 2017	CBC	35 quarterly installments	January 2017	The term loan bears quarterly interest of 5.5% for the first seven (7) years and subject to repricing after the 7th year.	The loan is availed to partially finance the construction of a hotel and for working capital requirements.	January 2017	300,000	154,000	154,000
Total										17,623,007	10,937,557

23 Equity

a. Capital Stock

The composition of the Parent Company's capital stock as at December 31 is as follows:

	2025		2024	
	Number of Shares	Amount	Number of Shares	Amount
Preferred - cumulative, nonparticipating, 10 par value				
Class AA - Authorized	50,000,000	500,000	50,000,000	500,000
Class BB - Authorized	50,000,000	500,000	50,000,000	500,000
Issued and subscribed	-	-	-	-
Common - 10 par value				
Authorized	420,000,000	4,200,000	420,000,000	4,200,000
Issued	336,303,550	3,363,036	336,303,550	3,363,036
Subscribed	39,994	400	39,994	400
Issued and subscribed	336,343,544	3,363,436	336,343,544	3,363,436
Less: Subscription receivable		(124)		(124)
	336,343,544	3,363,312	336,343,544	3,363,312

The issued and outstanding shares as at December 31, 2025 and 2024 are held by 1,209 and 1,206 equity holders, respectively.

The following summarizes information on the Parent Company's track record of registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized shares	Issue/ Offer price
March 12, 1957	1,200,000	10
June 12, 1968	1,000,000	10
April 7, 1969	800,000	10
January 21, 1980	2,000,000	10
November 3, 1988	10,000,000	10
October 13, 1992	25,000,000	10
June 3, 1995	60,000,000	10
March 16, 1999	320,000,000	10

b. Retained Earnings

Appropriated

In February 2020, the Parent Company's BOD approved the appropriation of 165.5 million of retained earnings for the buyback of PHN shares until February 2022.

On November 10, 2021, an appropriation was made for the investment in Construction Materials business until December 31, 2022 amounting to P1.1 billion. Another P500.0 million of the retained earnings was appropriated for the Education business until December 31, 2022.

As at December 31, 2022, appropriated retained earnings amounts to P1,765.5 million.

On March 3, 2023, upon the expiration of the previously appropriated retained earnings of P1.1 billion, the Parent Company's BOD resolved to reverse the expired appropriation and re-appropriate the same amount for the investment in the Construction Materials business until December 31, 2024. On the same date, the Parent Company's BOD approved the appropriation of P500.0 million for the investment in PPHC.

In addition, the Parent Company's BOD approved the reversal of previous appropriations of retained earnings amounting to P500.0 million for investment in Education business in 2021 and P165.5 million for buyback of PHN shares in 2020.

As at December 31, 2024 and 2023, the appropriated retained the amounts to P1.6 billion.

On March 21, 2025, the Company's BOD approved the appropriation of P500 million for the investment in the Construction Materials Group and P500 million for the investment in CoHo until December 31, 2026. In addition, the BOD approved the reversal of previous appropriations of retained earnings amounting to P500 million for the investment in PPHC and P1.1 billion for the investment in the Construction Materials business.

Unappropriated

On March 3, 2023, the Parent Company's BOD declared a regular cash dividend of P0.60 per share or an equivalent of P171.8 million to all common shareholders of record as at March 22, 2023. The cash dividends were paid on April 5, 2023.

On March 5, 2024, the Parent Company's BOD declared a regular cash dividend of P0.60 per share or an equivalent of P171.8 million to all common shareholders of record as at March 25, 2024. The cash dividends were paid on April 12, 2024.

On April 14, 2025, the Company's BOD declared a P0.60 per share regular cash dividend amounting to P201.8 million payable on May 26, 2025 to shareholders of record as at May 13, 2025.

The balance of retained earnings includes Parent Company's accumulated equity in net earnings of subsidiaries and associates which are not currently available for dividend declaration until declared by the respective subsidiaries and associates amounting to P1,026.3 million as at December 31, 2025 (2024 - P1,392.6 million; 2023 - P1,428.6 million (as restated)).

c. Buyback of Shares

There were no share buy backs for the years ended December 31, 2025, 2024 and 2023.

d. Treasury shares

Details of treasury shares are as follows:

	Parent Company Treasury Shares		Parent Company Shares held by ABCIC		Total	
Number of shares	2025	2024	2025	2024	2025	2024
Balance at beginning of year	18,279	18,279	100,000	5,407,822	118,279	5,426,101
Acquisition of shares	-	-	-	104,000	-	104,000
Issuance of shares	-	-	-	(5,411,822)	-	(5,411,822)
Balance at end of year	18,279	18,279	100,000	100,000	118,279	118,279
Balance at beginning of year	182	182	2,100	57,727	2,282	57,909
Acquisition of shares	-	-	-	2,180	-	2,180
Issuance of shares	-	-	-	(57,807)	-	(57,807)
Balance at end of year	182	182	2,100	2,100	2,282	2,282

In 2024, proceeds from the sale of 5,411,822 treasury shares amount to P104.6 million. There are no treasury shares sold in 2025.

e. Parent company shares held by a subsidiary

In 2023, APHI acquired additional 164,100 PHN shares with a total cost of P3.2 million. As at December 31, 2023, APHI holds 5,407,822 shares with a total cost of P57.7 million accounted as treasury shares.

In 2024, APHI acquired additional 104,000 PHN shares with a total cost of P2.2 million. At the same period, APHI sold 5,411,822 shares. The gain of P49.0 million on the disposal of shares is accounted for as Additional paid-in capital (APIC). As at December 31, 2024, APHI holds shares with a total cost of P2.1 million, accounted for as treasury shares.

f. Stock rights offering (SRO)

On August 6, 2024, the Parent Company's BOD approved the SRO. The proceeds will be used to support PHINMA Corporation's subsidiaries in relation to their relevant expansion plans, increase capital for the Company's potential new ventures and/or general corporate purposes.

On October 16, 2024, the SEC issued a Notice of Confirmation of Exempt Transaction confirming that the Offer is exempt from the registration requirements of the Securities Regulation Code.

On October 21, 2024, the Philippine Stock Exchange (PSE) approved the application of the Parent Company for the listing of up to 51,493,306 common shares ("Offer Shares") for the Company's SRO of common shares to be issued from the unissued capital stock of the Parent Company, at an offer price range of P19.42 to P21.55 per Offer Share.

On November 27, 2024, the Parent Company closed the SRO with an offered a total of 50,000,000 Common Shares with a par value of P10.00 per share (the "Rights Shares") at an offer price of P20.00 per share (the "Offer Price") and raised P1 billion in capital. The Offer Price was determined based on the volume-weighted average price of the Issuer's Common Shares traded on the PSE for each of the 90 consecutive trading days immediately prior to (and excluding) pricing date of October 31, 2024, subject to a discount of 3.46%. The entitlement ratio is one rights share for every 5.73 existing common shares.

The transaction resulted to increases in issued share capital of 50,000,000 common shares, capital stock of P500 million and additional paid-in capital of P473.5 million.

24 Revenue from Contracts with Customers

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

	2025	2024	2023
Revenue source:			
Sale of goods	14,028,045	14,998,678	13,731,283
Tuition, school fees and other services	5,954,751	5,183,145	4,424,398
Real estate sales	969,436	1,570,155	1,744,807
Hotel operations	384,032	435,458	219,765
Hospital routine services	289,268	229,686	225,198
Management and administrative fees	184,371	202,975	100,039
Installation services	139,887	160,054	221,465
Construction contracts	81,911	238,946	58,217
Commission income	65,359	-	-
Consultancy	41,741	89,289	98,599
License, marketing and reservation fees	36,651	33,012	15,477
Franchise fees	8,384	5,502	1,541
Total revenue from contracts with customers	22,183,836	23,146,900	20,840,789
Timing of recognition:			
Goods transferred at a point in time	14,028,045	14,998,678	13,731,283
Services transferred over time	8,155,791	8,148,222	7,109,506
Total revenue from contracts with customers	22,183,836	23,146,900	20,840,789

Contract balances

	Notes	2025	2024
Trade receivables	10	8,486,384	8,398,405
Contract assets		3,266,897	3,892,207
Contract liabilities	21	3,596,291	3,207,075
Cost to obtain contract	18	93,352	121,469

PHN and Subsidiaries

Trade receivables include receivables from sale of roofing and other steel products and rendering of installation services to customers which are normally on a 30-60 day term. Trade receivables also include tuition and other school fees receivables which are normally collected within the current school semester. Other trade receivables are noninterest-bearing and are normally collected within the next financial year. It also include the following receivables:

Real Estate Installment Contracts. Real estate installment contracts receivable (ICR) and contract assets, 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 (i.e., a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of default). 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.

General Construction. General construction receivables principally consist of receivables arising from third-party construction projects. These receivables are based on progress billings provided to customers over the period of construction and are normally collected within 30 days.

Property Management. Receivables from property management services are claims from condominium corporations and unit owners for the services rendered by PPHC. These are generally on a 30-day credit term.

Retention. Retention receivables include those arising from sale of real estate under HDMF financing and those from construction contracts.

Contract Assets and Liabilities. Contract assets represent the right to consideration that was already delivered by PPHC in excess of the amount recognized as installment contracts receivable. This is reclassified as real estate installment contracts receivable when the monthly amortization of the customer is already due for collection or, in the case of sales of real estate under HDMF and bank financing schemes, upon submission of the documentary requirements to HDMF and the lending bank, respectively and upon approval of the loan. Movements in contract assets during the year is mainly due to real estate sales recognized during the period less transfer to real estate installment contracts receivable.

Contract assets, as at December 31 consist of:

	2025	2024
Real estate sales	3,278,439	3,917,769
Unit improvement services	5,827	3,102
	3,284,266	3,920,871
Less: Allowance for ECL	(17,369)	(28,664)
	3,266,897	3,892,207
Less: Noncurrent portion	1,521,676	1,844,418
	1,745,221	2,047,789

Movements in the allowance for ECLs are as follows:

	Note	2025	2024
Balance at January 1		28,664	18,330
Reclassification	10	-	10,385
Write-off		(11,295)	(51)
Balance at December 31		17,369	28,664

Contract liabilities include unearned revenue from tuition, school and other service fees and deposits from customer for future goods and services. Contract liabilities amounting to P3,569.3 million as at December 31, 2025 (2024 - P3,207.1 million) are expected to be recognized as revenue within one year upon completion of the school term and delivery of roofing and other steel products or performance of installation service (Note 21). Contract liabilities also consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by PPHC based on POC. When the conditions for revenue recognition are met for the related customer account, sale is recognized and these contract liabilities will be recognized as revenue. The movement in contract liabilities is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in POC.

For the year ended December 31, 2025, the revenue recognized from the contract liabilities amounts to P5,724.6 million (2024 - P5,215.1 million; 2023 - P4,524.7 million).

For construction segment, contract liabilities include billings in excess of costs and estimated earnings on uncompleted contracts which represents billings in excess of total costs incurred and estimated earnings recognized.

Billings in excess of costs and estimated earnings on uncompleted contracts as follows:

	2025	2024
Total costs incurred to date	590,408	176,948
Add estimated earnings recognized	165,125	115,238
	755,533	292,186
Less total billings	(755,533)	(292,186)
	-	-

Cost to Obtain Contract. The incremental costs of obtaining a contract with a customer are recognized as an asset if PPHC expects to recover them. PPHC has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Costs incurred prior to obtaining contract with customers are not capitalized but are expensed as incurred. Details of the movements of cost to obtain contracts as at December 31 are as follows:

	Note	2025	2024
Balance at beginning of the year		121,469	43,636
Additions		71,735	190,453
Amortization		(99,852)	(112,620)
Balance at end of the year	18	93,352	121,469

The amortization of cost obtain contracts is presented as part of the commission expenses under selling expenses in the consolidated statements of income.

In line with PPHC's accounting policy, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits.

Contract Fulfillment Assets. Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. PPHC's contract fulfillment costs pertain to cost of temporary facilities, mobilization and demobilization costs, and land acquisition costs as included in the "Inventories" account in the consolidated statement of financial position. PPHC amortizes contract fulfillment assets and capitalized costs to obtain a contract over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within cost of sales (for contract fulfillment assets) and operating expenses (for capitalized costs to obtain a contract).

25 Investment and Interest Income; Other income, net

Investment and interest income

This account consists of:

	Notes	2025	2024	2023
Interest income on:				
Financial assets at FVPL	13	220,463	217,519	207,638
Receivables	10	229,679	190,054	35,175
Cash and cash equivalents	8	46,858	53,820	69,542
Due from related parties and others	32	9,196	17,471	1,994
Short term investment		2,891	-	-
		509,087	478,864	314,349
Net gains from investments held for trading	9	14,772	12,418	15,124
Dividend income		96	4,873	208
		523,955	496,155	329,681

For the year ended December 31, 2025, interest income recognized for the significant financing component amounts to P168.8 million (2024 - P133.7 million and 2023 - nil).

Other income, net

"Others - net" in the consolidated statement of income includes miscellaneous income which mainly consists of miscellaneous cash receipts, gain from sale of noncurrent assets of a subsidiary, berthing fee income of PCC, income from forfeited and cancelled sales of the Properties group and income from the services provided by the Parent Company to the Ultimate Parent Company (Note 32). For the year ended December 31,2025, miscellaneous income amounted to P128.3 million (2024 - P155.8 million; 2023 - P70.3 million).

26 Cost of Sales, Educational, Real Estate Sold and Construction Services, Hospital and Installation Services

This account consists of:

	2025	2024	2023
			(As restated)
Cost of sales	12,194,226	12,769,379	11,807,090
Cost of educational services	2,313,738	1,999,181	1,859,385
Cost of hospital services	186,601	137,981	140,618
Cost of installation services	129,222	61,464	53,830
	2,629,561	2,198,626	2,053,833
Cost of sales, educational, hospital and installation services	14,823,787	14,968,005	13,860,923
Cost of real estate sold and construction services	803,078	1,200,572	984,290
Cost of hotel operations	238,008	224,526	131,322
Cost of management and administrative services	112,958	117,183	83,875
	15,977,831	16,510,286	15,060,410

The details of cost of sales, educational, hospital and installation services are as follows:

	Notes	2025	2024	2023
				(As restated)
Inventories used	11	10,838,726	11,414,616	10,716,477
Personnel costs	29	1,687,937	1,538,164	1,510,888
Depreciation and amortization	30	730,494	686,794	577,075
Power and fuel		223,960	178,841	97,497
Repairs and maintenance		150,056	131,377	157,300
Installation cost		129,222	61,464	53,830
Laboratory and school supplies		124,074	95,885	94,808
School affiliations and other expenses		109,530	62,282	49,786
Review expenses		64,814	49,111	32,627
Graduation expenses		55,155	45,819	40,000
Rent	35	50,636	90,232	108,604
Educational tour expenses		44,725	35,653	15,497
School materials, publication and supplies		21,524	29,444	22,788
Sports development and school activities		10,730	8,948	4,654
Subscription		10,005	8,020	18,639
Accreditation expenses		4,147	2,809	2,316
Others		568,052	528,546	358,137
		14,823,787	14,968,005	13,860,923

Cost of real estate sales and construction services

Cost of real estate sales includes acquisition cost of land, construction and development cost, including overhead costs. Cost of real estate sales recognized for the year ended December 31, 2025 amounted to P724.7 million and (2024 - P1,060.6 million ; 2023 - P909.1 million) (Note 11). It also includes cost of construction management services for the year ended December 31, 2025 amounting to P78.4 million (2024 - P139.9 million; 2023 - P75.2 million).

Cost of hotel operations

Cost of hotel operations for the year ended December 31, 2025 and 2024 and for the six-month period ended December 31, 2023 are as follows:

	Notes	2025	2024	2023
Depreciation and amortization	30	75,054	74,852	36,266
Rent, light, and water		49,255	47,814	29,931
Personnel costs	29	34,156	35,506	12,784
Guest meals		33,359	37,537	22,558
Taxes and licenses		15,743	9,507	11,797
Laundry and dry cleaning		9,247	10,635	5,545
Supplies		3,647	5,252	7,891
Others		17,547	3,423	4,550
		238,008	224,526	131,322

The Hospitality segment was acquired through business combination in 2023.

Cost of management and administrative services

Cost of management and administrative services pertain to the cost incurred by PPHC in operating the condominiums. This includes personnel expenses, materials and labor, utilities and repairs and maintenance.

27 General and Administrative Expenses

This account consists of:

	Notes	2025	2024	2023
Personnel costs	29	1,575,720	1,602,502	1,355,498
Professional fees and outside services	32	434,153	654,351	483,120
Depreciation and amortization	30	278,517	200,742	134,740
Taxes and licenses		277,650	313,945	118,130
Provision for ECLs	10	248,395	266,359	88,101
Transportation and travel		246,913	86,420	60,959
Utilities		197,387	156,157	121,649
Security and janitorial		156,333	110,197	112,994
Insurance		99,154	49,971	25,500
Repairs and maintenance		61,949	39,288	24,264
Rent		52,800	40,210	31,471
Office supplies		46,224	31,380	25,588
Dues and subscriptions		34,618	19,666	6,508
Meetings and conferences		32,105	50,527	22,653
Donations		28,976	34,786	6,202
Communications		15,014	17,772	15,570
Advertising and promotions		9,769	8,915	8,216
Others		272,294	185,509	137,294
		4,067,971	3,868,697	2,778,457

28 Selling Expenses

This account consists of:

	Notes	2025	2024	2023
Advertising		260,407	158,374	128,539
Personnel costs	29	243,455	258,178	196,987
Freight, handling and hauling		178,214	167,101	119,319
Depreciation and amortization	30	66,686	60,269	37,956
Transportation and travel		29,753	54,760	47,592
Commission		27,434	155,218	53,447
Utilities		15,369	5,551	2,351
Supplies		14,426	4,181	5,034
Outside services		10,780	27,674	36,438
Insurance		10,679	11,762	13,022
Entertainment, amusement and recreation		4,965	4,522	3,710
Taxes and licenses		3,789	33,858	26,517
Postage, telephone and telegraph		2,703	15,942	13,882
Repairs and maintenance		931	11,347	15,184
Others		84,737	20,240	20,490
		954,328	988,977	720,468

29 Personnel Expenses

This account consists of:

	Note	2025	2024	2023
Salaries, employee benefits and bonuses		3,436,223	3,241,334	2,883,727
Pension and other post-employment benefits	34	141,582	193,619	128,113
Training		21,632	31,432	22,051
Others		3,375	3,451	42,266
		3,602,812	3,469,836	3,076,157

Personnel costs, other than those presented in Notes 26, 27 and 28, are under cost of management and administrative services amounting to P61.5 million for the year ended December 31, 2025 (2024 - P35.4 million, 2023 - P20.7 million).

30 Depreciation and Amortization

This account consists of:

	Notes	2025	2024	2023
Property, plant and equipment and investment properties:	15,16			
Cost of sales, educational, installation and hospital services	26	661,247	598,924	508,723
General and administrative expenses	27	164,756	128,127	83,810
Cost of hotel operations	26	66,155	65,953	30,966
Selling expenses	28	40,260	32,148	15,739
Intangible assets:	17			
General and administrative expenses	27	82,523	39,574	28,130
Cost of sales, educational, installation and hospital services	26	-	4,674	-
Cost of hotel operations	26	767	767	1,179
Selling expenses	28	81	546	686
Inventories				
Capitalized depreciation to real estate inventory	11	13	19	19
Right-of-use assets:	35			
Cost of sales, educational, hospital installation and consultancy services	26	69,247	83,196	68,352
General and administrative expenses	27	31,238	33,041	22,800
Selling expenses	28	26,345	27,574	21,531
Cost of hotel operations	26	8,132	8,132	4,121
		1,150,764	1,022,675	786,056

31 Interest Expense and Other Financing Charges

This account consists of:

	Notes	2025	2024	2023
Interest expense on long-term debts	22	727,325	728,544	630,645
Interest expense on notes payable	19	912,385	767,771	302,582
Interest expense on lease liabilities	35	38,070	34,623	25,640
Other financing charges		146,043	75,456	45,822
		1,823,823	1,606,394	1,004,689

32 Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions and the parties are subject to common control. Related parties may be individual or corporate entities.

The Company has a policy that requires approval of related party transaction by the Audit and Related Party Transactions Committee of the BOD when these breach certain limits and/or when these are not of a usual nature.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. As at December 31, 2025 and 2024, based on management's assessment, the receivables from related parties are recoverable and no impairment was recognized. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The significant related party transactions entered into by the Company with its associates and entities under common control and the amounts included in the consolidated financial statements with respect to such transactions are shown below.

Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties (Note 10)	Loans receivable (Note 10)	Terms	Conditions
2025							
Ultimate Parent							
PHINMA Inc.	Share in expenses, management fees and bonus	130,299	30,818	4,587	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
	Purchase of shares (Note 5)	150,535	-	-	-		
*Other related parties**							
PHINMA Foundation, Inc., Phinma Plaza Condominium Corporation, Phinma Prism Property Development Corp.	Advances (PHINMA Prism)	-	-	56,142	-	Interest-bearing at range of 4.7% - 6.3% ; payable in March 2026 and to be settled in cash. This is presented as part of non-current receivables.	Unsecured, no impairment
	Interest income (PHINMA Prism)	3,563	-	-	-	Interest at 4.7% to 6.3% for 95 days; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
	Share in expenses	18,070	3,774	97,760	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PTC Myanmar, IPM, PHINMA Saytanar (PSEd), PE International, Yayasan Triputra Persada	Share in expenses	6,359	-	18,041	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PPSMI	Advances	-	-	15,059	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
JEPP Real Estate Co., Inc.	Advances	95,581	-	95,581	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
InPHIN8, PPSMI, DBHC, FBHC, SFSHC	Management and incentive fees	10,712	-	-	-	Noninterest-bearing; due and demandable; and to be settled in cash. at gross amounts.	Unsecured, no impairment
	Rent (InPHIN8)	10,786	-	-	-	Noninterest-bearing; due and demandable; and to be settled in cash. at gross amounts.	Unsecured, no impairment
	Loan receivable (SFSHC)	5,000	-	-	5,000	Interest-bearing at rate of 5% per annum	Unsecured, no impairment
			34,592	287,170	5,000		

** Entities under common control or with common shareholders*

Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties (Note 10)	Loans receivable (Note 10)	Terms	Conditions
2024							
Ultimate Parent							
PHINMA Inc.	Share in expenses, management fees and bonus	262,791	70,901	1,505	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
*Other related parties**							
PHINMA Insurance Brokers, Inc. (PHINMA Insurance), PHINMA Foundation, Inc., Phinma Plaza Condominium Corporation, Phinma Prism Property Development Corp.	Advances (PHINMA Prism)	-	-	56,142	-	Interest-bearing at range of 4.7% - 6.3% ; payable in March 2026 and to be settled in cash. This is presented as part of noncurrent receivables.	Unsecured, no impairment
	Interest income (PHINMA Prism)	3,563	-	782	-	Interest at 4.7% to 6.3% for 95 days; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
	Share in expenses	20,310	6,478	81,990	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PHINMA Prism	Loan receivable	-	-	-	196,803	The loan to PHINMA Prism bear interest ranging from 7.21% to 7.75% with a maturity of 91 days up to 365 days This loan is due and demandable and collectible in cash.	Unsecured, no impairment
Shareholders of Parent Company	Loan receivable	-	-	-	1,793	Noninterest bearing; due and demandable, settled in cash at gross amounts.	Unsecured, no impairment
PTC Myanmar, IPM, PHINMA Saytanar (PSEd), PE International, Yayasan Triputra Persada	Share in expenses	28,377	73	17,048	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PPSMI	Advances	31,940	-	23,889	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
InPHIN8, PPSMI, DBHC, FBHC, SFSHC	Management And Incentive Fees	32,537	-	-	-	Noninterest-bearing; due and demandable; and to be settled in cash. at gross amounts.	Unsecured, no impairment
	Rent (Inphin8)	9,493	-	-	-		
			77,452	181,356	198,596		

** Entities under common control or with common shareholders*

PHINMA, Inc. The Parent Company has a 5-year management contract with PHINMA, Inc. up to June 30, 2029, renewable thereafter upon mutual agreement. Under this contract, PHINMA, Inc. has a general management authority with corresponding responsibility over all operations and personnel of the Parent Company including planning, direction, and supervision of all the operations, sales, marketing, distribution, finance and other business activities of the Parent Company. Under the existing management agreement, the Parent Company pays PHINMA, Inc. a fixed monthly management fee plus an annual incentive based on a certain percentage of the Parent Company's net income.

Management and Directors' Compensation

PHN, UGC, COC, AU, UPANG, SWU, UI and PPHC are under common management of PHINMA, Inc. and pay PHINMA, Inc. a fixed annual management fee plus an annual bonus based on a certain percentage of the respective companies' adjusted net income, as defined in the management contract between PHINMA, Inc. and the respective companies, pursuant to the provisions of the same contract.

The details of the management fee and bonus which is included in "Outside services" and "Personnel costs", respectively, under the "General and administrative expenses" account are as follows:

	2025	2024	2023
Management fee	111,256	172,857	99,613
Management bonus	44,320	92,728	162,335
	155,576	265,585	261,948

The related unpaid amount, presented as "Accruals for professional fees and others" under "Trade and other payables" account in the consolidated statements of financial position, amounted to P13.1 million as at December 31, 2025 (2024 - P61.6 million) (Note 20).

PHN, UGC, UI and AU recognized bonus to directors computed based on net income with pre-agreed adjustments. Directors' bonus, presented in "Personnel costs" under "General and administrative expenses" account are as follows:

	2025	2024	2023
Directors' fee	184,836	31,852	60,088
Directors' bonus	87,598	85,703	98,453
	272,434	117,555	158,541

The related unpaid amount, presented in "Accruals for personnel costs" under "Trade and other payables" account in the consolidated statements of financial position, amounted to P38.2 million as at December 31, 2025 (2024 - P51.0 million) (Note 20).

Compensation of key management personnel of the Company are as follows:

	Note	2025	2024	2023
Short-term employee benefits		531,564	513,889	313,780
Post-employment benefits:	34			
Retirement benefits		10,011	24,124	15,124
Vacation and sick leave		327	3,293	1,714
		541,902	541,306	330,618

33 Income Taxes

The components of the Company's deferred tax assets and liabilities are as follows:

	2025	2024
Deferred tax assets:		
Net operating loss carry-over (NOLCO)	623,995	459,260
Allowance for ECLs	105,903	94,363
Accrued expenses	101,539	86,061
Lease liabilities	88,610	104,936
Pension liability	73,177	67,713
Minimum corporate income tax (MCIT)	56,273	29,243
Significant financing component	43,445	54,594
Allowance for inventory write-down	427	572
Management bonus	-	3,379
Others	13,813	6,702
	1,107,182	906,823
Deferred tax liabilities:		
Fair value adjustments on property, plant and equipment of subsidiaries acquired	(434,158)	(397,888)
Deferred gross profit on sale of real estate inventories	(362,553)	(453,294)
Unrealized gain on change in fair value of financial assets at FVPL and derivative asset	(287,427)	(229,493)
Accrued income	(165,578)	(121,656)
Excess of capital expenditures over depreciation	(70,791)	(25,019)
Right-of-use assets	(53,622)	(70,416)
Unrealized foreign exchange gain	(9,392)	(5,553)
Unamortized capitalized borrowing cost	(2,189)	(2,405)
Unamortized debt issuance costs	(1,699)	(3,694)
Others	(4,267)	(7,717)
	(1,391,676)	(1,317,135)
	(284,494)	(410,312)

The deferred tax assets and liabilities are presented in the consolidated statements of financial position as follows:

	2025	2024
Deferred tax assets - net	361,106	229,381
Deferred tax liabilities - net	(645,600)	(639,693)
	(284,494)	(410,312)

The Company's deductible temporary differences, unused NOLCO and MCIT for which no deferred tax assets are recognized in the consolidated statements of financial position, are as follows:

	2025	2024
NOLCO	2,028,868	1,291,170
Allowance for impairment loss	203,874	203,874
Allowance for ECLs	83,413	83,413
Unrealized loss on change in fair value of FVOCI	78,795	95,917
Accrued personnel costs and employee benefits	56,811	51,116
MCIT	56,086	57,622
Lease liabilities	20,772	20,772
Unamortized past service cost	19,752	21,635
Pension liability	8,041	10,333
Equity in net losses of associate	870	2,079
Others	1,149	1,550
	2,558,431	1,839,481

Deferred tax assets were not recognized since management believes that it is not probable that sufficient future taxable profit will be available to allow said deferred tax assets to be utilized.

The educational segment, as private educational institutions, are taxed based on R.A. No. 9337 which was effective January 1, 1998. Section 27(B) of R.A. No. 9337 defines and provides that: "A Proprietary Educational Institution is any private school maintained and administered by private individuals or groups with an issued permit to operate from the Department of Education (DepEd) , or CHED, or Technical Education and Skills Development Authority (TESDA), as the case may be, in accordance with the existing laws and regulations, shall pay a tax of 1% beginning July 1, 2020 until June 30, 2023 and to a tax of 10% beginning July 1, 2023 on their taxable income."

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(b) 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.

Year incurred	Expiration	2025	2024
2025	2028	1,461,070	-
2024	2027	959,742	968,377
2023	2026	508,339	508,339
2022	2025	-	415,191
2021	2026	499,313	499,313
2020	2025	-	568,902
		3,428,464	2,960,122

NOLCO amounting to P983.7 million expired in 2025 (2024 - nil). NOLCO amounting to P9.1 million was claimed as deduction against regular taxable income for the year ended December 31, 2025 (2024 - P170.2 million).

The details of MCIT which can be claimed as credit against future RCIT liabilities are as follows:

Year incurred	Expiration	2025	2024
2025	2028	36,710	-
2024	2027	40,110	40,110
2023	2026	18,739	18,739
2022	2025	-	10,683
		95,559	69,532

MCIT amounting to P10.7 million expired in 2025 (2024 - P12.3 million). MCIT amounting to P7.9 million was claimed as deduction against regular taxable income for the year ended December 31, 2024 (2023 - 2.5 million). There was no applied MCIT in 2025.

Reconciliation between the statutory tax rates and the Company's effective tax rates follows:

	2025	2024	2023
Applicable statutory tax rate	25.00%	25.00%	25.00%
Income tax effects of:			
Income of school's subject to lower income tax rate of 10%	(98.78)	(31.94)	(17.30)
Change in unrecognized deferred tax assets and others	106.42	34.22	1.40
Equity in net earnings of associates and joint ventures	(0.25)	0.40	1.10
Interest income subjected to lower final tax rate	(4.39)	(5.64)	(1.00)
Effective tax rates	28.00%	22.04%	9.20%

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

On March 26, 2021, the Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law to introduce reforms to the corporate income tax and incentives systems in the Philippines.

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

- RCIT rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding 5 million and with total assets not exceeding 100 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%.
- MCIT rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023. MCIT rate is reverted to 2% of gross income.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.
- Proprietary educational institutions and hospitals which are nonprofit previously subject to a tax of 10% on their taxable income, shall be imposed a tax rate of 1% beginning July 1, 2020 until June 30, 2023.

34 Pension and Other Post-employment Benefits

Pension and other post-employment benefits as at December 31 consist of:

	2025	2024
Net pension liability	268,031	328,669
Vacation and sick leave	138,354	123,560
Defined contribution plan	140	375
	406,525	452,604

Pension and other employee benefits expenses under "Cost of sales", "General and administrative expenses" and "Selling expenses", consist of:

	2025	2024	2023
Net pension expense	94,805	143,692	112,018
Vacation and sick leave	35,874	40,796	12,402
Contributions to PHINMA Jumbo retirement plan	8,736	7,466	2,970
Defined contribution plan	2,167	1,665	723
	141,582	193,619	128,113

A. Pension Benefit Obligation

The Company's actuarial valuations are obtained on a periodic basis. The retirement benefits are determined using the projected unit credit method.

The retirement benefits of the Parent Company are primarily based on the number of years of service of covered employees, as well as their fixed monthly salary. Under the provisions of the retirement plan, the mandatory retirement age is sixty (60), with an early retirement option at the age of fifty (50) and ten (10) years of service, subject to the consent of the Company. On January 1, 2025, the provisions of the Parent Company's retirement plan were amended to extend the mandatory retirement age to sixty-five (65) and optional retirement age at sixty (60). The early retirement option at the age of fifty (50) and ten (10) years of service period were retained. The retirement benefit computed based on a graduated percentages of the plan salary depending on the number of years of service of the employees with rates ranging from 125% to 175%.

The Parent Company's subsidiaries have noncontributory defined benefit retirement plans covering all key management personnel and permanent employees which meets the minimum retirement benefits required under RA No. 7641, The Philippine Retirement Pay Law.

The following tables summarize the components of net pension expense recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated statements of financial position for the respective plans.

Net pension expense consists of:

	2025	2024	2023
Current service cost	100,485	126,642	99,296
Net interest cost	14,109	16,231	12,402
Past service (credit) cost	(19,789)	819	320
Net pension expense	94,805	143,692	112,018

Details of net pension liability as at December 31 are as follows:

	2025	2024
Present value of defined benefit obligation	1,013,491	959,958
Fair value of plan assets	(745,460)	(631,289)
Pension liability	268,031	328,669

Changes in the present value of the defined benefit obligation are as follows:

	2025	2024
Balance at beginning of year	959,958	793,183
Current service cost	100,485	126,642
Interest cost on defined benefit obligation	54,983	49,997
Acquisition through business combination	28,980	3,167
Benefits paid from plan assets	(79,694)	(45,334)
Benefits paid from operating funds	(21,417)	(15,191)
Past service (credit) cost	(19,789)	819
Actuarial (gains) losses:		
Changes in financial assumptions	(1,747)	8,792
Changes in demographic assumptions	(9,931)	3,627
Experience adjustments	1,411	32,361
Net transfer of obligation	252	1,895
Balance at end of year	1,013,491	959,958

Change in the fair value of plan assets are as follows:

	2025	2024
Balance at beginning of year	631,289	525,961
Actual contributions	145,783	128,763
Interest income included in net interest cost	40,874	33,766
Acquisition through business combination	19,276	-
Benefits paid	(79,694)	(45,334)
Actual return excluding amount included in net interest cost	(12,068)	(11,867)
Balance at end of year	745,460	631,289
Actual return on plan assets	28,806	21,899

Changes in net pension liability are as follows:

	2025	2024
Balance at beginning of year	328,669	267,222
Pension expense	94,805	143,692
Contributions	(145,783)	(128,763)
Benefits paid from operating fund	(21,417)	(15,191)
Remeasurements in OCI	1,801	56,647
Acquisition through business combination	9,704	3,167
Net transfer of obligation	252	1,895
Pension liability	268,031	328,669

The Company expects to contribute P108.8 million to its retirement fund in 2026.

The ranges of principal assumptions used in determining pension benefits are as follows:

	2025	2024
Discount rates	6.1%-6.5%	5.9%-6.4%
Rates of salary increase	3%-6.10%	3%-6.10%

The Company has established a retirement fund that is managed by a trustee. The carrying value and fair value of the retirement fund of the Company amounted to P745.5 million and P631.3 million as at December 31, 2025 and 2024, respectively. The major assets are as follows:

	2025	2024
Cash and short-term investments	10,239	317,494
Marketable equity securities	731,289	311,939
Others	3,932	1,856
	745,460	631,289

As at December 31, 2025 and 2024, the carrying amount of the retirement fund approximates its fair value. Cash and short-term investments include liquid investments in Special Deposit Accounts (SDAs), government securities and mutual funds and UITFs. Marketable equity securities can be sold through the PSE. These include shares of stock of the Parent Company with a fair value of P4.3 million and P4.9 million as at December 31, 2025 and 2024, respectively.

The voting rights over the shares are exercised by the trustee through the retirement committee, the members of which are directors or officers of the Parent Company.

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

	Increase (Decrease)	
	2025	2024
Discount rate:		
Increase by 1%	(70,700)	(25,963)
Decrease by 1%	81,937	115,440
Salary increase rate:		
Increase by 1%	87,947	120,665
Decrease by 1%	(76,713)	(25,895)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

	2025	2024
Within the next 12 months	172,446	160,822
Between two and five years	375,358	371,196
Beyond five years	3,870,260	3,856,471

The average duration of the defined benefit obligation as at December 31, 2025 is between 6.10 years to 17.58 years (2024 - 6.10 years to 17.19 years).

B. Defined Contribution Plan

The Company also provides a defined contribution plan that covers all regular full-time employees under which the Company pays fixed contributions based on the percentage contributed by the employees from their monthly salaries.

Participation by employees in the defined contribution plan is voluntary. Total contribution is up to 4% of annual salary, of which, 60% is contributed by the employees and 40% by the Company. There will be separate sub-funds for the defined contribution and benefit plans which will not be commingled with each other or be used to fulfill the funding requirements of both retirement plans. Starting October 2025, total contribution was increased to up to 6% of annual salary, of which 40% is contributed by the employees and 60% by the Company.

The Company contributed P2.2 million in 2025, P1.7 million in 2024, and P0.7 million in 2023 to the defined contribution plan, which were recognized as expense. The Company has payable to the defined contribution plan amounting to P0.1 million as at December 31, 2025 (2024 - P0.4 million).

C. Vacation and Sick Leave

The following tables summarize the components of vacation and sick leave expense recognized in the consolidated statements of income and the amounts recognized in the consolidated statements of financial position.

Vacation and sick leave expense consists of:

	2025	2024	2023
Current service cost	27,997	31,077	20,124
Past service cost (credit)	1,145	113	(11,200)
Interest cost	7,876	6,326	6,786
Actuarial (gains) losses	(1,144)	3,280	(3,308)
Vacation and sick leave expense	35,874	40,796	12,402

Changes in the present value of the vacation and sick leave obligation are as follows:

	2025	2024
Balances at beginning of year	123,560	91,094
Current service cost	27,997	31,077
Acquisition through business combination	3,037	-
Past service cost	1,145	113
Benefits paid	(24,104)	(20,771)
Interest cost	7,876	6,326
Net (transferred) acquired obligation	(13)	12,441
Actuarial (gains) losses	(1,144)	3,280
Balances at end of year	138,354	123,560

D. PHINMA Jumbo Retirement Plan

The Company has cross-assigned executives currently enrolled in the PHINMA Jumbo Retirement Plan of PHINMA, Inc. The Company contributes to the retirement fund of the cross-assigned executives and recognizes the contribution as retirement expense in the year it was incurred. For the year ended December 31, 2025, the Company contributed P8.7 million to the retirement fund (2024 - P7.5 million; 2023 - P3.0 million).

35 Leases

Company as Lessee

The Company has various lease contracts for land, buildings, warehouses and vehicles. The leases have lease terms of between two (2) and 25 years. The Company also has certain leases with lease terms of 12 months or less. The Company applies the "short-term lease" recognition exemptions for these leases. The rollforward analysis of right-of-use assets follows:

	Right-of-use: Land	Right-of-use: Buildings & Warehouses	Right-of-use: Vehicles	Right-of-use: Others	Right-of-use: Total
Cost					
At January 1, 2024	248,434	306,102	348,817	2,761	906,114
Additions	-	85,226	49,775	464	135,465
Pre-termination	-	-	(11,794)	-	(11,794)
At December 31, 2025	248,434	391,328	386,798	3,225	1,029,785
Additions	-	141,536	14,284	200	156,020
Pre-termination	-	-	(3,908)	-	(3,908)
At December 31, 2025	248,434	532,864	397,174	3,425	1,181,897
Accumulated depreciation and amortization					
At January 1, 2024	(68,143)	(185,568)	(226,361)	(2,761)	(482,833)
Depreciation	(16,414)	(48,289)	(86,879)	(361)	(151,943)
Pre-termination	-	-	9,661	-	9,661
At December 31, 2025	(84,557)	(233,857)	(303,579)	(3,122)	(625,115)
Depreciation	(17,004)	(75,928)	(41,835)	(195)	(134,962)
Pre-termination	-	-	1,691	-	1,691
At December 31, 2025	(101,561)	(309,785)	(343,723)	(3,317)	(758,386)
Net Book Value					
At December 31, 2025	146,873	223,079	53,451	108	423,511
At December 31, 2024	163,877	157,471	83,219	103	404,670

The roll forward analysis of lease liabilities follows:

	2025	2024
As at beginning of year	518,400	524,517
Payments	(167,539)	(170,794)
Additions	154,618	131,839
Accretion of interest	38,070	34,623
Pretermination	(2,323)	(1,785)
As at end of year	541,226	518,400
Less current portion of lease liabilities	143,464	90,271
Noncurrent portion of lease liabilities	397,762	428,129

In 2025, 2024 and 2023, the Company pre-terminated certain long-term lease contracts. As a result, the Company recognized gain from pre-termination of lease contract amounting to P0.1 million recognized in the statement of income as part of "Other income (expenses)" (2024 - P0.3 million loss; 2023 - P0.2 million loss), after derecognizing the related right-of-use assets and lease liabilities amounting to P0.4 million and P2.3 million, respectively, in the statements of financial position (2024 - P2.1 million and P1.8 million, respectively; 2023 - P1.6 million and P1.4 million, respectively).

The following are the amounts recognized in the consolidated statements of income:

	Notes	2025	2024	2023
Depreciation expense of right-of-use assets	30	134,962	151,943	116,804
Interest expense on lease liabilities	31	38,070	34,623	25,640
Expenses relating to short-term leases		103,436	130,442	140,076
(Gain) loss on pre-termination		(106)	349	225
		276,362	317,357	282,745

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

	2025	2024
1 year	126,477	121,411
more than 1 years to 2 years	141,494	146,623
more than 2 years to 3 years	67,721	65,657
more than 3 years to 4 years	37,324	37,319
more than 5 years	364,874	395,436

36 Commitments and Contingencies

a. Unused Credit Lines

PHN has an unused credit line amounting to P5.6 billion and P2.3 billion as at December 31, 2025 and 2024, respectively.

UGC has the following unused approved credit lines with local banks and financial institutions as at December 31:

Nature	2025	2024
Letters of credit/trust receipts	4,673,239	3,696,062
Bills purchase line	-	650,000
Forward contract (including settlement risk)	-	1,337,900

PCC has the following unused approved credit lines with local banks and financial institutions as at December 31:

Nature	2025	2024
Letters of credit/trust receipts	1,101,041	2,561,643
Bills purchase line	-	600,432
Forward contract (including settlement risk)	-	1,552,820

Phinma Solar has the following unused approved credit lines with local banks and financial institutions as at December 31:

Nature	2025	2024
Letters of credit/trust receipts	91,000	67,000
Bills purchase line	-	50,000
Forward contract (including settlement risk)	-	154,000

PEHI has the following unused approved credit lines with local banks and financial institutions as at December 31:

Nature	2025	2024
Letters of credit/trust receipts	5,025,000	3,950,000
Bills purchase line	325,000	305,000
Forward contract (including settlement risk)	293,865	-

b. PPHC is a party to certain claims arising from the ordinary course of business. PPHC management, after consultations with its legal counsel, is of the opinion that adverse judgment in any case will not materially affect its financial position and results of operations. Other disclosures required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, were not provided as it may prejudice the Group's position on these claims.

c. PPHC has entered into a Funding Commitment Agreement with the HDMF covering the terms and conditions for extension of housing loans to HDMF members under the Pag-IBIG Housing Loan Program. HDMF requires a seasoning period of two years within which to convert the Contract to Sell between the Parent Company and the buyer to Real Estate Mortgage between the HDMF and the buyer.

d. PPHC has entered into agreements with various Companies and individuals for the acquisition of land for development into residential projects. Liabilities arising from such contracts are as follows:

	2025	2024
Accrued land liabilities - current (Note 20)	222,136	94,269
Accrued land liabilities - noncurrent	152,855	335,330
	374,991	429,599

Noncurrent portion of the accrued land liabilities is presented as part of other noncurrent liabilities in the statements of financial position.

e. PHI

Lease Agreements

PHI as Lessee

On August 16, 2009, PHI entered into a lease agreement with EMAR Corporation, a related party, which shall be for a period of five (5) years until August 15, 2014 and is renewable under such terms and conditions as the parties may agree. In September 2011, the lease agreement was amended to reduce the leased area by half of the original size. On September 1, 2021 and 2020, respectively, the lease agreement was renewed for another year with total leased space of 205 square meters. PHI applied the "short-term lease" recognition exemption for this lease under PFRS 16.

Rent expense arising from this lease agreement amounted to P2.9 million for the year ended December 31, 2025 (2024 - P2.8 million; 2023 - P2.7 million).

Security Deposit

The lease agreement provides for a security deposit to be applied against monthly rentals due or to be refunded, free of interest, after PHI has completely vacated the leased premises, less certain deductions as stipulated in the agreement.

The carrying amount of the security deposit presented as part of input VAT and other current assets in the statements of financial position amounted to P0.4 million as at December 31, 2025 and 2024.

f. Coral Way

Lease Commitments

Coral Way as a Lessee

Coral Way entered into a noncancellable commercial lease of land with Shoemart, Inc., which shall be used for the development and operation of Coral Way until 2027. The lease contract includes a clause to enable yearly upward revision of the rental charges.

Coral Way as a Lessor

Coral Way entered into a commercial lease with Paramount Hotels and Facilities Management Company, Inc. (Paramount) for the rental of a commercial space in the Hotel. The operating lease is renewable upon mutual agreement between the parties. In 2020, Coral Way and Paramount have agreed to renew the lease for another five (5) years.

In May 2010, Coral Way entered into a lease agreement with a third party for the rental of a space in the Hotel to be used as equipment room. The lease is for a period of five years. The lease agreement was renewed in 2020 for another five (5) years. As at report date, Coral Way is in the process of finalizing the renewal of the lease agreement with the lessee.

g. KEHC

Lease Commitments

KEHC as a Lessee

On December 19, 2013, Coral Way entered into a noncancellable commercial lease of land with a third party, which shall be used for the development and operation of KEHC for a period of 25 years, renewable for another 10 years upon mutual agreement of the parties. The lease contract includes a clause to enable yearly upward revision of the rental charges and grace period of two years.

In 2014, KEHC and Coral Way entered into a deed of assignment wherein the latter agreed to assign all its rights, interests and obligations under the contract of lease in favor of KEHC as the new lessee. Except for the change in the lessee, all other provisions of the contract of lease shall continue to be valid and binding with the lessor.

KEHC as a Lessor

KEHC entered into a commercial lease with Paramount for the rental of a commercial space in the Hotel. The lease is for a period of three (3) years and renewable for another three (3) years, after 2019.

In 2019, KEHC entered into a lease agreement with Cutad, Inc. for the rental of a commercial space in the Hotel. The lease is for a period of twenty (20) years with 5.0% yearly escalation clause.

h. Others

There are contingent liabilities arising from tax assessments occurring in the ordinary course of business, including the petition filed for the reversal and nullification of safeguard duties on its importation of cement. On the basis of information furnished by the Company's legal counsel, management believes that none of these contingencies will materially affect the Company's financial position and result of operations.

37 EPS Computation

Basic EPS is computed as follows:

	2025	2024	2023
			(As restated)
(a) Net income attributable to equity holders of the parent	(308,827)	279,550	831,266
(b) Weighted average number of common shares outstanding	336,225	294,659	286,326
Basic/diluted EPS attributable to equity holders of the parent (a/b)	(0.92)	0.95	2.90

The Company's basic and diluted earnings per share are the same since the Company does not have potential common shares.

38 Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash and cash equivalents, trade receivables, refundable deposits, investments held for trading and investments in equity instruments classified as financial assets at FVOCI in Philippine Peso and U.S. dollar currencies. The main purpose of these financial instruments is for a temporary outlay of funds. The Company has financial liabilities in the form of bank loans and corporate bonds with the main purpose of funding its investments in the Strategic Business Units (SBUs), potential new investments, refinancing maturing loans, and general corporate purposes. The Company also has financial assets and liabilities, such as trade and other receivables and trade and other payables that arise directly from operations.

The main risks arising from the Company's treasury transactions are credit risk, liquidity risk, market risk, foreign currency risk, interest rate risk and equity price risk. Careful study, skill, prudence and due diligence are exercised at all times in the handling of the funds and capital raising of the Company.

Credit Risk

Credit risk is the risk that the Company will incur a loss arising from customers, clients or counter-parties that fail to discharge their contractual obligations. Due to the Company's investing and operating activities, the Company is exposed to the potential credit-related losses that may occur as a result of an individual, counterparty or issuer being unable or unwilling to honor its contractual obligations.

In managing credit risk on the financial instruments, the Company transacts only with the Financial Institutions (FIs) duly approved by the Board of Directors. Investments per financial institution are subject to a maximum of 20% of the Company's investible funds. For investments in UITFs or Mutual Funds, it is the Company's policy that investments cannot exceed 10% of the size of the fund.

A comprehensive credit and business review in coordination with dealers or underwriters is performed whenever the Company invests in non-rated securities. Furthermore, the Company monitors the credit quality of corporate and sovereign bonds with reference to credit rating studies and updates from the major rating agencies. The Company's exposure to credit risk on its cash and cash equivalents, trade and other receivables and contract assets arises from default of the counterparties with maximum exposures equal to the carrying amounts of the instruments.

	2025	2024
Financial assets at amortized cost:		
Cash and cash equivalents	3,044,237	2,804,952
Trade and other receivables	8,867,709	8,620,534
Contract assets	3,266,897	3,892,207
Refundable deposits	85,011	64,901
	15,263,854	15,382,594

Cash and cash equivalents as at December 31, 2025 excludes cash on hand amounting to P150.3 million (2024 - P291.6 million).

Trade and other receivables exclude the advances to suppliers and contractors as at December 31, 2025 amounting to P5,107.0 million (2024 - P2,717.3 million).

Refundable deposits exclude other deposits as at December 31, 2025 amounting to P620.8 million (2024 - P481.2 million) as they are not considered as financial assets.

There are no significant concentrations of credit risk.

Credit Quality of Financial Assets, Other than Receivables from Customers

The financial assets are grouped according to stage whose description is explained as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Company's financial and contract assets are as follows:

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
2025				
Financial Assets at Amortized Cost:				
Cash and cash equivalents	3,044,237	-	-	3,044,237
Contract assets	3,249,528	17,369	-	3,266,897
Other receivables:				
Accrued interest receivables	708,121	-	-	708,121
Advances to other third parties	102,086	-	-	102,086
Loans receivables	32,706	-	-	32,706
Due from related parties	287,170	-	-	287,170
Advances to officers and employees	115,936	-	-	115,936
Rent receivable	120,573	-	-	120,573
Others	560,261	-	-	560,261
Refundable deposits	85,011	-	-	85,011
Gross Carrying Amount	8,305,629	17,369	-	8,322,998
2024				
Financial Assets at Amortized Cost:				
Cash and cash equivalents	2,804,952	-	-	2,804,952
Contract assets	3,863,543	28,664	-	3,892,207
Other receivables:				
Accrued interest receivables	516,873	-	-	516,873
Advances to other third parties	278,434	-	-	278,434
Loans receivables	218,898	-	-	218,898
Due from related parties	181,356	-	-	181,356
Advances to officers and employees	118,315	-	-	118,315
Rent receivable	113,727	-	-	113,727
Others	575,165	-	-	575,165
Refundable deposits	64,901	-	-	64,901
Gross Carrying Amount	8,736,164	28,664	-	8,764,828

Credit Quality of Receivables from Customers

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). 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 of the Company's receivables from customers and contract assets using provision matrix:

	Receivables from customers and contract assets					
	Days past due					
	Current	<30 Days	30-60 Days	61-90 Days	>91 Days	Total
December 31, 2025						
Expected credit loss rate	2%	16%	2%	47%	29%	11%
Estimated total gross carrying amount default	6,976,878	775,292	437,213	333,723	2,996,382	11,519,488
Expected credit loss	147,089	120,914	8,343	158,144	870,841	1,305,331
December 31, 2024						
Expected credit loss rate	2%	15%	3%	16%	23%	9%
Estimated total gross carrying amount default	7,506,580	669,602	376,521	439,864	3,145,602	12,138,169
Expected credit loss	146,452	101,329	11,832	72,026	729,376	1,061,015

Customer receivables amounting to P251.2 million and P569.8 million in 2025 and 2024, respectively, was specifically identified to be fully impaired (Note 10). Impaired financial instruments comprise of receivables from customers and other receivables. The past due but not impaired trade and other receivables are expected to be collected the following year.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time due to the inability to collect its receivables, liquidate its other assets or obtain funding at reasonable terms. The Company manages liquidity risks by keeping a level of cash and cash equivalents sufficient to finance the operating requirements. The cash and cash equivalents are invested in time deposits and money market funds that can be liquidated quickly. The Company also ensures that it always has enough and active working capital lines with banks for bridge financing. The maturities of the financial liabilities are determined based on the Company's projected payments and contractual maturities. The key terms and thresholds are approved by the Board of Directors. It is the Company's policy to restrict investment in marketable securities, principally to publicly traded securities with a history of marketability and by dealing with only large reputable domestic institutions.

As part of liquidity risk management, the Company regularly evaluates the projected and actual cash flows and conducts stress-testing of assumptions to establish contingency plans. The Company also has access to certain supplier finance arrangements with reputable financial institutions, and management expects these supplier finance arrangement to continue in the foreseeable future. The Company continuously assesses conditions in the financial markets for opportunities for fund-raising activities which may include bank loans and capital market issues.

The tables below show the maturity profile of the Company's financial assets used for liquidity purposes based on contractual undiscounted cash flows as of December 31:

Financial Assets	Within 1 year	1 to < 2 years	2 to < 3 years	3 to 5 years	More than 5 years	Total
2025						
Financial assets at amortized cost						
Cash and cash equivalents	3,194,549	-	-	-	-	3,194,549
Trade and other receivables*	8,443,209	424,500	-	-	-	8,867,709
Financial assets at FVPL:						
Investment in UITF	356,344	-	-	-	-	356,344
Investments in marketable equity securities	3,304	-	-	-	-	3,304
Investments in preferred shares	-	2,123,097	-	-	-	2,123,097
	11,997,406	2,547,597	-	-	-	14,545,003
2024						
Financial assets at amortized cost						
Cash and cash equivalents	3,096,553	-	-	-	-	3,096,553
Trade and other receivables*	8,620,534	-	-	-	-	8,620,534
Financial assets at FVPL:						
Investment in UITF	1,337,191	-	-	-	-	1,337,191
Investments in marketable equity securities	3,670	-	-	-	-	3,670
Investments in preferred shares	-	-	2,042,183	-	-	2,042,183
	13,057,948	-	2,042,183	-	-	15,100,131

**Trade and other receivables exclude the advances to suppliers and contractors as at December 31, 2025 amounting to P5,107.0 million (2024 - P2,717.3 million).*

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of December 31:

Financial liabilities	Within 1 year	1 to < 2 years	2 to < 3 years	3 to 5 years	More than 5 years	Total
2025						
Loans and borrowings and payables						
Notes payable	12,388,806	-	-	-	-	12,388,806
Trade and other payables	5,304,552	-	-	-	-	5,304,552
Trust receipts payable	1,332,356	-	-	-	-	1,332,356
Due to related parties	34,592	-	-	-	-	34,592
Lease liabilities	126,477	141,494	67,721	37,324	364,874	737,890
Long-term debt, including future interest payable	3,241,746	4,451,954	1,470,595	5,227,471	8,789,340	23,181,106
	22,428,529	4,593,448	1,538,316	5,264,795	9,154,214	42,979,302
2024						
Loans and borrowings and payables						
Notes payable	16,022,789	-	-	-	-	16,022,789
Trade and other payables	4,461,467	-	-	-	-	4,461,467
Trust receipts payable	695,121	-	-	-	-	695,121
Due to related parties	77,452	-	-	-	-	77,452
Lease liabilities	121,411	146,623	65,657	37,319	395,436	766,446
Long-term debt, including future interest payable	5,167,249	1,549,433	3,607,173	966,087	1,540,348	12,830,290
	26,545,489	1,696,056	3,672,830	1,003,406	1,935,784	34,853,565

As at December 31, 2025, trade and other payables excludes deposits from buyers amounting to P308.4 million (2024 - P256.4 million) as these are not considered as financial liability.

Changes in liabilities arising from financing activities

The changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are as follows:

	January 1, 2025	Additions	Payments	Others*	December 31, 2025
Notes payable	16,022,789	10,167,403	(13,805,072)	3,686	12,388,806
Long-term debt	10,937,557	10,314,250	(3,655,000)	26,200	17,623,007
Due to related parties	77,452	-	(42,860)	-	34,592
Dividends payable	214,981	523,433	(394,727)	-	343,687
Lease liabilities	518,400	154,618	(167,539)	35,747	541,226
Total liabilities from financing activities	27,771,179	21,159,704	(18,065,198)	65,633	30,931,318

* *Others include amortization of debt issue cost and accretion of interest. For lease liabilities, this also includes derecognized amount of P2.3 million due to pre-termination of long-term lease contract.*

	January 1, 2024	Additions	Payments	Others*	December 31, 2024
Notes payable	7,626,264	19,118,011	(10,722,251)	765	16,022,789
Long-term debt	14,139,066	500,000	(3,740,063)	38,554	10,937,557
Due to related parties	71,981	447,459	(441,988)	-	77,452
Dividends payable	254,258	548,992	(588,269)	-	214,981
Lease liabilities	524,517	131,839	(170,794)	32,838	518,400
Total liabilities from financing activities	22,616,086	20,746,301	(15,663,365)	72,157	27,771,179

* *Others include amortization of debt issue cost and accretion of interest. For lease liabilities, this also includes derecognized amount of P1.8 million due to pre-termination of long-term lease contract.*

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Market risks are managed by constant review of global and domestic economic and financial environments as well as regular discussions with banks' economists/strategy officers to get multiple perspectives on interest rate trends/forecasts. Regular comparison of the portfolio's marked-to-market values and yields with defined benchmarks are also made.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial assets that are exposed to foreign currency risk are foreign currency denominated cash and cash equivalents, receivables, derivative assets and investments in UITFs.

Foreign exchange risks on the U.S. dollar and other foreign currencies are managed through constant monitoring of the political and economic environment domestically and abroad. Should the need arise, approved hedging strategies may be implemented to mitigate risks. Returns are also calibrated on a per currency basis to account for the perceived risks with higher returns expected from weaker currencies.

The following table shows the foreign currency-denominated financial assets and financial liabilities and their peso equivalents as of December 31:

	2025		2024	
	Foreign Currency	Peso Equivalent	Foreign Currency	Peso Equivalent
Financial assets:				
Cash and cash equivalents	US$954	56,059	US$817	47,249
Cash and cash equivalents	VND8,501,595	19,006	VND5,191	12
Short-term investments	US$ 1,911	112,353	US$3,973	229,822
Receivables	US$ 15,328	901,107	US$11,613	671,760
Investment at FVPL	US$ 36,113	2,123,097	US$35,304	2,042,183
Derivative assets	US$ 19,968	1,173,929	US$17,298	1,000,586
Investment in UITF	US$36	2,097	US$35	2,011
		4,387,648		3,993,623
Financial liabilities:				
Trade and other payables	CNY1,300	10,966	-	-
Trade and other payables	JPY33	13	-	-
Trade and other payables	US$1,417	83,302	US$118	6,826
		94,281		6,826

In translating foreign currency-denominated financial assets into peso amounts, the exchange rates used were P58.79 and P57.85 to US$1.00 and P0.0022355 to VND1.00 as at December 31, 2025 (2024 - P0.0022719 to VND1.00) as at December 31, 2025 and 2024, respectively.

The following tables demonstrate the sensitivity to a reasonably possible change in the exchange rate, with all other variables held constant, of the Company's profit before tax (due to the changes in the fair value of monetary assets) as at December 31, 2025 and 2024. There is no impact on the Company's equity other than those already affecting the profit or loss.

The effect on profit before tax are as follows:

	2025		2024	
(Amounts in Millions)	Increase (Decrease) in Peso-Dollar exchange rate	Effect on profit before tax	Increase (Decrease) in Peso-Dollar exchange rate	Effect on profit before tax
PHN	+/-1.0	+/-71.55	+/-1.0	+/-64.73
PEHI	+/-1.0	+/-2.28	+/-1.0	+/-4.18
UGC	+/-3.0	+/-7.88	+/-3.0	+/-0.08
PCC	+/-4.0	+/-1.14	+/-4.0	+/-0.14

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. Interest rate risk is managed by assessing developments in the market and also internally monitoring the interest rate, interest structure, and maturity profile of the company's debt obligations.

The following tables set out the carrying amounts, by maturity, of the Company's financial assets and liabilities that are exposed to interest rate risk as of December 31:

	Interest Rates	Within 1 year	1 to < 2 years	2 to < 3 years	3 to 5 years	More than 5 years	Total
2025							
Financial Assets							
Placements (PHP)	4.45% to 5.0%	812,223	-	-	-	-	812,223
Financial Liabilities							
PEHI	5.32%-5.48%	398,290	577,714	536,319	592,471	1,319,167	3,423,961
PHN	6.00 - 7.86%	62,932	1,913,732	44,118	2,920,067	1,910,541	6,851,390
UGC	4.85% - 5.11%	810,226	-	-	-	-	810,226
2024							
Financial Assets							
Placements (PHP)	1.60% to 15.74%	1,091,365	-	-	-	-	1,091,365
Financial Liabilities							
PEHI	4.85% to 8.20%	2,265,506	279,708	491,063	784,461	538,286	4,359,024
PHN	6.25%	18,276	18,189	1,878,310	-	-	1,914,775
UGC	4.85% to 5.11%	48,025	35,535	798,691	-	-	882,251

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

The table below sets forth the estimated change in the Company's income before tax due to a reasonably possible change in interest rates as at December 31, 2025 and 2024. There is no impact on the Company's equity other than those already affecting the profit or loss.

	2025		2024	
	Increase/ (Decrease) in basis points	Effect on profit before tax	Increase/ (Decrease) in basis points	Effect on profit before tax
Financial Liabilities				
PEHI	25	(8,612)	25	(10,901)
	(25)	8,612	(25)	10,901
PHN	25	(17,225)	25	(7,150)
	(25)	17,225	(25)	7,150
UGC	25	2,031	25	2,238
	(25)	(2,031)	(25)	(2,238)

Peso placements are subject to cash flow interest rate risk while peso and dollar bonds are subject to fair value interest rate risk.

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the values of individual stocks. The Company's exposure to equity price risk relates primarily to its equity investments listed in the PSE classified under investments held for trading.

The Company's policy is to maintain the risk to an acceptable level. Movement of share price is monitored regularly to determine impact on the Company's financial position. Unsystemic risk is managed through diversification in the stock portfolio.

The following tables demonstrate the effect on the Company's profit before income tax (as a result of a change in the fair value of equity instruments held as investment held for trading) due to a reasonably possible change in equity indices, based on the Company's expectation, with all other variables held constant as at December 31, 2024 and 2023.

There is no other significant impact on the Company's equity other than those already affecting the profit or loss.

	2025		2024	
	Increase/ Decrease in stock exchange index	Effect on profit before tax	Increase/ Decrease in stock exchange index	Effect on profit before tax
PHN	+16.68%	339	+18.02%	408
	-16.68%	(339)	-18.02%	(408)
API	+16.68%	100	+18.02%	133
	-16.68%	(100)	-18.02%	(133)

Capital Management

The primary objective of the Company's capital management is to ensure that the Company maintains a healthy capital structure to maintain strong credit rating and maximize shareholder value. Capital includes all the accounts appearing in the "Equity attributable to equity holders of the parent" and "Equity attributable to noncontrolling interests" in the consolidated statements of financial position.

The Company keeps the debt-to-equity ratio at a level no higher than 3.33:1, with the DE ratio computed as Consolidated Total Indebtedness over Consolidated Total Equity. Total Indebtedness defined as (a) money borrowed; (b) any amount raised by acceptance credit facility; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, promissory notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with PFRS Accounting Standards, be treated as a finance or capital lease; (e) receivables sold on a nonrecourse basis; (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked-to-market value shall be taken into account); (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (i) the amount paid-up or credited as paid-up on any redeemable share capital; and (j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

The Company's consolidated debt-to-equity ratio as at December 31 are as follows:

	2025	2024
Total liabilities	31,885,395	28,173,867
Total equity	16,707,953	15,822,990
Debt-to-equity ratio	1.91:1	1.78:1

The Company expects to improve the debt-to-equity ratio mainly through improvement in the Company's business operations.

39 Financial Instruments

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of its assets and liabilities by valuation technique:

- 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 is significant to their fair value measurement is unobservable

Assets and liabilities measured or disclosed at fair value are as follows:

	Total	Level 1	Level 2	Level 3
2025				
Assets				
Investments held for trading:				
Investments in UITFs	356,344	-	356,344	-
Investments in marketable equity securities	3,304	3,304	-	-
Club shares designated at FVOCI	2,540	-	2,540	-
Non-listed equity instruments designated at FVOCI	92,815	-	-	92,815
Non-listed debt instrument designated at FVPL	2,123,097	-	-	2,123,097
Derivative assets	1,173,929	-	-	1,173,929
	3,752,029	3,304	358,884	3,389,841
Liabilities				
Long-term debt	17,623,007	-	-	17,623,007
2024				
Assets				
Investments held for trading:				
Investments in UITFs	1,337,191	-	1,337,191	-
Investments in marketable equity securities	3,670	3,670	-	-
Club shares designated at FVOCI	52,497	-	52,497	-
Non-listed equity instruments designated at FVOCI	86,516	-	-	86,516
Non-listed debt instrument designated at FVPL	2,042,183	-	-	2,042,183
Derivative assets	1,000,586	-	-	1,000,586
	4,522,643	3,670	1,389,688	3,129,285
Liabilities				
Long-term debt	10,937,557	-	-	10,937,557

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

The following methods and assumptions are used to estimate the fair value of the following financial instruments.

Investments Held for Trading, Financial Assets at FVPL, Financial Assets at FVOCI and Derivative Assets. Quoted market prices have been used to determine the fair value of investments in marketable equity securities and club shares designated at FVOCI. The fair values of unquoted equity investments at FVOCI, unquoted debt investment classified as financial asset at FVPL and derivative asset have been estimated using a future cash flows from the investee and applying a discount rate to calculate the present value of the cash flows.

The valuation requires management to make certain assumptions about the model inputs including forecast cashflows, discount rate, long-term growth rate, comparable companies' average volatility, option adjusted spread and risk-free rate. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

The fair values of non-listed shares of stock were determined through the following valuation approach: income approach and asset-based approach. Income approach is predicated upon the concept that the value of any asset can be estimated by ascertaining the amount and timing of future cash flows or earnings that are generated by that asset. Asset-based approach is based on the value of all the tangible and intangible assets and liabilities of the company.

For financial assets at FVOCI, the higher the value of the share price, the higher the fair value. Any change in the fair value of the non-listed equity shares will not significantly impact the consolidated financial statements.

Sensitivities related to the financial assets at FVPL and derivative assets are disclosed in Note 14.

Cash and Cash Equivalents, Trade and Other Receivables, Notes Payable, Trade and Other Payables, Trust Receipts Payable and Due to Related Parties. Due to the short-term nature of these transactions, the carrying value approximate the fair values as at the reporting date.

Long-term Debt. The Company's borrowings as at December 31, 2025 and 2024 are stated at amortized cost. The fair values of the borrowings approximate their carrying amounts.

Derivative Instruments

Freestanding Derivatives. The Company's derivative financial instruments are accounted for as financial instruments at FVPL.

40 Segment Information

For management purposes, the Company is organized into business units based on its products and services and has six (6) reportable operating segments as follows:

- Investment holdings - PHN and PSHC are engaged in investment holding activities of shares of stocks and other financial instruments.
- Property development - PPHC is engaged in real estate development. API and APHI lease out its real and personal properties. CoHo is engaged in delivering socialized housing solutions.
- Construction materials - PCC encompasses the operations of the cement trading. UGC handles the manufacturing and trading of iron and steel products. PHINMA Solar provides solar rooftop system to customers. The Company has assessed that the nature of the products and services and the type or class of customers for these products and services are related.
- Educational services - PEHI holds interest in AU, COC, UPANG, UI, SWU, RCI, RCL and UCLI which offer graduate, tertiary, secondary and elementary education services. CAA conducts a non-sectarian institution of learning and operates schools for all levels below tertiary level, whether preschool, primary, secondary, technical and vocational, specialized programs and for all and any form of educational activities.
- Hospitality - PHI provides management services and is engaged in investment holding activities for the hotels. PHINMA Microtel is engaged in hotel franchising. Coral Way is engaged in hotel operations.
- Insurance Brokerage and Others - PIBI is the insurance brokerage arm of the Group (Note 6) and OAL was engaged in animation services.

The BOD (Chief Operating Decision Maker) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Segment result is defined as the segment's income generated from its own operations, net of its share in the equity in net earnings of associates and joint ventures and investment income, before deducting interest and financing charges, provision for income tax and share of NCI. The amounts of segment assets and liabilities, and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets, liabilities and profit or loss in the consolidated financial statements, which is in accordance with PFRS.

The Company does not report its results based on geographical segments since the Company's risks and rates of return are substantially in the same economic and political environment with the companies incorporated and operated in the Philippines. There are no transactions with a single customer that accounts to 10% or more of the Company's revenue.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transaction with third parties. Segment revenues, segment expenses and segment results include transfers between operating segments. These transfers are eliminated in full upon consolidation.

	Investment holdings	Property development	Construction materials	Educational services	Hospitality	Insurance brokerage and others	Eliminations	Total operations
Year Ended December 31, 2025								
Revenue	701,922	1,453,029	13,327,546	7,192,381	527,332	68,660	(430,024)	22,840,846
Segment results	(67,230)	(266,006)	288,892	1,964,012	10,864	31,121	(212,689)	1,748,964
Investment income	605,491	234,625	16,018	43,705	5,015	3,301	(384,200)	523,955
Equity in net earnings (losses) of associates and joint ventures	-	(153,322)	-	5,595	(3,703)	-	155,968	4,538
Interest expense and financing charges	(464,289)	(456,996)	(675,797)	(220,896)	(20,879)	-	15,034	(1,823,823)
Provision for income tax	(7,012)	(24,233)	105,493	(184,972)	(5,806)	(10,452)	-	(126,982)
Share of noncontrolling interest	-	(16,900)	-	(265,817)	-	-	(352,762)	(635,479)
Net income attributable to equity holders of parent	66,960	(682,832)	(265,394)	1,341,627	(14,509)	23,970	(778,649)	(308,827)
Total assets	15,430,913	11,088,703	19,997,340	23,264,237	1,580,805	120,818	(12,089,531)	59,393,285
Total liabilities	7,412,704	8,711,501	15,533,275	10,966,785	754,968	381,743	(1,075,644)	42,685,332
Year Ended December 31, 2024								
Revenue	815,266	2,357,680	14,295,226	6,386,893	591,631	-	(687,538)	23,759,158
Segment results	(122,508)	219,177	650,967	1,746,014	60,708	(331)	(222,899)	2,331,128
Investment income	673,606	200,718	20,691	51,031	7,161	-	(457,052)	496,155
Equity in net earnings (losses) of associates and joint ventures	-	(25,694)	-	(20,868)	10,256	-	17,143	(19,163)
Interest expense and financing charges	(386,400)	(397,174)	(570,397)	(241,040)	(22,857)	-	11,474	(1,606,394)
Provision for income tax	(10,069)	(53,051)	(30,973)	(171,164)	399	-	-	(264,858)
Share of noncontrolling interest	-	(56,103)	-	(262,776)	-	-	(338,439)	(657,318)
Net income attributable to equity holders of parent	154,629	(112,127)	70,288	1,101,197	55,667	(331)	(989,773)	279,550
Total assets	14,834,648	11,257,678	16,627,994	20,983,838	1,301,905	769	(11,146,839)	53,859,993
Total liabilities	6,691,848	8,254,026	12,515,306	10,757,853	501,172	310,156	(993,358)	38,037,003
Year Ended December 31, 2023								
Revenue	766,950	1,921,024	13,268,172	5,438,749	293,027	7	(414,111)	21,273,818
Segment results	(205,108)	467,317	697,979	1,410,280	46,258	(389)	1,879	2,418,216
Investment income	620,101	24,401	18,200	45,253	3,689	7	(381,970)	329,681
Equity in net earnings (losses) of associates and joint ventures	-	(76,649)	-	(5,028)	81	-	-	(81,596)
Interest expense and financing charges	(297,548)	(122,759)	(402,784)	(210,544)	(12,179)	-	41,125	(1,004,689)
Provision for income tax	(11,241)	(84,042)	(11,367)	(45,994)	(11,285)	-	-	(163,929)
Share of noncontrolling interest	-	(161)	-	(254,639)	-	-	(411,618)	(666,418)
Net income attributable to equity holders of parent	106,204	208,107	302,028	939,328	26,564	(382)	(750,584)	831,265
Total assets	13,532,537	8,720,617	12,865,398	16,294,786	1,250,846	1,022	(9,868,618)	42,796,588
Total liabilities	6,340,455	5,958,056	9,762,651	8,373,846	497,025	309,917	1,894,776	33,136,726

41 Restatement

For the year ended December 31, 2024, the management of UGC, the Parent Company's subsidiary, identified certain adjustments needed to correct select financial statement line items. These adjustments were primarily due to inconsistencies in the application of certain accounting policies and as a result, select amounts in the previously reported 2023 consolidated financial statements have been restated.

On April 7, 2025, the Company requested for an approval from the SEC to restate the 2023 consolidated financial statements and subsequently received the approval on April 11, 2025

The Company conducted a comprehensive review of its financial records, leading to the following adjustments in the consolidated financial statements:

a. Reduction in the December 31, 2023 ending balance of inventory resulting from the correct application of inventory accounting policies.
b. Reduction in the advances to suppliers presented under trade and other receivables and prepaid expenses and deposits presented under input value-added taxes and other current assets to consistently apply and reflect correct accounting policies for goods that were already delivered and expenses already incurred against trade and other payables and contract liabilities.
c. Increase in cost of sales for inventories sold in 2023 resulting from the adjustments described in (a) and (b) above.

The effects of the restatements to the Company's financial statements as at and for the year ended December 31, 2023 are summarized below. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Consolidated statement of financial position as at December 31, 2023:

	As previously stated	Effect of restatement	As restated
Current assets			
Trade and other receivables	8,513,789	(253,592)	8,260,197
Inventories	3,765,002	(416,444)	3,348,558
Input value-added taxes and other current assets	1,871,411	(12,332)	1,859,079
Total current assets	20,537,041	(682,368)	19,854,673
Total assets	43,478,956	(682,368)	42,796,588
Current liabilities			
Trade and other payables	3,572,566	255,920	3,828,486
Contract liabilities	1,809,423	102,220	1,911,643
Total current liabilities	18,115,541	358,140	18,473,681
Total liabilities	32,778,586	358,140	33,136,726
Equity			
Retained earnings, beginning of year	5,360,643	(893,481)	4,467,162
Retained earnings, end of year	6,132,003	(1,019,841)	5,112,162
Noncontrolling interest	3,012,875	(20,667)	2,992,208
Total equity	10,700,370	(1,040,508)	9,659,862
Total liabilities and equity	43,478,956	(682,368)	42,796,588

Consolidated Statement of income for the year ended December 31, 2023:

	As previously stated	Effect of restatement	As restated
Costs and expenses			
Cost of sales	11,678,169	128,921	11,807,090
Income before income tax	1,790,532	(128,921)	1,661,611
Net income	1,626,603	(128,921)	1,497,682
Attributable to:			
Equity holders of the Parent	957,626	(126,360)	831,266
Noncontrolling interest	668,977	(2,561)	666,416
	1,626,603	(128,921)	1,497,682
Basic/Diluted Earnings Per Common Share - Attributable to Equity Holders of the Parent	3.34	(0.44)	2.90

Consolidated Statement of cash flow for the year ended December 31, 2023:

	As previously stated	Effect of restatement	As restated
Profit before income tax	1,790,532	(128,921)	1,661,611
Operating income before working capital changes	3,495,488	(128,921)	3,366,567
(Increase) decrease in:			
Trade and other receivables	(1,978,796)	219,182	(1,759,614)
Inventories	205,160	(331,149)	(125,989)
Increase (decrease) in trade and other payables	(199,886)	240,888	41,002
Net cash provided by operations	1,018,170	-	1,018,170
Net cash used in operating activities	(33,359)	-	(33,359)

Such restatement did not impact the previously reported totals of net cash flows from operating, investing and financing activities in the statements of cash flows for the period ended December 31, 2023.

In 2022, UGC implemented a new accounting system, which introduced certain limitations that make it impracticable, as defined under PAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors,* to determine the impact of the adjustments in 2022 and retrospectively present a third statement of financial position as at January 1, 2023. Given these constraints, retrospective application has not been applied beyond what is reasonably determinable.

The effects of the restatements to the Construction Materials business segment's financial information as at and for the year ended December 31, 2023 are summarized below. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Construction Materials Segment	As previously stated	Effect of restatement	As restated
Segment results	826,900	(128,921)	697,979
Net income attributable to equity holders of parent	430,949	(128,921)	302,028
Total assets	13,547,766	(682,368)	12,865,398
Total liabilities	9,404,511	358,140	9,762,651

42 Events After the Reporting Period

On March 6, 2026, the BOD approved the declaration of cash dividends subject to the confirmation and approval of audited financial statements by the Executive Committee. As disclosed in Note 1, on March 10, 2026, the Executive Committee approved the audited financial statements and has confirmed the details of the cash dividend declaration of P0.60 per share amounting to P201.8 million payable on April 13, 2026 to shareholders of record as at March 31, 2026.

PHINMA Corporation and Subsidiaries

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December 31, 2025

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Schedule I

PHINMA Corporation
12th Floor, PHINMA Plaza 39 Plaza Drive, Rockwell Center, Makati City

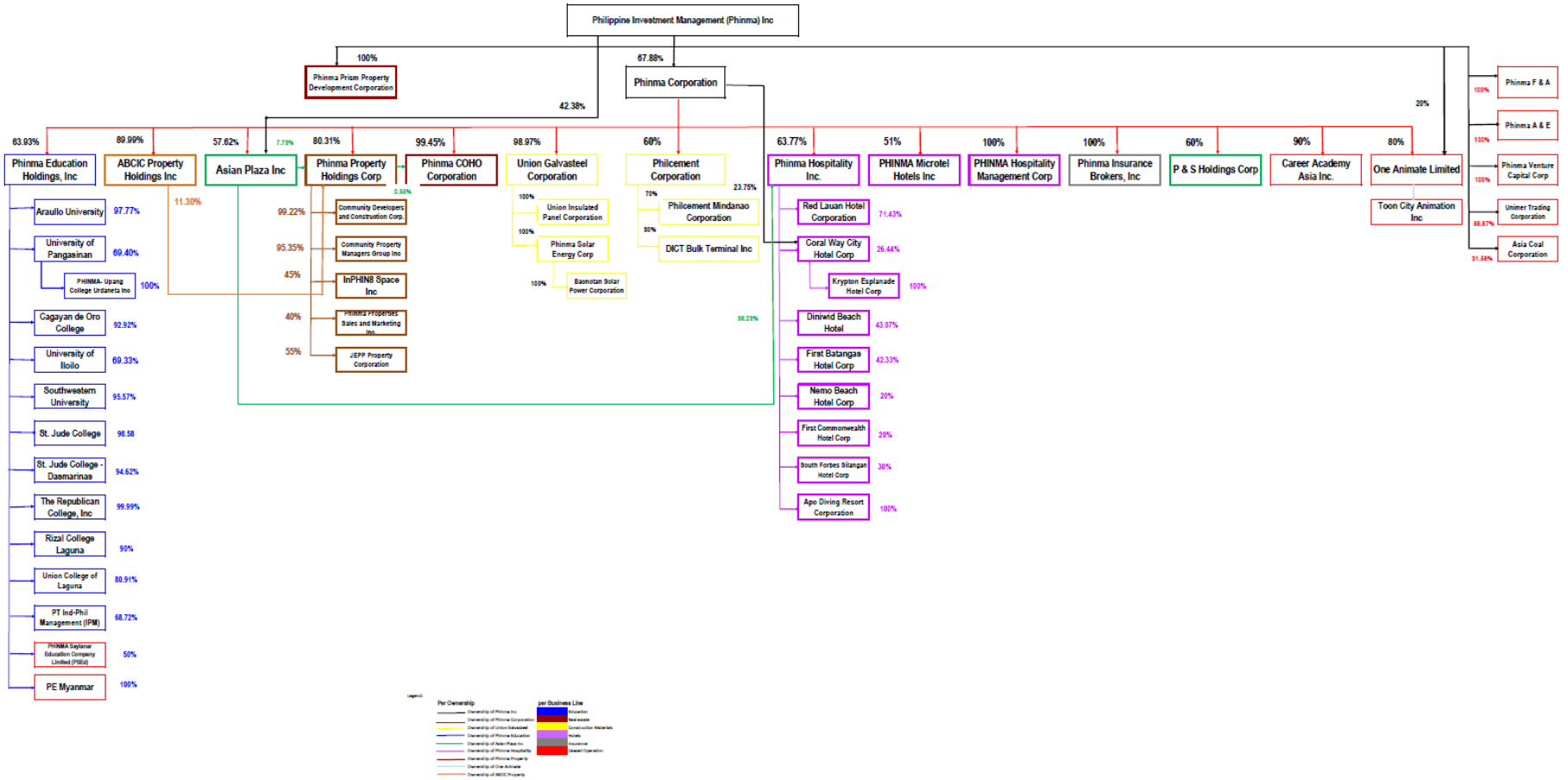
Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2025
(All amounts in Philippine Peso)
(In absolute amounts)

Unappropriated Retained Earnings at January 1, 2025			1,049,837,286
Add:	Category A: Items that are directly credited to Unappropriated retained earnings		
	Reversal of Retained earnings appropriation/s	1,600,000,000	
	Realized gain on sale of financial assets through other comprehensive income	53,981,000	
	Remeasurement loss on retirement benefit obligation	97,381	1,654,078,381
Less:	Category B: Items that are directly debited to Unappropriated retained earnings		
	Dividend declaration during the reporting period	(201,795,159)	
	Retained earnings appropriated during the reporting period	(1,000,000,000)	(1,201,795,159)
Unappropriated Retained Earnings, as adjusted			**1,502,120,508**
Add/Less:	**Net Income (loss) for the current year/period**		58,988,296
Less:	Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)	-	
	Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(9,210,478)	
	Unrealized fair value adjustment of financial assets at fair value through profit or loss (FVTPL)	(130,007,210)	
	Unrealized gain on derivatives	(60,685,568)	
	Unrealized gain on fair value of investments held for trading	(1,597,243)	(201,500,499)
Add:	Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
	Realized foreign exchange gain, except those attributable to Cash and cash equivalents	2,535,817	2,535,817
Add:	Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	-
Adjusted net income/loss			(139,976,386)
Add:	Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	-	-
Add/Less:	Category E: Adjustments related to relief granted by the SEC and BSP)	-	-
Add/Less:	Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	-	
	Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
	Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(109,404,416)	
	Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
	Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
	Others (describe nature)	-	(109,404,416)
Adjusted net income/loss			**(249,380,802)**
Total Retained Earnings, end of the year available for dividend declaration			**1,252,739,706**

Schedule II

PHINMA Corporation and Subsidiaries

Map of the Relationship of the Companies within the Group
December 31, 2025



Schedule III

PHINMA Corporation and Subsidiaries

Supplementary Schedules Required by Paragraph 7D, Part II
Under Revised SRC Rule 68
As at and for the year ended December 31, 2025
(Absolute amounts in Philippine Peso, unless otherwise stated)

Schedule A. Financial Assets

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value based on market quotation at end of reporting period	Income received and accrued
Cash and cash equivalents		**3,194,548,524**	**3,194,548,524**	**49,750,143**
Investment in Unit Investment Trust Fund and Money Market Fund (UITF & MMF)				
BDO Unibank, Inc. (Peso MMF)	24,121	45,319,402	45,319,402	
BDO Unibank, Inc. (USD MMF)	152	5,124,458	5,124,458	
Bank of the Philippine Islands (MMF)	82,243	25,056,074	25,056,074	
Bank of the Philippine Islands (Peso Short term fund)	71,407	14,081,659	14,081,659	
Bank of the Philippine Islands (USD Short term fund)	32	662,029	662,029	
China Banking Corporation (Cash Fund)	22,837,211	30,346,816	30,346,816	
China Banking Corporation (MMF)	131,705,043	170,126,434	170,126,434	
China Banking Corporation (IFIF)	22,040	35,049,204	35,049,204	
China Banking Corporation (STF)	2,037,784	2,845,107	2,845,107	
Metropolitan Bank and Trust Company (MMF)	295,054	582,855	582,855	
Rizal Commercial Banking Corporation (Peso MMF)	380,561	862,095	862,095	
Rizal Commercial Banking Corporation (Peso CMF)	9,236,816	12,161,173	12,161,173	
Security Bank Corporation (Peso Bond Fund)	215,932	500,267	500,267	
Security Bank Corporation (Peso MMF)	8,122,499	13,626,721	13,626,721	
		356,344,294	**356,344,294**	**6,269,089**
Marketable Equity Securities				
Aboitiz Equity Venture	1,900	53,200	53,200	
Aboitiz Power Corporation	3,700	159,100	159,100	
AC Energy (ACEPH) formerly Phinma Energy Corp.	201,590	552,325	552,325	
ACE Enexor, Inc. formerly Phinma Petroleum and Geothermal Corp.	8	26	26	
Ayala Corporation	530	247,510	247,510	
Banco de Oro Universal Bank	1,517	204,036	204,036	
Century Pacific Food, Inc	3,500	135,975	135,975	
Cosco Capital	19,000	132,810	132,810	
Del Monte Pacific Limited	5,972	27,352	27,352	
DMCI Holdings, Inc	14,100	148,614	148,614	
DNL Industries	24,400	93,940	93,940	
First Gen Corp	5,600	97,664	97,664	
First Phil. Holdings Corp.	9,440	591,031	591,031	
Metrobank	5,000	342,250	342,250	
Puregold Price Club, Inc.	2,400	91,080	91,080	
Robinsons Retail Holdings, Inc.	6,100	201,605	201,605	
San Miguel Food and Beverage	1,270	68,641	68,641	
Security Bank Corporation	1,767	115,915	115,915	
Universal Robina Corp.	600	40,320	40,320	
		3,303,394	**3,303,394**	**(366,571)**
T-BILLS		-	-	-
Trade and other receivables		**13,974,668,326**	**13,974,668,326**	**238,874,763**
Financial assets at fair value through other comprehensive income				
Unquoted:				
Asian Eye Institute, Inc.	100,000	1,799,536	1,799,536	
Beacon Property Ventures, Inc.	14,400,000	71,059,324	71,059,324	
Manila Cordage Company	18,136	12,483,601	12,483,601	
PDS Holdings Corp.	4,030	866,450	866,450	
Others	various	6,605,700	6,605,700	
Quoted				
Grand Plaza Hotel	353,260	2,045,375	2,045,375	
Metro Alliance Holdings A	162,000	59,940	59,940	
Metro Alliance Holdings B	268,000	184,920	184,920	
Club shares	various	250,000	250,000	
		95,354,846	**95,354,846**	**10,005,595**
Financial assets at fair value through profit or loss		**2,123,096,719**	**2,123,096,719**	**220,462,500**
		19,747,316,103	**19,747,316,103**	**524,995,519**

Schedule III

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

Name and Designation of Debtor	Balance of Beginning of Period	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Balance at End of Period
Advances to officers and employees	118,314,687	3,386,887	(5,765,298)		115,936,276	-	115,936,276

Schedule III

Schedule C. Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements

Name and Designation of Debtor	Balance of Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
Accounts Receivable							
One Animate Ltd.	303,844,461	-	-	-	-	303,844,461	303,844,461
Philcement Corp.	103,099,138	194,777,813	(220,455,672)	-	77,421,279	-	77,421,279
Union Galvasteel Corporation	103,546,982	2,965,503	(87,535,178)	-	18,977,307	-	18,977,307
Phinma Corporation	73,906,726	9,879,252	-	-	83,785,978	-	83,785,978
Phinma Education Holdings, Inc.	179,662,070	559,849,636	(526,995,475)	-	212,516,231	-	212,516,231
Phinma Solar	-	32,672,170	-	-	32,672,170	-	32,672,170
Career Asia Academy	1,553,411	134,400	-	-	1,687,811	-	1,687,811
Cagayan de Oro College	287,674	2,279	(277,441)	-	12,512	-	12,512
University of Iloilo	139,291	-	-	-	139,291	-	139,291
Pamantasan ng Araullo (Araullo University), Inc.	334,985	-	(146,405)	-	188,580	-	188,580
Southwestern University	6,006,183	8,304,271	-	-	14,310,454	-	14,310,454
University of Pangasinan	150,871	101,264	-	-	252,135	-	252,135
St. Jude College	-	2,510,525	-	-	2,510,525	-	2,510,525
Asian Plaza, Inc.	52,000,000	-	(25,000,000)	-	27,000,000	-	27,000,000
Republican College	56,717	-	-	-	56,717	-	56,717
Phinma Property Holdings Corp	232,733,195	593,066	(104,591,368)	-	128,734,893	-	128,734,893
Phinma Hospitality Inc	6,294,589	8,137,178	(512,839)	-	13,918,928	-	13,918,928
Phinma Microtel Hotels Inc	64,486	2,550,000	(2,589,992)	-	24,494	-	24,494
Community Property Managers Group, Inc.	501,621	-	-	-	501,621	-	501,621
Community Developers and Construction Corp	-	11,285	(9,360)	-	1,925	-	1,925
Union Insulated Panel Corporation	12,277,966	130,270,609	-	-	142,548,575	-	142,548,575
Philcement Mindanao Corporation	13,087,653	68,897,987	-	-	81,985,640	-	81,985,640
PHINMA Insurance Brokers, Inc.	-	756,270	-	-	756,270	-	756,270
PHINMA Hospitality Management Corp	-	405,291	-	-	405,291	-	405,291
PHINMA COHO Corporation	-	18,669,406	-	-	18,669,406	-	18,669,406
	1,089,548,019	**1,041,488,205**	**(968,113,730)**	**-**	**859,078,033**	**303,844,461**	**1,162,922,494**

Schedule III

Schedule D. Long-term Debt

Title of Issue and Type of Obligation	Amount authorized by Indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long Term Debt" in related balance sheet"
PHINMA Education Holdings, Inc.			
Rizal Commercial Banking Corporation	992,619,410	71,660,119	920,959,291
	992,619,410	71,660,119	920,959,291
PHINMA Corporation			
China Banking Corporation	1,489,086,255	13,000,473	1,476,085,782
Security Bank Corporation	3,376,885,332	31,110,872	3,345,774,460
Rizal Commercial Banking Corporation	1,985,418,278	18,820,927	1,966,597,351
	6,851,389,865	62,932,272	6,788,457,593
Southwestern University			
Rizal Commercial Banking Corporation	381,000,000	4,000,000	377,000,000
China Banking Corporation	190,500,000	2,000,000	188,500,000
	571,500,000	6,000,000	565,500,000
Union Galvasteel Corporation			
Banco de Oro	810,225,926	810,225,926	-
PhilCement Corporation			
Security Bank Corporation	901,176,248	363,020,801	538,155,447
University of Pangasinan			
China Banking Corporation	310,558,090	16,182,300	294,375,790
Rizal Commercial Banking Corporation	291,589,690	18,461,451	273,128,239
	602,147,780	34,643,751	567,504,029
Pamantasan ng Araullo (Araullo University), Inc.			
China Banking Corporation	638,440,368	29,202,019	609,238,349
University of Iloilo			
China Banking Corporation	151,434,207	10,526,385	140,907,822
Rizal Commercial Banking Corporation	346,507,684	9,088,576	337,419,108
	497,941,891	19,614,961	478,326,930
Cagayan de Oro College			
China Banking Corporation	299,405,039	21,172,586	278,232,453
Rizal Commercial Banking Corporation	478,175,661	27,653,565	450,522,096
	777,580,700	48,826,151	728,754,549
St. Jude College			
Rizal Commercial Banking Corporation	368,391,204	11,827,369	356,563,835
Rizal College of Laguna, Inc.			
Rizal Commercial Banking Corporation	397,124,160	536,563	396,587,597
Union College of Laguna			
Rizal Commercial Banking Corporation	49,576,248	-	49,576,248
Phinma Solar Energy Corp.			
Development Bank of the Philippines	148,639,809	12,035,382	136,604,427
P&S Holdings Corporation			
United Pulp and Paper Company, Inc.	85,998,255	8,000,000	77,998,255
Phinma Property Holdings.			
Rizal Commercial Banking Corporation	2,977,500,000	-	2,977,500,000
China Banking Corporation	489,238,548	489,238,548	-
	3,466,738,548	489,238,548	2,977,500,000
Coral Way City Hotel			
BDO Unibank Inc.	309,517,178	19,517,178	290,000,000
China Banking Corporation	154,000,000	8,500,000	145,500,000
	463,517,178	28,017,178	435,500,000
	17,623,007,590	**1,995,781,040**	**15,627,226,550**

Schedule III

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

Name of related party	Balance at Beginning of Period	Balance at End of Period
None	-	-

Schedule III

Schedule F. Guarantees of Securities of Other Issuers

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee
None	-	-	-	-

Schedule III

Schedule G. Capital Stock

Number of shares
As at December 31, 2025

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Statement of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Conversion and other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Preferred shares						
Class AA	50,000,000	-	-	-	-	-
Class BB	50,000,000	-	-	-	-	-
	100,000,000	-	-	-	-	-
Common shares	420,000,000	336,343,544	-	228,832,815	39,117,260	68,393,469
Treasury shares	-	(18,279)	-	-	-	(18,279)
	520,000,000	**336,325,265**	**-**	**228,832,815**	**39,117,260**	**68,375,190**

Schedule IV

PHINMA Corporation and Subsidiaries

Components of Financial Soundness Indicators
As at and for the years ended December 31, 2025 and 2024
(Amounts in thousands of Philippine Peso)

Ratio	Formula			2025	2024
Current ratio		**2025**	**2024**		
	Total Current Assets divided by Total Current Liabilities			**1.10**	**0.85**
	Total Current Assets	27,950,360	26,030,580		
	Divide by: Total Current Liabilities	25,361,763	30,533,013		
	Current ratio	1.10	0.85		
Acid test ratio	Quick assets (Total Current Assets less inventories and other current assets) divided by Total Current Liabilities			**0.75**	**0.57**
	Total current assets	27,950,360	26,030,580		
	Less: Inventories	(5,448,159)	(5,830,094)		
	Other current assets	(3,427,822)	(2,727,742)		
	Quick assets	19,074,379	17,472,744		
	Divide by: Total Current Liabilities	25,361,763	30,533,013		
	Acid test ratio	0.75	0.57		
Solvency ratio	Net income plus non-cash expenses divided by total liabilities			**0.03**	**0.05**
	Net income	326,652	936,868		
	Non-cash expenses (depreciation and amortization)	1,150,751	1,022,656		
	Total	1,477,403	1,959,524		
	Total Liabilities	42,685,332	38,037,003		
	Solvency ratio	0.03	0.05		
Debt-to-equity ratio	Total debt divided by Total Equity			**2.55**	**2.40**
	Total Debt	42,685,332	38,037,003		
	Divide by: Total Equity	16,707,953	15,822,990		
	Debt-to-equity ratio	2.55	2.40		
	Total Interest-Bearing Debt divided by Total Stockholders' Equity			**1.91**	**1.70**
	Total Interest-Bearing Debt	31,885,395	26,960,346		
	Divide by: Total Equity	16,707,953	15,822,990		
	Debt-to-equity ratio	1.91	1.70		
Asset-to- equity ratio	Total assets divided by Total Equity			**3.55**	**3.40**
	Total assets	59,393,285	53,859,993		
	Divide by: Total Equity	16,707,953	15,822,990		
	Asset-to-equity ratio	3.55	3.40		
Interest rate coverage ratio	Earnings Before Interest and Tax divided by Total Interest Expense			**1.25**	**1.75**
	Earnings before interest and tax	2,277,457	2,808,120		
	Divide by: Total interest expense	1,823,823	1,606,394		
	Interest rate coverage ratio	1.25	1.75		
Return on Equity	Net Income divided by Average Stockholders' Equity			**2%**	**7%**
	Net income	326,652	936,868		
	Divide by: Average Stockholders' Equity	16,265,472	12,741,426		
	Return on Equity	2%	7%		
Return on assets	Net income divided by Average Total Assets			**1%**	**2%**
	Net Income	326,652	936,868		
	Divide by: Average Total Assets	56,626,639	48,328,290		
	Return on Equity	1%	2%		
Net profit margin	Net income divided by total revenues			**1%**	**4%**
	Net Income	326,652	936,868		
	Divide by: Total Revenues	22,840,846	23,759,158		
	Net profit margin	1%	4%		

ANNEX A - 1

Audited Parent Financial Statements December 31, 2025

Gmail

Annabelle Guzman <asguzman@phinma.com.ph>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Mon, Apr 13, 2026 at 11:34 AM
To: asguzman@phinma.com.ph
Cc: asguzman@phinma.com.ph

Hi PHINMA CORPORATION,

Valid files

- EAFS000107026OTHTY122025.pdf
- EAFS000107026RPTTY122025.pdf
- EAFS000107026TCRTY122025-02.pdf
- EAFS000107026ITRTY122025.pdf
- EAFS000107026TCRTY122025-01.pdf
- EAFS000107026AFSTY122025.pdf

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Transaction Code: **AFS-0-CH9KD6JC03SZQVRZNP3SNNMRM0A6BD5E9**
Submission Date/Time: **Apr 13, 2026 11:34 AM**
Company TIN: **000-107-026**

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

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PHINMA

Making Lives Better

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR PARENT COMPANY FINANCIAL STATEMENTS

The management of PHINMA CORPORATION (the "Company") is responsible for the preparation and fair presentation of the parent company financial statements including the schedules attached therein, as at December 31, 2025 and 2024 and for the years then ended, 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 the parent company financial statements that are free from material misstatement, whether due to fraud of error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the parent company financial statements including the schedules attached therein and submits the same to the stockholders.

Isla Lipana & Co., the independent auditor appointed by the stockholders, has audited the parent company financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed their opinion on the fairness of presentation upon completion of such audit.

[redacted]

RAMON R. DEL ROSARIO, JR.
Chairman of the Board and Chief Executive Officer

[redacted]

MELITON B. SALAZAR, JR.
President and COO, Head of Education

[redacted]

EDMUND ALAN A. QUA HIANSEN
Senior Vice President, Chief Financial Officer

Signed this 10th day of March 2026.

12th Floor, PHINMA Plaza
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Makati City, Philippines 1200

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PHINMA

Making Lives Better

PHN Statement of Management Responsibility
for Parent Financial Statements

Page....2

SUBSCRIBED AND SWORN to before me this MAR 17 2026 day of March 2026 in Makati City, affiants exhibiting to me their respective identifications, as follows:

Name	ID Presented	Date of Issue	Place of Issue
Ramon R. del Rosario, Jr.	Passport No. [redacted]	26-Jan-2018 25-Jan-2028	DFA NCR East
Meliton B. Salazar, Jr.	Passport No. [redacted]	09-May-2019 08-May-2029	DFA Antipolo
Edmund Alan A. Qua Hiansen	[redacted]	10-Feb-2018 09-Feb-2028	DFA Manila

Doc No.: 321;

Page No.: 66;

Book No.: 73;

Series of 2026

ATTY. RYAN ANTHONY G. PEREÑA
NOTARY PUBLIC for MAKATI CITY
Commission No. M-012 until Dec. 31, 2027
Roll of Attorneys 77327
PTR No. 10764513; 01/02/2026; Makati City
IBP OR No. 566188; 12/16/2025; Pasig City
MCLE Compliance No. VIII-0000389
8553 San Jose St., Guadalupe Nuevo, Makati City

12th Floor, PHINMA Plaza
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Makati City, Philippines 1200

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Fax: +632 8870 0456
www.phinma.com.ph

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						1	2	3	9	7

COMPANY NAME

| P | H | I | N | M | A | | C | O | R | P | O | R | A | T | I | O | N | | | | | | | | | |

pwc Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
PHINMA Corporation
12th Floor, PHINMA Plaza
39 Plaza Drive, Rockwell Center
Makati City

Report on the Audit of the Parent Company Financial Statements

Our Opinion

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

What we have audited

The Company's parent company financial statements comprise:

- the parent company statements of financial position as at December 31, 2025 and 2024;
- the parent company statements of income for the years ended December 31, 2025 and 2024;
- the parent company statements of comprehensive income for the years ended December 31, 2025 and 2024;
- the parent company statements of changes in equity for the years ended December 31, 2025 and 2024;
- the parent company statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the parent company financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

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Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

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

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

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

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

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

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

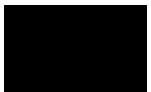
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Bureau of Internal Revenue (BIR) Requirement

Our audits were conducted for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The supplementary information in Note 27 to the parent company financial statements is presented for purposes of filing with the BIR and is not a required part of the basic parent company financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic parent company financial statements taken as a whole.

Isla Lipana & Co.



Ma. Lois G. Abad
Partner
CPA Cert. No. 0104589
P.T.R. No. 0028729; issued on January 8, 2026, Makati City
SEC A.N. (individual) as general auditors 0104589-SEC, Category A;
valid to audit 2021 to 2025 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements
T.I.N. [redacted]
BIR A.N. 08-000745-129-2024; issued on November 8, 2024; effective until November 7, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
March 10, 2026

PHINMA Corporation

Parent Company Statements of Financial Position
As at December 31, 2025 and 2024
(Amounts in thousands of Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	5	267,602	237,299
Investments held for trading	6	56,170	453,579
Receivables	7	1,160,013	1,069,384
Other current assets	7	111,057	112,795
Current assets - excluding held for sale		1,594,842	1,873,057
Assets held for sale	12	91,456	-
Total current assets		1,686,298	1,873,057
Noncurrent assets			
Investments in and advances to subsidiaries	8	9,528,912	8,870,251
Financial assets at fair value through profit or loss (FVPL)	9	2,123,097	2,042,183
Financial assets at fair value through other comprehensive income (FVOCI)	10	34,083	80,669
Property and equipment - net	11	313,938	295,545
Investment properties - net	12	219,547	318,966
Derivative asset - net of current portion	9	1,173,929	1,000,586
Other noncurrent assets	7	20,074	21,765
Total noncurrent assets		13,413,580	12,629,965
Total assets		15,099,878	14,503,022
Liabilities and Equity			
Current liabilities			
Accrued expenses and other payables	13	191,820	161,472
Withholding taxes payable		3,593	5,639
Notes payable	14	111,876	3,404,750
Current portion of long-term debt	15	62,932	966,133
Total current liabilities		370,221	4,537,994
Noncurrent liabilities			
Long-term debt - net of current portion	15	6,856,493	1,955,436
Pension and other post-employment benefits liability	21	53,069	55,054
Deferred tax liabilities - net	19	8,758	14,721
Total noncurrent liabilities		6,918,320	2,025,211
Total liabilities		7,288,541	6,563,205
Equity			
Capital stock	16	3,363,312	3,363,312
Additional paid-in capital		870,346	870,346
Treasury shares	16	(182)	(182)
Other comprehensive income	10	6,360	46,111
Retained earnings		3,571,501	3,660,230
Total equity		7,811,337	7,939,817
Total liabilities and equity		15,099,878	14,503,022

See accompanying Notes to Parent Company Financial Statements.

PHINMA Corporation

Parent Company Statements of Income
For the years ended December 31, 2025 and 2024
(Amounts in thousands of Philippine Peso, except Earnings Per Share Value)

	Notes	2025	2024
Revenues			
Dividend income	6, 8, 10	369,834	445,710
Investment income	17	230,731	222,840
Consultancy income		41,741	89,289
Rental income	24	33,459	31,140
		675,765	788,979
General and administrative expenses	18	(436,279)	(490,699)
Other income (expenses)			
Interest expense and bank charges	14, 15	(457,814)	(386,400)
Unrealized gain on derivative – net	9	173,343	108,902
Unrealized gain on change in fair value of financial assets at FVPL	9	80,914	125,945
Foreign exchange gain - net	22	10,708	34,962
Gain on sale of property and equipment	11	45	5
Loss on impairment of subsidiaries	8	-	(47,908)
Others	20	16,254	18,404
		(176,550)	(146,090)
Income before income tax		62,936	152,190
Provision for income tax			
Final		(100)	(260)
Current		(2,695)	(5,953)
Deferred		(1,153)	(4,982)
	19	(3,948)	(11,195)
Net income		58,988	140,995
Basic/Diluted earnings per share	25	0.18	0.48

See accompanying Notes to Parent Company Financial Statements.

PHINMA Corporation

Parent Company Statement of Comprehensive Income
For the years ended December 31, 2025 and 2024
(Amounts in thousands of Philippine Peso)

	Notes	2025	2024
Net income		58,988	140,995
Other comprehensive income (loss)			
Items not to be reclassified to profit or loss in subsequent periods			
Unrealized gain (loss) on change in fair value of financial assets at FVOCI	10	7,114	(6,855)
Remeasurement gain (loss) on pension benefit liability	21	97	(1,179)
Income tax effect	10, 19	7,116	2,170
		14,327	(5,864)
Total comprehensive income		73,315	135,131

See accompanying Notes to Parent Company Financial Statements.

PHINMA Corporation

Parent Company Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
*(*Amounts in thousands of Philippine Peso)

	Capital Stock (Note 16)	Additional Paid-in Capital	Treasury Stock (Note 16)	Other Comprehensive Income (Notes 10 and 21)	Retained Earnings (Note 16)		Total Equity
					Appropriated	Unappropriated	
Balance at January 1, 2024	2,863,312	396,845	(182)	59,451	1,600,000	2,083,554	7,002,980
Comprehensive income							
Net income	-	-	-	-	-	140,995	140,995
Other comprehensive loss	-	-	-	(4,685)	-	(1,179)	(5,864)
Total comprehensive income	-	-	-	(4,685)	-	139,816	135,131
Transactions with owners							
Stock rights offering (Note 16)	500,000	473,501	-	-	-	-	973,501
Cash dividends - ₱0.60 per share (Note 16)	-	-	-	-	-	(171,795)	(171,795)
Total transactions with owners	500,000	473,501	-	-	-	(171,795)	801,706
Realized gain on sale of financial assets at FVOCI	-	-	-	(8,655)	-	8,655	-
Balance at December 31, 2024	3,363,312	870,346	(182)	46,111	1,600,000	2,060,230	7,939,817
Comprehensive income							
Net income	-	-	-	-	-	58,988	58,988
Other comprehensive income	-	-	-	14,230	-	97	14,327
Total comprehensive income	-	-	-	14,230	-	59,085	73,315
Transactions with owners							
Reversal of appropriation (Note 16)	-	-	-	-	(1,600,000)	1,600,000	-
Appropriation of retained earnings (Note 16)	-	-	-	-	1,000,000	(1,000,000)	-
Cash dividends - P0.60 per share (Note 16)	-	-	-	-	-	(201,795)	(201,795)
Total transactions with owners	-	-	-	-	(600,000)	398,205	(201,795)
Realized gain on sale of financial assets at FVOCI	-	-	-	(53,981)	-	53,981	-
Balance at December 31, 2025	3,363,312	870,346	(182)	6,360	1,000,000	2,571,501	7,811,337

See accompanying Notes to Parent Company Financial Statements.

PHINMA Corporation

Parent Company Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(Amounts in thousands of Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Income before income tax		62,936	152,190
Adjustments to reconcile income before income tax to net cash flows:			
Interest expense	14, 15	449,963	380,401
Depreciation and amortization expense	18	31,116	24,223
Pension and other post-employment benefits expense	21	17,156	20,561
Provision for expected credit loss	18	-	1,571
Provision for impairment of investment	8	-	47,908
Gain on sale of property and equipment	11	(45)	(5)
Unrealized gain on change in fair value of investments held for trading - net	6, 17	(1,597)	(2,536)
Gain on redemption of investment held for trading	6, 17	(8,070)	-
Unrealized foreign exchange gain - net	22	(12,281)	(20,097)
Unrealized gain on change in fair value of financial assets at FVPL	9	(80,914)	(125,945)
Unrealized gain on derivative asset	9	(173,343)	(108,902)
Interest income	17	(221,064)	(218,920)
Dividend income	6, 8, 10	(369,834)	(445,710)
Operating loss before working capital changes		(305,977)	(295,261)
(Increase) decrease in:			
Receivables		(129,583)	(26,261)
Other current assets		(957)	(31,705)
Other noncurrent assets		324	-
(Decrease) increase in:			
Accrued expenses and other payables		5,137	15,869
Withholding taxes payables		(2,046)	3,610
Net cash used for operations		(433,102)	(333,748)
Interest received		37,704	145,037
Income taxes paid		(100)	-
Leave benefits paid	21	(79)	-
Contributions to pension fund	21	(18,622)	(18,485)
Interest paid		(423,872)	(369,345)
Net cash used in operating activities		(838,071)	(576,541)
Cash flows from investing activities			
Dividends received		603,468	357,284
Proceeds from disposal/sale/redemption of:			
Investments held for trading	6	600,425	217,194
Financial assets at FVOCI	10	54,000	16,300
Property and equipment	11	654	262
Other noncurrent assets		5,028	(9,695)
Additions to:			
Property and equipment	11	(40,459)	(48,572)
Computer software	7	(3,983)	-
Financial assets at FVOCI	10	(300)	-
Investment in and advances to subsidiaries	8	(658,661)	(494,000)
Investments held for trading	6	(193,338)	(561,000)
Net cash from (used in) investing activities		366,834	(522,227)
Cash flows from financing activities			
Proceeds from availment of notes payable	14	1,807,126	4,004,750
Proceeds from availment of long-term debt	15	4,962,500	-
Payments of long-term debt	15	(970,000)	(70,000)
Payments of cash dividends	15	(199,021)	(169,215)
Payments of notes payable	14	(5,100,000)	(600,000)
Proceeds from stock rights offering (SRO)	16	-	973,500
Payment of bond payable	15	-	(3,000,000)
Net cash provided by financing activities		500,605	1,139,035
Effect of exchange rate changes on cash and cash equivalents		935	(673)
Net increase in cash and cash equivalents		30,303	39,594
Cash and cash equivalents at beginning of year		237,299	197,705
Cash and cash equivalents at end of year	5	267,602	237,299

See accompanying Notes to Parent Company Financial Statements.

PHINMA Corporation

Notes to Parent Company Financial Statements
As at and for the years ended December 31, 2025 and 2024
(In the notes, all amounts are shown in thousands of Philippine Peso unless otherwise stated)

1 Corporate Information

PHINMA Corporation (PHN or the Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on March 12, 1957.

The Company is listed in the Philippine Stock Exchange (PSE) since August 15, 1958.

On August 2, 2006, the Philippine SEC approved the extension of the Company's corporate life for another 50 years. On May 27, 2010, the Philippine SEC approved the change in the Company's corporate name from Bacnotan Consolidated Industries, Inc. to PHINMA Corporation. Its principal activity is holding investments in shares in various subsidiaries, associates and investees and other financial instruments.

The registered office address of the Company is 12th Floor, PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City.

The Company's ultimate parent company is Philippine Investment-Management (PHINMA), Inc. (PHINMA, Inc.) which is incorporated in the Philippines.

The parent company financial statements as at December 31, 2025 and 2024 were reviewed and recommended for approval by the PHN Audit Committee on March 4, 2026. On March 6, 2026, the PHN Board of Directors (BOD) authorized its Executive Committee to approve the issuance of the Company's parent company financial statements. The Executive Committee subsequently approved the issuance of the parent company financial statements on March 10, 2026.

2 Basis of Preparation and Statement of Compliance

Basis of Preparation

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

- investments held for trading;
- financial assets at fair value through profit or loss (FVPL);
- financial assets at fair value through other comprehensive income (FVOCI); and
- derivative financial instruments that are measured at fair value; and
- fair value of plan assets in relation to pension obligation.

The parent company financial statements are presented in Philippine peso (Php) which is the Company's functional and presentation currency. All values are rounded to the nearest thousand peso, except when otherwise indicated.

Statement of Compliance

The parent company's financial statements as at and for the years ended December 31, 2025 and 2024 have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee, Philippine Interpretations Committee, and Standing Interpretations Committee as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

The preparation of parent company financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company financial statements are disclosed in Note 4.

The Company also prepares and issues consolidated financial statements in accordance with PFRS Accounting Standards and for the same period as the parent company financial statements. These may be obtained at the registered office address of the Company or at the Philippine SEC.

Changes in Accounting Policies and Disclosures

New standards, amendments and interpretations adopted by the Company

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2025. The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards and amendments to existing standards did not have any significant impact on the parent company financial statements.

- Lack of Exchangeability – Amendments to PAS 21, The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

  On August 15, 2023, the International Accounting Standards Board (IASB) amended PAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, PAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2025 that are considered to be relevant or have material impact on the parent company financial statements.

Future Changes in Accounting Policies and Disclosures

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

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Financial Instruments: Disclosures* (effective for annual periods beginning on or after January 1, 2026)

  On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at FVOCI.

  The adoption of the above amendments is not expected to have a material impact on the parent company financial statements except on the timing of derecognition of financial liability through electronic fund transfers and checks.

- Annual Improvements to PFRS Accounting Standards - Volume 11 (effective for annual periods beginning on or after January 1, 2026)

  On July 18, 2024, the IASB has issued narrow amendments to PFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several PFRS Accounting Standards. The Company does not expect the amendments to have a significant impact on the parent company financial statements. The amended Standards are:

  - PFRS 1, *First-time Adoption of International Financial Reporting Standards*;
  - PFRS 7, *Financial Instruments: Disclosures*, and its accompanying Guidance on implementing PFRS 7;
  - PFRS 9, *Financial Instruments*;
  - PFRS 10, *Consolidated Financial Statements*; and
  - PAS 7, *Statement of Cash Flows*.

- PFRS 18*, Presentation and Disclosure in Financial Statements* (effective for annual periods beginning on or after January 1, 2027)

  PFRS 18 will replace PAS 1, *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the parent company financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of PFRS 18 will have no impact on the Company's net profit, the Company expects that grouping items of income and expenses in the statements of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Company has performed, the following items might potentially impact operating profit:
  - Foreign exchange differences currently aggregated in the line item 'other income (expenses), net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
  - PFRS 18 has specific requirements on the category in which derivative gains or losses are recognised - which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Company currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  - management-defined performance measures;
  - a break-down of the nature of expenses for line items presented by function in the operating category of the statements of profit or loss - this break-down is only required for certain nature expenses; and
  - for the first annual period of application of PFRS 18, a reconciliation of each line item in the statements of profit or loss between the restated amounts presented by applying PFRS 18 and amounts previously presented applying PAS 1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

There are no other relevant standards, amendments or interpretations that are effective beginning on or after January 1, 2026 that are expected to have a material impact on the parent company financial statements.

3 Summary of Material Accounting Policy Information

Financial Instruments - Initial Recognition and Subsequent Measurement

Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, in the following measurement categories:

a) those be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
b) those to be measured at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company 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 Company has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are '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.

For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement. For purposes of subsequent measurement, the Company's existing financial assets are classified in the following categories:

- financial assets at amortized cost (debt instruments)
- financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- financial assets at FVPL

Financial Assets at Amortized Cost (Debt Instruments). 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 parent company statement of income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents, receivables and deposits (presented under "Other noncurrent assets" account in the parent company statement of financial position) as at December 31, 2025 and 2024.

Financial Assets Designated FVOCI (Equity Instruments). Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as "Dividend income" in the parent company statement of income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Company elected to classify irrevocably under this category its investment in club shares and non-listed equity investments as at December 31, 2025 and 2024.

Financial Assets at FVPL. Financial assets at FVPL are carried in the parent company statement of financial position at fair value with net changes in fair value recognized in the parent company statement of income.

This category includes investments held for trading and non-listed equity investment which the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognized as "Investment income" in the parent company statement of income when the right of payment has been established.

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 profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would 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 either at amortized cost or at fair value depending on whether the cash flows of the hybrid contract are solely payments of principal and interest and the assessment of the business model within which the financial asset is held.

Modification of Financial Assets. The Company derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded. The Company considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the parent company statement of income.

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the parent company statement of financial position) when:

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

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

With the exception of purchased or originated credit impaired financial assets, ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECLs - these are ECLs that result from default events that are possible within 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs - these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

For cash and cash equivalents, receivables and deposits (presented under "Other noncurrent assets" account in the parent company statement of financial position) the Company applies a general approach which measures ECL on either a 12-month or lifetime basis depending on whether a significant increase in credit risks has occurred once initial recognition on whether an asset is considered to be credit-impaired, adjusted for the effects of collateral, forward-looking factors and time value of money.

The Company, in general, considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off, in whole or in part, when the asset is considered uncollectible, the Company has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, financial liabilities at amortized cost (loans and borrowings and 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.

The Company's financial liabilities include accrued expenses and other payables, notes payable and long-term debt.

The Company has no financial liabilities at FVPL or derivative liabilities designated as hedging instruments during and at the end of each reporting period.

Subsequent Measurement. The measurement of financial liabilities depends on their classification, as described below:

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as "Interest expense and bank charges" in the parent company statement of income.

This category generally applies to accrued expenses and other payables, notes payable, due to related parties, lease liabilities, and long-term debt of the Company as at December 31, 2025 and 2024.

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

Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset, if any, are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Other borrowing costs are recognized and charged to profit or loss in the year in which these are incurred.

Determination of Fair Value

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market. When the Company has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be 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. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and with reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

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

Cash

Cash and cash equivalents consist of cash on hand, cash in banks and other short-term highly liquid investments with maturities of three months or less from date of acquisition. These are measured in the statement of financial position at fair value and subsequently carried at amortized cost which approximates the face or nominal amount.

Cash in banks earn interest at the prevailing bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Other Current Assets

Creditable withholding taxes. Creditable withholding taxes are withheld from purchases to suppliers that will be used within the normal operating cycle of the Company.

Input value added tax (VAT)

Input VAT is stated at face value less provision for impairment, if any. Provision, if any, is maintained at a level considered adequate for potential uncollectible amounts. Provision for unrecoverable input VAT is established when there is objective evidence that the Company will not be able to recover the input VAT.

The asset's carrying amount is reduced through an allowance, with the loss recognized as expense. Input VAT is derecognized upon collection or disallowance.

Input VAT is included in current assets, except when the Company expects to receive the tax credit certificates longer than twelve (12) months after the reporting period, which are then classified as noncurrent assets.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before they are utilized. Prepayments expected to be realized for no more than twelve months after the reporting period, are classified as current assets. Otherwise, they are classified as other noncurrent assets.

Investments in Subsidiaries

The Company's investments in subsidiaries are carried at cost less accumulated impairment losses, if any. The cost of investments includes transaction costs.

Subsidiaries

The Company controls an investee if and only if the Group has:

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

For entities wherein the indirect ownership is equal to or lower than 50%, management considers the situations when control is achieved in determining whether the entities will be classified as controlled subsidiaries.

Accounting policies and reporting period of its subsidiaries are consistent with the policies adopted by and the reporting period of the Company. Differences, if any, are considered and adjusted to align with the accounting policies and reporting period of the Company and the group before consolidation.

Changes in ownership interests in subsidiaries without change of control

Transactions with noncontrolling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. For purchases from noncontrolling interests, the difference between any consideration paid and the relevant share acquired in the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to noncontrolling interests are also recorded in equity.

Disposal of a subsidiary

When the Company ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the Company surrenders control to a related party within the group it ultimately belongs, the difference between the consideration received and the fair value of the subsidiary at divestment date, is recognized as other charges to equity.

Below is the list of the major subsidiaries and the related percentage of ownership:

Subsidiaries	Nature of Business	Calendar/ Fiscal Yearend	December 31, 2025			December 31, 2024		
			PHN Direct Interest	**Direct Interest of Subsidiary**	**PHN Effective Interest**	PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest
Construction Materials Group								
Union Galvasteel Corporation (UGC)	Manufacturing and distribution of steel products	December 31	**98.97**	**-**	**98.97**	98.64	-	98.64
PHINMA Solar Energy Corporation (PHINMA Solar)	Solar rooftop	December 31	**-**	**100.00**	**98.97**	-	100.00	98.64
Bacnotan Solar Power Corporation (BSPC) [j]	Solar rooftop	December 31	**-**	**100.00**	**98.97**	-	-	-
Union Insulated Panel Corporation [i]	Manufacturing and distribution of insulated panel	December 31	**-**	**100.00**	**98.97**	-	100.00	98.64
Philcement Corporation (PCC) [g]	Manufacturing and distribution of cement products	December 31	**60.00**	**-**	**60.00**	60.00	–	60.00
Philcement Mindanao Corporation (PMC) [g] [l]	Manufacturing and distribution of cement products	December 31	**-**	**70.00**	**42.00**	-	70.00	42.00
Education Group								
PHINMA Education Holdings, Inc. (PEHI) [a]	Holding company	March 31	**63.93**	**-**	**63.93**	66.42	-	66.42
Pamantasan ng Araullo (Araullo University), Inc. (AU) [a]	Educational institution	March 31	**-**	**97.77**	**62.50**	-	97.76	64.93
Cagayan de Oro College, Inc. (COC) [a]	Educational institution	March 31	**-**	**92.92**	**59.40**	-	91.27	60.62
University of Iloilo (UI) [a]	Educational institution	March 31	**-**	**69.33**	**44.32**	-	69.23	45.98
University of Pangasinan (UPANG) and Subsidiary [a]	Educational institution	March 31	**-**	**69.40**	**44.37**	-	69.33	46.05
Southwestern University (SWU) [a]	Educational institution	March 31	**-**	**95.57**	**61.10**	-	94.51	62.77
St. Jude College, Inc. (SJCI) [a]	Educational institution	March 31	**-**	**98.58**	**63.02**	-	98.44	65.38
Republican College, Inc. (RCI)	Educational institution	December 31	**-**	**99.99**	**63.92**	-	99.97	66.40
Rizal College of Laguna (RCL) [a]	Educational institution	April 30	**-**	**90.00**	**57.54**	-	90.00	59.80
Union College of Laguna (UCLI)	Educational institution	December 31	**-**	**80.91**	**51.73**	-	80.91	53.74
St. Jude College, Inc. Cavite (SJC-C)	Educational Institution	December 31	**-**	**94.62**	**60.49**	-	94.62	62.85
Career Academy Asia, Inc. (CAA) [a and b]	Educational Institution	March 31	**90.00**	**-**	**90.00**	90.00	-	90.00
Properties Group								
PHINMA Property Holdings Corporation (PPHC) [d]	Real estate development	December 31	**80.31**	**19.03**	**94.93**	78.61	22.38	94.01
PHINMA CoHo Corporation (CoHo)	Socialized housing development	December 31	**99.45**	**0.55**	**99.97**	-	-	-
P & S Holdings Corporation (PSHC)	Investment and real estate holdings	December 31	**60.00**	**-**	**60.00**	60.00	-	60.00
Asian Plaza, Inc. (API)	Lease of real property	December 31	**57.62**	**-**	**57.62**	57.62	-	57.62
Community Developers and Construction Corporation (CDCC) [d]	Real estate development	December 31	**-**	**99.22**	**94.19**	-	99.22	93.28
Community Property Managers Group, Inc. (CPMGI) [d]	Property Management	December 31	**-**	**95.35**	**90.52**	-	95.75	90.01
ABCIC Property Holdings, Inc. (APHI) [d]	Selling of real and personal properties	December 31	**89.99**	**-**	**89.98**	89.98	-	89.98
JEPP Property Corporation [e]	Real estate development	December 31	**-**	**55.00**	**52.21**	-	55.00	51.71
Hospitality Group								
PHINMA Hospitality, Inc. (PHI) and Subsidiaries [d and h]	Management services and investment holdings	December 31	**63.77**	**36.23**	**84.65**	63.77	36.23	84.65
PHINMA Hospitality Management Corporation (PHMC)	Management services and investment holdings	December 31	**100.00**	**-**	**100.00**	-	-	-
PHINMA Microtel Hotels, Inc. (PHINMA Microtel) [d]	Hotel franchising	December 31	**51.00**	**-**	**51.00**	51.00	-	51.00
Coral Way City Hotel Corp. (Coral Way) [l]	Hotel operations	December 31	**23.75**	**26.44**	**46.13**	23.75	26.44	46.13
Krypton Esplanade Hotel Corporation (KEHC) [l]	Hotel operations	December 31	**-**	**100.00**	**46.13**	-	100.00	46.13
Others								
PHINMA Insurance Brokers, Inc. (PIBI) [k]	Insurance brokers	December 31	**100.00**	**-**	**100.00**	-	-	-
One Animate Limited (OAL) and Subsidiary [c]	Business process outsourcing - animation services	December 31	**80.00**	**-**	**80.00**	80.00	-	80.00

[a] *Balances at and for the year ended December 31 of these subsidiaries were used for consolidation purposes.*

[b] *CAA ceased its operations on March 31, 2019.*

[c] *OAL owns 100.00% interest in Toon City Animation, Inc. (Toon City). OAL and Toon City ceased operations in April 2013.*

[d] *On July 17, 2023, PHN acquired shares in the following companies: 36.71% ownership interest of PPHC; 63.47% ownership interest of APHI; 63.77% ownership interest of PHI; 51.00% ownership interest of PHINMA Microtel and 8.03% ownership interest of PEHI*

[e] *PPHC and Jepp Real Estate Co. Inc. (JREC) entered into a joint development agreement in 2022 to form Jepp Property Corporation (JEPP) in Bacolod.*
On November 6, 2024, PPHC obtained 55% controlling shares of stock of JEPP.

[f] *PHMC was incorporated on May 9, 2024. In 2025, PHN investment for a 100% ownership interest.*

[g] *On March 15, 2024, Philcement Mindanao Corporation (PMC) was incorporated. Philcement entered in a share purchase agreement with Philcement Dipolog Corporation (PDC) (previously Petra Cement, Inc.) for the acquisition of 100% outstanding shares of PDC. PCC intends to transfer the shares of PDC to PMC. On April 17, 2025, the transfer agreement between PCC and PMC was finalized but still pending regulatory approvals. As at December 31, 2025, the transaction valuation is still pending approval of the SEC.*

[h] *On May 15, 2024, the Board of Directors (BOD) approved PHN's additional investment to be made to PHI amounting to P252 million.*

[i] *On September 2, 2022, Union Insulated Panel Corporation (UIPC) was incorporated, which is 100% owned by UGC. On August 6, 2024, the BOD approved an investment up to P210 million in UIPC Insulated Panel Plant Project, through UGC.*

[j] *On October 24, 2025, Phinma Solar acquired 100% ownership interest in BSPC.*

[k] *On January 9, 2025, PHN and PHINMA, Inc. executed a Deed of Sale for the purchase of investments of PHINMA, Inc. for 100% ownership interest in PIBI.*

[l] *Entities in which the Group holds less than a 50%-effective interest but considered subsidiaries, as the Company, together with the entities' immediate parent companies, has established control by having the ability to direct the relevant activities that significantly affect the returns from these entities.*

All subsidiaries were incorporated in the Philippines except for OAL which was incorporated in Hong Kong.

Property and Equipment

Property and equipment, except land, are stated at cost less accumulated depreciation, amortization and any impairment loss. Land is carried at cost (initial purchase price and other cost directly attributable to the acquisition) less any impairment loss.

Depreciation commences once the property and equipment are available for use and is computed using the straight-line method over the following estimated useful lives of the assets:

Buildings	10-50 years
Transportation equipment	5 years
Office furniture, fixtures and equipment	3-10 years

Investment Properties

Investment properties are measured initially at cost, including transaction costs.

The carrying amount includes the cost of replacing part of an existing investment property at the time the 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, investment properties (except land) are stated at cost less accumulated depreciation and any accumulated impairment loss. Land is carried at cost less any impairment in value.

Depreciation is calculated on a straight-line basis over 50 years, the estimated useful life of the depreciable investment property which refers to a building unit.

Depreciation of the building improvements is calculated over the shorter between the estimated useful life of the building improvements and the remaining useful life of the building unit.

Assets Held for Sale

Noncurrent assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and groups of contracts within the scope of PFRS 17, *Insurance Contracts*, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the noncurrent asset (or disposal group) is recognized at the date of derecognition.

Noncurrent assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Noncurrent assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

Intangible Assets (Except for Goodwill)

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The Company's intangible asset pertains only to software cost with useful life of 5 years.

The amortization expense on intangible assets with finite lives is recognized, on a straight-line basis over its life, in the parent company statement of income in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in parent company statement of income.

Impairment of Non-financial Assets

Other non-financial assets, mainly investments in and advances to subsidiaries, property and equipment, and investment properties, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). Impairment losses, if any, are recognized in profit or loss. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

When impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. Reversals of an impairment loss are credited in profit or loss.

Equity

Capital stock

Common and preferred shares are stated at par value and are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Additional paid in capital

Any amount received by the Company in excess of par value of its shares is credited to Additional paid-in capital which forms part of the non-distributable reserve of the Company and can be used only for purposes specified under corporate code.

Treasury Shares

Treasury shares are recorded at cost and deducted from the Company's equity. No gain or loss is recognized in the parent company statement of income on the purchase, sale, issue or cancellation of the Company's own equity instruments. On subsequent issuance, any difference between the carrying amount and the consideration received is recognized under "Additional paid-in capital" account in the parent company statement of financial position.

Retained earnings

Retained earnings represents the cumulative balance of periodic profit/loss, dividend distributions, prior period adjustments and effect of changes in accounting policy and capital adjustments.

Dividend distribution to the shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved and declared by the Company's BOD.

Revenue

When determining the Company's performance obligations, the Company assesses its revenue arrangements against specific criteria to determine if the Company is acting as principal or agent. The Company considers both the legal form and the substance of its agreement, to determine each party's respective roles in the agreement. The Company has concluded that it is acting as principal in all of its revenue arrangements.

The specific recognition criteria before revenue is recognized are as follows:

Consultancy Services. Revenue from consultancy services include the revenue on services provided by the Company as a consultant in establishing and facilitating cement sale deals between its subsidiary and a cement seller. Revenue from consultancy services is recognized over time upon rendering of consultancy services.

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

Investment Income. Investment income includes net gains and losses on investments held for trading and interest income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset. Gain on sale of investments is recognized for the difference between the proceeds (net of disposal costs) and its carrying value upon sale of investment on date of disposal.

Rental Income. Revenue is recognized on a straight-line basis over the lease term.

Other Income. Revenue is recognized when services are rendered and the amount of revenue can be measured reliably. This includes share in expenses billed to related parties.

General and Administrative Expenses

General and administrative expenses constitute costs of administering the business and are expensed as incurred. These normally include personnel costs, management and professional fees (outside services), subscriptions, among other costs.

Pension and Other Employee Benefits

Defined Benefit Plan. The Company has a defined benefit pension plan that covers all regular full-time employees. The net pension liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a pension 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 liability (or asset) recognized in the parent company statement of financial position is the present value of the defined benefit obligation less fair value of the plan assets at the reporting date. In cases when the amount determined results in an asset, the Company measures the resulting asset at the lower of such amount determined and the present value of any economic benefits available to the Company in the form of refunds or reductions in future contributions to the plan. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit obligation.

Remeasurement gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting pension asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Defined Contribution Plan. The Company also provides a defined contribution plan that covers all regular full-time employees under which the Company pays fixed contributions based on the percentage contributed by the employees from their monthly salaries.

The retirement funds for the defined benefit and defined contribution plans cannot be used to meet the funding requirements of each other. While the Company is covered under Republic Act (RA) 7641, otherwise known as *"The Philippine Retirement Law"*, which provides for qualified employees to receive a defined minimum guarantee, the existing defined benefit plan is already sufficient to cover the minimum required retirement obligation under the law. Accordingly, the Company accounts for its monthly defined contribution as expense when incurred.

Termination Benefits. Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee Leave Entitlement. Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. Upon the employee's separation from employment, credited leave entitlements can be converted to cash.

Leases

Company as Lessor. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the Parent Company statement of income to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Provisions

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

When discounting is used, the increase due to the passage of time is recognized as interest expense in the parent company statement of income. When the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain.

Taxes

Current Income Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting period.

Deferred Income Tax. Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates. Deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

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

Value-added Tax (VAT). Revenues and expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the parent company statement 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 parent company statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of "Other current assets" or "Accrued expenses and other payables" account in the parent company statement of financial position.

Earnings per Common Share (EPS)

Basic EPS is computed by dividing net income attributable to the common equity holders of the Company by the weighted average number of outstanding common shares during the year after giving retroactive effect to any stock dividend declared during the year.

The Company does not have potential common share or other instruments that may entitle the holder to common shares. Hence, diluted EPS is the same as basic EPS.

Contingencies

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

Related party transactions and relationships

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

Events After the Reporting Date

Post year-end events up to the date of approval of the parent company financial statements by the BOD that provide additional information about the Company's financial position at the end of the reporting period (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the parent company financial statements when material.

4 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the parent company financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosures of contingent liabilities, at the reporting period. In preparing the parent company financial statements, management has made its best judgments, estimates and assumptions of certain amounts, giving due consideration to materiality. The judgments, estimates and assumptions used in the accompanying parent company financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the parent company financial statements. Actual results could differ from such estimates.

The Company believes the following represents a summary of these significant estimates and judgments and related impact and associated risks in its parent company financial statements.

Judgments

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

Operating Lease Commitments - Company as Lessor. The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of the properties which are leased out on operating leases.

Rental income amounted to P33.5 million for the year ended December 31, 2025 (2024 - P31.1 million) (Notes 12 and 24).

Impairment of Property and Equipment, Investment Properties and Computer Software. The Company assesses impairment on property and equipment, investment properties and computer software whenever changes in circumstances indicate that carrying amount of the asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance related to the expected or projected operating results;
- significant changes in the manner of use of the assets; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever carrying amount of an asset exceeds recoverable amount.

There were no impairment indicators on property and equipment, investment properties and computer software as at December 31, 2025 and 2024.

Estimates and Assumptions

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

Estimating Allowance for ECLs. The following information explains the inputs, assumptions and techniques used by the Company in estimating ECL:

- General approach for cash equivalents, receivables and deposits (presented under "Other noncurrent assets" account in the parent company statement of financial position).

  The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. The Company considers the probability of its counterparty to default in its obligation and the expected loss at default after considering the effects of collateral, any potential value when realized, forward-looking estimates and time value of money.

- Incorporation of forward-looking information

  The Company considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. A broad range of forward-looking information are considered as economic inputs such as the gross domestic product, inflation rate, unemployment rates and other economic indicators.

  The macroeconomic factors are aligned with information used by the Company for other purposes such as strategic planning and budgeting. The Company identifies and documents key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

  Predicted relationship between the key macro-economic indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

- Grouping of instruments for losses measured on collective basis

  A broad range of forward-looking information were considered as economic inputs such as the inflation rate, interest rates and other economic indicators. For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the Company to be statistically credible. Where sufficient information is not available internally, then the Company has considered benchmarking internal/external supplementary data to use for modelling purposes.

  The Company segmented its receivables based on the nature of operations of its counterparty.

  The following credit exposures are assessed individually:

  a. All stage 3 assets, which are considered to be specifically impaired, regardless of the class of financial assets; and
  b. Cash and cash equivalents, receivables and deposits (presented under "Other noncurrent assets" account in the parent company statement of financial position).

  There have been no significant changes in estimation techniques or significant assumptions made in 2025 and 2024.

  The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The changes in the gross carrying amount of receivables during the year did not materially affect the allowance for ECLs.

  No provision for ECL was recognized in 2025 (2024 - P1.6 million). The allowance for ECL amounted to P287.8 million as at December 31, 2025 and 2024. The carrying amounts of receivables amounted to P1,160.0 million as at December 31, 2025 (2024 - P1,069.4 million) (Note 7).

Fair Value of Financial Instruments. The Company follows the principles of PFRS 13, *Fair Value Measurement* in determining the fair value of financial instruments. Where the fair values of financial assets and liabilities recorded in the parent company statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to the models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values.

The methods and assumptions used to estimate the fair value of financial assets and liabilities are discussed in Note 23.

Realizability of Deferred Tax Assets. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The assessment in the recognition of deferred tax assets on temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. This forecast is based on past results and future expectations on revenues and expenses. However, there is no assurance that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized.

As at December 31, 2025, deferred tax assets amounting to P479.1 million (2024 - P400.5 million) were not recognized in the parent company statements of financial position (Note 19) which pertain to deductible temporary differences, unused NOLCO and MCIT.

Certain deferred tax assets were not recognized since management believes that it is not probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Estimating Useful Lives of Property and Equipment, Computer Software and Investment Properties. The Company estimates the useful lives of depreciable property, plant and equipment, depreciable investment properties and intangible assets with finite useful lives based on the period over which the property and equipment, investment properties and computer software with finite useful lives are expected to be available for use and on the collective assessment of industry practice, internal technical evaluation and experience with similar assets and in the case of intangible assets, useful lives are also based on the contracts covering such intangible assets. The estimated useful lives of property and equipment, investment properties and intangible assets with finite useful lives are reviewed at each financial year-end and updated if expectations differ materially from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment, investment properties and computer software with finite useful lives. However, it is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances.

There were no changes in useful lives of property and equipment and investment properties in 2025 and 2024 (Notes 11 and 12).

Recoverability of Input VAT. The carrying amounts of input taxes were reduced to the extent that it is no longer probable that sufficient future revenue subject to output VAT will be available to allow all or part of the VAT to be utilized.

There is no provision for unrecoverable input VAT recognized in 2025 and 2024. Allowance for unrecoverable input VAT amounted to P114.8 million as at December 31, 2025 and 2024 (Note 7).

Pension and Other Post-employment Benefits Liability. The determination of the Company's obligation and cost of pension and other post-employment benefits is dependent on the selection of certain assumptions made by management and used by the actuary in calculating such amounts. The assumptions presented in Note 21 include, among others, discount rates, and future salary increases and mortality rates.

In determining the appropriate discount rates, 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.

Future salary increases are based on expected future inflation rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, pension benefits are highly sensitive to changes in these assumptions. While the Company believes that its assumptions are reasonable and appropriate, significant differences in its actual experience or significant changes in its assumptions may materially affect its cost for pension and other retirement obligations. All assumptions are reviewed at each reporting date.

Pension and other post-employment benefits expense amounted to P17.2 million for the year ended December 31, 2025 (2024 - P20.6 million) (Note 21). The carrying values of pension and other post-employment benefits liability amounted to P53.1 million as at December 31, 2025 (2024 - P55.1 million) (Note 21).

Impairment of investments in subsidiaries. The Parent Company's investments in subsidiaries are carried at cost. The carrying value is reviewed and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Changes in those management assessments and judgment could have a significant effect on the carrying value of investments in subsidiaries and associates and the amount and timing of recorded provision for any period.

Accumulated impairment loss on investments in and advances to subsidiaries amounted to P605.7 million for the years ended December 31, and 2024. The carrying value of on investments in and advances to subsidiaries and associates amounted to P9,528.9 million as at December 31, 2025 (2024 - P8,870.2 million) (Note 8).

5 Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks	267,602	87,299
Short-term deposits	-	150,000
	267,602	237,299

Cash in banks earn interest at the prevailing bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the prevailing short-term deposit rates. Interest income from cash and cash equivalents amounted to P0.6 million for the year ended December 31, 2025 (2024 - P1.4 million) (Note 17).

6 Investments Held for Trading

This account consists of investments in:

	2025	2024
UITFs	53,462	450,839
Marketable equity securities	2,708	2,740
	56,170	453,579

Details and movements as at and for the year ended December 31 are as follows:

	Note	2025	2024
Balance at beginning of year		453,579	107,237
Additions		193,338	561,000
Disposals		(592,355)	(217,194)
Net gain from fair value change	17	1,597	2,536
Unrealized forex gain		11	-
Balances at end of year		56,170	453,579

Investments held for trading have yields ranging from 3.6% to 4.7% for the year ended December 31, 2025 (2024 - 3.88% to 5.18%). Net gain on sale of investments held for trading amounted to P8.1 million for the year ended December 31, 2025 (2024 - P1.4 million) (Note 17).

Dividend income from marketable equity securities amounted to P122 thousand for the years ended December 31, 2025 (2024 - P92 thousand). As at December 31, 2025, there are no outstanding dividend receivable arising from marketable equity securities (2024 - P0.7 million).

7 Receivables, Other current and Other Noncurrent assets

Receivables

This account consists of:

	Note	2025	2024
Due from related parties	20	462,920	607,516
Accrued interest		669,985	486,625
Receivable from consultancy		231,124	185,203
Others		83,788	77,844
		1,447,817	1,357,188
Less: allowance for ECLs		(287,804)	(287,804)
		1,160,013	1,069,384

The terms and conditions relating to due from related parties are discussed in Note 20.

Accrued interest and other receivables are noninterest-bearing and are normally collected within the next financial year.

Allowance for ECLs as at December 31are as follows:

	Related parties	Others	Total
Balance at January 1, 2024	233,892	52,341	286,233
Provision in 2024 (Note 18)	-	1,571	1,571
Balance at December 31, 2024 and 2025	233,892	53,912	287,804

No provision was recognized in 2025 (2024 - P1.6 million) (Note 18).

Other current assets

The components of other current assets as at December 31 are as follows:

	2025	2024
Input value added tax (VAT), net of output VAT	211,464	201,513
Prepaid expenses	9,259	16,159
Creditable withholding taxes	5,098	9,887
	225,821	227,559
Less: Allowance for impairment of input VAT	(114,764)	(114,764)
	111,057	112,795

Input VAT is recognized as asset in the period such input VAT become available as tax credits to the Company and carried over to the extent that it is probable that the benefit will flow. There was no movement in allowance for impairment of input VAT for the years 2025 and 2024.

Prepaid expenses pertain to prepaid insurance, membership dues and real property taxes. The Company expects to recognize the expenses through amortization within the next twelve (12) months either with the passage of time or through use.

Creditable withholding taxes are attributable to taxes withheld by third parties arising from sales and services that will be applied to future income tax payable. Determining the realizability of creditable withholding taxes requires the assessment of the availability of taxable profit expected to be generated from the operations which effectively drives the tax liabilities against which such creditable taxes can be applied.

Other noncurrent assets

This account consists of:

	2025	2024
Creditable withholding taxes	7,812	7,812
Computer software, net	9,324	-
Refundable deposits	1,694	2,018
Deferred cost	1,244	11,935
	20,074	21,765

Details of computer software, net as at December 31, 2025 is as follows:

	Note	2025
Cost		
Reclassification		5,663
Addition		3,983
		9,646
Accumulated amortization		
Amortization	18	(322)
Net book value		9,324

In 2025, the Company recognized computer software amounting to P9.6 million. Out of the total amount, P4.0 million was paid during the year and P5.7 million was reclassified from deferred cost to computer software to separately account for software that became ready for use in 2025. The reclassification was considered a noncash activity for purposes of the parent company statement of cash flows. There are no similar transactions in 2024.

8 Investments in and Advances to Subsidiaries

The carrying values of the investments in and advances to subsidiaries are as follows:

	2025			2024		
	Cost	Accumulated Impairment Loss	Net Book Value	Cost	Accumulated Impairment Loss	Net Book Value
Subsidiaries:						
PEHI	3,636,983	-	3,636,983	3,636,983	-	3,636,983
PPHC	1,685,436	-	1,685,436	1,409,435	-	1,409,435
UGC	1,593,598	-	1,593,598	1,213,598	-	1,213,598
PCC	625,000	-	625,000	625,000	-	625,000
APHI	504,923	-	504,923	504,923	-	504,923
PHI	251,240	-	251,240	251,240	-	251,240
CoHo	181,000	-	181,000	-	-	-
PIBI	150,535	-	150,535	-	-	-
API	198,048	(47,908)	150,140	198,048	(47,908)	150,140
Coral Way	96,536	-	96,536	89,411	-	89,411
PSHC	165,900	(111,571)	54,329	165,900	(111,571)	54,329
PHINMA Microtel	21,192	-	21,192	21,192	-	21,192
PHMC	20,000	-	20,000	-	-	-
OAL	333,951	(333,951)	-	333,951	(333,951)	-
CAA	50,250	(50,250)	-	50,250	(50,250)	-
	9,514,592	(543,680)	8,970,912	8,499,931	(543,680)	7,956,251
Advances - PPHC	444,000	-	444,000	420,000	-	420,000
Advances - PCC	114,000	-	114,000	114,000	-	114,000
Advances - CAA	62,000	(62,000)	-	62,000	(62,000)	-
Advances - UGC	-	-	-	380,000	-	380,000
	620,000	(62,000)	558,000	976,000	(62,000)	914,000
	10,134,592	(605,680)	9,528,912	9,475,931	(605,680)	8,870,251

Details and movements of accumulated impairment loss as at and for the year ended December 31 are as follows:

	2025	2024
Balance at beginning of year	605,680	557,772
Provisions	-	47,908
Balances at end of year	605,680	605,680

PEHI

PEHI was incorporated on August 28, 2015 to serve as the holding company of the Company's investments in educational institutions.

On July 17, 2023, the Company acquired the shares in PEHI held by PHINMA, Inc. for a total cost of P1,064.8 million, which increased its ownership interest to 75.21%.

On May 21, 2024, PEHI signed an investment agreement with Phoenix Investments II Pte. Ltd (Phoenix II), an investment vehicle of funds managed by KKR, a leading global investment firm, relating to the issuance of newly issued shares. On October 3, 2024, PEHI confirmed receipt of initial remittance from Phoenix II which represents 70.22% of total investment, decreasing the Company's ownership to 66.42%.

In August 2025, PEHI issued 8,204,057 common shares to Rise Edu Pte. Ltd. for a total consideration of P825.0 million. As a result, the Company's ownership decreased to 63.93%.

PPHC

PPHC was incorporated in the Philippines and is engaged in real estate development, particularly in the development of affordable medium and high-rise condominium units.

Pursuant to the Deed of Assignment dated December 28, 2018, the Company and APHI transferred a 27.3 hectares property in Brgy. Puting Lupa, Calamba City in exchange for PPHC shares. PPHC will issue 65,622 shares to the Company at par value of ₱5,000 per share in exchange for the real property with appraised value of P328.1 million, costing ₱20.0 million. In 2018, the Company and APHI applied for a tax-free exchange pursuant to Section 40(C) of the Tax Code, as amended. In addition, the Company recorded a gain on sale of P308.1 million from the tax-free exchange.

In 2023, the Company's advances to PPHC amounting to P328.1 million was converted to investment in PPHC upon the SEC's approval of the increase in capital stock of PPHC on April 13, 2023. This resulted to change in interest ownership interest from 35.42% to 40.10%. On the July 2023 transaction, the Company's interest ownership further increased to 76.81%.

On January 18, 2023 and December 14 and 21, 2023, the Company advanced the amount of P276.0 million, P50.0 million and P94.0 million, respectively, to PPHC for future subscription in common shares.

In 2025, the Company advanced P300.0 million to PPHC for future subscription in common shares. On the same year, portion of the Company's advances to PPHC amounting to P276 million was converted to investment in PPHC upon the SEC's approval of PPHC's equity restructuring and increase in capital stock on December 11, 2025. This resulted in a change in ownership interest from 76.81% to 80.31%.

CoHo

On March 21, 2025, the Company's BOD approved the investment of P250 million in PHINMA Community Housing Corporation for a 99.45% ownership interest. The initial investment will be used to purchase of land and its initial working capital requirements.

UGC

UGC is engaged in the manufacture of pre-painted galvanized iron roofing products and other steel products, such as steel decking, frames, and insulated panels used for cold storage and other facilities.

On May 22, 2024, UGC acquired 780,811 shares of its own common shares under stock purchase plan from retired employees for P6.98 million which increased the Company's ownership interest to 98.64%.

The Company advanced the amount of P380.0 million to UGC for future subscription in common shares pursuant to the subscription agreement between the Company and UGC dated October 7, 2024 and October 30, 2024. UGC is yet to issue the shares to the Company pending approval of the request for increase in capital stock of UGC that was submitted to the SEC for approval in December 2024.

In 2025, the Company converted its advances to additional shares of UGC for P380 million resulting in a change in ownership interest from 98.64% to 98.97%.

PCC

PCC was incorporated on September 8, 2017 to engage in manufacturing, processing, marketing, importing, trading - wholesale and retail, selling and distributing cement, cement products, and other by-products and establishing, operating, and managing cement supply terminals and ports.

The Company advanced the amount of P114.0 million to PCC for future subscription in common shares pursuant to the subscription agreement between the Company and PCC dated August 1, 2024. PCC is yet to issue the shares certificate as at December 31, 2025 and 2024.

As at December 31, 2025 and 2024, the Company's investment to PCC comprises of investment in common shares amounting to P225 million and investments in preferred shares amounting to P400 million.

API

API is engaged in real estate business.

On December 12, 2024, the BOD of API approved API's dissolution by shortening its corporate term until September 1, 2026. In 2024, the Company recognized allowance for impairment loss on its investment in API amounting to P47.9 million (2025 - nil).

PSHC

PSHC is a holding company for United Pulp and Paper Corporation, which manufactures paper bags and packaging medium. The investment in PSHC has an allowance for impairment loss amounting to P111.6 million as at December 31, 2025 and 2024.

Coral Way

Coral Way owns and operates Microtel Mall of Asia which started commercial operations on September 1, 2010.

In 2025, the Company acquired additional shares of Coral Way amounting to P7.1 million upon the SEC's approval of the increase in authorized capital stock of Coral Way. There is no change in the Company's ownership interest.

PHMC

On June 16, 2025, the Parent Company infused P20 million investment to PHMC, an entity engaged in the business of developing, owning and managing economy lodging facilities, for a 100% ownership interest in PHMC. PHMC started commercial operations in October 2025, after the transfer of certain management contracts from PHI.

PIBI

On January 9, 2025, the Parent Company and PHINMA, Inc. executed a Deed of Sale for the Parent Company's purchase of 100% ownership interest in PIBI for P150.5 million. PIBI is an insurance brokerage company involved in developing, packaging and servicing life, non-life and HMO insurance programs while dealing with reputable local and global insurance companies to answer its clients' various requirements.

OAL

OAL, a limited liability company, was used as a vehicle in the purchase of shares of stock of Toon City.

The investment in OAL has been fully provided with an allowance for impairment loss amounting to P334.0 million as at December 31, 2024 and 2023. OAL and Toon City have ceased their operations since April 2013.

CAA

CAA was incorporated on November 28, 2014 and was engaged in providing technical vocational education and training programs. CAA ceased its operations on March 31, 2019. The investment in and advances to CAA has an allowance for impairment loss amounting to P112.3 million as at December 31, 2025 and 2024.

Dividends

The Company's dividend income and receivables are as follows:

	Dividend Income		Dividend Receivable	
	2025	2024	2025	2024
Subsidiaries				
PEHI	394,938	329,115	197,469	164,558
PIBI	25,070	-	-	-
APHI	32,423	-	-	-
PMHI	2,550	2,550	-	-
UGC	(85,269)	85,269	-	85,269
API	-	28,084	-	-
PCC	-	-	-	96,000
	369,712	445,018	197,469	345,827

In 2025, the BOD of UGC resolved to reverse the 2024 dividend declaration amounting to P85.3 million. Consequently, the Company reversed the related dividend receivable. This transaction was considered a noncash transaction for purposes of the parent company statement of cash flows.

9 Financial Assets at FVPL

This account consists of:

	2025	2024
Investment in preferred shares	2,123,097	2,042,183

On September 18, 2019, the Company executed a Term Sheet with Song Lam Cement Joint Stock Company (Song Lam), Vissai Ninh Binh Joint Stock Company (Vissai) and Hoang Manh Truong (Sponsor) for the investment of US$50.0 million via preferred shares in Song Lam. Song Lam manufactures, markets, distributes and exports clinker, cement and cement products and is a supplier of PCC, a 60%-owned subsidiary of PHN. Vissai is the parent company of Song Lam which owns and manages five cement plants in Vietnam.

In January 2020, the Company, Song Lam, Vissai and Hoang Minh Truong entered into share subscription agreement related to the Company's subscription of the new preferred shares of Song Lam. An advance payment of 10% equivalent to US$5.0 million was made on November 26, 2019 and the 90% balance or US$45.0 million was paid on May 18, 2021. The total US$50.0 million investment has an equivalent peso amount of P2.39 billion on May 18, 2021.

The preferred shares are entitled to receive an annual fixed cumulative dividend of 7.5%, independent of Song Lam's business outcome and regardless of operating business results of Song Lam and the existence of retained earnings. For the year ended December 31, 2025, the investment income recognized from dividends in Song Lam amounts to P220.5 million (2024 - P217.5 million) (Note 17).

The preferred shares shall be convertible to common shares after two (2) years from issuance thereof. The Company may convert the preferred shares between the last day of the second (2nd) year after issuance thereof until the end of the seventh (7th) year following said issuance.

The Company has the option to sell the preferred shares or converted shares to Vissai, the Sponsor, or Song Lam at a price equivalent to seventy-five million US Dollars (US$75,000,000.00), less the amount of preferred dividends received by the Company. The put option may be exercised by the Company after five (5) years from closing and until the end of the seventh (7th) year from said closing. As at reporting date, management does not have a clear expectation on the timing of exercising the put option before the expiry date.

The Company performs valuation of embedded derivatives and financial assets at FVPL at every reporting date using Cox-Ross-Rubenstein Binomial Lattice Model (Binomial Model). This requires an estimation of the expected future cash flows from the investee and applying a discount rate to calculate the present value of these cash flows. The discount rate uses the weighted average cost of capital (WACC) which incorporates the median debt-to-equity ratios and median beta of comparable companies as well as applying an alpha based on small-risk premium. The cash flow projections cover a five-year period.

The significant assumptions used in the fair value computation as at December 31, 2025 and 2024 are as follows:

a. The discount rate applied to cash flow projection is 14.80% and 14.79%, respectively.
b. The terminal value in the discounted cash flow uses 5.60% and 6.10% long-term growth rate based on expected Vietnam Gross Domestic Product (GDP) growth rate in 2025 and 2024, respectively.
c. The binomial model uses 31.0% and 33.3% average volatility of comparable companies' quarterly historical prices and used interquartile range to consider outliers in 2025 and 2024, respectively.
d. The option-adjusted spread computed at inception from the binomial model is 9.93% in 2025 and 2024.

The unrealized gain on change in fair value of financial assets at FVPL amounted to P80.9 million and P125.9 million in 2025 and 2024, respectively.

The derivative asset arising from the put option amounted to P1,173.9 million as at December 31, 2025 (2024 - P1,000.6 million). The unrealized gain on change in fair value of the derivative asset amounted to P173.3 million for the year ended December 31, 2025 (2024 - P108.9 million).

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

	Increase (Decrease) in the fair value of financial asset at FVPL		Increase (Decrease) in the derivative asset	
	2025	2024	2025	2024
Discount rate:				
Increase by 1%	(149,149)	(157,352)	149,149	134,229
Decrease by 1%	203,542	223,759	(203,542)	(180,488)
Terminal value rate:				
Increase by 1%	151,051	134,229	(151,051)	(137,077)
Decrease by 1%	(122,295)	(128,141)	122,295	108,279
Volatility rate				
Increase by 1%	-	430	-	2,765
Decrease by 1%	(15,738)	(15,389)	15,738	9,911
Option-adjusted spread rate				
Increase by 1%	(72,103)	(68,708)	55,659	23,420
Decrease by 1%	72,344	82,559	(55,817)	(36,116)

10 Financial Assets at FVOCI

This account consists of:

	2025	2024
Non-listed equity securities	34,083	30,669
Investment in club shares	-	50,000
	34,083	80,669

Investment in equity investments pertain to shares of stock and club shares which are not held for trading as shown below.

	2025	2024
Unquoted		
Beacon Property Ventures, Inc.	32,283	29,445
Others	1,800	1,224
Quoted		
Manila Polo Club	-	50,000
	34,083	80,669

Details and movements as at and for the year ended December 31 are as follows:

	2025	2024
Balance at beginning of year	80,669	103,824
Placements	300	-
Disposals	(54,000)	(16,300)
Net gain (loss) from fair value change	7,114	(6,855)
Balance at end of year	34,083	80,669

The Company has irrevocably designated the equity instruments at FVOCI, as the Company considers these investments to be strategic in nature. There were no dividends received in 2025 (2024 - P0.6 million).

The movements in net unrealized gain on financial assets at FVOCI presented as other comprehensive income in the statements of financial position as at December 31 are as follows:

	2025	2024
Balance at beginning of year	46,111	59,451
Gain (Loss) due to changes in fair value of investment in equity instruments	14,230	(4,685)
Sale of equity instruments	(53,981)	(8,655)
Balance at end of year	6,360	46,111

11 Property and Equipment - net

This account consists of:

	January 1, 2025	Additions	Disposals	Reclassification	December 31, 2025
Cost:					
Land	818	-	-	-	818
Buildings	316,309	159	(15,637)	27,871	328,702
Transportation equipment	43,093	1,510	(6,149)	-	38,454
Office furniture, fixtures and equipment	54,647	17,315	(289)	1,212	72,885
	414,867	18,984	(22,075)	29,083	440,859
Less accumulated depreciation:					
Buildings	(82,209)	(9,823)	15,637	-	(76,395)
Transportation equipment	(24,758)	(4,362)	5,612	-	(23,508)
Office furniture, fixtures and equipment	(41,084)	(8,646)	217	-	(49,513)
	(148,051)	(22,831)	21,466	-	(149,416)
Construction in progress	28,729	22,849	-	(29,083)	22,495
Net book value	295,545	19,002	(609)	-	313,938

	January 1, 2024	Additions	Disposals	Reclassification	December 31, 2024
Cost:					
Land	818	-	-	-	818
Buildings	317,710	-	(1,401)	-	316,309
Transportation equipment	27,725	15,368	-	-	43,093
Office furniture, fixtures and equipment	52,182	4,475	(2,010)	-	54,647
	398,435	19,843	(3,411)	-	414,867
Less accumulated depreciation:					
Buildings	(76,058)	(7,552)	1,401	-	(82,209)
Transportation equipment	(21,504)	(3,254)	-	-	(24,758)
Office furniture, fixtures and equipment	(37,385)	(5,452)	1,753	-	(41,084)
	(134,947)	(16,258)	3,154	-	(148,051)
Construction in progress	-	28,729	-	-	28,729
Net book value	263,488	32,314	(257)	-	295,545

Outstanding construction in progress as of 2025 and 2024 pertains to construction costs for renovation of office space.

Cost of fully depreciated assets still in use as at December 31, 2025 amounted to P29.5 million (2024 - P40.5 million).

In 2025 and 2024, the Company sold certain property and equipment resulting to a gain of P45.0 thousand and P5.5 thousand, respectively. PPE additions amounting to P1.4 million remains unpaid as at December 31, 2025 (2024 - nil).

For the year ended December 31, 2025, depreciation expense amounts to P22.8 million (2024 - P16.3 million) and is presented as part of the general and administrative expenses in the statements of income (Note 18).

12 Investment Properties - net

This account consists of:

	January 1, 2025	Additions	Reclassification	December 31, 2025
Cost:				
Land	92,049	-	(91,456)	593
Building	310,688	-	-	310,688
	402,737	-	(91,456)	311,281
Less: accumulated depreciation				
Building	(83,771)	(7,963)	-	(91,734)
Net book value	318,966	(7,963)	(91,456)	219,547

	January 1, 2024	Additions	Reclassification	December 31, 2024
Cost:				
Land	92,049	-	-	92,049
Building	310,688	-	-	310,688
	402,737	-	-	402,737
Less: accumulated depreciation				
Building	(75,806)	(7,965)	-	(83,771)
Net book value	326,931	(7,965)	-	318,966

Land held as investment property amounting to P91.5 million was classified as asset held for sale as of December 31, 2025 since the Company has finalized its intention to sell the related assets as of reporting date. This transfer was considered a noncash activity for purposes of the parent company statement of cash flows.

Profits from the investment properties for the years ended December 31 are as follows:

	Notes	2025	2024
Rental income	24	33,459	31,140
Depreciation	18	(7,963)	(7,965)
		25,496	23,175

Depreciation expense is presented as part of the general and administrative expenses in the statements of income (Note 18).

As at December 31, 2025, the fair values of the investment properties amounted to P1,918.2 million (2024 - P1,931 million) based on valuations performed by accredited independent appraisers.

The description of the valuation techniques used and key inputs to fair valuation are as follows:

	Valuation technique	Significant inputs	Range	Relationship of unobservable inputs to fair value
Land	Market comparable assets	Price per square meter	P4,800 - P11,200	The higher the price per square meter, the higher the fair value.
Building for lease	Market comparable assets	Price per square meter	P201,400 - P282,100	The higher the price per square meter, the higher the fair value.

The fair value disclosure is categorized under Level 3.

13 Accrued Expenses and Other Payables

This account consists of:

	Notes	2025	2024
Dividends payable	16	53,704	50,930
Accruals for:			
Interest		60,530	39,795
Professional fees		36,355	34,303
Personnel costs		1,549	1,072
Due to related parties	20	17,270	19,181
Payable to third parties		13,376	10,757
Deposit payable		4,665	4,937
Retention payable		4,129	175
Others		242	322
		191,820	161,472

Dividends payable pertains to dividends not yet claimed by various stockholders. These are expected to be claimed by various stockholders within the next financial year.

Accruals for interest, personnel costs and professional fees pertain to expenses incurred but not yet paid by the Company and are normally settled within a year.

Payable to third parties are liabilities to suppliers, government, and others and are expected to be paid with the next financial year.

Deposit payable pertains to rent deposited by the lessees. Normally, lease contracts have a one-year term.

Retention payable, representing 10.0% of each progress payments to suppliers and contractors retained by the Company are released upon fulfillment of certain requirements.

14 Notes Payable

This account consists of unsecured short-term peso-denominated loans obtained from local financial institutions and related party as at December 31, 2025 and 2024.

		Principal	
	Interest rate	2025	2024
Third parties	6.50% to 6.70%	100,000	3,400,000
Related party	Non-interest bearing	11,876	4,750
		111,876	3,404,750

Details of the note payable to a related party is disclosed in Note 20.

Details and movements in the financial liabilities related to notes payable as at and for the year ended December 31, 2025 and December 31, 2024 are as follows:

	2025	2024
Balance at beginning of year	3,404,750	-
Proceeds from new borrowings	1,807,126	4,004,750
Principal payments	(5,100,000)	(600,000)
Balance at end of year	111,876	3,404,750

In 2025, interest expense incurred from notes payable amounted to P171.8 million (2024 - P96.5 million).

15 Long-Term Debt

Long-term debt as at December 31 are as follows:

	2025		2024	
	Current portion	Noncurrent portion	Current portion	Noncurrent portion
Long-term loans payable, net of debt issuance costs	62,932	6,856,493	966,133	1,955,436

Details and movements in the financial liabilities related to long-term loans as at and for the year ended December 31 are as follows:

	2025	2024
Noncurrent portion of long-term debt:		
Beginning of year	2,928,036	2,998,036
Availment of new loans	5,000,000	-
Less: Principal payment	(970,000)	(70,000)
	6,958,036	2,928,036
Less: debt issuance cost	(38,611)	(6,467)
	6,919,425	2,921,569
Less: current portion - net of debt issuance cost	62,932	966,133
	6,856,493	1,955,436

The debt agreements presented in the succeeding page include, among others, certain restrictions and requirements. The loan agreement with Security Bank Corporation (SBC) stipulates positive and negative covenants which must be complied with by the Company for as long as the loans remain outstanding. Negative covenants include certain restrictions and requirements, such as maintenance of certain current, debt-to-equity and debt service coverage ratios.

As at December 31, 2024, the Company is in compliance with the required financial ratios and other loan covenants. As at December 31, 2025, the Company breached the required debt service coverage ratio but was able to obtain a waiver from its bank and the loan balance remains to be classified as noncurrent liability as at December 31, 2025.

The balance of unamortized debt issuance cost follows:

	2025	2024
Beginning of year	6,467	11,903
Additions	37,500	-
Amortization	(5,356)	(5,436)
End of year	38,611	6,467

Interest expense (including amortization of debt issuance costs) pertaining to the loan was presented as part of "Interest expense and bank charges" account in the parent company statement of income amounting to P278.2 million and P283.9 million in 2025 and 2024, respectively.

In 2025, bank service charges amounted to P7.8 million (2024 - P6.0 million).

As at December 31, 2025 and 2024, outstanding long-term loans from related parties amounted to P68 million.

The details of long-term loans payable are summarized below:

Lender	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
			Installments	Final Installment					2025	2024
SBC	May 23, 2017	SBC	Principal repayment shall commence at the end of the 3rd year from initial drawdown date until maturity date; balloon payment amounting to ₱1.9 billion or 94% of principal amount on maturity date.	May 21, 2027	Interest rate is equivalent to: i) the applicable 10-year PDST-R2 Benchmark Rate plus an interest spread of 125 basis points per annum (1.25% p.a.), and ii) 6.25% p.a., whichever is higher.	The loan was availed to refinance investments in subsidiaries and other general corporate purposes.	May 23, 2017	2,000,000	1,887,400	1,905,633
SBC	August 15, 2025	SBC	Principal repayment of ₱3.75 million beginning in the 1st quarter of the following year; balloon payment of ₱1.43 billion on maturity date.	August 15, 2030	Regular interest rate of 7.1993% paid on a quarterly basis.	The loan was availed to refinance short term loans.	August 15, 2030	1,500,000	1,489,485	-
CBC	July 11, 2023	CBC	Principal repayment of ₱50.0 million after 1 year of initial drawdown date and balance on principal amount on maturity date.	July 17, 2025	With regular interest rate is 7.8557%. Interest to be paid on quarterly basis.	The loan was availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	July 17, 2023	1,000,000	-	947,900
CBC	October 28, 2025	CBC	Principal repayment of 1% shall commence 1 year from drawdown date and balloon payment of 96% of the principal amount on the 5th year.	October 28, 2030	Interest rate is based on a fixed interest rate per annum, which is higher of (i) the Benchmark rate plus Interest Spread divided by the Interest Premium Factor or (ii) the Floor Rate divided by the Interest Premium Factor.	The loan was availed to partially refinance debts and fund other general corporate purposes.	October 28, 2025	1,500,000	1,489,086	-
PSHC	September 16, 2023	PSHC	Interest is payable on March 15 and September 15. Principal payment due on or before September 15, 2025	On or before September 15 2025	Interest rate is 7.3098% gross p.a. plus 12% value-added tax	The loan was availed for working capital purposes.	-	68,036	-	68,036
PSHC	September 16, 2025	PSHC	Interest is payable on March 30 and September 30. Principal payment due on or before September 30, 2027	On or before September 30, 2027	Interest rate is 6.7299% gross p.a. plus 12% value-added tax	The loan was availed for working capital purposes.	-	68,036	68,036	-
RCBC	August 18, 2025	RCBC	Principal repayment of 1% shall commence 1 year from initial drawdown and balloon payment of 91% of the principal amount on maturity date.	August 18, 2035	Interest rate is based on the higher of the applicable 2-year BVAL and Margin or (ii) the Interest Rate Floor of 5.75% . After the 2nd and 5th year, the BVAL and Margin shall be based on 3-year and 5-year, respectively.	The loan was availed to refinance maturing loans and finance capital expenditures, investments and expansion plans and other general corporate purposes of the debtor.	August 18, 2025	2,000,000	1,985,418	-
Total									6,919,425	2,921,569

The changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are as follows:

	January 1, 2025	Declaration	Additions	Payments	Others*	December 31, 2025
Liabilities from financing activities						
Notes payable	3,404,750	-	1,807,126	(5,100,000)	-	111,876
Dividends payable	50,930	201,795	-	(199,021)	-	53,704
Long-term debt	2,921,569	-	4,962,500	(970,000)	5,356	6,919,425
	6,377,249	201,795	6,769,626	(6,269,021)	5,356	7,085,005

**Others include amortization of debt issue costs*

	January 1, 2024	Declaration	Additions	Payments	Others*	December 31, 2024
Liabilities from financing activities						
Notes payable	-	-	4,004,750	(600,000)	-	3,404,750
Dividends payable	48,350	171,795	-	(169,215)	-	50,930
Long-term debt	2,986,133	-	-	(70,000)	5,436	2,921,569
Fixed rate bonds	2,989,198	-	-	(3,000,000)	10,802	-
	6,023,681	171,795	4,004,750	(3,839,215)	16,238	6,377,249

**Others include amortization of debt issue costs*

PHN Fixed Rate Bonds due 2024

On May 6, 2021, the Company filed with the SEC a Registration Statement for the proposed offering of three-year fixed rate bonds due 2024 with an aggregate principal amount of up to two Billion Pesos (P2,000,000,000), with an oversubscription option of up to One Billion Pesos (P1,000,000,000) at an offer price of 100% of face value. This bond offering was authorized by resolutions of the BOD of the Parent Company on March 2, 2021 and the Executive Committee of the Parent Company on April 30, 2021. The Certificate of Permit to offer securities for sale was issued by SEC on August 10, 2021.

The interest rate was set at 3.5335% and the offer period commenced at 9:00 a.m. on August 10, 2021 and ended at 5:00 p.m. on August 16, 2021. The Company appointed China Bank Capital Corporation and SB Capital Investment Corporation as Joint Issue Managers and Joint Lead Underwriters; Rizal Commercial Banking Corporation - Trust and Investments Group as the Trustee; and Philippine Depository & Trust Corp. as the Registrar and Paying Agent. The Bonds have a term ending three (3) years from the Issue Date, or on August 20, 2024. In 2024, the Company fully settled the bond liability upon maturity.

The bonds were listed in the Philippine Dealing & Exchange Corp. on August 20, 2021.

There are no fixed rate bonds as at December 31, 2025 and 2024. As at December 31, 2023, the Company's fixed rate bonds amounted to P2.9 billion, net of debt issuance cost amounting to P10.8 million. The debt issuance cost was fully amortized in 2024.

16 Capital Stock and Retained Earnings

a. Capital Stock

The composition of the Company's capital stock as at December 31 is as follows:

	2025		2024	
	Number of Shares	Amount	Number of Shares	Amount
Preferred - cumulative, nonparticipating, ₱10 par value				
Class AA – Authorized	50,000,000	500,000	50,000,000	500,000
Class BB – Authorized	50,000,000	500,000	50,000,000	500,000
Issued and subscribed	-	-	-	-
Common - ₱10 par value				
Authorized	420,000,000	4,200,000	420,000,000	4,200,000
Issued	336,303,550	3,363,036	336,303,550	3,363,036
Subscribed	39,994	400	39,994	400
Issued and subscribed	336,343,544	3,363,436	336,343,544	3,363,436
Less: Subscription receivable		(124)		(124)
		3,363,312		3,363,312
Treasury shares	18,279	182	18,279	182

The issued and outstanding shares as at December 31, 2025 are held by 1,209 (2024 - 1,206) equity holders.

There are no movements in the treasury shares for the years ended December 31, 2025 and 2024.

The following summarizes information on the Company's track record of registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Issue/Offer Price
March 12, 1957	1,200,000	10
June 12, 1968	1,000,000	10
April 7, 1969	800,000	10
January 21, 1980	2,000,000	10
November 3, 1988	10,000,000	10
October 13, 1992	25,000,000	10
June 3, 1995	60,000,000	10
March 16, 1999	320,000,000	10

b. Retained Earnings

Appropriated

On March 3, 2023, upon the expiration of the previously appropriated retained earnings of P1.1 billion in 2021, the Company's BOD resolved to reverse the expired appropriation and re-appropriate the same amount for the investment in the Construction Materials business until December 31, 2024. On the same date, the Company's BOD approved the appropriation of P500.0 million for the investment in PPHC.

On March 21, 2025, the BOD approved the appropriation of P500 million for the investment in the Construction Materials Group and P500 million for the investment in the PHINMA Community Housing Corporation until December 31, 2026. In addition, the BOD approved the reversal of previous appropriations of retained earnings amounting to P500 million for the investment in PPHC and P1.1 billion for the investment in the Construction Materials business.

As at December 31, 2025 and 2024, the appropriated retained earnings amounted to P1.0 billion and P1.6 billion, respectively.

Unappropriated

On March 5, 2024, the BOD declared a regular cash dividend of P0.60 per share or an equivalent of P171.8 million, to all common shareholders of record as at March 5, 2024. The cash dividends were paid on April 12, 2024.

On April 14, 2025, the BOD declared a regular cash dividend of P0.60 per share or an equivalent of P201.8 million, to all common shareholders of record as at May 13, 2025. The cash dividends were paid on May 26, 2025.

Dividends payable amounted to P53.7 million as at December 31, 2025 (2024 - P50.9 million) (Note 13). These pertain to dividends not yet claimed by various stockholders.

c. Stock Rights Offering

On August 6, 2024 the Board of Directors approved the SRO. The proceeds will be used to support PHINMA Corporation's subsidiaries in relation to their relevant expansion plans, increase capital for the Company's potential new ventures and/or general corporate purposes.

On October 16, 2024, the SEC issued a Notice of Confirmation of Exempt Transaction confirming that the Offer is exempt from the registration requirements of the Securities Regulation Code.

On October 21, 2024, the Philippine Stock Exchange (PSE) approved the application of the Company for the listing of up to 51,493,306 common shares (“Offer Shares”) for the Company’s SRO of common shares to be issued from the unissued capital stock of the Company, at an offer price range of P19.42 to P21.55 per Offer Share.

On November 27, 2024, the Company closed the SRO with a total of 50,000,000 Common Shares with a par value of P10.00 per share (the “Rights Shares”) at an offer price of P20.00 per share (the “Offer Price”) and raised P1 billion in capital. The Offer Price was determined based on the volume-weighted average price of the Issuer’s Common Shares traded on the PSE for each of the 90 consecutive trading days immediately prior to (and excluding) pricing date of October 31, 2024, subject to a discount of 3.46%. The entitlement ratio is one rights share for every 5.73 existing common shares.

The transaction resulted to increases in issued share capital of 50,000,000 common shares, capital stock of P500 million and additional paid-in capital of P473.5 million in 2024.

17 Investment Income

This account consists of:

	Notes	2025	2024
Interest income from:			
Financial assets at FVPL	9	220,490	217,519
Cash and cash equivalents	5	574	1,401
		221,064	218,920
Net gain (loss) from fair value change of investments held for trading:			
Investments in UITFs		1,629	2,478
Investments in marketable equity securities		(32)	58
	6	1,597	2,536
Net gain on sale of investments held for trading:			
Investments in UITFs	6	8,070	1,384
		230,731	222,840

18 General and Administrative Expenses

General and administrative expenses and others consist of:

	Notes	2025	2024
Personnel costs		217,483	223,637
Taxes and licenses		46,428	20,074
Outside services		43,502	135,110
Dues and subscriptions		32,248	17,654
Depreciation and amortization	7, 11, 12	31,116	24,223
Donations and contributions		15,761	16,894
Utilities		8,382	6,976
Insurance		8,241	7,264
Intercompany charges	20	3,256	4,471
Repairs and maintenance		2,460	1,869
Transportation and travel		1,637	846
Postage, telephone and telegraph		1,260	4,321
Office supplies		988	710
Rent		111	686
Provision for expected credit loss	7	-	1,571
Others		23,406	24,393
		436,279	490,699

Others mainly pertain to the Company's expenses for meetings, conferences and other miscellaneous charges.

"Intercompany charges" in the parent company statements of income include share in expenses of the Ultimate Parent, subsidiaries, associates and other related parties that is initially incurred by the Company and subsequently billed to related parties and recognized in miscellaneous income (Note 20).

19 Income Tax

The provision for current income tax in 2025 and 2024 represents MCIT.

The components of the Company's deferred tax asset and liabilities as at December 31 are as follows:

	2025	2024
Deferred tax assets:		
NOLCO	394,190	284,786
Deferred tax liabilities:		
Unrealized gain on change in fair value of financial assets at FVPL and derivative asset	(226,694)	(163,130)
Accrued income	(165,578)	(121,656)
Unrealized gain on change in fair value of financial assets at FVOCI	(2,582)	(9,698)
Unrealized foreign exchange gain	(8,094)	(5,023)
	(402,948)	(299,507)
	(8,758)	(14,721)

The details of deductible temporary differences, unused NOLCO and MCIT, for which no deferred tax assets were recognized are as follows:

	2025	2024
Unused NOLCO	1,157,798	857,186
Accumulated impairment loss on subsidiary	543,680	543,680
Allowance on expected credit losses	287,804	287,804
Accrued employee benefits and professional fees	55,665	51,116
Unamortized past service cost	19,752	20,835
Unrealized loss on change in fair value of investment in FVOCI	8,002	8,577
Net remeasurement loss on pension liability	7,761	7,858
MCIT	14,146	11,451
	2,094,608	1,788,507

The movement in the net DIT liabilities for the years ended December 31 are as follow:

	2025	2024
Beginning of year	(14,721)	(11,909)
DIT credited to profit or loss	(1,153)	(4,982)
DIT charged to other comprehensive income	7,116	2,170
End of year	(8,758)	(14,721)

The unrecognized deferred tax assets amounts to P479.1 million as at December 31, 2025 (2024 - P400.5 million). Deferred tax assets were not recognized since management believes that it is not probable that sufficient future taxable profit will be available to allow said deferred tax assets to be utilized.

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations No. 25-2020 implementing Section 4(b) 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 immediate following year of such loss.

The details of NOLCO which can be claimed as deduction against future taxable income as at December 31 are as follows:

Year incurred	Expiration	2025	2024
2020	2025	-	304,163
2021	2026	480,965	480,965
2022	2025	-	379,174
2023	2026	268,502	268,502
2024	2027	563,554	563,554
2025	2028	738,230	-
		2,051,251	1,996,358

Expired NOLCO for the year ended December 31, 2025 amounted to P683.3 million from 2020 and 2022. There were no applied and expired NOLCO for the year ended December 31, 2024.

The details of the MCIT which can be claimed as credit against future RCIT liabilities as at December 31 are as follows:

Year incurred	Expiration	2025	2024
2021	2024	-	564
2022	2025	1,044	1,044
2023	2026	4,454	4,454
2024	2027	5,953	5,953
2025	2028	2,695	-
		14,146	12,015
Less: Expired MCIT		(1,044)	(564)
		13,102	11,451

The reconciliation between the statutory and effective income tax rates are as follows:

	2025	2024
Applicable statutory income tax rate	25.0%	25.0%
Change in unrecognized deferred tax assets and others	298.9%	106.5%
Increase (decrease) in tax rates resulting from:		
Dividend income exempt from income tax	(146.9%)	(73.2%)
Other non-taxable income	(177.7%)	(51.4%)
Interest income subjected to final tax	0.2%	0.2%
Nondeductible expenses	7.0%	0.5%
Provision for final tax	(0.2%)	(0.2%)
Effective tax rates	6.3%	7.4%

20 Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individual or corporate entities.

The significant related party transactions entered into by the Company with its ultimate parent company, subsidiaries, associates and other related parties, and the amounts included in the parent company financial statements with respect to such transactions are as follows:

Affiliate	Nature	Amount/ Volume	Amount due from related parties (Note 7)	Amount due to related parties and Interest accrual (Note 13)	Notes payable and long -term debt (Notes 14 and 15)	Terms	Conditions
2025							
Ultimate Parent							
	Management fee and bonus	23,651	–	(8,266)	–	Noninterest- bearing	Unsecured
	Intercompany charges	3,256	–	(909)	–	Noninterest-bearing	Unsecured
	Share in expenses	6,991	–	(5,605)	–	Noninterest-bearing	Unsecured
	Miscellaneous income	4,341	3,182	–	–	Noninterest-bearing	Unsecured, no impairment
	Rent income	366	–	–	–	Noninterest-bearing	Unsecured, no impairment
	Purchase of shares	150,535	–	–	–	Noninterest-bearing	Unsecured
	Purchase of PPE					Noninterest-bearing	Unsecured
Subsidiaries							
	Grant of noninterest- bearing advances	–	232,059	–	–	Noninterest- bearing	Unsecured, with impairment of ₱232.1 million
	Long-term loans	–	–	–	(68,036)	Note 15	Unsecured
	Interest expense	4,925	–	(1,320)	–		
	Share in expenses	1,993	–	(52)	–	Noninterest- bearing	Unsecured
	Miscellaneous income	3,212	28,006	–	–	Noninterest- bearing	Unsecured, with impairment of ₱1.7million
	Rent income	2,478	460	–	–	Noninterest- bearing	Unsecured, no impairment
	Dividend income	369,712	197,469	–	–	Noninterest-bearing	Unsecured, no impairment
	Purchase of PPE	406	–	–	–	Noninterest-bearing	Unsecured
Other Related Parties*							
	Share in expenses	29,892	–	(2,438)	–		Unsecured
	Miscellaneous income	1,945	1,744			Noninterest-bearing	Unsecured
	Rent income	11,063	–	–	–	Noninterest-bearing	Unsecured, no impairment
	Notes Payable	7,125	–	–	(11,876)	Note 14	Unsecured
			462,920	(18,590)	(79,912)		
2024							
Ultimate Parent							
	Management fee and bonus	29,662	–	(12,612)	–	Noninterest- bearing	Unsecured
	Intercompany charges	4,471	–	(2,157)	–	Noninterest-bearing	Unsecured
	Miscellaneous income	1,763	443	–	–	Noninterest-bearing	Unsecured, no impairment
	Rent income	355	–	–	–	Noninterest-bearing	Unsecured, no impairment
	Purchase of shares	16,000	–	–	–	Noninterest-bearing	Unsecured
	Purchase of PPE	6,043	–	–	–	Noninterest-bearing	Unsecured
Subsidiaries							
	Grant of noninterest- bearing advances	–	232,059	–	–	Noninterest- bearing	Unsecured, with impairment of ₱232.1 million
	Long-term loans	–	–	–	(68,036)	Note 15	Unsecured
	Interest expense	5,056	–	(1,434)	–		
	Share in expenses	3,376	–	(218)	–	Noninterest- bearing	Unsecured
	Miscellaneous income	10,094	27,711	–	–	Noninterest- bearing	Unsecured, with impairment of ₱1.7million
	Rent income	1,860	318	–	–	Noninterest- bearing	Unsecured, no impairment
	Dividend income	445,018	345,827	–	–	Noninterest-bearing	Unsecured, no impairment
	Purchase of PPE	302	–	–	–	Noninterest-bearing	Unsecured
Other Related Parties*							
	Share in expenses	20,466	–	(4,194)	–		Unsecured
	Miscellaneous income	4,554	935	–	–	Noninterest-bearing	Unsecured, with impairment of ₱0.1 million
	Rent income	10,345	223	–	–	Noninterest-bearing	Unsecured, no impairment
	Notes Payable	4,750	–	–	(4,750)	Note 14	Unsecured
			607,516	(20,615)	(72,786)		

**Entities under common control or with common shareholders*

As at December 31, the amounts payable to related parties consist of the following:

	2025	2024
Due to related parties	17,270	19,181
Interest accrual	1,320	1,434
End of year	18,590	20,615

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. The Company's accounting for impaired receivables is based on forward-looking expected credit loss method using the external credit approach. Allowance for ECL from related parties amounting to P233.9 million as at December 31, 2025 and 2024 (Note 7). There was no movement in allowance for ECL from related party receivables for the years ended 2025 and 2024.

The share in expenses charged to related parties are recorded under "Others" account in the parent company statements of income.

Management Fee and Bonus

PHINMA, Inc. has various management contracts with its subsidiaries and associates that give it the general management authority with corresponding responsibility over all operations and personnel of certain related parties including planning, direction, and supervision of all the operations, sales, marketing, distribution, finance and other business activities of the related parties.

The Company has a five-year management contract with PHINMA, Inc. up to June 30, 2024, renewable thereafter upon mutual agreement of the two parties. Under the existing management agreement, the Company pays PHINMA, Inc. a fixed monthly management fee plus an annual incentive based on a certain percentage of the Company's net income. This contract has been renewed for another 5 years effective on July 1, 2024 until June 30, 2029.

The details of the management fee and bonus which is included in "Outside services" and "Personnel costs", respectively, under the "General and administrative expenses" account are as follows:

	2025	2024
Management fee	18,522	17,052
Management bonus	5,129	12,610
	23,651	29,662

The amounts pertaining to the management bonus of P8.3 million and P12.6 million remain unpaid as at December 31, 2025 and 2024, respectively.

Directors' Fee and Bonus

The Company recognizes compensation to directors computed based on net income after certain adjustments. The details of the directors' compensation which is included in "Personnel costs" under "General and administrative expenses" account are as follows:

	2025	2024
Directors' fee	8,595	10,935
Directors' bonus	8,386	9,562
	16,981	20,497

There are no unpaid directors' bonus as at December 31, 2025 and 2024.

Rent Income

The Company has existing short-term lease agreements for office and parking spaces with related companies (PHINMA, Inc., subsidiaries, and associates). Rent income earned from related parties amounted to P13.9 million for the year ended December 31, 2025 (2024 - P12.6 million). Outstanding receivable of the Company amounted to P0.5 million as at December 31, 2025 and 2024.

Share in Expenses

Out-of-pocket and other operating expenses initially shouldered by the Company are reimbursed by the affiliates when billed by the Company. "Intercompany charges" in the parent company statements of income include share in expenses of the Ultimate Parent, subsidiaries, associates and other related parties that is initially incurred by the Company and subsequently billed to related parties and recognized in miscellaneous income. In 2025, intercompany charges from Ultimate Parent amounted to P3.3 million (2024 - P4.5 million) (Note 18). Intercompany expenses incurred on behalf of the ultimate parent, subsidiaries and other related parties amounted to P38.9 million for the year ended December 31, 2025 (2024 - P23.8 million). Outstanding payable of the Company amounted to P9.0 million as at December 31, 2025 (2024 - P6.6 million).

Details of other income as of December 31 are as follows:

	2025	2024
Miscellaneous income (related parties)	9,498	16,411
Other income (third parties)	6,756	1,993
	16,254	18,404

Outstanding receivable of the Company amounted to P32.9 million as at December 31, 2025 (2024 - P29.1 million). An allowance for impairment amounting to P0.1 million was recognized as at December 31, 2024.

Advances To and From Related Parties

The Company also grants advances to its related parties to fund certain working capital requirements. Outstanding noninterest-bearing advances of the Company amounted to P232.1 million as at December 31, 2025 and 2024.

Notes payable and long-term Debt

On December 22, 2023, the Company obtained a non-interest bearing note payable from Krypton Esplanade Hotel Corp. which is callable anytime after one-year from the date of inception. On January 16, 2025, the Company obtained another non-interest bearing note payable amounting to P7.1 million which is callable anytime after one-year from the date of inception. As of December 31, 2025, the balance amounting to P11.8 million is still outstanding (2024 - P4.8 million).

On September 16, 2025, the Company renewed its loan from PSHC which resulted to an extended maturity period until September 30, 2027. As at December 31, 2025 and 2024, the outstanding balance of the long-term debt amounts to P68.0 million The renewed loan has an interest rate of 6.73% and 7.31% in 2025 and 2024, respectively. Related interest expense amounted to P4.9 million for the year ended December 31, 2025 (2024 - P5.1 million).

Dividend Income

The Company earns dividend income from its subsidiaries and associates. For the year ended December 31, 2025, the Company earned P369.7 million (2024 - P445.0 million) (Note 8). As at December 31, 2025, the outstanding dividends receivable amounted to P197.5 million (2024 - P345.8 million) (Note 8).

Compensation of Key Management Personnel

Compensation of key management personnel of the Company are as follows:

	2025	2024
Salaries and short-term employee benefits	59,855	118,938

21 Pension and Other Post-employment Benefits Liability

This account consists of:

	2025	2024
Other post-employment benefits liability	34,710	33,858
Defined benefit pension liability	18,219	20,822
Defined contribution plan	140	374
	53,069	55,054

Pension and other post-employment benefits, included in "Personnel costs" under "General and administrative expenses" account, consist of:

	2025	2024
Defined benefit pension expense	5,013	5,844
Contribution to PHINMA Jumbo	8,735	7,466
Other post-employment benefits expense	1,241	5,585
Contribution to defined contribution plan	2,167	1,666
	17,156	20,561

a. Defined benefit pension plan

The Company has an actuarially computed retirement plan covering all permanent employees. The benefits are based on years of service and compensation during the last year of employment. The Company has established a retirement fund that is managed by a trustee.

Annual contribution to the pension plan consists of a payment to cover the current service costs for the year plus a payment toward funding the actuarial accrued liability.

The following tables summarize the components of net pension expense recognized in the parent company statements of income and the funded status and amounts recognized in the parent company statements of financial position for the pension plan:

Net pension expense consists of:

	2025	2024
Current service cost	4,488	4,762
Net interest cost	1,013	1,082
Past service cost (income)	(488)	-
Net pension expense	5,013	5,844

Details of net pension liability are as follows:

	2025	2024
Present value of defined benefit obligation	53,766	48,299
Fair value of plan assets	(35,547)	(27,477)
Net pension liability	18,219	20,822

Changes in the present value of the pension obligation are as follows:

	2025	2024
Balances at beginning of year	48,299	39,427
Current service cost	4,488	4,762
Interest cost on defined benefit obligation	2,921	2,265
Past service cost (income)	(488)	-
Actuarial losses (gains):		
Experience adjustment	(20)	4,086
Change in financial assumptions	(1,401)	(3,923)
Net acquired obligation due to employee transfers	(33)	1,682
Balances at end of year	53,766	48,299

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

	2025	2024
Balances at beginning of year	27,477	17,957
Contributions	7,486	9,353
Actuarial loss on experience adjustments	(1,324)	(1,016)
Interest income included in net interest cost	1,908	1,183
Balances at end of year	35,547	27,477
Actual return on plan assets	584	167

Changes in net pension liability are as follows:

	2025	2024
Balances at beginning of year	20,822	21,470
Net pension expense	5,013	5,844
Contributions	(7,486)	(9,353)
Net acquired obligation due to employee transfers	(33)	1,682
Remeasurement loss (gain) in OCI	(97)	1,179
Net pension liability	18,219	20,822

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2025	2024
Cash and short-term investments	1%	1%
Marketable equity securities	99%	99%
	100%	100%

Cash and short-term investments include liquid investments in Special Deposit Accounts, government securities, mutual funds and UITFs. Marketable equity securities can be sold through the PSE. These include shares of stock of the Company with a fair value of P4.3 million as at December 31, 2025 (2024 - P4.9 million). Cumulative unrealized fair value gains on the shares amounted to P2.1 million as at December 31, 2025 (2024 - P2.7 million).

The Company expects to contribute P8.2 million to its defined benefit retirement fund in 2026.

The principal assumptions used in determining pension benefits are as follows:

	2025	2024
Discount rate	6.40%	6.13%
Rate of salary increase	5.00%	5.0%
Turnover rates	A scale ranging from 14% At age 18 to 0% at age 65	A scale ranging from 14% at age 18 to 0% at age 60

The calculation of the pension liability is sensitive to the assumptions set above. The following table summarizes how the pension liability at the end of the reporting period would have increased (decreased) as a result of a change in the assumptions by:

	Increase (Decrease)	
	2025	2024
Discount rate:		
Increase by 1%	(4,334)	(3,166)
Decrease by 1%	5,023	3,607
Rate of salary increase:		
Increase by 1%	5,286	3,814
Decrease by 1%	(4,632)	(3,405)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

Year	2025	2024
Less than 1 year	8,446	6,066
1 year to less than 5 years	12,254	17,100
5 years to less than 10 years	31,418	44,511
10 years and beyond	226,692	117,410

The average duration of the pension liability as at December 31, 2025 is 12.76 years.

b. Defined contribution plan

The Company also provides a defined contribution plan that covers all regular full-time employees under which the Company pays fixed contributions based on the percentage contributed by the employees from their monthly salaries.

Participation by employees in the defined contribution plan is voluntary which has started in October 2017. Total contribution is up to 4% of annual salary, of which, 60% is contributed by the employees and 40% by the Company. There will be separate sub-funds for the defined contribution and benefit plans which will not be commingled with each other or be used to fulfill the funding requirements of both retirement plans. Starting October 2025, total contribution was increased to up to 6% of annual salary, of which, 40% is contributed by the employees and 60% by the Company.

Movement in defined contribution plan for the years ended December 31 are as follows:

	2025	2024
Balances at beginning of year	374	5
Net pension expense	2,167	1,666
Contributions	(2,401)	(1,297)
Net pension liability	140	374

c. PHINMA Jumbo Retirement Plan

The Company has cross-assigned executives currently enrolled in the PHINMA Jumbo Retirement Plan of PHINMA, Inc. The Company contributes to the retirement fund of the cross-assigned executives and recognizes the contribution as retirement expense in the year it was incurred. For the year ended December 31, 2025, the Company contributed P8.7 million to the retirement fund (2024 - P7.5 million).

d. Other post-employment benefits

Other post-employment benefits consist of accumulated employee sick and vacation leave entitlement. Other post-employment benefits expense consists of:

	2025	2024
Current service cost	2,477	692
Net interest cost	2,075	980
Past service credit	(604)	-
Actuarial loss	(2,707)	3,913
	1,241	5,585

Changes in present value of other post-employment benefits liability are as follows:

	2025	2024
Balances at beginning of year	33,858	16,253
Current service cost	2,477	692
Interest cost	2,075	980
Actuarial loss	(2,707)	3,913
Past service cost (income)	(604)	-
Leave benefits paid	(79)	-
Leaves utilized	(298)	(421)
Net acquired obligation due to employee transfers	(12)	12,441
Balances at end of year	34,710	33,858

The principal assumptions used in determining other post-employment benefits are as follows:

	2025	2024
Discount rate	6.2%	6.1%
Rate of salary increase	5%	5%
Turnover rates	A scale ranging from 14% at age 18 to 0% at age 65	A scale ranging from 14% at age 18 to 0% at age 60

22 Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash and cash equivalents, investments held for trading and other investments in financial assets at fair value in Philippine Peso and U.S. dollar currencies. The main purpose of these financial instruments is for a temporary outlay of funds. The Company has financial liabilities in the form of bank loans with the main purpose of funding its investments in the Strategic Business Units (SBUs), potential new investments, refinancing maturing loans, and general corporate purposes. The Company also has financial assets and liabilities, such as receivables and accrued expenses and other payables that arise directly from operations.

The main risks arising from the Company's treasury transactions are credit risk, liquidity risk, market risk, interest rate risk, foreign currency risk, and equity price risk. Careful study, skill, prudence and due diligence are exercised at all times in the handling of the funds and capital raising of the Company.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Due to the Company's investing and operating activities, the Company is exposed to the potential credit-related losses that may occur as a result of an individual, counterparty or issuer being unable or unwilling to honor its contractual obligations.

In managing credit risk on the financial instruments, the Company transacts only with the Financial Institutions (FIs) duly approved by the BOD. Investments per financial institution are subject to a maximum of 20% of the Company's investible funds. For investments in UITFs or mutual funds, it is the Company's policy that investments cannot exceed 10% of the size of the fund.

A comprehensive credit and business review in coordination with dealers or underwriters is performed whenever the Company invests in non-rated securities. Furthermore, the Company monitors the credit quality of corporate and sovereign bonds with reference to credit rating studies and updates from the major rating agencies.

The Company's exposure to credit risk on its cash and cash equivalents, receivables and refundable deposits arises from the default of counterparties with maximum exposures equal to the carrying amounts of these instruments.

	2025	2024
Financial assets at amortized cost:		
Cash in banks and cash equivalents	267,432	237,229
Receivables	1,160,013	1,069,384
Refundable deposits	1,694	2,018
	1,429,139	1,308,631

Cash and cash equivalents exclude cash on hand amounting to P0.2 million as at December 31, 2025 (2024 - P0.1 million).

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

Credit Quality of Financial Assets

The financial assets are grouped according to stage whose description is explained as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.
Stage 2 - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.
Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Company's financial assets are as follows:

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
2025				
Financial assets at amortized cost				
Cash in banks and cash equivalents	267,432	-	-	267,432
Receivables				
Due from related parties	229,028	136	233,756	462,920
Accrued interest	669,985	-	-	669,985
Others	261,000	-	53,912	314,912
Refundable deposits	1,694	-	-	1,694
Gross carrying amount	1,429,139	136	287,668	1,716,943
2024				
Financial assets at amortized cost				
Cash in banks and cash equivalents	237,229	-	-	237,229
Receivables				
Due from related parties	373,624	136	233,756	607,516
Accrued interest	486,625	-	-	486,625
Others	209,135	-	53,912	263,047
Refundable deposits	2,018	-	-	2,018
Gross carrying amount	1,308,631	136	287,668	1,596,435

Others consist of receivable from consultancy and other receivables presented in Note 7.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time due to the inability to collect its receivables, liquidate its other assets or obtain funding at reasonable terms. The Company manages liquidity risks by keeping a level of cash and cash equivalents sufficient to finance the operating requirements. The cash and cash equivalents are invested in time deposits and money market funds that can be liquidated quickly. The Company also ensures that it always has enough and active working capital lines with banks for bridge financing.

The maturities of the financial liabilities are determined based on the Company's projected payments and contractual maturities. The key terms and thresholds are approved by the BOD. It is the Company's policy to restrict investment in marketable securities, principally to publicly traded securities with a history of marketability and by dealing with only large reputable domestic institutions.

As part of liquidity risk management, the Company regularly evaluates the projected and actual cash flows and conducts stress-testing of assumptions to establish contingency plans. The Company continuously assesses conditions in the financial markets for opportunities for fund-raising activities which may include bank loans and capital market issues.

Financial assets at amortized cost (comprised of cash and cash equivalents, receivables and refundable deposits) amounting to P1,429.1 million as at December 31, 2025 (2024 - P1,308.6 million) and financial assets at FVPL (comprised of investments in UITFs and investments in marketable equity securities) amounting to P56.2 million as at December 31, 2025 (2024 - P453.6 million) are expected to be realized within one year from the reporting date. Investment in preferred shares accounted for as financial assets at FVPL amounting to P2,123.1 million and P2,042.2 million as at December 31, 2025 and 2024, respectively, are expected to be realized within one to three years from the reporting date

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at December 31:

	Within 1 Year	1–2 Years	More than 2 to 3 years	More than 3 years	Total
2025					
Financial Liabilities:					
Notes payable	111,876	-	-	-	111,876
Accrued expenses and other payables*	191,764	-	-	-	191,764
Long-term debt, including future interest payable	529,806	2,320,094	386,282	6,080,741	9,316,923
	833,446	2,320,094	386,282	6,080,741	9,620,563
2024					
Financial Liabilities:					
Notes payable	3,404,750	-	-	-	3,404,750
Accrued expenses and other payables*	161,443	-	-	-	161,443
Long-term debt, including future interest payable	1,221,701	134,391	1,913,872	-	3,269,964
	4,787,894	134,391	1,913,872	-	6,836,157

**Excludes payable to government agencies amounting to P56 thousand and P29 thousand in 2025 and 2024, respectively.*

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Market risks are managed by constant review of global and domestic economic and financial environments as well as regular discussions with banks' economists/strategy officers to get multiple perspectives on interest rate trends/forecasts. Regular comparison of the portfolio's marked-to-market values and yields with defined benchmarks are also made.

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 following tables set out the carrying amounts, by maturity, of the Company's financial instrument that are exposed to interest rate risk as of December 31:

	Interest Rates	Within 1 Year	1 to < 2 Years	2 to < 3 Years	3 to 5 Years	More than 5 Years	Total
2025							
Financial Liabilities							
Notes payable	5.850%	100,000	-	-	-	-	100,000
Long-term debt	6.00% to 7.86%	62,932	1,914,212	112,184	2,938,219	1,891,878	6,919,425
2024							
Financial Liabilities							
Notes payable	6.50% to 6.70%	3,400,000	-	-	-	-	3,400,000
Long-term debt	3.53% to 7.86%	1,034,169	18,142	1,869,258	-	-	2,921,569

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

The table below sets forth the estimated change in the Company's income before tax due to a reasonably possible change in interest rates as at December 31, 2025 and 2024. There is no impact on the Company's equity other than those already affecting the profit or loss.

	Increase/ (Decrease) in basis points	Effect on profit before tax
2025		
Financial Liabilities		
Notes payable	25	(250)
	(25)	250
Long-term debt	25	(17,225)
	(25)	17,225
2024		
Financial Liabilities		
Notes payable	25	(8,500)
	(25)	8,500
Long-term debt	25	(7,150)
	(25)	7,150

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial assets that are exposed to foreign currency risk are foreign currency-denominated cash and cash equivalents and investments in UITFs.

Foreign exchange risks on the U.S. dollar and other foreign currencies are managed through constant monitoring of the political and economic environment domestically and abroad. Should the need arise, approved hedging strategies may be implemented to mitigate risks. Returns are also calibrated on a per currency basis to account for the perceived risks with higher returns expected from weaker currencies.

The following table shows the U.S. dollar and Vietnamese dong currency-denominated financial assets and their peso equivalents as at December 31:

	2025		2024	
Financial assets:	Foreign Currency	Peso Equivalent	Foreign Currency	Peso Equivalent
Cash and cash equivalents	US$134	7,902	US$499	28,848
Cash and cash equivalents	VND8,501,594	19,006	VND5,191	12
Investment held for trading	US$12	692	US$11	657
Receivables	US$15,321	900,710	US$11,613	671,760
Investment at FVPL	US$36,113	2,123,097	US$35,304	2,042,183
Derivative assets	US$19,968	1,173,929	US$17,298	1,000,586
		4,225,336		3,744,046

In translating foreign currency-denominated financial assets into peso amounts, the exchange rates used were P58.79 to US$1.00 as at December 31, 2025 (2024 - P57.85 to US$1.00) and P0.0022355 to VND1.00 as at December 31, 2025 (2024 - P0.0022719 to VND1.00).

Details of foreign exchange gain, net as at December 31 are as follow:

	2025	2024
Realized foreign exchange gain (loss)	(1,573)	14,865
Unrealized foreign exchange gain	12,281	20,097
	10,708	34,962

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rate, with all other variables held constant, of the Company's profit before tax (due to the changes in the fair value of financial assets) as at December 31, 2025 and 2024. There is no impact on the Company's equity other than those already affecting the profit or loss.

2025		2024	
Increase (Decrease) in Peso-Dollar Exchange Rate	Effect on Profit Before Tax	Increase (Decrease) in Peso-Dollar Exchange Rate	Effect on Profit Before Tax
1.00	71,555	1.00	64,725
(1.00)	(71,555)	(1.00)	(64,725)

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the values of individual stocks. The Company's exposure to equity price risk relates primarily to its equity investments listed in the PSE classified under investments held for trading.

The Company's policy is to maintain the risk to an acceptable level. Movement of share price is monitored regularly to determine impact on the Company's financial position. Unsystemic risk is managed through diversification in the stock portfolio. The Company's assessment of reasonably possibly change, based on its expectations, was determined to be an increase of 16.68% in the index with an impact of P0.3 million as at December 31, 2025 (2024 - 18.02% in the index with an impact of P0.4 million).

Capital Management

The primary objective of the Company's capital management is to ensure that the Company maintains a healthy capital structure to maintain strong credit rating and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2025 and 2024.

The Company monitors capital using the debt-to-equity ratio, which it defines as total liabilities divided by total equity. Capital includes all the items appearing in the equity section of the parent company statements of financial position. The Company's policy is to keep debt-to-equity ratio below the maximum ratio of 2.0:1.

	2025	2024
Total liabilities	7,288,541	6,563,205
Total equity	7,811,337	7,939,817
Debt-to-equity ratio	0.93:1	0.83:1

23 Financial Instruments

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- 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 is significant to their fair value measurement is unobservable

Financial assets and liabilities measured or disclosed at fair value at December 31, 2025 and 2024:

	Total	Level 1	Level 2	Level 3
2025				
Financial assets				
Investments held for trading:				
Investments in UITFs	53,462	-	53,462	-
Investments in marketable equity securities	2,708	2,708	-	-
Non-listed equity instruments	34,083	-	-	34,083
Non-listed debt instrument designated at FVPL	2,123,097	-	-	2,123,097
Derivative assets	1,173,929	-	-	1,173,929
	3,387,279	2,708	53,462	3,331,109
Financial liabilities				
Long-term debt	6,919,425	-	-	6,919,425
2024				
Financial assets				
Investments held for trading:				
Investments in UITFs	450,839	-	450,839	-
Investments in marketable equity securities	2,740	2,740	-	-
Club shares designated at FVOCI	50,000	-	50,000	-
Non-listed equity instruments	30,669	-	-	30,669
Non-listed debt instrument designated at FVPL	2,042,183	-	-	2,042,183
Derivative assets	1,000,586	-	-	1,000,586
	3,577,017	2,740	500,839	3,073,438
Financial liabilities				
Long-term debt	2,921,569	-	-	2,921,569

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

The fair value of golf club shares classified under level 2 were based on the prices readily available from brokers or other regulatory agencies as at reporting date.

The fair values of unlisted shares of stock classified under Level 3 were determined through the following valuation approach: income approach and asset-based approach. Income approach is predicted upon the concept of that the value of any asset can be estimated by ascertaining the amount and timing of future cash flows or earnings that are generated by that asset. Asset-based approach is based on the value of all tangible and intangible assets and liabilities of the investee.

The discount rates, a significant unobservable input used in the valuation of the unlisted shares of stock using the income approach, were 14.80% as at December 31, 2025 (2024 - 14.79%).

Movements in the fair value of non-listed shares of stock classified under Level 3 in 2025 and 2024 are discussed in Notes 9 and 10.

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

Investments Held for Trading, Financial Assets at FVPL, Financial Assets at FVOCI and Derivative Assets. Quoted market prices have been used to determine the fair value of investments in marketable equity securities and club shares designated at FVOCI. The fair values of unquoted equity investments at FVOCI, unquoted debt investment classified as financial asset at FVPL and derivative asset have been estimated using a future cash flows from the investee and applying discount rate to calculate the present value of cash flows. The valuation requires management to make certain assumptions about the model inputs including forecast cashflows, discount rate, long-term growth rate, comparable companies' average volatility, option adjusted spread and risk-free rate. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Cash and Cash Equivalents, Receivables, and Accrued Expenses and Other Payables. Due to the short-term nature of these transactions, the carrying value approximate the fair values as at the reporting date.

Long-term Debt. The Company's borrowings as at December 31, 2025 and 2024 are stated at amortized cost. The fair values of the borrowings approximate their carrying amounts.

Derivative Instruments

On October 7, 2019, PEHI including the Investors have amended and restated the First Investment Agreement (made and entered by PEHI, Kaizen Private Equity II PTE. LTD (Kaizen) and Asian Development Bank (ADB) on April 12, 2019) to reflect the terms and conditions of Nederlandse Financierings-Maatschappijvoor Ontwikkelingslanden N.V (FMO)'s investment in PEHI and to reflect other agreed changes to the original terms of the First Investment Agreement.

As part of the signed investment agreement of PEHI and the Investors, in the event that an initial public offering (IPO) of PEHI is not completed on the fifth anniversary of the agreement, the Investors have an irrevocable right and option to sell to and obligate the Company to purchase all or portion of their shares (put option). On the other hand, the Company has an irrevocable right and option to purchase and obligate all of the Investors to sell all of its shares under certain conditions.

The exercise price of the options is based at a price that generates 10% internal rate of return, based on the investor US dollar subscription price per share, which is calculated at the agreed exchange rate for the period beginning on the closing date and ending on the date of the relevant notice.

This transaction resulted to recognition of derivative asset amounting to P2.0 million as at December 31, 2023.

In 2024, the Investors sold their shares to a new third party investor through a Share Purchase Agreement which resulted to the termination of the Shareholders Agreement signed in 2021. As at December 31, 2024, the shares have been transferred to the new third party investor and the related completion obligations in the termination agreement have been satisfied. As a result, the Company derecognized the derivative asset amounting to P2.0 million in 2024.

The net changes in fair value of these derivative assets in 2025 and 2024 are as follows:

	2025	2024
Balance at beginning of year	-	1,963
Net change in fair value during the year	-	(1,963)
Balance at end of year	-	-

24 Operating Lease Commitments

The Company, as a lessor of its investment property portfolio, has entered into various lease agreements with lease period ranging from one to five years and with renewal options.

The future minimum lease payments under the lease agreements are as follows:

	2025	2024
Within one year	23,339	24,636
After one year but not more than five years	15,099	38,438
	38,438	63,074

Rental income amounted to P33.5 million for the year ended December 31, 2025 (2024 - P31.1 million) (Note 12).

25 EPS Computation

Basic/diluted EPS is computed as follows:

	2025	2024
(a) Net income	58,988	140,995
(b) Weighted average number of common shares outstanding	336,325	294,659
Basic/diluted EPS attributable to equity holders of the parent (a/b)	0.18	0.48

The Company's basic and diluted earnings per share are the same since the Company does not have potential common shares.

26 Events after the Reporting Period

Dividend Declaration

On March 6, 2026, the BOD approved the declaration of cash dividends subject to the confirmation and approval of audited financial statements by the Executive Committee. On March 10, 2026, the Executive Committee approved the audited financial statements and has confirmed the details of the cash dividend declaration of P0.60 per share amounting to P201.8 million payable on April 13, 2026 to shareholders of record as at March 31, 2026.

27 Supplementary Tax Information Required under Revenue Regulation (RR) 15-2010

Below is the additional information required by RR 15-2010. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements. All values are in absolute amount and rounded to the nearest peso.

The Company reported and/or paid the following types of taxes for the calendar year 2025:

VAT

Details of the Company's net sales/receipts, output VAT and input VAT accounts are as follows:

a. Net sales/receipts and output VAT declared in the Company's VAT returns filed in 2025

	Net Sales/ Receipts	Output VAT
Taxable sales:		
Sale of services	17,109,929	2,053,191
Leasing income	33,679,131	4,041,496
	50,789,060	6,094,687

b. Input VAT in 2025

	Amount
Balance at beginning of year	201,588,853
Current year's domestic purchases/payments for:	
Services lodged under other accounts	13,235,071
Capital goods subject to amortization	1,600,212
Capital goods not subject to amortization	1,104,462
Goods other than for resale or manufacture	71,305
Total input VAT	217,599,903
Application of output VAT	(6,094,687)
Balance at end of year	211,505,216

Importations

The Company does not have any purchases of imported goods subject to custom duties and tariff fees during the year ended December 31, 2025.

Excise taxes

The Company is not engaged in the manufacture of production of certain specified goods or articles subject to excise tax for domestic sale or consumption or for any other disposition.

Documentary Stamps Tax Paid in 2025

	Amount
Purchase of shares of stock	172,500
Availment of short term loan	14,171,922
Others	1,080,864
	15,425,286

Other Taxes and Licenses in 2025

	Amount
Real property tax	4,520,188
Business permits and licenses	476,629
Tax settlement	16,000,363
Others	10,005,606
	31,002,786

Withholding Taxes in 2025

	Paid	Accrued	Total
Withholding tax on wages and fringe benefits tax	40,981,563	1,866,507	42,848,069
Final withholding taxes	3,294,002	18,750	3,312,752
Expanded withholding taxes	16,332,828	1,701,684	18,034,512
	60,608,393	3,586,941	64,195,333

Tax Assessments and Cases in 2025

The Company has no outstanding final tax assessments with the BIR and there were no tax cases nor litigation and/or prosecution in the courts or bodies outside of the BIR as of and during the year ended December 31, 2025.

PHINMA Corporation
12th Floor, PHINMA Plaza 39 Plaza Drive, Rockwell Center, Makati City

Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2025
(All amounts in Philippine Peso)
(In absolute amounts)

Unappropriated Retained Earnings at January 1, 2025			1,049,837,286
Add:	Category A: Items that are directly credited to Unappropriated retained earnings		
	Reversal of Retained earnings appropriations	1,600,000,000	
	Realized gain on sale of financial assets through other comprehensive income	53,981,000	
	Remeasurement loss on retirement benefit obligation	97,381	1,654,078,381
Less:	Category B: Items that are directly debited to Unappropriated retained earnings		
	Dividend declaration during the reporting period	(201,795,159)	
	Retained earnings appropriated during the reporting period	(1,000,000,000)	(1,201,795,159)
Unappropriated Retained Earnings, as adjusted			**1,502,120,508**
Add/Less:	**Net Income (loss) for the current year/period**		58,988,296
Less:	Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)	-	
	Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(9,210,478)	
	Unrealized fair value adjustment of financial assets at fair value through profit or loss (FVTPL)	(130,007,210)	
	Unrealized gain on derivatives	(60,685,568)	
	Unrealized gain on fair value of investments held for trading	(1,597,243)	(201,500,499)
Add:	Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
	Realized foreign exchange gain, except those attributable to Cash and cash equivalents	2,535,817	2,535,817
Add:	Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	-
Adjusted net income/loss			(139,976,386)
Add:	Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	-	-
Add/Less:	Category E: Adjustments related to relief granted by the SEC and BSP)	-	-
Add/Less:	Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	-	
	Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
	Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(109,404,416)	
	Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
	Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
	Others (describe nature)	-	(109,404,416)
Adjusted net income/loss			**(249,380,802)**
Total Retained Earnings, end of the year available for dividend declaration			**1,252,739,706**

ANNEX C

SEC Form 17 – C
Current Reports

[1] SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **January 6, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3. **000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

……

Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **Level 12 PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

……

Address of principal office Postal Code

8. **(632) 88700 100**

……..

Issuer's telephone number, including area code

9. **Not applicable.**

……

Former name or former address, if changed since last report

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

1

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed letter.

……

SIGNATURES

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

PHINMA Corporation
Registrant

January 6, 2025
Date

[redacted]
Rolando D. Soliven
Vice President – Group Corporate Governance
And Chief Compliance Officer
……
Signature and Title

PHINMA
Making Lives Better

January 6, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. STEFANIE ANN B. GO**
OIC, Disclosure Department

In compliance with SEC memorandum circular SEC Memorandum Circular No. 1 Series of 2014, this serves as the advisement letter on the attendance of directors to board meetings of the company held on March 5, 2024, May 15, 2024, August 6, 2024, November 7, 2024 and December 12, 2024. The Board held the organizational meeting on April 23, 2024.

The record of attendance of the directors at such meetings is as follows:

Directors	No. of Meetings Attended / Held	Attendance %
Oscar J. Hilado	6/6	100%
Ramon R. del Rosario, Jr.	6/6	100%
Magdaleno B. Albarracin, Jr.	6/6	100%
Victor J. del Rosario	6/6	100%
Jose L. Cuisia, Jr.	6/6	100%
Meliton B. Salazar, Jr.	6/6	100%
Eduardo A. Sahagun	6/6	100%
Rizalina G. Mantaring	4/6	67%
Lilia B. De Lima	6/6	100%
Juan B. Santos	6/6	100%
Edgar O. Chua	6/6	100%
Dato Timothy Ong*	5/5	100%
Edilberto C. de Jesus*	5/5	100%
Cielito F. Habito*	5/5	100%
Guillermo D. Luchangco*	5/5	100%

*Elected at the Annual Stockholders' Meeting held on 23 April 2024

Thank you.

[redacted]

ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

PHINMA
Making Lives Better

January 7, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. STEFANIE ANN B. GO**
OIC, Disclosure Department

PHINMA Education Holdings, Inc. (PEHI), a subsidiary of PHINMA Corporation (PHN), confirmed on January 7, 2025, the second closing of the acquisition of St. Jude College Dasmariñas Cavite, Inc. with the acquisition of the land and buildings, and payment of debt in accordance with the terms of the Share and Asset Purchase Agreement (Agreement).

On December 6, 2024, PHN disclosed the signing of the Agreement by PEHI to acquire controlling shares of stock of St. Jude College Dasmariñas Cavite for a total consideration of Php 85 million, investment in additional shares of stock of the school to acquire land and buildings of the campus, and pay debt, in the total amount of Php 344 million. The First Closing of the transaction was also completed on the same date with the acquisition of shares of the controlling stockholders and payment of Php 85 million for the said shares.

The Company is currently a 66.41%-owned subsidiary of PHINMA Corporation, which holds its investments in the education sector.

Very truly yours,

[redacted]
ROLANDO D. SOLIVEN
VP - Group Corporate Governance & Chief Compliance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **January 9, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3**. 000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

……

Exact name of issuer as specified in its charter

5**. Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **Level 12 PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

……

Address of principal office Postal Code

8**. (632) 88700 100**

……..

Issuer's telephone number, including area code

9. **Not applicable.**

……

Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed letter.

…….

SIGNATURES

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

PHINMA Corporation
Registrant

January 9, 2025
Date

[redacted]

Rolando D. Soliven
Vice President – Group Corporate Governance
And Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

January 9, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. STEFANIE ANN B. GO**
OIC, Disclosure Department

Gentlemen:

PHINMA Corporation (PHN) completed today, January 9, 2025, the purchase of PHINMA Insurance Brokers, Inc. (PIBI) from PHINMA, Inc. for a total transaction amount of P 150.53 million for 2.3 million shares representing 100% ownership of the company.

On November 7, 2024, PHN disclosed the approval of the board of the acquisition of PIBI from PHINMA, Inc.

PIBI is the insurance brokerage arm of PHINMA, involved in developing, packaging and servicing life, non-life and HMO insurance programs while dealing with reputable local and global insurance companies to answer its clients' various requirements.

Thank you.

[redacted]

ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **March 21, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3. **000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

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Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

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……

Address of principal office Postal Code

8. **(632) 88700 100**

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Issuer's telephone number, including area code

9. **Not applicable.**

……

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed letter.

…….

SIGNATURES

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

PHINMA Corporation
Registrant

March 21, 2025
Date



Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

March 21, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
OIC, Disclosure Department

Gentlemen:

Please be informed that at the meeting of the Board of Directors of PHINMA Corporation held today, the following matters were discussed and approved:

1. Investment of Php 250 Mn in PHINMA Community Housing Corporation for its initial capex requirements, purchase of land and working capital requirements.

2. Appropriation of retained earnings of Php 500 Mn for investment in Construction Materials Group and Php 500 Mn in PHINMA Community Housing Corporation until December 31, 2026.

3. Reversal of appropriation of retained earnings amounting to Php 1.60 Bn for investment in PHINMA Property Holdings Corporation and Construction Materials Group.

4. Postponement of the Annual Stockholders' Meeting of the Corporation which under its By-laws should be conducted during the third week of April of every year to a later date to be further set and disclosed.

5. Nominees as Board of Directors of the Corporation for year 2025.

Thank you.

[redacted]

ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

P	H	I	N	M	A		C	O	R	P	O	R	A	T	I	O	N													

(Company's Full Name)

L	E	V	E	L		1	2	-	P	H	I	N	M	A		P	L	A	Z	A		3	9		P	L	A	Z	A
D	R	I	V	E	,		R	O	C	K	W	E	L	L		C	E	N	T	E	R		M	A	K	A	T	I	

(Business Address: No. Street City/Town/Province)

R	O	L	A	N	D	O		S	O	L	I	V	E	N	

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2

Month

3	1

Day

Calendar Year

S	E	C	-	1	7	C						

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **April 14, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3**. 000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

……

Exact name of issuer as specified in its charter

5**. Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **Level 12 PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

……

Address of principal office Postal Code

8**. (632) 88700 100**

……..

Issuer's telephone number, including area code

9. **Not applicable.**

……

Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed letter.

…….

SIGNATURES

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

PHINMA Corporation
Registrant

April 14, 2025
Date

[redacted]

Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

April 14, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNIE DANIEL M. NEGRE**
OIC, Disclosure Department

Please be informed that at the meeting of the Board of Directors of PHINMA Corporation, held today, April 14, 2025, the following matters were discussed and approved:

1. Audited Financial Statements for the year ended December 31, 2024 was approved. Consolidated net income of PHINMA Corporation was P936.87 million with net income attributable to shareholders of the parent amounting to P279.55 million.

2. Declaration of regular cash dividend of P0.60 per share payable on May 26, 2025 to shareholders of record as of May 13, 2025.

3. Appointment of PwC/Isla Lipana & Co. as External Auditor for the year 2025

4. Scheduling of the Corporation's 2025 Annual Shareholders Meeting on Thursday, June 5, 2025, 11:00 a.m. through video conference with Record Date of May 13, 2025.

In addition, the SEC approved today the restatement of PHN's financial statements for CY 2023 after its subsidiary UGC, identified adjustments needed to correct certain line items resulting from the inconsistent application of certain accounting policies.

Thank you.

[redacted]

ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

P	H	I	N	M	A		C	O	R	P	O	R	A	T	I	O	N													

(Company's Full Name)

L	E	V	E	L		1	2	-	P	H	I	N	M	A		P	L	A	Z	A		3	9		P	L	A	Z	A
D	R	I	V	E	,		R	O	C	K	W	E	L	L		C	E	N	T	E	R		M	A	K	A	T	I	

(Business Address: No. Street City/Town/Province)

R	O	L	A	N	D	O		S	O	L	I	V	E	N	

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2

Month

3	1

Day

Calendar Year

S	E	C	-	1	7	C					

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **April 14, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3**. 000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

……

Exact name of issuer as specified in its charter

5**. Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **Level 12 PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

……

Address of principal office Postal Code

8**. (632) 88700 100**

……..

Issuer's telephone number, including area code

9. **Not applicable.**

……

Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed Press Release.

…….

SIGNATURES

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

PHINMA Corporation
Registrant

April 14, 2025
Date

[redacted]

Rolando D. Soliven
Vice President – Group Corporate Governance
And Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

14 April 2025
PRESS RELEASE

PHINMA Corporation revenues rise to ₱23.8B in 2024

PHINMA Corporation ("PHN" or the "Company") reported consolidated revenues of ₱23.76 billion for the period ending December 31, 2024, higher than ₱21.27 billion in the previous year as strategic business units (SBUs) sustained their topline growth amid challenging market conditions. The Company's consolidated net income and net income attributable to equity holders of the parent were at ₱936.87 million and ₱279.55 million, compared to the restated 2023 figures of ₱1.50 billion and ₱831.27 million respectively. Following a self-initiated review by the Company's subsidiary Union Galvasteel Corporation (UGC), the Securities and Exchange Commission granted PHN's request to restate its 2023 financial statement resulting to lower retained earnings.

The Company's balance sheet strengthened in 2024 primarily due to its ₱1-billion stock rights offering last November and the ₱2.52-billion initial investment of leading global private equity firm KKR in PHINMA Education through Phoenix Investments II Pte. Ltd. PHN also booked additional equity of ₱1.45 billion after KKR acquired the PHINMA Education shares of former investors Kaizenvest, Asian Development Bank, and FMO.

"PHINMA's continued sales growth has positioned the Group to benefit from margin optimization when our expansion projects are fully implemented. This is supported by our balance sheet initiatives, including raising equity funding, enabling our Strategic Business Units to make an even more positive, sustained impact on society," said PHINMA Chief Financial Officer EJ A. Qua Hiansen.

PHINMA Education Holdings, Inc. (PHINMA Education) recognized revenues of ₱6.39 billion, reflecting a 17% increase compared to the previous year. Meanwhile, Consolidated net income for the same period stood at ₱1.19 billion. The robust performance was primarily driven by enrollment growth as the network expanded its total enrollment to 163,854 students across the Philippines and Indonesia in School Year (SY) 2024-2025, marking a 12% increase from the prior academic year. Additionally, PHINMA Education achieved an overall board passing rate of 88% and 25 board topnotchers in 2024.

The PHINMA Construction Materials Group (PHINMA CMG) - comprised of UGC, Philcement Corporation (Philcement), and PHINMA Solar Energy Corporation (PHINMA Solar) - reported combined revenues of ₱14.30 billion due to its enhanced sales and production capabilities. In addition, PHINMA CMG's development of higher margin products and the expansion of sales channels enabled it to achieve a combined net income of ₱80.64 million in 2024 despite rising input costs and heightened market competition.

PHINMA Property Holdings Corp. (PHINMA Properties) registered revenues of ₱2.34 billion and a net loss of ₱98.28 million amid lower sales volumes and increasing interest costs. The decline is also attributable to upfront expenses related to expansion projects, the timing of revenue recognition, and the implementation of new Significant Financing Component accounting standards. The unbooked revenues will be recognized as construction progresses. PHINMA Properties looks to sustain gains from key developments particularly Saludad, its 21-hectare master-planned township in Bacolod. Meanwhile, the PHINMA Group sees significant opportunities in its newly organized PHINMA Community Housing Corporation as the vehicle for its renewed thrust in the underserved socialized housing sector.

12th Floor, PHINMA Plaza
39 Plaza Drive, Rockwell Center
Makati City, Philippines 1210

Tel: +632 8870 0100
Fax: +632 8870 0456
www.phinma.com.ph

Coral Way City Hotel Corporation (Coral Way), PHINMA Hospitality, Inc., and PHINMA Microtel Hotels, Inc. posted combined revenues of ₱591.63 million and combined net income of ₱65.58 million. Sustained demand from conventions, events and corporate bookings led to a pickup in both chainwide occupancy and the average daily rates, resulting in revenue growth for the aforementioned companies. Furthermore, PHINMA Microtel Hotels Inc.'s new franchise agreement for a TRYP by Wyndham condominium-hotel project in Samal Island, Davao also contributed to the revenue increase.

For CY 2023, PHN restated its financial report after UGC identified certain adjustments needed to correct certain line items resulting from the inconsistent application of certain accounting policies. These one-off, non-cash adjustments reduced 2023 consolidated net income by ₱128.92 million and retained earnings at the start of the year by ₱893.48 million. Moving forward, UGC is reinforcing its internal controls. The company has also strengthened its finance team and executive leadership, mainly with the appointment of its new Chief Operating Officer Gil Amilbangsa. Mr. Amilbangsa, a University of the Philippines industrial engineering alumnus, brings three decades of leadership experience in steel manufacturing and operations here and abroad.

As of end-2024, PHN also reported a higher book value per share of ₱27.76 from ₱23.29 following the additional equity infusion and increase in equity reserves. PHINMA Corporation had cash and cash equivalents of ₱3.10 billion, consolidated total assets of ₱53.86 billion, and total stockholders' equity of ₱15.82 billion.

"We will keep harnessing strengths and synergies among our businesses, all while pursuing new ventures in fields like community housing which directly cater to the daily needs of our underserved countrymen. The Group also looks forward to executing our pipeline of projects and initiatives supported by our earlier investments geared towards improving more lives," said PHINMA Chairman and CEO Ramon R. del Rosario, Jr.

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COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

P	H	I	N	M	A		C	O	R	P	O	R	A	T	I	O	N														

(Company's Full Name)

L	E	V	E	L		1	2	-	P	H	I	N	M	A		P	L	A	Z	A		3	9		P	L	A	Z	A
D	R	I	V	E	,		R	O	C	K	W	E	L	L		C	E	N	T	E	R		M	A	K	A	T	I	

(Business Address: No. Street City/Town/Province)

R	O	L	A	N	D	O		S	O	L	I	V	E	N	

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2

Month

3	1

Day

Calendar Year

P	R	E	S	S		R	E	L	E	A	S	E

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **May 9, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3**. 000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

……

Exact name of issuer as specified in its charter

5**. Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

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Issuer's telephone number, including area code

9. **Not applicable.**

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Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed Press Release.

……

SIGNATURES

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

PHINMA Corporation
Registrant

May 9, 2025
Date

[redacted]

Rolando D. Soliven
Vice President – Group Corporate Governance
And Chief Compliance Officer

……
Signature and Title

09 May 2025
PRESS RELEASE

PHINMA Corporation revenues climb to ₱6.6B, income rises to ₱562.6M in Q1 2025

PHINMA Corporation ("PHN" or the "Company") registered a stronger topline and higher earnings in the first quarter, as strategic business units (SBUs) drove steady growth through improved sales and streamlined cost management. The Company's consolidated revenues hit ₱6.60 billion during the period, a 21% increase from ₱5.45 billion last year, while consolidated net income rose by 27% to ₱562.62 million. PHN's net income attributable to equity holders of the parent was at ₱191.27 million.

PHINMA Education Holdings, Inc. (PHINMA Education) reported revenues and net income of ₱2.1 billion and ₱907.35 million, respectively, during the quarter. Second semester enrollment for School Year 2024-2025 rose to 137,498 students, a 5% rise from the prior school year, whereas retention rate stayed strong at 89%. The increase in revenue, combined with operational efficiency and reduced interest expenses, led to higher profitability for the segment.

The PHINMA Construction Materials Group (PHINMA CMG), comprised of Union Galvasteel Corporation (UGC), Philcement Corporation (Philcement), Union Insulated Panels Corporation (UIPC) and PHINMA Solar Energy Corporation (PHINMA Solar), reported combined revenues of ₱3.87 billion due to higher sales volumes resulting from strategic efforts to expand market share. To support the sales volume growth and in anticipation of future expansion, higher operational costs and interest expenses were incurred, leading to a net combined loss of ₱69.71 million. PHINMA CMG continues to optimize production efficiencies in its facilities while also negotiating better terms with suppliers to improve margins.

PHINMA Property Holdings Corp.'s (PHINMA Properties) revenues rose to ₱411.96 million for the quarter, reflecting both new sales as well as the carry-over sales from 2024. Unbooked revenues from these developments will be recognized as construction progresses, whereas net loss for the period was at ₱100.61 million. PHINMA Properties continues to prioritize growing demand outside Metro Manila through its ongoing developments such as Saludad, its 21-hectare master-planned township in Bacolod, along with projects in Cebu, Davao and Batangas. Meanwhile, PHINMA Corp. approved a ₱250-million investment in PHINMA Community Housing Corp., the Group's direct response to the country's huge housing backlog.

Coral Way City Hotel Corporation (Coral Way), PHINMA Hospitality, Inc., and PHINMA Microtel Hotels, Inc. recognized combined revenues of ₱136.34 million and a combined net income of ₱5.23 million for the first quarter of 2025. The Hospitality segment sustained its chainwide occupancy, while average room rates rose compared to the previous year. Leisure, corporate, and events segments mainly accounted for hotel and venue bookings for the period.

"Our business units continue to aggressively pursue the PHINMA Group's mission of providing the underserved sectors better access to the essentials of a dignified life. We are optimistic for sustained growth with the expected higher enrollment for Education, the accelerated implementation and completion of PHINMA Properties' projects, the strategic launch of our community housing business unit, and the continued implementation of our growth initiatives. The PHINMA Group has set a capital expenditure of ₱3.8 billion for 2025 to better support its business initiatives to uplift underserved families and communities," said PHINMA Chairman and Chief Executive Officer Ramon R. del Rosario, Jr.

As of the end of the first quarter, PHINMA Corporation's consolidated financial position included cash and cash equivalents of ₱4.83 billion, total assets of ₱53.63 billion and a total stockholders' equity of ₱16.29 billion.

"The first quarter results demonstrate the effectiveness of PHINMA's strategic direction and the benefits of a diversified portfolio, with revenues increasing by 21% and net income growing by 27%. Our strong balance sheet and commitment to operational excellence position us favorably to seize opportunities and provide innovative solutions," said PHINMA Chief Financial Officer EJ A. Qua Hiansen.

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

P	H	I	N	M	A		C	O	R	P	O	R	A	T	I	O	N													

(Company's Full Name)

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D	R	I	V	E	,		R	O	C	K	W	E	L	L		C	E	N	T	E	R		M	A	K	A	T	I	

(Business Address: No. Street City/Town/Province)

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S	E	C		1	7	-	C					

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SECURITIES AND EXCHANGE COMMISSION

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11. Indicate the item numbers reported herein:

Please see enclosed letter.

……

SIGNATURES

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PHINMA Corporation
Registrant

May 9, 2025
Date

[redacted]

Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

May 9, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNIE DANIEL M. NEGRE**
OIC, Disclosure Department

Please be informed that at the meeting of the Board of Directors of PHINMA Corporation, held today, May 9, 2025, the board discussed and approved the Company's Financial Results for the three-month period ended March 31, 2025 with consolidated revenues of Php 6.6 billion and net income attributable to equity holders of the parent amounting to Php191.27 million.

Thank you.

[redacted]
ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

PHINMA Corporation

PHINMA Corporation 1Q 2025 Financial Results

As of the first quarter of 2025, PHINMA Corporation (PHN) reported consolidated revenues of ₱6.60 billion, a 21% increase compared to the ₱5.45 billion recognized in the first quarter of 2024. Meanwhile, net income attributable to equity holders of the parent stood at ₱191.27 million, a 5% increase from the ₱182.52 million in the same period last year. The financial performance for the first quarter was mainly driven by higher enrollment, increased sales, and cost management initiatives.

PHINMA Education Holdings, Inc. (PHINMA Education) saw revenues and net income reach ₱2.1 billion and ₱907.35 million, respectively, for the first three months of the year. Second semester enrollment for School Year 2024-2025 had risen to 137,498 students, a 5% rise from the prior school year, with a strong retention rate of 89%. The increase in revenue resulted in higher profitability when combined with operational efficiency and reduced interest expenses.

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Coral Way City Hotel Corporation (Coral Way), PHINMA Hospitality, Inc., and PHINMA Microtel Hotels, Inc. recognized combined revenues of ₱136.34 million and a combined net income of ₱5.23 million for the first quarter of 2025. Chainwide occupancy was sustained and average room rates rose compared to the previous year. Bookings were primarily from the leisure, corporate and events segments.

As of the end of the first quarter, PHINMA Corporation’s consolidated financial position included cash and cash equivalents of ₱4.83 billion, total assets of ₱53.63 billion and a total stockholders’ equity of ₱16.29 billion.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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1. **June 5, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3**. 000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

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11. Indicate the item numbers reported herein:

Please see enclosed letter.

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SIGNATURES

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

PHINMA Corporation
Registrant

June 5, 2025
Date

[redacted]

Rolando D. Soliven
Vice President – Group Corporate Governance
Chief Compliance Officer and Data Protection Officer
……
Signature and Title

PHINMA
Making Lives Better

June 5, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
OIC, Disclosure Department

Subject: Results of the Annual Stockholders Meeting and Organizational Meeting of the Board

Please be informed that at the annual meeting of the stockholders of PHINMA Corporation (the "Corporation") held on June 5, 2025 with majority of the directors present and where stockholders owning 82.79% of the total issued and outstanding capital stock were present or duly represented, the following actions were taken:

1. The Minutes of the previous Annual Shareholders Meeting held on 23 April 2024 were unanimously approved.

2. The Annual Report of Management including the Audited Financial Statements for the year 2024 was unanimously approved.

3. All acts of the Board of Directors, Committees and of Management since the last Annual Shareholders Meeting were approved, confirmed and ratified.

4. The following were elected Directors for the ensuing year 2025 and until their successors are duly elected and qualified:

Mr. Oscar J. Hilado
Mr. Ramon R. del Rosario, Jr.
Dr. Magdaleno B. Albarracin, Jr.
Mr. Victor J. del Rosario
Dr. Meliton B. Salazar, Jr.
Mr. Eduardo A. Sahagun
Ambassador Jose L. Cuisia, Jr.
Mr. Guillermo D. Luchangco
Mr. Edgar O. Chua - Independent
Mr. Juan B. Santos - Independent
Atty. Lilia B. De Lima - Independent
Ms. Rizalina G. Mantaring - Independent
Dato Tomothy Ong Teck Mong - Independent
Dr. Cielito F. Habito - Independent
Dr. Edilberto C. de Jesus - Independent

5. The accounting firm of Isla Lipana & Co./PwC Philippines was appointed as external auditor of the Corporation for the calendar year 2025 and until its successor is appointed.

In the Organizational Meeting of the Board which followed the Annual Shareholders Meeting, the following actions were taken:

1. The appointment of the following individuals as members of the Board of Advisers of the Corporation:

   Mr. Roberto M. Laviña
   Mr. Michael C. Hilado

2. The appointment of Mr. Juan B. Santos as Lead Independent Director for the ensuing year 2025.

3. The following were appointed as members of the various Committees of the Corporation.

Executive Committee

Oscar J. Hilado	Chairman
Magdaleno B. Albarracin, Jr.	Member
Ramon R. del Rosario, Jr.	Member
Jose L. Cuisia, Jr.	Member
Juan B. Santos	Member
Meliton B. Salazar, Jr.	Member

Audit and Related Party Transactions Committee

Juan B. Santos	Chairman
Edgar O. Chua	Member
Jose L. Cuisia, Jr.	Member
Rizalina G. Mantaring	Member

Risk Oversight Committee

Rizalina G. Mantaring	Chairman
Lilia B. De Lima	Member
Magdaleno B. Albarracin, Jr.	Member
DatoTimothy Ong Teck Mong	Member
Guillermo D. Luchangco	Member

Corporate Governance Committee

Lilia B. De Lima	Chairman
Dato Timothy Ong Teck Mong	Member
Cielito F. Habito	Member
Edilberto C. de Jesus	Member

Nominations Committee

Edilberto C. de Jesus	Chairman
Oscar J. Hilado	Member
Ramon R. del Rosario, Jr.	Member
Meliton B. Salazar, Jr.	Member

Executive Compensation Committee

Edgar O. Chua	Chairman
Oscar J. Hilado	Member
Ramon R. del Rosario, Jr.	Member
Cielito F. Habito	Member

4. The following individuals were elected as officers of the Corporation:

Name	**Position**
Oscar J. Hilado	Chairman Emeritus
Ramon R. del Rosario, Jr.	Chairman & Chief Executive Officer
Magdaleno B. Albarracin, Jr.	Vice Chairman
Meliton B. Salazar, Jr.	President & COO, Head of Education
Eduardo A. Sahagun	Executive Vice President, Head of Construction Materials Group
Jose Mari del Rosario	Senior Vice President, Hospitality
Raphael B. Felix	Senior Vice President, Properties
Regina B. Alvarez	Senior Vice President, Corporate Services and Planning
Edmund Alan A. Qua Hiansen	Senior Vice President, Chief Financial Officer
Nanette P. Villalobos	Vice President, Treasurer
Rolando D. Soliven	Vice President, Corporate Governance, Chief Compliance Officer and Data Protection Officer
Annabelle S. Guzman	Vice President, Controller
Peter V. Perfecto	Vice President, Public Affairs
Jose Luis M. Oquinena	Vice President, Community Housing
Alejandro Diego Luis R. Katigbak	Assistant Vice President, Chief Risk Officer
Ivy V.Villasquez-Bermas	Chief Audit Executive
Robert James G. Pabustan	Assistant Vice President, Business Development
Ma. Gracia M. Purisima	Assistant Treasurer
Atty. Troy A. Luna	Corporate Secretary
Atty. Daneia Isabelle F. Palad	Assistant Corporate Secretary

Thank you.

[redacted]

ROLANDO D. SOLIVEN
VP – Group Corporate Governance,
Chief Compliance Officer and Data Protection Officer

Annex A. Write-Up

Mr. Roberto M. Lavina, Member of Board Advisers is also currently a Member of the Board of companies in the PHINMA Group which include companies in education, hotels, steel roofing, property development, cement distribution, and insurance brokerage. He served as Senior Executive Vice President and Chief Operating Officer of PHINMA Corporation and PHINMA, Inc. He holds a Bachelor of Arts degree in Economics from Ateneo de Manila University and obtained his Master's degree in Business Management from the Asian Institute of Management. He also finished the Program for Management Development at Harvard University.

Mr. Michael C. Hilado, Member of Board of Advisers, is also the Chief Finance Officer and Treasurer of PHINMA Property Holdings Corporation. He is also a Director in several companies under PHINMA Education and PHINMA Hospitality. He completed his AB-BSC Degrees from the De La Salle University Philippines in 1987. He received his MBA from The Darden School, University of Virginia, USA in May 1995.

Mr. Jose Luis M Oquinena, Vice President – Community Housing was appointed President and CEO of the newly organized PHINMA Community Housing Corporation effective May 6, 2025. He is a Director of PHINMA Rizal College Laguna and PHINMA Union College of Laguna respectively. He received his degrees in Bachelor of Science in Mechanical Engineering and Bachelor of Science in Industrial Management from the University of Negros Occidental Recoletos. He completed a fellowship program SBEP (Strategic Business and Economics Program) and a certificate course on ASMAP (Applied Sustainability Management Program) from the University of Asia and the Pacific. Currently he is the Chairman of Gawad Kalinga Foundation. His most significant award is the Skoll Awards for Social Innovation in 2012. A global recognition given by Skoll Foundation to social innovators whose work targets the root cause of societal problems that are ripe for transformational social change.

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

PHINMA CORPORATION

(Company's Full Name)

LEVEL 12-PHINMA PLAZA 39 PLAZA

DRIVE, ROCKWELL CENTER MAKATI

(Business Address: No. Street City/Town/Province)

ROLANDO SOLIVEN

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2		3	1

Month Day

Calendar Year

S	E	C		1	7	-	C					

FORM TYPE

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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AND SRC RULE 17.2(c) THEREUNDER

1. **July 16, 2025**

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Date of Report (Date of earliest event reported)

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Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **Level 12 PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

……

Address of principal office Postal Code

8**. (632) 88700 100**

……..

Issuer's telephone number, including area code

9. **Not applicable.**

……

Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed letter.

……

SIGNATURES

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

PHINMA Corporation
Registrant

July 16, 2025
Date

[redacted]

Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

July 16, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
OIC, Disclosure Department

Gentlemen:

PHINMA Corporation (PHN) has completed today the transfer of P300 million as additional investment to PHINMA Property Holdings Corporation (PPHC), a 71.68% owned subsidiary of PHN upon approval of the Executive Committee on July 14, 2025, within the authority granted by the Board of Directors. The additional investment will be fully allocated towards the development of the Saludad township project in Bacolod and will enable PPHC to take advantage of the favorable market momentum in the project.

Thank you.

[redacted]
ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

PHINMA CORPORATION

(Company's Full Name)

LEVEL 12-PHINMA PLAZA 39 PLAZA

DRIVE, ROCKWELL CENTER MAKATI

(Business Address: No. Street City/Town/Province)

ROLANDO SOLIVEN

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2		3	1

Month Day

Calendar Year

S	E	C		1	7	-	C					

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **July 21, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3**. 000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

……

Exact name of issuer as specified in its charter

5**. Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **Level 12 PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

……

Address of principal office Postal Code

8**. (632) 88700 100**

……..

Issuer's telephone number, including area code

9. **Not applicable.**

……

Former name or former address, if changed since last report

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Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed letter.

……

SIGNATURES

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



PHINMA Corporation
Registrant

July 21, 2025
Date

Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

21 July 2025
PRESS RELEASE

PHINMA invests additional P300M in inaugural Bacolod township Saludad

PHINMA Corporation ("PHN" or "Company") has infused more capital into the Group's first-ever township in Bacolod City, reflecting greater confidence in the project's strong performance and promising prospects.

The Company transferred an additional P300 million to its subsidiary PHINMA Property Holdings Corporation (PHINMA Properties) to be fully allocated to the P12-billion, 21-hectare, mixed-use master-planned development in the City of Smiles in partnership with JEPP Real Estate Co.

"This new P300-million investment will allow PHINMA Properties to sustain the favorable market momentum for our Saludad project in Bacolod. This signifies the PHINMA Group's stronger commitment to the Bacolod community and nearby areas by promoting economic development and creating new livelihood opportunities," said PHINMA Chairman and Chief Executive Officer (CEO) Ramon R. del Rosario, Jr.

Saludad harnesses the Group's essential services: PHINMA Hospitality's lifestyle brand TRYP by Wyndham Bacolod, the township's anchor tenant whose construction is expected to begin soon; Southwestern University PHINMA's first campus outside Cebu City; and building materials from the PHINMA Construction Materials Group.

"We're creating a lively, sustainable community for our beloved Bacolodnons where they can easily access essentials to dignified lives. Saludad combines the best offerings of the PHINMA Group with the city's rich heritage and beautiful sceneries, amidst its fast growing economy — this marriage of tradition and modernity makes it distinctly Bacolod. As we say, Aton Ini," said PHINMA Properties President and CEO Raphael B. Felix.

The development will also be a business hub featuring commercial and retail spaces and residential areas, catering to entrepreneurs and professionals alike.

"With the township's construction in full swing, the southern Phase 1 will be completed by the first quarter of 2026 and the northern Phase 2 will be finished in 2028. PHINMA Properties looks forward to sharing more of Saludad to people within and beyond Bacolod," PHINMA Properties Vice President, Chief Township Officer Paolo V. Reyes said.

PHINMA Properties launched Saludad last October. The township was master-planned by award-winning firm Royal Pineda+ Architecture.Design.

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

PHINMA CORPORATION

(Company's Full Name)

LEVEL 12-PHINMA PLAZA 39 PLAZA

DRIVE, ROCKWELL CENTER MAKATI

(Business Address: No. Street City/Town/Province)

ROLANDO SOLIVEN

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2		3	1

Month Day

Calendar Year

S	E	C		1	7	-	C					

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **August 7, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3**. 000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

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Exact name of issuer as specified in its charter

5**. Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

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Address of principal office Postal Code

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Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed letter.

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SIGNATURES

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

PHINMA Corporation
Registrant

August 7, 2025
Date



Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

August 7, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
OIC, Disclosure Department

Gentlemen:

Please be informed that at the meeting of the Board of Directors of PHINMA Corporation, held today, August 7, 2025, the board discussed and approved the following:

1. Financial Results for the period ended June 30, 2025 with consolidated revenues of Php 10.82 billion and a consolidated net loss P 226.92 million.

2. PHINMA Dividend Policy

3. PHINMA Board of Advisers Charter

We also submit the attached management's discussion and analysis of financial condition and results of operations.

Thank you.

[redacted]
ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

PHINMA
Making Lives Better

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

PHINMA Corporation (PHN) recorded consolidated revenues of ₱10.82 billion in the first half of 2025. In the same period, the Company recognized a consolidated net loss of ₱226.92 million and a net loss attributable to equity holders of the parent amounting to ₱455.06 million. This reflects pressure from the macroeconomic environment and the impact of seasonal factors, which were partially offset by the strong performance of PHINMA Education Holdings, Inc. (PHINMA Education). Ongoing expansion efforts will develop new markets and improve cost efficiency across all strategic business units.

PHINMA Education had a record high enrollment during the second semester of School Year 2024-2025 - a testament to the network's successful student retention programs and acquisition of St. Jude College Dasmariñas Cavite. PHINMA Education produced 12,000 new graduates this School Year including 28 board topnotchers in fields like Nursing and Criminology. With these strong results, PHINMA Education reported consolidated revenues and a consolidated net income of P2.74 billion and P558.21 million, respectively, for the first half of 2025.

The PHINMA Construction Materials Group (PHINMA CMG)—composed of Union Galvasteel Corporation, Philcement Corporation, Union Insulated Panels Corporation, and PHINMA Solar Energy Corporation—continued to focus on growth and implementing expansion efforts to improve margins. Improved sales efforts translated to increases in volume and combined revenues rose to ₱6.88 billion for January to June. PHINMA CMG had a net loss of ₱89.48 million after frontloading fixed costs and interest expenses to maximize the impact of its investments and to improve its business operations in succeeding periods.

PHINMA Property Holdings Corp. (PHINMA Properties) continued to face challenges in the Metro Manila market and is prioritizing future developments in other areas such as Bacolod. As a result, PHINMA Corporation recently infused additional equity into PHINMA Properties for the development of its first township, Saludad. While PHINMA Properties recorded revenues of ₱765.72 million for the period, the company posted a net loss of ₱299.85 million amid industry headwinds that tempered real estate demand and extended payment terms. PHINMA CoHo Corporation (PHINMA Community Housing) is on track to launch its first project in Davao in the fourth quarter of 2025.

Coral Way City Hotel Corporation, PHINMA Hospitality, Inc., and PHINMA Microtel Hotels, Inc., the Group's Hospitality segment, saw occupancy rates decline in certain properties due to weaker tourist demand. As a result, the combined revenues stood at ₱268.27 million and the combined net loss was at ₱2.03 million for the period.

For the period ended June 30, 2025, PHINMA Corporation's consolidated financial position had cash and cash equivalents of ₱3.33 billion, total assets of ₱53.98 billion and total stockholders' equity of ₱15.27 billion.

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

PHINMA CORPORATION

(Company's Full Name)

LEVEL 12-PHINMA PLAZA 39 PLAZA

DRIVE, ROCKWELL CENTER MAKATI

(Business Address: No. Street City/Town/Province)

ROLANDO SOLIVEN

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2		3	1

Month Day

Calendar Year

S	E	C		1	7	-	C					

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **August 7, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3**. 000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

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Exact name of issuer as specified in its charter

5**. Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **Level 12 PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

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Address of principal office Postal Code

8**. (632) 88700 100**

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Issuer's telephone number, including area code

9. **Not applicable.**

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Former name or former address, if changed since last report

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Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed Press Release.

……

SIGNATURES

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

PHINMA Corporation
Registrant

August 7, 2025
Date

[redacted]

Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

8 August 2025
PRESS RELEASE

PHINMA Corporation records ₱10.82 billion in revenues in first half of 2025

PHINMA Corporation ("PHN" or the "Company") saw consolidated revenues slightly increase to P10.82 billion for the first six months of the year, mainly driven by the strong performance of PHINMA Education Holdings Inc. (PHINMA Education). This partially offset pressure from the macroeconomic environment and the impact of seasonal factors reflected in the Company's consolidated net loss of ₱226.92 million and net loss attributable to equity holders of the parent of ₱455.06 million. PHN's ongoing expansion efforts will develop new markets and improve cost efficiency across its strategic business units.

"The PHINMA Group looks forward to improved results as investments made in past years and ongoing expansion activities which have laid the foundation for brighter prospects. Our entry into the fields of community housing and insulated panels demonstrate our deliberate, intentional efforts to more directly impact Filipino families and communities in need by catering to their urgent, daily necessities. The Group is steadfast in making a difference through our strategic business units," said PHINMA Chairman and Chief Executive Officer Ramon R. del Rosario, Jr.

PHINMA Education had a record-high enrollment during the second semester of School Year 2024-2025 – a testament to the network's successful student retention programs and acquisition of St. Jude College Dasmariñas Cavite. The network produced 12,000 new graduates this School Year including 28 board topnotchers in fields like Nursing and Criminology. With these strong results, PHINMA Education reported consolidated revenues and a consolidated net income of P2.74 billion and P558.21 million, respectively, for the first half of 2025.

"PHINMA Education is committed to ensuring our students' success by meeting them where they are and supporting them throughout their journeys. With improved enrollment, student support systems, and operations, the company is well-positioned to transform more lives through education. PHINMA Education will keep expanding its reach to serve more underserved youth in the Philippines and Southeast Asia, particularly Indonesia and Vietnam," said Dr. Chito B. Salazar, PHINMA President and Chief Operating Officer, Head of Education.

The PHINMA Construction Materials Group (PHINMA CMG)—composed of Union Galvasteel Corporation, Philcement Corporation, Union Insulated Panels Corporation, and PHINMA Solar Energy Corporation—continued to focus on growth and implementing expansion efforts to improve margins. Improved sales efforts translated to increases in volume and combined revenues rose to ₱6.88 billion for January to June. PHINMA CMG had a net loss of ₱89.48 million after frontloading fixed costs and interest expenses to maximize the impact of its investments and to improve its business operations in succeeding periods.

PHINMA Property Holdings Corp. (PHINMA Properties) is prioritizing future developments outside the Metro Manila market in areas such as Bacolod, where the company's first-ever township Saludad is located. To better support this project, PHINMA Corporation recently infused additional equity into

PHINMA Properties. While PHINMA Properties recorded revenues of ₱765.72 million for the period, the company had a net loss of ₱299.85 million amid industry headwinds that tempered real estate demand and extended payment terms for projects. PHINMA CoHo Corporation (PHINMA Community Housing) is on track to launch its first project in Davao in the fourth quarter of 2025.

Coral Way City Hotel Corporation, PHINMA Hospitality, Inc., and PHINMA Microtel Hotels, Inc., the Group's Hospitality segment, saw occupancy rates decline in certain properties due to weaker tourist demand. PHINMA Microtel Mall of Asia's consistent performance supported the segment's combined revenues ₱268.27 million and helped soften the combined net loss of ₱2.03 million for the period.

"The Group is focused on its mission to make lives better and will do this on a larger scale by supporting our strategic investments targeted to underserved sectors. PHINMA shall reach more stakeholders and optimize our operations, thereby maximizing our impact on society," added Dr. Salazar.

For the period ended June 30, 2025, PHINMA Corporation reports a strong balance sheet with cash and cash equivalents of ₱3.33 billion, total assets of ₱53.98 billion and total stockholders' equity of ₱15.27 billion.

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

PHINMA CORPORATION

(Company's Full Name)

LEVEL 12-PHINMA PLAZA 39 PLAZA DRIVE, ROCKWELL CENTER MAKATI

(Business Address: No. Street City/Town/Province)

ROLANDO SOLIVEN

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2		3	1

Month Day

Calendar Year

S	E	C		1	7	-	C					

FORM TYPE

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **August 9, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3. **000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

……

Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

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Address of principal office Postal Code

8. **(632) 88700 100**

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Issuer's telephone number, including area code

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Please see enclosed letter.

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SIGNATURES

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PHINMA Corporation
Registrant

August 9, 2025
Date



Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

August 9, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
OIC, Disclosure Department

Gentlemen:

Please be informed that at the meeting of the Board of Directors of PHINMA Corporation, held on August 7, 2025, the board discussed and approved the following:

1. Financial Results for the period ended June 30, 2025 with consolidated revenues of Php 10.82 billion and a consolidated net loss P 226.92 million.

2. Reallocation of SRO proceeds up to P 52 million from PHINMA Hospitality Group (Hospitality) to PHINMA Community Housing (CoHo) and update the timing of disbursement of these investments to 2025 – 2026.

3. PHINMA Dividend Policy

4. PHINMA Board of Advisers Charter

We also submit the attached management's discussion and analysis of financial condition and results of operations.

Thank you.

[redacted]
ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

PHINMA
Making Lives Better

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

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COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

PHINMA CORPORATION

(Company's Full Name)

LEVEL 12-PHINMA PLAZA 39 PLAZA DRIVE, ROCKWELL CENTER MAKATI

(Business Address: No. Street City/Town/Province)

ROLANDO SOLIVEN

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2		3	1

Month Day

Calendar Year

S	E	C		1	7	-	C					

FORM TYPE

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **August 13, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3. **000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

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Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

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Address of principal office Postal Code

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Issuer's telephone number, including area code

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11. Indicate the item numbers reported herein:

Please see enclosed letter.

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SIGNATURES

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PHINMA Corporation
Registrant

August 13, 2025
Date



Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

August 13, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
OIC, Disclosure Department

Gentlemen:

Please be informed that PHINMA Education Holdings, Inc. (PEHI), subsidiary of PHINMA Corporation (PHN), confirmed today, August 13, 2025, the receipt of the remittance of the investment by Rise Edu Pte. Ltd., an investment vehicle of funds managed by Kaizenvest (Kaizenvest III) amounting to Php 825 million. Kaizenvest is an education-focused private equity fund focused on emerging markets in South and South-East Asia.

On May 22, 2024, PEHI disclosed the signing of an Investment Agreement with (i) Phoenix Investments II Pte. Ltd, an investment vehicle of funds managed by KKR, and (ii) Kaizenvest III. The Investment Agreement relates to the issuance amounting to Php 4.5 billion of newly issued shares by the Company (Primary Transaction). Concurrently, funds managed by KKR entered into an agreement to acquire all of the shares in the Company owned, directly or indirectly, by Asian Development Bank (ADB), Nederlandse Financierings- Maatschappij voor Ontwikkelingslanden N.V. (FMO), and Kaizen Private Equity II Pte. Ltd. (Kaizenvest II), who all invested in the Company in 2019 (Secondary Transaction).

On October 4, 2024, PEHI disclosed the closing of the investment transaction with, after receipt of the initial investment amount of Php 2.52 billion. This initial remittance represents 70.22% of KKR's total investment amount of Php 3.59 billion. In addition, funds managed by KKR also acquired all of the shares in PEHI owned, directly or indirectly, by Asian Development Bank (ADB), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), and Kaizen Private Equity II Pte. Ltd. (Kaizenvest II), who all invested in the Company in 2019.

PEHI is currently a 63.93%-owned subsidiary of PHINMA Corporation, which holds its investments in the education sector.

Thank you.

[redacted]

ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

PHINMA CORPORATION

(Company's Full Name)

LEVEL 12-PHINMA PLAZA 39 PLAZA DRIVE, ROCKWELL CENTER MAKATI

(Business Address: No. Street City/Town/Province)

ROLANDO SOLIVEN

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2		3	1

Month Day

Calendar Year

S	E	C		1	7	-	C					

FORM TYPE

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **September 16, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3. **000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

……

Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **Level 12 PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

……

Address of principal office Postal Code

8. **(632) 88700 100**

……..

Issuer's telephone number, including area code

9. **Not applicable.**

……

Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed letter.

……

SIGNATURES

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



PHINMA Corporation
Registrant

September 16, 2025
Date

Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

September 16, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
OIC, Disclosure Department

Gentlemen:

Please be informed that PHINMA Corporation's (PHN) subsidiary, Philcement Corporation ("Philcement" or "the Company") signed on September 16, 2025 a Share Subscription Agreement ("Agreement") with Sumitomo Osaka Cement Co., Ltd. ("Sumitomo"), a leading cement manufacturing company from Japan with over a hundred years of experience in the industry. The Agreement relates to the acquisition of 15% of Philcement through the issuance of primary shares. The transaction will be closed before the end of the year, subject to the satisfaction of closing conditions. The transaction is aligned with Philcement's strategy and commitment to grow its manufacturing operations and provide Filipino consumers with reliable, high-quality supply of cement products under its legacy brand, Union Cement.

Upon closing of the transaction, PHINMA Corporation will remain as the majority shareholder of the Company.

Philcement Corporation, a 60% owned subsidiary of PHINMA Corporation, is engaged in the manufacture, importation, processing, distribution, and sale of cement products.

Thank you.

[redacted]
ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

PHINMA CORPORATION

(Company's Full Name)

LEVEL 12-PHINMA PLAZA 39 PLAZA DRIVE, ROCKWELL CENTER MAKATI

(Business Address: No. Street City/Town/Province)

ROLANDO SOLIVEN

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2		3	1

Month Day

Calendar Year

S	E	C		1	7	-	C					

FORM TYPE

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **September 19, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3. **000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

……

Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **Level 12 PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

……

Address of principal office Postal Code

8. **(632) 88700 100**

……..

Issuer's telephone number, including area code

9. **Not applicable.**

……

Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed letter.

……

SIGNATURES

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

PHINMA Corporation
Registrant

September 19, 2025
Date

[redacted]

Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

September 19, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
OIC, Disclosure Department

Gentlemen:

It is with deep sadness that we are informing your good office and the public of the passing of PHINMA Corporation's (PHN) Chairman Emeritus Mr. Oscar J. Hilado on September 17, 2025. He has been a Director of the Company since April 1969 and was the Chairman of the Board from 2003 to 2021.

The entire PHINMA group of companies extend our deepest condolences to the family and loved ones of Mr. Hilado. We are profoundly grateful for his invaluable contributions and service to PHINMA.

We shall update the public on any changes in the Board of Directors of the company.

Thank you.

[redacted]

ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

PHINMA CORPORATION

(Company's Full Name)

LEVEL 12-PHINMA PLAZA 39 PLAZA DRIVE, ROCKWELL CENTER MAKATI

(Business Address: No. Street City/Town/Province)

ROLANDO SOLIVEN

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2		3	1

Month Day

Calendar Year

S	E	C		1	7	-	C					

FORM TYPE

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **October 30, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3. **000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

……

Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **Level 12 PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

……

Address of principal office Postal Code

8. **(632) 88700 100**

……..

Issuer's telephone number, including area code

9. **Not applicable.**

……

Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed letter.

……

SIGNATURES

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

PHINMA Corporation
Registrant

October 30, 2025
Date

[redacted]

Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

October 30, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
OIC, Disclosure Department

Gentlemen:

Please be informed that at the special meeting of the Board of Directors of PHINMA Corporation (PHN) held today October 30, 2025, the following matters were approved:

1. The election of Mr. Michael C. Hilado as replacement director to fill the board seat vacancy due to the passing of Mr. Oscar J. HIlado and to serve the unexpired term until the next Annual Stockholders Meeting. Mr. Michael C. Hilado was a member of the Board of Advisers of PHN.

2. The appointment of Dr. Magdaleno B. Albarracin, Jr. as Chairman of the Executive Committee.

Thank you.

[redacted]
ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

PHINMA CORPORATION

(Company's Full Name)

LEVEL 12-PHINMA PLAZA 39 PLAZA DRIVE, ROCKWELL CENTER MAKATI

(Business Address: No. Street City/Town/Province)

ROLANDO SOLIVEN

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2		3	1

Month Day

Calendar Year

S	E	C		1	7	-	C					

FORM TYPE

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **November 6, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3. **000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

……

Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **Level 12 PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

……

Address of principal office Postal Code

8. **(632) 88700 100**

……..

Issuer's telephone number, including area code

9. **Not applicable.**

……

Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed letter.

……

SIGNATURES

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

PHINMA Corporation
Registrant

November 6, 2025
Date



Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

November 6, 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village Bel-Air, Makati City

Attention: **MS. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance & Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 5th Avenue Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
OIC, Disclosure Department

Gentlemen:

Please be informed that at the regular meeting of the Board of Directors of PHINMA Corporation (PHN) held today November 6, 2025, the following matters were approved:

1. Financial results for the period ended September 30, 2025 with consolidated revenues of Php16.31 billion and net income of Php376.04 million.

2. The waiver of pre-emptive rights to subscribe to the 30 million common shares to be offered and issued by PHINMA Community Housing Corporation, a wholly-owned subsidiary of PHN.

3. The waiver of pre-emptive rights to subscribe to 9,952,941 common shares and 139 preferred shares offered by Philcement Corporation which will be subscribed to by Sumitomo Osaka Cement Co. Ltd.

   On September 17, 2025, PHN disclosed that its subsidiary Philcement Corporation, signed on September 16, 2025 a Share Subscription Agreement with Sumitomo Osaka Cement Co. Ltd. The Agreement relates to the acquisition of 15% of Philcement Corporation through the issuance of primary shares. The transaction will be closed before the end of the year, subject to the satisfaction of closing conditions. Upon closing of the transaction, PHN will remain as the majority shareholder of Philcement.

   Philcement Corporation, a 60% owned subsidiary of PHINMA Corporation, is engaged in the manufacture, importation, processing, distribution, and sale of cement products.

Thank you.

[redacted]

ROLANDO D. SOLIVEN
VP – Group Corporate Governance & Chief Compliance Officer

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

PHINMA CORPORATION

(Company's Full Name)

LEVEL 12-PHINMA PLAZA 39 PLAZA DRIVE, ROCKWELL CENTER MAKATI

(Business Address: No. Street City/Town/Province)

ROLANDO SOLIVEN

Contact Person

8	7	0	0	1	0	0			

Company Telephone Number

1	2		3	1

Month Day

Calendar Year

S	E	C		1	7	-	C					

FORM TYPE

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.2(c) THEREUNDER

1. **November 6, 2025**

……
Date of Report (Date of earliest event reported)

2. **12397** 3. **000-107-026-000**

…… ……

SEC Identification Number BIR Tax Identification No.

4. **PHINMA Corporation**

……

Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines** 6. (SEC Use Only)

…… ……

Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **Level 12 PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210**

……

Address of principal office Postal Code

8. **(632) 88700 100**

……..

Issuer's telephone number, including area code

9. **Not applicable.**

……

Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**336,325,265**

11. Indicate the item numbers reported herein:

Please see enclosed Press Release.

……

SIGNATURES

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

PHINMA Corporation
Registrant

November 6, 2025
Date

[redacted]

Rolando D. Soliven
Vice President – Group Corporate Governance and Chief Compliance Officer

……
Signature and Title

PHINMA
Making Lives Better

6 November 2025
PRESS RELEASE

PHINMA reports P16.3-B revenues, P376-M income in January-September 2025

PHINMA Corporation ("PHN" or the "Company") recorded consolidated revenues of ₱16.31 billion and a net income of ₱376.04 million for the nine-month period ending September 30, 2025. Meanwhile, net loss attributable to equity holders of the parent was at ₱216.45 million. PHINMA Education's strong performance offset weaker results in other business units, which frontloaded investments for expansion and operational efficiency improvements to better uplift more underserved families and communities.

PHINMA Education posted a record-high enrollment of 177,851 students for the first semester of School Year 2025-2026. This achievement mainly drove PHINMA Education's revenues to ₱5.27 billion and consolidated net income to ₱1.42 billion–further supported by the company's focus on student completion and effective cost management. In August, PHINMA Education Holdings Inc. (PEHI) received ₱825 million from Rise Edu Pte. Ltd., an investment vehicle of funds managed by Kaizenvest (Kaizenvest III). This is part of the ₱4.5 billion investment agreement signed by PEHI and KKR in May 2024.

The PHINMA Construction Materials Group (PHINMA CMG)—composed of Union Galvasteel Corp., Philcement Corp., Philcement Mindanao, Union Insulated Panel Corp., and PHINMA Solar Energy Corp.—had combined revenues of ₱9.47 billion and a net loss of ₱122.09 million amid soft construction demand and rising input costs. To bolster manufacturing capabilities and improve margins, PHINMA CMG incurred earlier expansion-related expenditures while implementing strict cost monitoring and strategic pricing measures. Last September, Philcement Corp. ("Philcement") signed a share subscription agreement with leading Japanese cement manufacturing company Sumitomo Osaka Cement Co., Ltd. This partnership, anchored on the companies' decades-long relationship, will further support Philcement's manufacturing operations and sustainable growth.

PHINMA Property Holdings Corp. (PHINMA Properties) recognized revenues of ₱936.17 million and a net loss of ₱484.22 million amid lingering headwinds in the Metro Manila market. PHINMA Properties continued focusing on its developments outside the capital region, particularly its Bacolod township Saludad, in response to favorable market demand. PHINMA CoHo Corporation (PHINMA Community Housing) will also break ground on its first project in Davao this November, a major step in the Group's commitment to addressing the country's massive housing backlog.

PHINMA's Hospitality arm, consisting of Coral Way City Hotel Corp., PHINMA Hospitality, Inc., and PHINMA Microtel Hotels, Inc., posted combined revenues of ₱374.51 million and a net loss of ₱21.06 million. Microtel Mall of Asia's ongoing hotel expansion efforts led to lower occupancy, while fewer tourist arrivals affected other hotel properties. This dip was offset by sustained bookings from leisure; corporate; and meetings, incentives, conferences, and exhibitions (MICE) markets. The Group's

Hospitality segment is expanding regional operations, with the groundbreaking of TRYP by Wyndham in Bacolod set in the coming months.

"The Group will continue to leverage our strong track record of attracting institutional partners who enhance our capacity to serve the needs of Filipinos more effectively. Our sustained success in Education, reflected in rising enrollment numbers, demonstrates the power of collaboration with partners who share our values and long-term vision," PHINMA Chairman and CEO Ramon R. del Rosario, Jr. said.

As of September 30, 2025, PHINMA Corporation's consolidated financial position had cash and cash equivalents of ₱4.40 billion, total assets of ₱57.96 billion and total stockholders' equity of ₱16.77 billion.

ABOUT PHINMA CORPORATION

PHINMA Corporation is a proudly Filipino conglomerate dedicated to making lives better and building the nation through successfully managing our businesses which are anchored on our core values of Integrity, Competence, Professionalism and Love of Country. Through our core businesses in education, construction materials, property development, hospitality, and community housing, we provide access to the essentials of dignified lives, uplift the underserved, and drive national progress.

As we continue our journey, 70 years and beyond, we reaffirm our belief that business must serve as a Force for Good—harnessing the transformative power of business to address social challenges and create a lasting impact.

12F PHINMA Plaza
39 Plaza Drive, Rockwell Center
Makati City, Philippines 1210

investorrelations@phinma.com.ph
communications@phinma.com.ph
www.phinma.com.ph

ANNEX D

SEC Form 17 – Q
Quarterly Reports

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.phmessagesmo@sec.gov.ph

The following document has been received:

Receiving: RICHMOND CARLOS AGTARAP
Receipt Date and Time: May 14, 2025 09:20:45 PM

Company Information

SEC Registration No.: 0000012397
Company Name: PHINMA CORPORATION
Industry Classification: D26950
Company Type: Stock Corporation

Document Information

Document ID: OST10514202583330767
Document Type: Quarterly Report
Document Code: SEC_Form_17-Q
Period Covered: March 31, 2025
Submission Type: Original Filing
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

P	H	I	N	M	A		C	O	R	P	O	R	A	T	I	O	N													

(Company's Full Name)

L	E	V	E	L		1	2	-	P	H	I	N	M	A		P	L	A	Z	A		3	9		P	L	A	Z	A
D	R	I	V	E	,		R	O	C	K	W	E	L	L		C	E	N	T	E	R		M	A	K	A	T	I	

(Business Address: No. Street City/Town/Province)

A	N	N	A	B	E	L	L	E		G	U	Z	M	A	N

Contact Person

8	8	7	0	0	1	0	0

Company Telephone Number

1	2

Month

3	1

Day

Calendar Year

S	**E**	**C**		**1**	**7**	**-**	**Q**

FORM TYPE

0	**5**		**1**	**4**		**2**	**5**

Month Day Year

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

PHINMA
Making Lives Better

PHINMA Corporation

Certification

I, **ANNABELLE S. GUZMAN, Vice President - Controller** of **PHINMA CORPORATION** with SEC registration number **12397** with principal office at **Level 12, PHINMA Plaza, 39 Plaza Drive, Rockwell Center Makati City**, on oath state:

1) That on behalf of **PHINMA Corporation**, I have caused this **SEC Form 17 – Q (Quarterly Report) as of March 31, 2025** to be prepared;

2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;

3) That **PHINMA Corporation** will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and

4) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of May, 2025.

[redacted]
ANNABELLE S. GUZMAN
Vice President - Controller

SUBSCRIBED AND SWORN to before me this 13th day of May, 2025 in Makati City, affiant exhibited her Driver's License No. [redacted] with expiration date April 15, 2034.

NOTARY PUBLIC

Doc. No. 363
Page No. 74
Book No. III
Series No. 2025

ATTY. MIKHAIL JUNO MANDO R. FABIO III
NOTARY PUBLIC FOR AND IN MAKATI CITY
APPOINTMENT NO. M 326 VALID UNTIL DECEMBER 31, 2025
PTR No. MKT 10471129 / 01-06-25 / MAKATI CITY
IBP No. 501098 01-07-2025 Roll No. 81066
MCLE Compliance No. VIII-0008160 April 14, 2025
VALID UNTIL APRIL 14, 2028

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17 – Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE (SRC) AND SRC RULE 17 (2)(b) THEREUNDER

1. For the quarterly period ended ***March 31, 2025***

2. Commission identification no. ***12397***

3. BIR Tax Identification No. ***000-107-026-000***

4. ***PHINMA Corporation***
   Exact name of registrant as specified in its charter

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

6. Industry Classification Code:

7. ***12/F, Phinma Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210***
   Address of registrant's principal office

8. ***(632) 8870-01-00***
   Registrant's telephone number, including area code

9. Former name, former address, and former fiscal year, if changed since last report: **N/A**

10. Common Shares – **336,343,544** shares issued and outstanding

11. Are any or all of the securities listed on the Philippine Stock Exchange?

    Yes (x) No ( )

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

    Philippine Stock Exchange, Inc. **Common Shares**

12. Indicate by check mark whether the registrant:

    (a) Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

        Yes [x] No [ ]

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

        Yes [x] No [ ]

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PHINMA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025
(With Comparative Audited Figures as at December 31, 2024)
(Amounts in Thousands)

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 29)	**₱3,755,780**	₱3,096,553
Short-term investments	**69,476**	
Investments held for trading (Notes 8, 29 and 30)	**1,003,527**	1,340,861
Current portion of:		
Trade and other receivables (Notes 9 and 29)	**9,683,371**	10,987,541
Contract assets (Notes 9 and 29)	**1,789,043**	2,047,789
Inventories (Note 10)	**5,569,161**	5,830,094
Derivative assets – current (Note 30)	**-**	-
Input value-added taxes and other current assets	**2,345,665**	2,727,742
Total Current Assets	**24,216,023**	26,030,580
Noncurrent Assets		
Noncurrent portion of:		
Trade and other receivables (Notes 9 and 29)	**412,171**	350,248
Contract assets (Notes 9 and 29)	**2,120,105**	1,844,418
Investment in and advances to associates and joint ventures (Note 11)	**864,788**	861,040
Financial assets at fair value through profit or loss (Notes 12, 29 and 30)	**2,019,764**	2,042,183
Financial assets at fair value through other comprehensive income (Notes 13 and 30)	**138,852**	139,013
Property, plant and equipment (Note 14)	**17,756,166**	16,861,608
Investment properties (Note 15)	**980,784**	967,940
Intangible assets (Note 16)	**2,382,791**	2,394,238
Right-of-use assets (Note 31)	**378,346**	404,670
Deferred tax assets - net (Note 27)	**243,218**	229,381
Derivative asset (Notes 12, 29 and 30)	**989,602**	1,000,586
Other noncurrent assets (Notes 17 and 29)	**1,136,700**	734,088
Total Noncurrent Assets	**29,423,287**	27,829,413
	₱53,639,310	₱53,859,993

LIABILITIES AND EQUITY		
Current Liabilities		
Notes payable (Notes 18, 29 and 30)	**₱16,837,570**	₱16,022,789
Trade and other payables (Notes 19, 29 and 30)	**5,256,646**	4,717,866
Contract liabilities (Note 20 and 29)	**722,914**	3,207,075
Trust receipts payable (Notes 18, 29 and 30)	**973,757**	695,121
Income and other taxes payable	**410,783**	372,538
Current portion of:		
Long-term debt (Notes 21, 29 and 30)	**4,361,526**	5,349,901
Lease liabilities (Notes 31)	**90,666**	90,271
Non-controlling interest put liability (Notes 6, 22 and 29)		-
Due to related parties (Notes 26 and 29)	**46,818**	77,452
Total Current Liabilities	**28,700,680**	30,533,013
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 21, 29 and 30)	**6,809,507**	5,587,656
Non-controlling interest put liability (Notes 6, 22 and 29)	**-**	-
Deferred tax liabilities - net (Note 27)	**618,783**	639,693
Pension and other post-employment benefits (Note 28)	**417,640**	452,604
Lease liabilities - net of current portion (Notes 29 and 31)	**405,074**	428,129
Other noncurrent liabilities	**393,894**	395,908
Total Noncurrent Liabilities	**8,644,898**	7,503,990
Total Liabilities	**37,345,578**	38,037,003

(Forward)

	March 31, 2025	December 31, 2024
	(Unaudited)	(Audited)
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 22)	**₱3,363,312**	₱3,363,312
Additional paid-in capital	**919,367**	919,367
Treasury shares (Note 22)	**(2,282)**	(2,282)
Exchange differences on translation of foreign operations	**(1,113)**	(1,113)
Equity reserves (Note 6)	**(146,391)**	(44,678)
Other comprehensive income (Note 13)	**49,378**	49,523
Retained earnings (Note 22)	**5,244,145**	5,052,873
Equity Attributable to Equity Holders of the Parent	**9,426,416**	9,337,002
Non-controlling Interests	**6,867,316**	6,485,988
Total Equity	**16,293,732**	15,822,990
	₱53,639,310	₱53,859,993

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

PHINMA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Data)

	Three-Month Periods Ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
REVENUES		
Revenue from contracts with customers		
Sale of goods	**₱3,958,682**	₱3,183,097
Tuition, school fees and other services	**1,893,160**	1,634,139
Hospital routine services	**60,560**	62,138
Real estate sales	**284,680**	166,139
Construction contracts	**31,163**	47,805
Hotel operations	**99,951**	102,672
Management and administrative fees	**47,035**	53,177
Installation services	**34,995**	21,750
Consultancy services	**10,920**	12,786
Commission income	**13,277**	
Royalty and franchise fees	**9,282**	11,622
Investment and interest income	**124,012**	131,110
Rental income	**32,696**	28,130
	6,600,390	5,454,565
COSTS AND EXPENSES		
Cost of sales (Note 23)	**3,498,506**	2,738,901
Cost of educational and hospital services (Note 23)	**681,039**	617,193
Cost of installation services	**23.115**	41,175
Cost of real estate and construction services	**216,403**	183,639
Cost of hotel operations	**56,008**	66,762
Cost of management and administrative services	**28,124**	29,872
General and administrative expenses (Note 24)	**765,766**	801,414
Selling expenses (Note 25)	**258,595**	176,167
	5,527,556	4,655,123
OTHER INCOME (EXPENSES)		
Interest expense and other financing charges	**(446,828)**	(376,607)
Foreign exchange gain (loss) – net (Note 29)	**(13,090)**	15,008
Equity in net gain (loss) of associates and joint ventures	**3,748**	4,058
Gain (loss) on derivatives – net	**(11,708)**	(2,510)
Gain on change in fair value of financial assets at FVPL	**(22,418)**	30,109
Gain (loss) on sale of property, plant and equipment – net	**(1,665)**	491
Others – net	**45,100**	17,887
	(446,861)	(311,564)
INCOME BEFORE INCOME TAX	**625,973**	487,878
Current	**90,697**	53,628
Deferred	**(27,342)**	(8,279)
	63,355	45,349
NET INCOME	**₱562,618**	₱442,529
Attributable to:		
Equity holders of the Parent	**₱191,274**	₱182,524
Non-controlling interests	**371,344**	260,005
Net income	**₱562,618**	₱442,529
Basic/Diluted Earnings Per Common Share - Attributable to Equity Holders of the Parent (Note 33)	**₱0.57**	₱0.64
Dividends declared per share (Note 22)	**₱-**	₱0.60

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

PHINMA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Three-Month Periods Ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
NET INCOME (LOSS)	**₱562,618**	₱442,529
OTHER COMPREHENSIVE INCOME (LOSS)		
Items not to be reclassified to profit or loss in subsequent periods		
Re-measurement gain (loss) on defined benefit obligation	–	(4,523)
Unrealized gain on change in fair value of financial assets at fair value through other comprehensive income	**(161)**	2,715
Share in unrealized gain (loss) on change in fair value of financial assets at fair value through other comprehensive income and defined benefit obligation of associates and joint ventures	**-**	–
Income tax effect		1,496
	(161)	(321)
Items to be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	**-**	(159)
Total other comprehensive loss	**(161)**	(471)
TOTAL COMPREHENSIVE INCOME	**₱562,457**	₱442,058
Attributable to:		
Equity holders of the Parent	**₱191,129**	₱182,334
Non-controlling interests	**371,328**	259,724
Total comprehensive income	**₱562,457**	₱442,058

PHINMA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent											
	Capital Stock	Additional Paid-in Capital	Treasury Shares	Exchange Differences on Translation of Foreign Operations	Equity Reserves	Other Comprehensive Income	Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures	Retained Earnings		Subtotal	Non-controlling Interests	Total Equity
								Appropriated	Unappropriated			
Balance, December 31, 2024 (Audited)	**₱3,363,312**	**₱919,367**	**(₱2,282)**	**(₱1,113)**	**(₱44,678)**	**₱49,523**	**₱-**	**₱1,600,000**	**₱3,452,873**	**₱9,337,002**	**₱6,485,988**	**₱15,822,990**
Adjustment on PFRS 15: Significant financing component (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-
Total adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Balance, January 1, 2025	**3,363,312**	**919,367**	**(2,282)**	**(1,113)**	**(44,678)**	**49,523**	**-**	**1,600,000**	**3,452,873**	**9,337,002**	**6,485,988**	**15,822,990**
Net income	-	-	-	-	-	-	-	-	**191,274**	**191,274**	**371,344**	**562,618**
Other comprehensive income (loss)	-	-	-		-	**(145)**	-	-		**(145)**	**(16)**	**(161)**
Total comprehensive income	-	-	-		-	**(145)**	-	-	**191,274**	**191,129**	**371,328**	**562,457**
Cash dividends (Note 22)	-	-	-	-	-	-	-	-				
Realized gain on sale of financial assets at fair value through other comprehensive income	–	–	–	–	–		–	–		–	–	–
Issuance of shares from stock purchase plan (Note 6)	-	-	-	-	-	-	-	-	-	-		
Business combination					**(101,713)**					**(101,713)**		**(101,713)**
Issuance of shares											**10,000**	**10,000**
Acquisition of non-controlling interest (Note 6)	-	-	-	-		-	-	-	-			
Dilution of equity shares (Note 6)	-	-	-	-		-	-	-	-			
Put option over non-controlling interests (Note 6)	-	-	-	-		-	-	-	-			
Reversal of Appropriation								**(1,600,000)**	**1,600,000**			
Appropriation of retained earnings								**1,000,000**	**(1,000,000)**			
Parent company share held by subsidiary (Note 22)	-			-	-	-	-	-	-		-	
Balance, March 31, 2025 (Unaudited)	**₱3,363,312**	**₱919,367**	**(₱2,282)**	**(₱1,113)**	**(₱146,391)**	**₱49,378**	**₱-**	**₱1,000,000**	**₱4,244,147**	**₱9,426,418**	**₱6,867,316**	**₱16,293,734**

	Equity Attributable to Equity Holders of the Parent											
	Capital Stock (Note 20)	Additional Paid-in Capital	Treasury Shares	Exchange Differences on Translation of Foreign Operations	Equity Reserves	Other Comprehensive Income	Share in Other Comprehensive Income of Associates	Retained Earnings (Note 20) Appropriated	Retained Earnings (Note 20) Unappropriated	Subtotal	Non-controlling Interests	Total Equity
Balance, January 1, 2024 (as restated)	2,863,312	396,845	(57,909)	(773)	(1,709,755)	63,772	-	1,600,000	3,512,162	6,667,654	2,992,208	9,659,862
Adjustment on PFRS 15: Significant financing component	-	-	-	-	-	-	-	-	(142,170)	(142,170)	(9,068)	(151,238)
Balance, January 1, 2024	2,863,312	396,845	(57,909)	(773)	(1,709,755)	63,772	-	1,600,000	3,369,992	6,525,484	2,983,140	9,508,624
Net income	–	–	–	–	–	–	–	–	182,524	182,524	260,005	442,529
Other comprehensive income (loss)	–	–	–	(127)	–	2,162	–	–	(2,225)	(190)	(281)	(471)
Total comprehensive income	–	–	–	(127)	–	2,162	–	–	180,299	182,334	259,724	442,058
Cash dividends (Note 22)	–	–	–	–	–	–	–	–	(171,795)	(171,795)	–	(171,795)
Issuance of shares from stock purchase plan	–	–	–	–	–	–	–	–	–	–	33,358	33,358
Put option over non-controlling interests (Note 22)	–	–	–	–	(1,101)	–	–	–	–	(1,101)	(111,171)	(112,272)
Dilution on SPP of PEHI	–	–	–	–	(10,862)	–	–	–	–	(10,862)	(10,862)	–
Parent company share held by subsidiary	–	49,022	57,727	–	–	–	–	–	–	106,749	–	106,749
Balance, March 31, 2024 (Unaudited)	₱2,863,312	₱445,867	(₱182)	(₱900)	(₱1,721,718)	₱65,934	₱–	₱1,600,000	₱3,378,496	₱6,630,809	₱3,154,189	₱9,806,722

	Equity Attributable to Equity Holders of the Parent											
	Capital stock (Note 23)	Additional paid-in Capital	Treasury shares (Note 23)	Exchange differences on translation of foreign Operations	Equity reserves (Note 6)	Other comprehensive income (Note 14)	Share in other comprehensive income of associates and joint ventures (Note 12)	Retained earnings (Note 23) Appropriated	Retained earnings (Note 23) Unappropriated	Subtotal	Non-controlling Interests	Total (Note 23)
Balance, January 1, 2024 (as restated)	2,863,312	396,845	(57,909)	(773)	(1,709,755)	63,772	-	1,600,000	3,512,162	6,667,654	2,992,208	9,659,862
Adjustment on PFRS 15: Significant financing component	-	-	-	-	-	-	-	-	(142,170)	(142,170)	(9,068)	(151,238)
Balance, January 1, 2024 (as adjusted)	2,863,312	396,845	(57,909)	(773)	(1,709,755)	63,772	-	1,600,000	3,369,992	6,525,484	2,983,140	9,508,624
Comprehensive income (loss)												
Net income	-	-	-	-	-	-	-	-	279,550	279,550	657,318	936,868
Other comprehensive income (loss)	-	-	-	(340)	-	(5,594)	-	-	(33,529)	(39,463)	(13,308)	(52,771)
Total comprehensive income (loss)	-	-	-	(340)	-	(5,594)	-	-	246,021	240,087	644,010	884,097
Transactions with owners												
Cash dividends (Note 23)	-	-	-	-	-	-	-	-	(171,795)	(171,795)	(377,197)	(548,992)
Stock rights offering (SRO) (Note 23)	500,000	473,500	-	-	-	-	-	-	-	973,500	-	973,500
Business combination (Note 5)	-	-	-	-	-	-	-	-	-	-	474,084	474,084
Issuance of shares from stock purchase plan (SPP) (Note 6)	-	-	-	-	(8,424)	-	-	-	-	(8,424)	58,933	50,509
Dilution of equity shares (Note 6)	-	-	-	-	(443,539)	-	-	-	-	(443,539)	(391,688)	(835,227)
Issuance of shares of subsidiaries (Note 6)	-	-	-	-	977,637	-	-	-	-	977,637	1,670,473	2,648,110
Buyback of shares in UGC (Note 6)	-	-	-	-	(30,995)	-	-	-	-	(30,995)	24,012	(6,983)
Accretion of interest in NCI put liability (Note 6)	-	-	-	-	(279,069)	-	-	-	-	(279,069)	(57,747)	(336,816)
Derecognition of NCI put liability (Note 6)	-	-	-	-	1,449,467	-	-	-	-	1,449,467	1,457,968	2,907,435
Parent company shares held by a subsidiary (Note 23)	-	49,022	55,627	-	-	-	-	-	-	104,649	-	104,649
Total transactions with owners	500,000	522,522	55,627	-	1,665,077	-	-	-	(171,795)	2,571,431	2,858,838	5,430,269
Realized gain on sale of financial assets at FVOCI (Note 14)	-	-	-	-	-	(8,655)	-	-	8,655	-	-	-
Balance, December 31, 2024	3,363,312	919,367	(2,282)	(1113)	(44,678)	49,523	-	1,600,000	3,452,873	9,337,002	6,485,988	15,822,990

PHINMA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Three-Month Periods Ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱625,973**	₱487,878
Adjustments to reconcile income before income tax to net cash flows:		
Depreciation and amortization (Notes 23, 24 and 25)	**279,829**	252,488
Interest expense and other financing charges	**446,828**	376,607
Unrealized foreign exchange loss (gain) - net	**13,090**	(15,008)
Pension and other employee benefits expense (Note 28)	**24,611**	72,356
Equity in net losses (earnings) of associates and joint ventures (Note 11)	**(3,748)**	(4,058)
Gain on investments held for trading – net	**(5,608)**	(4,213)
Interest income	**(118,135)**	(74,119)
Loss (gain) on derivatives – net (Note 12)	**11,708**	2,510
Dividend income	**(3)**	(9)
Unrealized loss (gain) on change in fair value of investment (Note 12)	**24,419**	(30,109)
Loss (gain) on sale of property, plant and equipment – net	**1,655**	(491)
Operating income before working capital changes	**1,298,629**	1,063,832
Decrease (increase) in		
Trade and other receivables	**1,014,159**	277,268
Contract assets	**(16,941)**	-
Inventories	**260,933**	13,423
Input value-added taxes and other current assets	**390,493**	66,641
Other non-current assets	**(150,696)**	-
Increase (decrease) in:		
Trade and other payables	**516,067**	429,196
Due to related parties	**(30,634)**	-
Trust receipts payables	**278,636**	(352,240)
Contract liabilities	**(2,484,161)**	(1,363,808)
Other non-current liabilities	**302**	-
Net cash (used in) provided by operations	**1,076,787**	134,312
Interest paid	**(424,419)**	(378,912)
Income tax paid	**(17,705)**	(178,393)
Contributions to the pension fund and benefits paid from operating fund	**(72,316)**	(53)
Interest received	**91,288**	99,250
Net cash provided by (used in) operating activities	**653,635**	(554,355)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Short-term investments	**(19,476)**	-
Investment held for trading	**(17,073)**	(100,042)
Property, plant and equipment	**(1,147,772)**	(568,513)
Investment properties	**(14,564)**	(1,599)
Intangible assets	**(15,948)**	(1,897)
Proceeds from sale of:		
Investment held for trading	**365,822**	63,271
Property, plant and equipment	**30,635**	310
Acquisition of subsidiary - net of cash acquired	**(98,489)**	-
Increase in other noncurrent assets	**-**	15,465
Dividends received	**3**	9
Net cash provided by (used in) investing activities	**(916,862)**	(592,996)

(Forward)

	Three -Month Periods Ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Notes payable	**(₱610,067)**	(₱1,721,769)
Cash dividends (Note 22)	**(79,402)**	(112,406)
Lease liability (Note 31)	**(34,240)**	(42,928)
Long-term debt (Note 21)	**(175,668)**	(114,590)
Proceeds from availments of:		
Notes payable	**1,424,656**	3,461,450
Long-term debt	**393,307**	50,000
Proceeds from sale of parent company shares held by subsidiary	**-**	106,749
Issuance of shares to non-controlling interest	**10,000**	33,358
Increase (decrease) in due to related parties	**-**	53,775
Increase (decrease) in other non-current liabilities	**-**	(6,436)
Net cash provided by financing activities	**928,568**	752,663
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(6,132)**	15,008
NET INCREASE IN CASH AND CASH EQUIVALENTS	**659,227**	574,860
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**3,096,553**	2,905,913
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	**₱3,755,780**	₱3,480,773

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

1. Corporate Information

PHINMA Corporation (PHN or the Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on March 12, 1957.

The Parent Company is listed in the Philippine Stock Exchange (PSE) since August 15, 1958.

On August 2, 2006, the Philippine SEC approved the extension of the Parent Company's corporate life for another 50 years. On May 27, 2010, the Philippine SEC approved the change in the Parent Company's corporate name from Bacnotan Consolidated Industries, Inc. to PHINMA Corporation. Its principal activity is holding investments in shares in various subsidiaries, associates and investees and other financial instruments.

Following are the subsidiaries of the Parent Company and the nature of their principal business activities:

			March 31, 2025			December 31, 2024		
Subsidiaries	Nature of Business	Calendar/ Fiscal Yearend	**PHN Direct Interest**	**Direct Interest of Subsidiary**	**PHN Effective Interest**	PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest
Construction Materials Group								
Union Galvasteel Corporation (UGC)	Manufacturing and distribution of steel products	December 31	**98.64**	-	**98.64**	98.64	-	98.64
PHINMA Solar Energy Corporation (PHINMA Solar)	Solar rooftop	December 31	-	**100.00**	**98.64**	-	100.00	98.64
Union Insulated Panel Corporation [(j)]	Manufacturing and distribution of insulated panel	December 31	-	**100.00**	**98.64**	-	100.00	98.64
Philcement Corporation (PCC) [(g)]	Manufacturing and distribution of cement products	December 31	**60.00**	–	**60.00**	60.00	–	60.00
Philcement Mindanao Corporation (PMC) [(h)]	Manufacturing and distribution of cement products	December 31	-	**70.00**	**42.00**	-	70.00	42.00
Education Group								
PHINMA Education Holdings, Inc. (PEHI) [(a)]	Holding company	March 31	**66.41**	-	**66.41**	66.41	-	66.41
Pamantasan ng Araullo (Araullo University), Inc. (AU) [(a)]	Educational institution	March 31	-	**97.76**	**64.93**	-	97.76	64.93
Cagayan de Oro College, Inc. (COC) [(a)]	Educational institution	March 31	-	**91.27**	**60.62**	-	91.27	60.62
University of Iloilo (UI) [(a)]	Educational institution	March 31	-	**69.23**	**45.98**	-	69.23	45.98
University of Pangasinan (UPANG) and Subsidiary [(a)]	Educational institution	March 31	-	**69.33**	**46.05**	-	69.33	46.05
Southwestern University (SWU) [(a)]	Educational institution	March 31	-	**94.51**	**62.77**	-	94.51	62.77
St. Jude College, Inc. (SJCI) [(a)]	Educational institution	March 31	-	**98.44**	**65.38**	-	98.44	65.38
Republican College, Inc. (RCI)	Educational institution	December 31	-	**99.97**	**66.40**	-	99.97	66.40
Rizal College of Laguna (RCL) [(a)]	Educational institution	April 30	-	**90.00**	**59.80**	-	90.00	59.80
Union College of Laguna (UCLI) [(a)]	Educational institution	December 31	-	**80.91**	**53.74**	-	80.91	53.74
Career Academy Asia, Inc. (CAA) [(a and b)]	Educational Institution	March 31	**90.00**	-	**90.00**	90.00	-	90.00
St. Jude College, Inc. Cavite (SJC-C)	Educational Institution	December 31	-	**94.62**	**62.85**	-	94.62	62.85
Properties Group								
PHINMA Property Holdings Corporation (PPHC) [(d)]	Real estate development	December 31	**78.61**	**22.38**	**94.01**	78.61	22.38	94.01
P & S Holdings Corporation (PSHC)	Investment and real estate holdings	December 31	**60.00**	-	**60.00**	60.00	-	60.00
Asian Plaza, Inc. (API)	Lease of real property	December 31	**57.62**	-	**57.62**	57.62	-	57.62
Community Developers and Construction Corporation (CDCC) [(d)]	Real estate development	December 31	-	**99.22**	**93.28**	-	99.22	93.28
Community Property Managers Group, Inc. (CPMGI) [(d)]	Property Management	December 31	-	**95.75**	**90.01**	-	95.75	90.01
ABCIC Property Holdings, Inc. (APHI) [(d)]	Selling of real and personal properties	December 31	**89.98**	-	**89.98**	89.98	-	89.98
JEPP Property Corporation [(e)]	Real estate development	December 31	-	**55.00**	**51.71**	-	55.00	51.71
Hospitality Group								
PHINMA Hospitality, Inc. (PHI) and Subsidiaries [(d and h)]	Management services and investment holdings	December 31	**63.77**	**36.23**	**84.65**	63.77	36.23	84.65
PHINMA Microtel Hotels, Inc. (PHINMA Microtel) [(d)]	Hotel franchising	December 31	**51.00**	-	**51.00**	51.00	-	51.00
Coral Way City Hotel Corp. (Coral Way)	Hotel operations	December 31	**23.75**	**26.44**	**46.13**	23.75	26.44	46.13

Subsidiaries	Nature of Business	Calendar/ Fiscal Yearend	March 31, 2025 PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest	December 31, 2024 PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest
Krypton Esplanade Hotel Corporation (KEHC)	Hotel operations	December 31	-	**100.00**	**46.13**	-	100.00	46.13
Others								
PHINMA Insurance Brokers, Inc. (PIBI)	Insurance broker	December 31	**100.00**	-	**100.00**	-	-	-
One Animate Limited (OAL) and Subsidiary [c]	Business process outsourcing - animation services	December 31	**80.00**	-	**80.00**	80.00	-	80.00

[a] *Balances as at and for the year ended December 31 of these subsidiaries were used for consolidation purposes.*
[b] *CAA ceased its operations on March 31, 2019.*
[c] *OAL owns 100.00% interest in Toon City Animation, Inc. (Toon City). OAL and Toon City ceased operations in April 2013.*
[d] *On July 17, 2023, PHN acquired shares in the following companies: 36.71% ownership interest of PPHC; 63.47% ownership interest of APHI; 63.77% ownership interest of PHI; 51.00% ownership interest of PHINMA Microtel and 8.03% ownership interest of PEHI*
[e] *PPHC and Jepp Real Estate Co. Inc. (JREC) entered into a joint development agreement in 2022 to form Jepp Property Corporation (JEPP) in Bacolod. On November 6, 2024, PPHC obtained 55% controlling shares of stock of JEPP.*
[f] *PHINMA Hospitality Management Corporation (PHMC) was incorporated on May 9, 2024. PHN will invest and obtain 100% ownership in PHMC by the second quarter of 2025.*
[g] *On March 15, 2024, Philcement Mindanao Corporation (PMC) was incorporated. Philcement entered in a share purchase agreement with Petra Cement, Inc. (Petra) for the acquisition of 100% outstanding shares of Petra. Subsequent arrangements provide that the shares will eventually be transferred to PMC, which was completed on April 7, 2025, pending the approval of the SEC.*
[h] *On May 15, 2024, the Board of Directors (BOD) approved PHN's additional investment to be made to PHI amounting to ₱252 million.*
[i] *On September 2, 2022, Union Insulated Panel Corporation (UIPC) was incorporated, which is 100% owned by UGC. On August 6, 2024, the BOD approved an investment up to ₱210 million in UIPC Insulated Panel Plant Project, through UGC.*
[j] *On March 21, 2025, the Company's BOD approved the investment of ₱250 million in PHINMA Community Housing Corporation for its initial capital expenditure requirements, purchase of land and working capital requirements.*

The Parent Company and its subsidiaries (collectively referred to as "the Company") were all incorporated in the Philippines, except for OAL which was incorporated in Hong Kong. The Company's ultimate parent company is Philippine Investment-Management (PHINMA), Inc., which is also incorporated in the Philippines.

The information on the segments of the Company is presented in Note 34 to the consolidated financial statements.

On August 6, 2024, PHN's BOD approved a stock rights offering (SRO) consisting of ₱1.0 billion in primary common shares to be listed in the fourth quarter of 2024. On October 16, 2024, the SEC issued a Notice of Confirmation of Exempt Transaction confirming that the Offer is exempt from the registration requirements of the Securities Regulation Code. On October 31, 2024, PHINMA Corporation informed the SEC and the PSE that the Company will offer a total of 50,000,000 common shares at an offer price of ₱20.00 per share, at the ratio of one rights share for every 5.73 existing common shares. Tentative listing date will be on November 27, 2024.

The registered office address of the Parent Company is 12th Floor, PHINMA Plaza, 39 Plaza Drive, Rockwell Center, and Makati City.

The accompanying unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors (BOD), as approved and recommended for approval by the Audit Committee on May 9, 2025.

2. Basis of Preparation and Consolidation and Statement of Compliance

The interim consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by SEC in response to COVID-19 pandemic for the years ended December 31, 2023 and 2022.

The Company availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of Philippine Interpretations Committee (PIC)

Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- PAS Standards; and
- Interpretations issued by the of the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Basis of Consolidation

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

The Company controls an investee if and only if the Company has:

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

For entities wherein the indirect ownership is equal to or lower than 50%, management considers the situations when control is achieved in determining whether the entities will be classified as controlled subsidiaries.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction and is shown as part of "Equity reserves" under the consolidated statement of changes in equity.

Accounting policies and reporting period of its subsidiaries are consistent with the policies adopted by and the reporting period of the Parent Company.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired in the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of a subsidiary

When the Company ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the Company surrenders control to a related party within the group it ultimately belongs, the difference between the consideration received and the fair value of the subsidiary at divestment date, is recognized as other charges to equity.

3. Changes in Accounting Polices and Disclosures

New standards, amendments and interpretations adopted by the Company

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 1, 2025. The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the interim condensed consolidated financial statements of the Company.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

  The amendments to PAS 7 Statement of cash flows requires disclosure on information about supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date. Supplier finance arrangements are often referred to as supply chain finance, payables finance or reverse factoring arrangements.

  An entity shall disclose the following in aggregate for its supplier finance arrangements:

  a) The terms and conditions of the arrangements. However, an entity shall disclose separately the terms and conditions of arrangements that have dissimilar terms and conditions.

  b) As at the beginning and end of the reporting period:
     i) The carrying amounts, and associated line items presented in the entity's statement of financial position, of the financial liabilities that are part of a supplier finance arrangement.
     ii) The carrying amounts, and associated line items, of the financial liabilities disclosed under (i) for which suppliers have already received payment from the finance providers.
     iii) The range of payment due dates for both the financial liabilities disclosed under (i) and comparable trade payables that are not part of a supplier finance arrangement.

  c) the type and effect of non-cash changes in the carrying amounts of the financial liabilities disclosed under (b) (i).

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 with early adoption permitted. The Company's liabilities under supplier finance arrangements are presented as trust receipts payable in the statements of financial position in Note 11.

- Adoption of the Deferred Provisions of PIC Q&A 2018-12, *PFRS 15 Implementation Issues Affecting the Real Estate Industry* (as amended by PIC Q&A 2020-04)

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the Philippine SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019 respectively, providing relief to the real estate industry by deferring the

application of the following provisions of this PIC Q&A for a period of three (3) years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

The PIC Q&A provisions covered by the Philippine SEC deferral that the Company availed in 2021 follows:

	Deferral Period
Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023

On July 8, 2021, to assist real estate companies to finally adopt the above mentioned PIC Q&A and IFRIC pronouncements and enable them to fully comply with PFRS 15 and revert to full PFRS, the SEC issued SEC MC No. 8-2021 amending the transition provision of the above
PIC Q&A, which would provide real estate companies the accounting policy option of applying either the full retrospective approach or modified retrospective approach when they apply the provisions of the above PIC Q&A and IFRIC pronouncements.

The Company has adopted for the first-time effective January 1, 2024 certain amendments to existing standard and interpretations deferred by SEC under Memorandum Circular No. 2018-12 and adopted the guidelines in determining the significant financing component of the contract.

The Company elected to apply such amendments by recognizing the cumulative effect as an adjustment to the retained earnings as at January 1, 2024, which is the date of initial application. The Company elected to apply such amendments retrospectively only to contracts that are not completed contracts at the date of initial application. As a result, an adjustment to decrease contract assets by ₱201.7 million, decreased deferred tax liabilities, net of ₱50.4 million, decreased retained earnings amounting to ₱142.2 million and decreased non-controlling interest amounting to ₱9.1 million was recognized in the consolidated statements of financial position as at January 1, 2024.

For the three months March 31, 2025 and 2024, the Company assessed that the overall impact of the adoption of the requirement of PIC Q&A No. 2018-12 pertaining to significant financing component is amounting to ₱33.1 million and 21.4 million, respectively.

- Amendments to PAS 21, *Lack of Exchangeability*

The amendment defines that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

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

  PFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

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

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

There are no other relevant standards, amendments or interpretations that are effective beginning on or after January 1, 2025 that are expected to have a material impact on the Group's financial statements.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the interim condensed consolidated financial statements and accompanying notes. Changes in these estimates and assumptions could result in outcomes that may require material adjustments to the carrying amounts of the affected assets or liabilities in the future.

There were no significant changes in accounting judgments, estimates, and assumptions that affect the amounts reported in the interim condensed consolidated financial statements and accompanying notes.

5. Business Combination

i. Acquisition of PHINMA Insurance Brokers, Inc.

On January 9, 2025, the Company completed the purchase of PHINMA Insurance Brokers, Inc. (PIBI) from PHINMA, Inc. for a total transaction of P150.53 million for 2.3 million shares representing 100% ownership. On November 7, 2024, the Company disclosed the approval of the board for the acquisition of PIBI from PHINMA, Inc. PIBI is the insurance brokerage arm of the Group, involved in developing, packaging and servicing life, non-life and HMO insurance programs while dealing with reputable local and global insurance companies to answer its clients' various requirements.

The Parent Company and PIBI are subsidiaries of PHINMA, Inc. before and after the business combination. Thus, the acquisition was accounted for as business combination under common control for which pooling of interests method was applied in the preparation of the consolidated financial statements. The assets, liabilities and equity of the acquired businesses are included in the consolidated financial statements at their carrying amounts. Financial information for periods prior to the date of business combination was not restated.

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

Current assets	119,241
Noncurrent assets	13,218
Total assets	132,459
Current liabilities	(70,895)
Noncurrent liabilities	(12,781)
Total Liabilities	(83,676)
Net assets acquired	48,783

The net cash outflow related to the acquisition is as follows:

Cash payments relating to acquisition	₱150,535
Less cash of acquired subsidiaries	(52,046)
Net cash outflow	₱98,489

The combination resulted to equity adjustment from common control business combination, included under "Equity reserves" account, amounting to ₱101.7 million.

ii. Acquisition of JEPP Properties Corporation by PPHC

On October 22, 2022, PPHC and Jepp Real Estate Co. Inc (JREC). entered into a joint development agreement to form JEPP Property Corporation (JEPP), in Bacolod. JEPP was incorporated and registered with Philippine SEC on December 12, 2022. The Company's purpose is to deal and engage in the real estate business in all aspects: to hold, develop, finance and otherwise deal in and dispose of all kinds of real estate development. As at December 31, 2022, the PPHC has no ownership interest in JEPP.

On January 19, 2023, PPHC and JREC entered into a Contract to Sell whereby PPHC agreed to purchase 9.7% ownership interest in JEPP from JREC, for a total consideration of P294.1 million.

These were recorded as advances to third party as part of receivables, pending resolution of certain conditions in the agreement.

On November 17, 2023, PPHC entered into a subscription agreement with JEPP, whereby it agreed to subscribe and purchase 18.2 million shares of JEPP for a price of ₱18.2 million. As at December 31, 2023, PPHC has no ownership interest in JEPP.

PPHC entered into additional subscription agreement with JEPP whereby it agreed to subscribe and purchase 60.0 million shares of JEPP for a price of ₱60.0 million, and 55.04 million shares of JEPP for a price of ₱55.04 million, these were paid on January 15, 2024 and October 28, 2024, respectively.

On November 6, 2024 (the acquisition date), PPHC obtained 55.00% controlling shares of stock of JEPP for a total consideration of ₱827.1 million, of which ₱399.7 million is outstanding as at December 31, 2024. The amount also includes the abovementioned subscriptions for primary shares of JEPP amounting to ₱133.2 million. Net purchase consideration paid to JREC amounted to ₱294.1 million. The acquisition increased PPHC's market through expansion in Bacolod.

The fair value of the identifiable assets and liabilities of JEPP as at the date of the acquisition are as follows:

	Fair Values Recognized at Acquisition Date
Total assets:	
Cash and cash equivalents	5,043
Trade and other receivables	52,081
Inventories	657,827
Prepaid expenses and other current assets	18,009
Property, plant and equipment	553
Total assets	733,513
Total liabilities:	
Trade payables and other payables	(101,192)
Total liabilities	(101,192)
Total identifiable net assets acquired	632,321
Less: PPHC subscriptions to JEPP	(133,238)
Net identifiable assets acquired	499,083
Less: Share of NCI in net assets acquired	(478,042)
Add: Goodwill arising from acquisition	273,077
Purchase consideration transferred for net assets acquired	294,118

The net assets recognized in the December 31, 2024 financial statements were based on a provisional assessment of the fair value. The Company recognized the non-controlling interests using fair value method. Upon acquisition, PPHC recognized goodwill amounting to ₱273.1 million attributable to the increase in market share and will not be deductible for tax purposes.

From the date of acquisition, JEPP's revenues and net income amounting to ₱316.4 million and ₱123.5 million, respectively, formed part of the 2024 consolidated statement of income. If the combination had taken place at the beginning of the year, JEPP's total contribution to revenues and net income to the 2024 consolidated statements of income would have been ₱316.4 million and ₱100.2 million, respectively.

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	294,118
Less cash of acquired subsidiaries	(5,043)
Net cash outflow	289,075

iii. Acquisition of St. Jude College - Cavite by PEHI

On December 6, 2024, PEHI entered into a deed of absolute sale of shares agreement to acquire a 94.62% ownership in St. Jude College – Cavite.

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

	Fair Values Recognized at Acquisition Date
Total assets:	
Cash and cash equivalents	5,277
Property, plant and equipment	89,504
Other assets	18,015
Total assets	112,796
Total liabilities:	
Trade and other payables	(183,194)
Pension	(3,167)
Total liabilities	(186,361)
Total identifiable net liabilities assumed	(73,565)
Add: Proportionate share of NCI in net liabilities assumed	3,958
Goodwill arising from acquisition	154,200
Purchase consideration transferred	84,593

The net liabilities assumed in the December 31, 2024 financial statements were based on a provisional assessment of the fair value. The Company recognized the non-controlling interests at their proportionate share of the acquired net identifiable liabilities.

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	84,593
Less cash of acquired subsidiaries	(5,277)
Net cash outflow	79,316

From the date of acquisition, SJC Cavite's revenues and net income amounting to ₱19.4 million and ₱8.0 million, respectively, formed part of the 2024 consolidated statement of income. If the combination had taken place at the beginning of the year, SJC Cavite's total contribution revenues and net loss in the 2024 consolidated statements of income would have been ₱142.5 million and ₱111.7 million, respectively.

iv. *Acquisition of PHINMA Property Holdings Corporation, ABCIC Property Holdings, Inc. PHINMA Hospitality and PHINMA Microtel Hotels, Inc.*

On July 17, 2023, the Parent Company and PHINMA, Inc., executed a Deed of Sale for the purchase of investments of PHINMA, Inc. in the following Companies:

Company	Description	PHINMA, Inc.'s Direct Ownership	Transaction Value (₱ in millions)
PPHC	Holding company of the Company's property development arm	36.71%	588.9
PHI	Management company of the Company's Microtel and TRYP hotels; part-owner in 7 hotels	63.77%	251.2
PHINMA Microtel	Master franchisor of Microtel and TRYP hotels in the Philippines	51.00%	21.2
APHI	Owner of real estate properties	63.47%	409.4
Total			1,270.7

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

Company	PPHC	PHI	PHINMA Microtel	APHI
Current assets	5,872,075	177,847	72,639	119,008
Noncurrent assets	958,256	271,740	3,172	250,352
Total assets	6,830,331	449,587	75,811	369,360
Current liabilities	(4,255,742)	(22,216)	(17,530)	(592)
Noncurrent liabilities	(1,258,421)	(10,248)	(11,070)	(70)
Total Liabilities	(5,514,163)	(32,464)	(28,600)	(662)
Net assets acquired	1,316,168	417,123	47,211	368,698

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	1,270,699
Less cash of acquired subsidiaries	287,337
Net cash outflow	983,362

The Parent Company and all the entities above are subsidiaries of PHINMA, Inc. before and after the business combination. Thus, the acquisition was accounted for as business combination under common control for which pooling of interests method was applied in the preparation of the consolidated financial statements. The assets, liabilities and equity of the acquired businesses are included in the consolidated financial statements at their carrying amounts. Financial information for periods prior to the date of business combination was not restated.

Under the pooling of interests method:

- The assets and liabilities of the combining entities are reflected at their carrying amounts;
- No adjustments are made to reflect fair values, or recognize any new assets or liabilities at the date of combination. The only adjustments would be to harmonize accounting policies between the combining entities;
- No "new" goodwill is recognized as a result of the business combination;
- Any difference between the consideration transferred and the net assets acquired is reflected within equity;
- The consolidated statement of income in the year of acquisition reflects the results of the combining entities starting when the combination took place.

The combination resulted to equity adjustment from common control business combination, included under "Equity reserves" account, amounting to ₱636.4 million. It also resulted to increase in "Non-controlling interests" account amounting to ₱573.9 million and decreases in "Retained earnings", "Other comprehensive income" and "Share in other comprehensive income of associates and joint ventures accounts amounting to ₱10.6 million, ₱14.3 million and ₱9.6 million, respectively.

6. Transactions with Non-controlling Interests and Others Changes in Ownership

Dilution and Acquisition of Ownership Interest of NCI in SWU

On April 26, 2024, PEHI acquired additional 226,922 common shares of SWU for a total consideration of ₱835.2 million, which increased its ownership interest to 97.76%. The acquisition resulted to the decrease in "Non-controlling interest" and "Equity reserves" accounts in the statements of changes in equity by ₱443.5 million and ₱391.7 million, respectively.

Dilution of Ownership Interest in PEHI

Issuance of shares from SPP

On July 14, 2023, PEHI's stock purchase plan was approved by its Board of Trustees and shareholders. The stock sharing plan was offered to PEHI's executives and employees with more than 1 year of service as of March 31, 2023. For the year ended December 31, 2024, PEHI granted 638,570 shares to its employees with a fair value at grant date of ₱58.9 million (2023 – nil). This resulted to a corresponding decrease of the Parent Company's ownership interest in PEHI amounting to ₱8.4 million (2023 – nil) or to 75.01%. The transaction resulted to the decrease in "Equity reserves" and increase to "Non-controlling interests" accounts by ₱8.4 million and ₱58.9 million, respectively.

Call and Put Option over the NCI in PEHI and Issuance of shares to NCI

In 2021, PEHI and the Parent Company signed a Shareholders Agreement with third party investors (the "Investors") who acquired non-controlling interest in PEHI. As part of the signed investment agreement of PEHI and the Investors, in the event that an initial public offering (IPO) of PEHI is not completed on the fifth anniversary of the agreement, the Investors have an irrevocable right and option to sell to and obligate the Parent Company to purchase all or portion of their shares (put option). On the other hand, the Parent Company

has an irrevocable right and option to purchase and obligate all of the Investors to sell all of its shares under certain conditions.

The exercise price of the options is based at a price that generates 10% internal rate of return, based on the investor US dollar subscription price per share, which is calculated at the agreed exchange rate for the period beginning on the closing date and ending on the date of the relevant notice.

Asian Development Bank (ADB) invested 1.1 million shares of PEHI for a total consideration of
₱625.0 million. The stock purchase agreement contains call and put options and as a result, additional non-controlling interest put liability is recognized.

The transactions described above resulted to recognition of "Non-controlling interest put liability" amounting to ₱2,570.6 million as at 2023, and derecognition of "Non-controlling interests" amounting to ₱133.8 million 2023, with the difference recorded as "Equity reserves" amounting to
₱248.5 million in 2023.

For the year ended December 31, 2024 , accretion of interest in the put liability amounts to ₱336.8 million, presented in the statements of changes in equity as decreases in "Equity Reserves" and "Non-controlling interest" amounting to ₱279.0 million and ₱57.7 million, respectively.

On May 21, 2024, PEHI signed an investment agreement with Phoenix Investments II Pte. Ltd (Phoenix II), an investment vehicle of funds managed by KKR, a leading global investment firm, relating to the issuance of newly issued shares. Concurrently, Phoenix II entered into an agreement to acquire all of the shares in PEHI owned, directly or indirectly, by Asian Development Bank (ADB), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) and Kaizen Private Equity II Pte. Ltd. (Kaizen) and a termination agreement between PHN and the original shareholders was executed.

In the fourth quarter of 2024, all of the completion obligation requirements indicated in the new shareholder agreement and termination agreement were met. Following the completion of the two transactions, ADB, FMO and Kaizen will no longer be shareholders of PEHI and PHN derecognized the put liability amounting to ₱2,907.4 million and the related reserve in equity amounting to 1,449.5 million, and increased the non-controlling interest by ₱1,458.0 million.

In October 2024, PEHI sold 25,132,793 shares to Phoenix Investments II Pte LTD (KKR) for a total consideration of ₱2,439.7 million. The transaction resulted to the increase in "Equity reserves" and "Non-controlling interests" accounts in the statements of changes in equity by ₱977.6 million and ₱1,462.1 million, respectively.

The transactions described above, further reduced the Company's ownership in PEHI to 66.41% as at December 31, 2024.

Acquisition of Ownership Interest of NCI in PEHI

On July 17, 2023, the Parent Company acquired the shares in PEHI held by PHINMA, Inc.

for a total cost of ₱1,064.8 million, which increased its ownership interest to 75.21%. The transaction resulted to the decrease in "Non-controlling interests" and "Equity reserves" accounts in the statements of changes in equity by ₱542.4 million and ₱522.3 million, respectively.

Dilution and Acquisition of Ownership Interest of NCI in AU

On September 1, 2023, PEHI acquired 32,361 shares in AU for a total cost of ₱3.79 million, which increased its ownership interest to 97.76%. The transaction resulted to the decrease in "Equity reserves" and "Non-controlling interests" accounts in the statements of changes in equity by ₱3.1 million and ₱0.7 million, respectively.

Buy back of UGC shares

On May 22, 2024, UGC acquired 780,811 shares of its own common shares under stock purchase plan from retired employees for ₱6.98 million which increased the Company's ownership interest to 98.64%. The transaction resulted to the decrease in "Equity reserves" and increase to "Noncontrolling interests" accounts by ₱31 million and ₱24 million, respectively.

Acquisition of ownership interest in PMC

In Q4 2024, ANFLO Management and Investment Corporation subscribed to 30% ownership interest in PMC for a total consideration of ₱208.3 million.

7. Cash and Cash Equivalents

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited)
Cash on hand and in banks	**3,317,839**	2,005,188	2,309,921
Short-term deposits	**437,941**	1,091,365	1,170,852
	3,755,780	3,096,553	3,480,773

Cash in banks earn interest at the prevailing bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

8. Investments Held for Trading

This account consists of investments in:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Unit Investment Trust Funds (UITFs)	**1,000,248**	1,337,191
Marketable equity securities	**3,279**	3,670
	1,003,527	1,340,861

9. Trade and Other Receivables; Contract Assets and Liabilities

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Receivables from customers (Note 25)	**6,734,038**	8,398,405
Advances to suppliers and contractors	**2,912,290**	2,717,255
Advances to other third parties	**278,434**	278,434
Accrued interest receivables	**543,720**	516,873
Loans receivables	**228,533**	218,898
Due from related parties (see Note 33)	**317,087**	278,434
Rent receivable	**115,630**	113,727
Advances to officers and employees	**136,721**	118,315
Others	**750,742**	575,165
	12,017,195	13,118,428
Less allowance for expected credit losses (ECLs)	**1,677,255**	1,780,639
	10,339,940	11,337,789
Less: Noncurrent portion	**656,569**	350,248
	9,683,371	10,987,541

Non-current portion of receivables from customers pertain to consideration for sold solar photovoltaic rooftop system with an annual effective interest rate of 6% and 8% payable monthly for five (5) to ten (10) years. Interest income realized from sale of solar photovoltaic rooftop system amounted to ₱4.3 million and ₱ 5.2 million for the period ended March 31, 2025 and 2024, respectively.

Movements in the allowance for ECLs are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning balance	**1,780,639**	1,524,697
Provisions (see Notes 22 and 23)	**3,517**	266,359
Reversal	**(108,977)**	-
Reclassification	-	(10,385)
Write-off	-	(32)
Acquisition through business combination	**2,076**	-
	1,677,255	1,780,639

Contract assets and liabilities

Contract assets represent the right to consideration that was already delivered by PPHC in excess of the amount recognized as installment contracts receivable. This is reclassified as real estate installment contracts receivable when the monthly amortization of the customer is already due for collection or, in the case of sales of real estate under HDMF and bank financing schemes, upon submission of the documentary requirements to HDMF and the lending bank, respectively and upon approval of the loan. Movements in contract asset during the year is mainly due to real estate sales recognized during the period less transfer to real estate installment contracts receivable.

Contract liabilities include unearned revenue from tuition, school and other service fees and deposits from customer for future goods and services. Contract liabilities also consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by PPHC based on POC. When the conditions for revenue recognition are met for the related customer account, sale is recognized and these contract liabilities will be recognized as revenue. The movement in contract liabilities is mainly

due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in POC.

For construction segment, contract liabilities include billings in excess of costs and estimated earnings on uncompleted contracts which represents billings in excess of total costs incurred and estimated earnings recognized.

10. Inventories

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
At cost:		
Land and development cost	**3,030,338**	2,802,856
Finished goods	**1,125,204**	2,110,378
Raw materials	**828,816**	362,312
Condominium and housing units for sale	**157,641**	153,565
Spare parts and others	**215,408**	190,703
Other inventories	**184,752**	177,742
	5,542,159	5,797,556
At net realizable value:		
Finished goods	**16,231**	16,231
Other inventories	**16,676**	23,562
	32,907	39,793
Less: Allowance for inventory write down	**(5,905)**	(7,255)
	27,002	32,538
	5,569,161	5,830,094

The Company recognized provision (reversal) for inventory obsolescence of (₱1.4 million) and nil in March 31, 2025 and 2024, respectively. The reversal pertains to inventories which have been disposed of or sold during the period. Write-off of inventory amounted to nil in 2025 and 2024. The allowance for inventory obsolescence amounted to ₱5.9 million and ₱7.3 million as at March 31, 2025 and December 31, 2024, respectively.

11. Investment in and advances to Associates and Joint Ventures

The Company's associates and joint ventures consist of the following:

	Percentage of Ownership (Effective)	
	2025	2024
Interests in joint ventures:		
PHINMA Saytanar Education Company Limited (PHINMA Saytanar) [c]	**37.61**	37.61
PT Ind-Phil Management (IPM) [c]	**51.69**	51.69
Investment in associates:		
Diniwid Beach Hotel Corp. (DBHC) [s]	**36.46**	36.46
First Batangas Hotel Corp (FBHC) [a]	**35.83**	35.83
Nemo Beach Hotel Corp. (NBHC) [a]	**16.93**	16.93
First Commonwealth Hotel Corp.(FCHC) [a]	**16.93**	16.93
South Forbes Silangan Hotel Corp. (SFSHC) [a]	**25.39**	25.39
Inphin8 Space, Inc. (InPHIN8) [b]	**34.56**	34.56
Phinma Properties Sales and Marketing Inc. (PPSMI) [b]	**30.72**	30.72
DITC Bulk Terminal, Inc. (DBTI) [d]	**18.00**	18.00

[a] *Indirect ownership through PHI.*
[b] *Indirect ownership through PPHC*
[c] *Indirect ownership through PEHI.*
[d] *Indirect ownership through PCC*

Investment in and advances to associates and joint ventures
This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Interests in joint ventures	**696,627**	694,604
Investments in associates	**168,161**	166,436
	864,788	861,040

Interests in Joint Ventures
The detailed carrying values of interests in joint ventures (accounted for under the equity method) are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
IPM	**696,527**	694,604
PHINMA Saytanar	**-**	-
	696,527	694,604

The movements and details of the investments in joint ventures are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Acquisition costs:		
Balance at beginning of period	**715,859**	509,793
Additions	**-**	206,066
Balance at end of period	**715,859**	715,859
Accumulated equity in net earnings (losses):		
Balance at beginning of period	**(21,255)**	(387)
Equity in net earnings	**2,023**	(20,868)
Balance at end of period	**(19,232)**	(21,255)
	696,627	694,604

The detailed carrying values of investments in associates (accounted for under the equity method) are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
DBTI	**56,605**	56,605
DBHC	**34,115**	33,774
FBHC	**23,059**	22,683
NBHC	**8,958**	9,168
FCHC	**8,342**	8,863
SFSHC	**31,262**	30,473
InPHIN8	**4,202**	4,202
PPSMI	**1,617**	668
	168,161	166,436

The movements and details of the investments in associates are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Acquisition costs		
Balances at beginning of period	**208,076**	149,471
Additions		58,605
Balances at end of period	**208,076**	208,076
Accumulated equity in net losses		
Balances at beginning of period	**(41,640)**	(41,652)
Equity in net earnings (loss)	**1,725**	1,705
Acquisition through business combination	**-**	(1,693)
Balances at end of period	**(39,915)**	(41,640)
Share in other comprehensive income of associates		
Balances at beginning of period	**-**	-
Share in other comprehensive loss	**-**	-
Balances at end of period	**-**	-
	168,161	166,436

The movement in advances to associate is as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	**–**	1,299
Collections	**–**	(1,299)
Balance at end of period	**–**	**–**

12. Financial Assets at FVPL

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Investment in preferred shares	**2,019,764**	2,042,183

On September 18, 2019, the Parent Company executed a Term Sheet with Song Lam Cement Joint Stock Company (Song Lam), Vissai Ninh Binh Joint Stock Company (Vissai) and Hoang Manh Truong (Sponsor) for the investment of US$50.0 million via preferred shares in Song Lam. Song Lam Joint Stock Company manufactures, markets, distributes and exports clinker, cement and cement products and is a supplier of Philcement, a 60%-owned subsidiary of PHN. Vissai is the parent company of Song Lam which owns and manages five cement plants in Vietnam.

In January 2020, the Parent Company, Song Lam, Vissai and Hoang Minh Truong entered into share subscription agreement related to the Parent Company's subscription of the new preferred shares of Song Lam. An advance payment of 10% equivalent to US$5.0 million was made on November 26, 2019 and the 90% balance or US$45.0 million was paid on May 18, 2021. The total US$50.0 million investment has an equivalent peso amount of 2.39 billion on May 18, 2021.

The preferred shares are entitled to receive an annual fixed cumulative dividend of 7.5%, independent of Song Lam's business outcome and regardless of operating business results of Song Lam and the existence of retained earnings. For the three months ended March 31, 2025 and 2024, the investment income recognized from the dividends in Song Lam amounts to ₱52.9 million and ₱52.6 million, respectively.

The preferred shares shall be convertible to common shares after two (2) years from issuance thereof. The Parent Company may convert the preferred shares between the last day of the second (2nd) year after issuance thereof until the end of the seventh (7th) year following said issuance.

The Parent Company has the option to sell the preferred shares or converted shares to Vissai, the Sponsor or Song Lam at a price equivalent to seventy-five million US Dollars (US$75,000,000.00), less the amount of preferred dividends received by the Parent Company. The put option may be exercised by the Parent Company after five (5) years from closing and until the end of the seventh (7th) year from said closing.

The Parent Company performs valuation of embedded derivatives and financial assets at FVPL at every reporting date using Cox-Ross-Rubenstein Binomial Lattice Model (Binomial Model). This requires an estimation of the expected future cash flows from the investee and applying a discount rate to calculate the present value of these cash flows. The discount rate uses the weighted average cost of capital (WACC) which incorporates the median debt-to-equity ratios and median beta of comparable companies as well as applying an alpha based on small-risk premium. The cash flow projections cover a five-year period.

The significant assumptions used in the fair value computation as at March 31, 2025 and December 31, 2024 are as follows:

a. The discount rate applied to cash flow projection is 14.79% and 14.84%, respectively.
b. The terminal value in the discounted cash flow uses 6.10% and 5.8% long-term growth rate based on expected Vietnam Gross Domestic Product (GDP) growth rate in 2024 and 2023, respectively.
c. The binomial model uses 33.3% and 38.06% average volatility of comparable companies' quarterly historical prices and used interquartile range to consider outliers in 2024 and 2023, respectively.
d. The option-adjusted spread computed at inception from the binomial model is 9.93% in 2025 and 2024.

The Company's fair value exercise is done at year end. The changes in the carrying amount of investment in FVPL for the period ended March 31, 2025 and 2024 pertains to the impact of foreign currency revaluation.

The derivative asset arising from the put option amounted to ₱989.6 million and ₱1,000.6 million as at March 31, 2025 and December 31, 2024, respectively. The unrealized loss on change in fair value of the derivative asset amounted to ₱10.9 million and ₱2.8 million as of March 31, 2025 and March 31, 2024, respectively.

13. Financial Assets at FVOCI

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Investment in club shares	**52,336**	52,497
Non-listed equity securities	**86,516**	86,516
	138,852	139,013

Investment in equity investments pertain to shares of stock and club shares which are not held for trading. The Company has irrevocably designated the equity instruments at FVOCI, as the Company considers these investments to be strategic in nature.

The movements in net unrealized gain on financial assets at FVOCI, net of tax are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period	**49,523**	63,772
Gain (loss) due to changes in fair value of investment in equity instruments	**(145)**	(5,594)
Sale of equity instruments	**–**	(8,655)
Balance at end of the period	**49,378**	49,523

14. Property, Plant and Equipment

This account consists of:

	January 1, 2025	**Acquisition through business Combination**	**Additions**	**Disposals**	**Reclassifications**	**March 31, 2025 (Unaudited)**
Cost						
Land	**4,783,992**	**-**	**440,812**	**-**	**-**	**5,224,804**
Plant site improvements	**4,313,745**	**-**	**168**	**-**	**-**	**4,313,913**
Buildings and improvements	**7,696,426**	**-**	**209,549**	**-**	**842**	**7,906,817**
Machinery and equipment	**3,451,573**	**-**	**45,484**	**-**	**589**	**3,497,646**
Transportation and other equipment	**1,157,033**	**11,398**	**20,678**	**(3,521)**	**-**	**1,185,588**
Linens, curtains and draperies	**35,564**	**-**	**520**	**-**	**–**	**36,084**
	21,438,333	**11,398**	**717,211**	**(3,521)**	**1,431**	**22,164,852**
Less Accumulated Depreciation						
Plant site improvements	**698,796**	**-**	**44,926**	**-**	**-**	**743,722**
Buildings and improvements	**2,624,527**	**-**	**77,701**		**-**	**2,702,228**
Machinery and equipment	**2,436,801**	**-**	**72,350**		**-**	**2,509,151**
Transportation and other equipment	**795,695**	**9,796**	**26,231**	**(3,228)**	**-**	**828,494**
Linens, curtains and draperies	**29,798**	**-**	**628**	**–**	**-**	**30,426**
	6,585,617	**9,796**	**221,836**	**(3,228)**	**-**	**6,814,021**
	14,852,716	**1,602**	**1,602**	**495,375**	**1,431**	**15,350,831**
Construction in progress (see Note 13)	**2,008,892**	**-**	**430,561**	**(32,007)**	**(2,111)**	**2,405,335**
Net Book Value	**16,861,608**	**1,602**	**925,936**	**(32,300)**	**(680)**	**17,756,166**

	January 1, 2024	Acquisition through business combination (see Note 6)	Additions	Disposals	Reclassifications	December 31, 2024
Cost						
Land	4,188,583	-	595,409	-	-	4,783,992
Plant site improvements	4,296,922	-	3,787	-	13,036	4,313,745
Buildings and improvements	6,588,237	183,618	905,842	(1,401)	20,130	7,696,426
Machinery and equipment	3,037,574	5,336	340,055	(10,989)	79,597	3,451,573
Transportation and other equipment	1,020,256	1,240	149,143	(23,756)	10,150	1,157,033
Linens, curtains and draperies	31,790	–	3,774	-	-	35,564
	19,163,362	190,194	1,998,010	(36,146)	122,913	21,438,333
Less Accumulated Depreciation						
Plant site improvements	(520,135)	-	(178,661)	-	-	(698,796)
Buildings and improvements	(2,219,309)	(96,751)	(309,868)	1,401	-	(2,624,527)
Machinery and equipment	(2,206,471)	(2,699)	(229,336)	1,705	-	(2,436,801)
Transportation and other equipment	(719,758)	(687)	(93,370)	18,120	-	(795,695)
Linens, curtains and draperies	(27,194)	-	(2,604)	-	-	(29,798)
	(5,692,867)	(100,137)	(813,839)	21,226	-	(6,585,617)
	13,470,495	90,057	1,184,171	(14,920)	122,913	14,852,716
Construction in progress	1,009,495	-	1,138,452	-	(139,055)	2,008,892
Net Book Value	14,479,990	90,057	2,322,623	(14,920)	(16,142)	16,861,608

	January 1, 2024	Acquisition through business Combination	Additions	Disposals	Reclassifications	March 31, 2024 (Unaudited)
Cost						
Land	4,188,583	–	15,527	–	–	4,204,110
Plant site improvements	4,296,922	–	–	–	–	4,296,922
Buildings and improvements	6,588,237	–	225,722	–	278,218	7,042,720
Machinery and equipment	3,037,574	–	59,294	–	–	2,965,355
Transportation and other equipment	1,020,256	–	37,487	(1,827)	–	1,187,429
Linens, curtains and draperies	31,790		2,437			
	19,163,362	–	340,467	(1,827)	–	19,730,763
Less Accumulated Depreciation						
Plant site improvements	520,135	–	44,418	–	–	564,553
Buildings and improvements	2,219,309	–	79,152	–	–	2,249,004
Machinery and equipment	2,206,471	–	55,931	–	–	2,154,134
Transportation and other equipment	719,758	–	16,323	(2,008)	–	842,341
Linens, curtains and draperies	27,194	–	527	–	–	27,721
	5,692,867	–	196,351	(2,008)	–	5,837,753
	13,470,495	–	144,116	181	–	13,893,010
Construction in progress (see Note 13)	1,009,495	–	228,046	–	(278,218)	959,323
Net Book Value	14,479,990	–	372,162	181	–	14,852,333

The Company classified certain items of construction in progress to intangibles amounting to ₱0.7 million and ₱15.3 million as at March 31, 2025 and December 31, 2024, respectively.

Outstanding construction in progress pertains to construction costs for various buildings and hospital renovations which are expected to be completed in 2025 to 2027.

Interest capitalized as part of "Construction in progress" account amounted to ₱ nil and ₱160 million and nil at a capitalization rate ranging from 6.65% to 8.20% and 5.575% to 8.45% in March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

Certain property and equipment of AU, COC, UI, UPANG, PCC, UGC, Coral Way and Krypton Esplanade Hotel Corporation (KEHC) with aggregate amount of ₱6,303.0 million and ₱6,305.3 million as at March 31, 2025 and December 31, 2024, respectively, are used as collateral for their respective long-term debts obtained from local banks.

15. Investment Properties

This account consists of:

	January 1, 2025	**Additions**	**Acquisition thru business combination**	**Disposal**	**March 31, 2025 (Unaudited)**
Cost:					
Land	**624,740**	**12,879**	**1,872**	**-**	639,491
Buildings for lease	**445,660**	**1,685**		**-**	**447,345**
	1,070,400	**14,564**	**1,872**	**-**	**1,086,836**
Less accumulated depreciation -	**102,460**	**3,593**			**106,054**
Buildings for lease	**967,940**	**10,971**	**1,872**	**-**	**980,782**
				-	

	January 1, 2024	Additions	Disposals	December 31, 2024
Cost:				
Land	624,740	-	-	624,740
Buildings/units for lease	391,858	53,801	-	445,659
	1,016,598	53,801	-	1,070,399
Less accumulated depreciation:				
Buildings/units for lease	(91,127)	(11,332)	-	(102,459)
	925,471	42,469	-	967,940

	January 1, 2024	Additions	Disposal	March 31, 2024 (Unaudited)
Cost:				
Land	624,740	–	–	624,740
Buildings for lease	391,858	1,599	–	393,457
	1,016,598	–	–	1,018,197
Less accumulated depreciation -				
Buildings for lease	91,127	2,717	–	93,844
	925,471	(1,118)	–	924,353

As at March 31, 2025 and December 31, 2024, the fair values of the investment properties amounted to ₱4,367.3 million based on valuations performed by accredited independent appraisers on various dates from 2023 to 2024.

The description of the valuation techniques used and key inputs to fair valuation are as follows:

	Valuation technique	Significant inputs	Range (in absolute amounts)	Relationship of unobservable inputs to fair value
Land	Market comparison approach	Price per square meter	₱250 to ₱100,000	The higher the price per square meter, the higher the fair value.
Buildings/units for lease - PPHC	Income approach	Discount rates for similar lease contracts, market rent levels, expected vacancy and expected maintenance	Discount rate - 8%	The higher the rate, the lower the fair value.
			Expected vacancy - 5%	The higher the rate, the lower the fair value.
			Expected maintenance - 15% of gross revenue	The higher the rate, the lower the fair value.
			Market rent levels (housing units) - ₱33,134 to ₱46,648	The higher the market rental rate, the higher the fair value.
			Market rent levels (commercial units) - ₱8,021 to ₱17,783	The higher the market rental rate, the higher the fair value.
Buildings/units for lease - Parent Company	Market comparison approach	Price per square meter	₱201,400 to ₱282,100	The higher the price per square meter, the higher the fair value.

The fair value disclosure is categorized under Level 3, except for the investment property of COC which is categorized under Level 2.

PSHC's land amounting to ₱220.0 million as at March 31, 2025 and as at December 31, 2024, respectively, is used as a security for its long-term debt (see Note 20). Other than this, the Company has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties.

16. Intangible Assets

Following are the details and movements in this account:

	Student List	Software Costs	Trademark with Indefinite Useful Life	Goodwill	Total
Cost					
At January 1, 2024	165,638	215,758	15,335	2,225,190	2,621,921
Additions	-	44,960	830	427,277	473,067
Reclassification (Note 16)	-	15,252	-	-	15,252
At December 31, 2024 (Audited)	165,638	275,970	16,165	2,652,467	3,110,240
Reclassifications (see Note 11)	-	680	-	-	680
Additions	-	15,948		-	15,948
At March 31, 2025 (Unaudited)	**165,638**	**292,597**	**16,165**	**2,652,467**	**3,126,867**
Amortization and Impairment					
At January 1, 2024	(165,638)	(93,952)	(7,719)	(403,132)	(670,441)
Amortization (see Note 31)	-	(44,794)	(767)	-	(45,561)
At December 31, 2024 (Audited)	(165,638)	(138,746)	(8,486)	(403,132)	(716,002)
Amortization	-	27,884	192	-	28,075
At March 31, 2025 (Unaudited)	**165,638**	**166,629**	**8,677**	**403,132**	**744,076**
Net Book Value					
At March 31, 2025 (Unaudited)	**-**	**125,968**	**7,487**	**2,249,335**	**2,382,791**
At December 31, 2024 (Audited)	–	137,225	7,679	2,249,335	2,394,238

	Student List	Software Costs	Trademark with Indefinite Useful Life	Goodwill	Total
Cost					
At January 1, 2023	165,638	85,650	–	2,221,068	2,472,356
Acquisition through business combination	–	25,130	15,335	4,122	4,122
At December 31, 2023 (Audited)	165,638	215,760	15,335	2,225,190	2,621,923
Reclassifications (see Note 11)	–	–	–	–	–
Additions	–	1,897	–	–	1,897
At March 31, 2024 (Unaudited)	**165,638**	**217,656**	**15,335**	**2,225,190**	**2,623,819**
Amortization and Impairment					
At January 1, 2023	165,638	49,861	–	403,132	618,631
Acquisition through business combination	–	15,275	6,541	–	21,816
Amortization (see Note 31)	–	28,816	1,179	–	29,995
At December 31, 2023 (Audited)	165,638	93,952	7,720	403,132	670,442
Amortization	**–**	8,704	158	**–**	8,862
At March 31, 2024 (Unaudited)	**165,638**	**102,656**	**7,878**	**403,132**	**679,304**
Net Book Value					
At March 31, 2024 (Unaudited)	**–**	**115,001**	**7,458**	**1,822,058**	**1,944,517**
At December 31, 2023 (Audited)	–	121,806	7,616	1,822,058	1,951,480

17. Other Noncurrent Assets

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Advances to suppliers and contractors	**761,809**	622,541
Deposit in escrow – bonds	**49,401**	49,401
Refundable and other deposits	**28,372**	28,201
Creditable withholding taxes	**7,812**	7,812
Indemnification assets	**6,412**	6,412
Others	**20,097**	19,721
	884,802	734,088

18. Notes Payable and Trust Receipts Payable

This account consists of notes payable of the Parent Company and subsidiaries:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
PCC	**5,239,000**	5,269,000
PPHC	**5,197,008**	4,670,294
UGC	**1,690,687**	1,690,495
PSEC	**529,000**	253,000
COC	**300,000**	270,000
UPANG	**270,000**	270,000
SWU	**100,000**	100,000
PHN	**3,411,876**	3,400,000
AU	**100,000**	100,000
	16,837,570	16,022,789

The notes payable are unsecured short-term peso-denominated loans obtained from financial institutions with an annual interest rate ranging between 4.25% to 17.0% and 4.63% to 17.0% in 2025 and 2024, respectively.

Trust Receipts Payable

Trust receipts payable pertains to short-term import loans from banks for purchases of inventories from foreign suppliers amounting to ₱973.76 million and ₱695.12 million with an annual interest of 6.6% and 7.5% for 60-182 days as at March 31, 2025 and December 31, 2024, respectively. UGC and Philcement opened lines of credit with local banks that would initially pay the suppliers' banks for the cost of imported goods upon the receipt of the Company of the commercial invoice from the supplier. Thereafter, UGC and Philcement banks will bill the Company for the amount paid to suppliers' banks.

19. Trade and Other Payables

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade	**2,259,233**	1,826,861
Accruals for:		
Professional fees and others	**1,177,537**	1,196,706
Commission	**299,029**	290,170
Personnel costs (Note 30)	**197,230**	162,067
Freight, hauling and handling	**25,391**	81,872
Interest (see Notes 23 and 32)	**182,443**	175,871
Processing cost	**190**	-
Premiums Due	**9,179**	-
Dividends	**135,529**	214,981
Deposits from buyers	**232,581**	256,399
Retentions payable	**153,144**	168,662
Deposit liabilities	**254,367**	69,640
Liability from acquisition of land	**92,276**	94,269
Others	**238,467**	180,368
	5,256,646	4,717,866

20. Contract Liabilities

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Unearned revenues	**526,394**	2,375,967
Customers' deposits	**196,520**	831,108
	722,914	3,207,075

Unearned revenues pertain to portion of tuition fees received or due from students to which the Company still has an obligation to transfer services to the students within the next financial year. The amount of unearned revenues for a term shall be divided equally by the number of months covered by the term (five months each for the 1st and 2nd semesters and two months for summer). The resulting amount shall be recorded as the amount of tuition and school fees for the month, net of amortization of deferred scholarship and discounts. Customers' deposits pertain to cash advance received to which the Company has an obligation to deliver roofing and other steel products and installation services within the next financial year.

21. Long-term Debt

Long term debt as at March 31, 2025 and December 31, 2024 are as follows:

	2025		2024	
	Current portion	**Non-current portion**	Current portion	Non-current portion
PHN fixed rate bonds, net of debt issuance costs	-	-	-	-
Long term loans payable, net of debt issuance costs	**4,361,526**	**6,809,507**	**5,349,901**	**5,587,656**
	4,361,526	**6,809,507**	**5,349,901**	**5,587,656**

PHN Fixed Rate Bonds due 2024

There are no fixed rate bonds as at December 31, 2024.

	Amount
Principal	3,000,000
Less: debt issuance cost	-
	3,000,000
Payment	(3,000,000)
	-

On May 6, 2021, the Parent Company filed with the SEC a Registration Statement for the proposed offering of three-year fixed rate bonds due 2024 with an aggregate principal amount of up to two Billion Pesos (₱2,000,000,000.00), with an oversubscription option of up to One Billion Pesos (₱1,000,000,000.00) at an offer price of 100% of face value. This bond offering was authorized by resolutions of the BOD of the Parent Company on March 2, 2021 and the Executive Committee of the Parent Company on April 30, 2021. The Certificate of Permit to offer securities for sale was issued by SEC on August 10, 2021.

The interest rate was set at 3.5335% and the offer period commenced at 9:00 a.m. on August 10, 2021 and ended at 5:00 p.m. on August 16, 2021. The Parent Company appointed China Bank Capital Corporation and SB Capital Investment Corporation as Joint Issue Managers and Joint Lead Underwriters; Rizal Commercial Banking Corporation –Trust and Investments Group as the Trustee; and Philippine Depository & Trust Corp. as the Registrar and Paying Agent. The Bonds have a term ending three (3) years from the Issue Date, or on August 20, 2024. In 2024, the Company fully settled the bond liability upon maturity.

The bonds were listed in the Philippine Dealing & Exchange Corp. on August 20, 2021.

The balance of unamortized debt issuance cost follows:

	2024
Beginning of year	**10,802**
Amortization	**(10,802)**
End of year	**-**

Long- Term Loans

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
PHN	**2,855,000**	2,860,000
PEHI	**1,871,963**	1,889,240
PCC	**1,324,313**	1,423,500
UGC	**850,000**	862,500
UPANG	**659,865**	673,350
SWU	**576,000**	577,500
PPHC	**490,313**	490,625
AU	**563,125**	368,333
UI	**514,875**	520,000
COC	**510,125**	314,688
SJC	**370,000**	370,000
PHINMA Solar	**169,278**	175,789
PSHC	**93,998**	93,998
Coral Way	**206,500**	211,500
RCL	**100,000**	100,000
UCLI	**50,000**	50,000
	11,205,355	10,981,023
Less debt issuance cost	**34,322**	(43,466)
	11,171,033	10,937,557
Less current portion - net of debt issuance cost	**4,361,526**	5,349,901
	6,809,507	5,587,656

The debt agreements presented in the succeeding pages include, among others, certain restrictions and requirements. The loan agreements with Security Bank Corporation (SBC), Rizal Commercial Banking Corporation (RCBC) and China Banking Corporation (CBC) stipulate, among others, positive and negative covenants which must be complied with by PHN, UGC, PCC, PEHI, AU, COC, UPANG, UI, SWU, PPHC and Coral Way for as long as the loans remain outstanding. Negative covenants include certain restrictions and requirements, such as maintenance of certain current, debt-to-equity and debt service coverage ratios.

As at December 31, 2024, the Company is in compliance with the required financial ratios and other loan covenants, except for two (2) subsidiaries, UGC and PCC, which resulted to the classification of long-term debt amounting to ₱1,711.2 million to current liabilities. UGC breached the required current, debt-to-equity and debt service coverage ratios. PCC breached the required debt-to-equity ratio.

In March 2025, PCC obtained a waiver from the bank related to the breach in the debt-to-equity ratio and classified the long-term debt to non-current.

Certain assets amounting ₱6,303.0 million and ₱6,305.3 million as at March 31, 2025 and December 31, 2024, respectively, are mortgaged as collaterals for the respective long-term debts as follows (see Notes 16 and 17):

Entity	Collateral
AU	Land and land improvements in the main campus
COC	Land in the main campus
UPANG	Land and land improvements
UI	Land and land improvements
Philcement	Assignment of leasehold rights on the land where the cement terminal is constructed, registration of real estate or chattel mortgage on cement terminal building, equipment and other assets, and assignment of port ownership, right to land lease and rights to foreshore lease
UGC	Land, plant site improvements, buildings and installations and machinery and equipment
PSHC	Land
PPHC	Real estate ICR under receivable purchase agreements
Coral Way	Real estate mortgage on a hotel building
KEHC	Assignment of the lease rights over the land where the hotel is constructed and real estate mortgage over the hotel building and its permanent improvements

PEHI's loan agreement with CBC is covered by a negative pledge on the shares of stocks held by PEHI with AU, COC, UPANG, UI and SWU.

The balance of unamortized debt issuance cost follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning of year	**43,466**	71,218
Additions	**6,693**	3,750
Acquisition through business combination	**-**	-
Amortization	**(15,837)**	(31,502)
End of year	**34,322**	43,466

The details of long-term debts are summarized below:

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
PEHI	1,500,000	December 7, 2015	RCBC	28 equal quarterly payments of ₱3.8 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 7, 2019.	December 7, 2025	First five years is based on the three-day average of five-year Philippine Dealing System Treasury Reference Rate (PDST-R2) plus a 1.35% spread or 5.00%, whichever is higher, and to be repriced at the end of the fifth year for the remaining five years at an interest rate based on the interest rate then current or the applicable five-year benchmark rate plus 1.35% spread or 5.00%, whichever is higher.	The loan is availed to finance the acquisition of majority ownership in AU, COC, UPANG, UI and SWU.	December 7, 2015	₱500,000	**401,156**	407,906
PEHI		December 7, 2015	RCBC	28 equal quarterly payments of ₱6.8 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 7, 2019.	December 7, 2025	First seven years is based on the three-day average of seven-year PDST-R2 plus a 1.40% spread or 5.00%, whichever is higher, and to be repriced at the end of the seventh year for the remaining three years at an interest rate based on the interest rate then current or the applicable three-year benchmark rate plus 1.40% spread or 5.00%, whichever is higher.		December 7, 2015	900,000	**730,955**	731,222
PEHI	1,000,00	December 1, 2015	CBC	28 equal quarterly payments of ₱3.8 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 8, 2019.	December 8, 2025	First five years is based on the three-day average of five-year PDST-R2 plus a 1.35% spread or 5.00%, whichever is higher, and to be repriced at the end of the fifth year for the remaining five years at an interest rate based on the interest rate then current or the applicable five-year benchmark rate plus 1.35% spread or 5.00%, whichever is higher.	The loan is availed to finance the acquisition of majority ownership in AU, COC, UPANG, UI and SWU.	December 8, 2015	500,000	**403,599**	410,349
PEHI	364,00	December 27, 2021	RCBC	16 equal quarterly payments of ₱2.73 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 27, 2022.	December 7, 2025	First 7 years is based on the 3-day average of 7-year PDST-R2 plus a 1.40% spread or 5.00%, whichever is higher, and to be repriced at the end of the 7th year for the remaining 3 years at an interest rate based on the interest rate then current or the applicable 3-year benchmark rate plus 1.40% spread or 5.00%, whichever is higher.	The loan is availed to refinance the loan used to invest in majority ownership of PEHI's subsidiaries, AU, COC, UPANG, UI and SWU.	December 27, 2022	364,000	**329,434**	329,434

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
COC	125,000	June 24, 2018	CBC	28 unequal quarterly payments as follows: 8 quarterly installments of ₱ 0.3 million from October 9, 2021 to July 9, 2023; 8 quarterly installments of ₱1.6 million from October 9, 2023 to July 9, 2025; 8 quarterly installments of ₱3.1 million from October 9, 2025 to July 9, 2027 and 4 quarterly installments of ₱21.3 million from October 9, 2027 to July 9, 2028. First principal payment commenced on July 9, 2021.	July 9, 2028	Fixed rate of 6.25% p.a. for the first five years; for remaining five years, higher of applicable five-year PDST-R2 plus a spread of up to 100 bps or 6.25% p.a.	The loan is availed to fund the expansion projects and development plans.	July 9, 2018	125,000	**114,125**	**114,688**
COC	200,000	February 1, 2023	CBC	Quarterly principal payments as follows: ₱1.69 million from May 10, 2025 to November 10, 2032 and; ₱97.5 million upon maturity on February 10, 2033	February 10, 2033	Interest payable quarterly in arrears at 7.3170% p.a. fixed up to 2/10/2028, and 7.6258% p.a. thereafter up to 2/10/2030. On the day after the seventh (7th) anniversary from the Initial Drawdown Date until the Maturity Date, the Interest Rate per annum shall be reset on the Interest Rate Resetting Date to the higher of: (a) Benchmark Rate plus Interest Spread, divided by the Interest Premium Factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans	February 10, 2023	150,000	**148,950**	149,343
COC		February 1, 2023	CBC	Quarterly principal payments as follows: ₱0.565 million from May 10, 2025 to November 10, 2032 and; ₱32.5 million upon maturity on February 10, 2033	February 10, 2033	Interest payable quarterly in arrears at 7.2824% per annum fixed up to February 10, 2028, and 7.5897% per annum thereafter up to February 10, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.		March 17, 2023	50,000	**48,742**	49,771
COC	200,000	March 10, 2025	SBC	36 quarterly installments of 5.5million for the first 9 years and 50million quarterly on the 10th year	March 19, 2035	First 2 years floating rate, with repricing on semi-annual basis.	The loan is availed to fund the capital expenditures and expansion plans	March 19, 2025	200,000	**200,000**	-
UI	200,000	December 12, 2017	CBC	Quarterly principal payments as follows: ₱1.0 million per quarter for the 3rd and 4th year from initial drawdown; ₱1.5 million per quarter for the 5th and 6th year; ₱2.5 million per quarter for the 7th until 9th year and ₱37.5 million per quarter for the 10th year.	December 20, 2027	Fixed for the first seven years. Applicable seven- year PDST-R2 a spread up to 1.25%, for the remaining three years, the applicable three-year PDST-R2 plus a spread up to 1.25%	The loan is availed to finance the expansion and development plans, including school building upgrades and improvement of the existing facilities.	December 20, 2017	100,000	**83,237**	84,487

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
UI		December 12, 2017	CBC	Principal payments will be the same with the first drawdown. As per agreement both the first and second drawdown will be repaid at the same dates and terms.	December 20, 2027	Fixed for the first seven years. Applicable seven- year PDST-R2 a spread up to 1.25%, and for the remaining three years, the applicable three-year PDST-R2 plus a spread up to 1.25%.		April 24, 2018	100,000	**83,499**	84,749
UI	200,000	October 14, 2022	RCBC	Quarterly principal payments as follows: ₱1.5 million per quarter from the beginning of the 3rd year drawn	December 18, 2032	For the first seven years, from the initial drawn date to the end of the 7th year. Interest shall be based on the sum of the applicable 7-year benchmark and margin. For the next 3 years: from the beginning of the 8th year to final maturity date - sum of the applicable 3-year benchmark and the margin.	The loan is availed to finance the expansion and development plans, including school building upgrades and improvement of the existing facilities.	October 18, 2022	200,000	**196,750**	199,375
UI	150,000	October 17, 2024	RCBC	Quarterly principal payments as follows: ₱1.5 million per quarter from the beginning of the 3rd year drawn	October 17, 2032	For the first seven years, from the initial drawn date to the end of the 7th year. Interest shall be based on the sum of the applicable 7-year benchmark and margin. For the next 3 years: from the beginning of the 8th year to final maturity date - sum of the applicable 3-year benchmark and the margin. 6.9836% inclusive of GRT (first 5 years); 7.2048% inclusive of GRT (next 2 years)	The loan is availed to finance the expansion and development plans, including school building upgrades and improvement of the existing facilities.	October 17, 2024	150,000	**148,914**	148,914
AU	100,000	November 29, 2019	CBC	27 equal quarterly payments of ₱1.5 million starting from November 29, 2022 to May 5, 2029 with the remaining balance of ₱ 60.3 million to be paid on maturity date. First principal payment commenced on February 28, 2023.	November 29, 2029	Fixed rate for the first five years based on the five-year Benchmark rate of the term plus interest spread or a floor rate of 5.25% plus applicable GRT. Interest rate is subject for repricing for the remaining five years based on: i. Initial interest rate; or ii. Then prevailing five-year Benchmark rate plus interest spread, whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	November 29, 2019	100,000	**86,875**	88,672
AU	100,000	November 29, 2019	CBC	28 unequal quarterly payments as follows: 8 quarterly installments of ₱ 2.5 million from February 28, 2023 to November 29, 2024; 16 quarterly installments of ₱3.8 million from February 28, 2025 to November 29, 2028 and four quarterly installments of ₱5.0 million from February 28, 2029 to November 29, 2029. First principal payment commenced on February 28, 2023.	November 29, 2029	Fixed rate for the first five years based on the five-year Benchmark rate of the term plus interest spread or a floor rate of 5.25% plus applicable GRT. Interest rate is subject for repricing for the remaining five years based on: i. Initial interest rate or ii. Then prevailing five-year Benchmark rate plus interest spread, whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	November 29, 2019	100,000	**76,250**	79,569
AU	200,000	February 1, 2023	CBC	Quarterly principal payments as follows: ₱1.1 million from June 1, 2025 to December 1, 2032 and; ₱65.0 million upon	March 1, 2033	Interest payable quarterly in arrears at 7.3900% per annum fixed up to March 1, 2028, and 7.7019% per annum thereafter up to March 1, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity	The loan is availed to fund the capital expenditures and expansion plans.	March 1, 2023	100,000	**99,443**	99,446

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
				maturity on March 1, 2033		date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.					
AU	Included in the ₱200 million loan facility taken on February 1, 2023	February 1, 2023	CBC	Quarterly principal payments as follows: ₱1.1 million from June 1, 2025 to December 1, 2032 and; ₱65.0 million upon maturity on March 1, 2033	March 1, 2033	Interest payable quarterly in arrears at 7.7601% per annum fixed up to March 1, 2028, and 8.8076% per annum thereafter up to March 1, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	July 11, 2023	100,000	**99,387**	99,390
AU	200,000	March 17, 2025	CBC	28 quarterly installments of 14million from 6/17/2027 to 3/17/2032, quarterly installment of P102million from 6/17/2032 until maturity	March 17, 2035	First 2 years floating rate, with repricing on semi-annual basis + 8 years tiered fixed rate.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	March 17, 2025	200,000	**200,000**	-
UPANG	190,000	March 27, 2018	CBC	32 unequal quarterly payments as follows: ₱1.9 million from June 27, 2020 to March 27, 2022; ₱2.9 million from June 27, 2022 to March 27, 2025; ₱4.8 million from June 27, 2025 to March 27, 2027; and ₱25.7 million from June 27, 2027 to March 27, 2028.	March 27, 2028	Interest shall be payable quarterly in arrears from February 27, 2018 to June 27, 2018 (92 days) shall be at 6.50% inclusive of GRT fixed for the first five years. Interest shall be based on five-year PDST-R2 (5.22% + 122 bps + 1% GRT. The interest rate for the remaining five years of the loan shall be the PDST-R2 plus a spread of up to 125 bps or 6.50% whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	March 27, 2018	190,000	**140,813**	143,061
UPANG	200,000	February 1, 2023	CBC	Quarterly principal payments as follows: ₱1.1 million from May 27, 2025 to November 27, 2032 and; ₱65.0 million upon maturity on February 27, 2033	February 27, 2033	Interest payable quarterly in arrears at 7.3871% per annum fixed up to February 27, 2028, and 7.6988% per annum thereafter up to February 27, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	February 27, 2023	₱100,000	**99,594**	99,594

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
UPANG	Included in the ₱200 million loan facility taken on February 1, 2023.	February 1, 2023	CBC	Quarterly principal payments as follows: ₱0.57 million from May 27, 2025 to November 27, 2032 and; ₱32.5 million upon maturity on February 27, 2033	February 27, 2033	Interest payable quarterly in arrears at 7.4081% p.a. fixed up to 2/27/2028, and 7.7207% p.a. thereafter up to 2/27/2030. On the day after the seventh (7th) anniversary from the Initial Drawdown Date until the Maturity Date, the Interest Rate per annum shall be reset on the Interest Rate Resetting Date to the higher of: (a) Benchmark Rate plus Interest Spread, divided by the Interest Premium Factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	July 3, 2023	50,000	**49,771**	49,771
UPANG	Included in the ₱200 million loan facility taken on February 1, 2023.	February 1, 2023	CBC	31 quarterly installments of ₱0.564 million from May 27, 2025 to November 27, 2032, full payment of ₱32.5 million upon maturity	February 27, 2033	Interest payable quarterly in arrears at 7.3775% p.a. fixed up to 2/27/2028, and 7.6888% p.a. thereafter up to February 27, 2030. On the day after the seventh (7th) anniversary from the Initial Drawdown Date until the Maturity Date, the Interest Rate per annum shall be reset on the Interest Rate Resetting Date to the higher of: (a) Benchmark Rate plus Interest Spread, divided by the Interest Premium Factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	December 13, 2023	50,000	**49,776**	49,776
UPANG Urdaneta	100,000	September 29, 2015	RCBC	28 quarterly payments, to commence at the end of the 13th quarter from the initial drawdown date.	September 29, 2025	Interest shall be payable quarterly in arrears. i. Fixed rate for the first seven (7) years of the term based on three-day average of seven-year PDST-R2 + 1.42%, subject to repricing at the end of the seventh year; and ii. On the last three years of the term, the interest rate shall be based on the interest rate then current or the three-day average of three-year PDST-R2 + 1.42%, whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	September 29, 2015	₱100,000	**22,414**	29,889
UPANG Urdaneta	300,000	April 25, 2023	RCBC	31 quarterly payments of ₱1.5 million with the remaining balance of ₱84.5 million to be paid on maturity date. First principal payment will commence on September 1, 2025.	June 1, 2033	Interest payable quarterly in arrears at 7.0200% per annum fixed up to June 1, 2028 and 7.3160% thereafter up to June 1, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	June 1, 2023	130,000	**127,449**	**1**29,397
UPANG Urdaneta	Included in the ₱300 million loan facility taken on April 25, 2023.	April 25, 2023	RCBC	31 quarterly installments of ₱0.790 million from September 1, 2025 to March 1, 2033, full payment of ₱45.5 million upon maturity	June 1, 2033	Interest payable quarterly in arrears at 7.652% p.a. fixed up to June 1, 2028 and 7.9750% thereafter up to June 1 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	September 8, 2023	70,000	**69,648**	69,734
UPANG Urdaneta	Included in the ₱300 million loan facility taken on April 25, 2023.	April 25, 2023	RCBC	31 quarterly installments of ₱0.566million from September 1, 2025 to March 1, 2033, full payment of ₱32.5million upon maturity.	June 1, 2033	Interest payable quarterly at 7.691% inclusive of GRT (first 5 years); 8.015% inclusive of GRT (next 2 years)	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	July 5, 2024	50,000	**49,612**	50,475

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
UPANG Urdaneta	Included in the ₱300 million loan facility taken on April 25, 2023.	April 25, 2023	RCBC	31 quarterly installments of ₱0.566million from September 1, 2025 to March 1, 2033, full payment of ₱32.5million upon maturity.	June 1, 2033	Interest payable quarterly at 7.199% inclusive of GRT (first 5 years); 7.5030% inclusive of GRT (next 2 years)	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	November 22, 2024	50,000	**49,621**	50,486
SWU	400,000	December 6, 2017	RCBC	28 quarterly payments of ₱1.0 million. First principal payment commenced on March 7, 2021.	December 7, 2027	Interest is payable quarterly in arrears, commencing at the end of the first quarter from the initial drawdown date. Interest shall be fixed at 6.66% from years one to five and at 6.94% onwards until maturity.	The loan is availed to finance the building development, expansion and purchase of equipment for SWU's Hospital and building developments.	December 7, 2017; December 20, 2017; March 29, 2018	100,000 200,000 100,000	**95,750** **191,500** **95,750**	96,000 192,000 96,000
SWU	200,000	April 18, 2018	CBC	27 equal quarterly payments of ₱0.5 million with the remaining balance to be paid on maturity date. First principal payment commenced on July 18, 2021.	April 18, 2028	6.4178% from years one to five and subsequently interest shall be based on the applicable five-year base rate plus spread up to 125 basis points. Effective April 18, 2023, the interest rate was repriced to 7.44%.	The loan is availed to finance the building development, expansion and purchase of equipment for SWU's Hospital and building developments.	April 18, 2018	200,000	**193,000**	193,500
SJC	110,000	April 25, 2023	RCBC	31 quarterly payments of ₱1.2 million with the remaining balance of ₱71.5 million to be paid on maturity date. First principal payment commenced will commence on August 3, 2025	May 3, 2033	Interest payable quarterly in arrears at 7.2320% per annum fixed up to May 3, 2028 and 7.5340% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	May 3, 2023	110,000	**109,560**	109,506
SJC	70,000	April 25, 2023	RCBC	31 quarterly payments of ₱0.79 million with the remaining balance of ₱45.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025	May 3, 2033	Interest payable quarterly in arrears at 7.0670% per annum fixed up to May 3, 2028 and 7.3650% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	May 31, 2023	70,000	**69,711**	69,678
SJC	90,000	April 25, 2023	RCBC	31 quarterly payments of ₱1.0 million with the remaining balance of ₱58.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025	May 3, 2023	Interest payable quarterly in arrears at 7.5080% per annum fixed up to May 3, 2028 and 7.824% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	July 5, 2023	90,000	**89,624**	89,579
SJC	100,000	February 5, 2024	RCBC	31 quarterly payments of ₱ 0.5 million with the remaining balance of ₱32.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025.	May 3, 2033	Interest payable quarterly in arrears at 7.5080% p.a. fixed up to May 3, 2028 and 7.824% thereafter up to May 3, 2030.From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	February 5, 2024	50,000	**49,742**	49,716

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
SJC				31 quarterly payments of ₱ 0.5 million with the remaining balance of ₱32.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025.	May 3, 2033	Interest payable quarterly in arrears at 7.1102% p.a. fixed up to May 3, 2028 and 7.4095% thereafter up to May 3, 2030.From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	November 8, 2024	50,000	**49,642**	49,632
RCL	100,000	March 19,2024	RCBC	31 quarterly payments of | ₱0.564 million with the remaining balance of 39.5 million to be paid on maturity date. First principal payment will commence on September 27, 2026.	June 27, 2034	Interest payable quarterly in arrears at 7.690% p.a. fixed up to June 27, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	June 27, 2024	50,000	**48,904**	49,625
RCL			RCBC	31 quarterly payments of ₱0.564 million with the remaining balance of ₱39.5 million to be paid on maturity date. First principal payment will commence on September 27, 2026.	June 27, 2034	Interest payable quarterly in arrears at 7.3035% p.a. fixed up to June 27, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	August 15, 2024	50,000	**48,903**	49,626
UCLI	50,000	August 15, 2024	RCBC	31 quarterly payments of ₱0.564 million with the remaining balance of ₱39.5 million to be paid on maturity date. First principal payment will commence on August 15, 2026.	May 15, 2034	Interest payable quarterly in arrears at 7.3035% p.a. fixed up to August 15, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	August 15, 2024	50,000	**49,625**	49,626
PHN	2,000,000	May 23, 2017	SBC	Principal repayment shall commence at the end of the 3rd year from initial drawdown date until maturity date; balloon payment amounting to ₱1.9 billion or 94% of principal amount on maturity date.	May 21, 2027	Interest rate is equivalent to: i) the applicable 10-year PDST-R2 Benchmark Rate plus an interest spread of 125 basis points per annum (1.25% p.a.), and ii) 6.25% p.a., whichever is higher.	The loan is availed to refinance investments in subsidiaries and other general corporate purposes.	May 23, 2017	2,000,000	**1,901,060**	1,905,633
PHN	1,000,000	July 11, 2023	CBC	Principal repayment of ₱50.0 million after 1 year of initial drawdown date and balance on principal amount on maturity date.	July 17, 2025	With regular interest of 7.8557%. Interest to be paid on quarterly basis.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	July 17, 2023	1,000,000	**948,843**	947,900
UGC	1,000,000	February 18, 2022	BDO	Principal amortization commences three months after drawdown date and every quarter thereafter and shall be paid based on 1.25% every quarter for 4 years and the remaining 80% paid in balloon upon maturity.	February 18, 2027	Interest rate is based on 3Y BVAL 3.3618+ spread 1.25%= 4.6118% + 5% GRT = 4.8545%	The loan is availed to refinance the outstanding loan of UGC with BDO and convert the short term loans to long-term loans.	February 18, 2022	1,000,000	**846,241**	858,255

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
PCC	720,000	February 26, 2021	SBC	Eight quarterly principal payments of ₱10.3 million, nine quarterly principal payments of ₱20.5 million and remaining balance to be paid at maturity date	June 13, 2025	Interest rate of 6.73% GRT inclusive, fixed rate up to maturity Interest rate of 6.84% GRT inclusive, fixed rate up to maturity	The loan is availed to partially finance the acquisition of Phase 2 port terminal. This is a continuation of the remaining tenor with the original SNPSI loan.	February 26, 2021	369,363 350,637	**102,411** **97,219**	122,669 116,449
PCC	500,000	March 19, 2021	SBC	20 unequal quarterly payments	March 30, 2026	Interest rate of 5.1% GRT inclusive, fixed rate up to March 29, 2024 and for the remaining two years, the applicable two-year BVAL plus 40 bps, subject to a floor rate of 5.1%	The loan is availed to refinance short-term project costs and finance the mixer facility.	March 19, 2021	₱500,000	**183,545**	232,333
PCC	1,000,000	September 5, 2023	SBC	Eight quarterly principal payments of ₱10.0 million, Four quarterly payments of ₱50.0 million and four quarterly payments of ₱ 180.0 million. First principal payment commenced on December 7, 2023.	September 7, 2027	Interest rate of 7.2056% fixed rate for the first 2 years, subject to repricing at the end of the 2nd year (2+2 structure)	The loan is availed to refinance existing loans and finance the expansion and improvement projects in the Mariveles facility.	September 7, 2023	1,000,000	**931,717**	940,466
Phinma Solar	20,000	June 25, 2021	DBP	Principal repayment to commence at the end of the fifth (5th) quarter from date of Initial Draw Down. Principal shall be payable in thirty-six equal quarterly installments.	August 13, 2031	4.875% (4.924% GRT inc.) for the 1st 5 years. Next 5 years based on the relevant 5YR BVAL + 1% spread with a floor rate not lower than the rate prior to repricing (4.875%). Interest to be paid on quarterly basis	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	August 31, 2021	20,000	**14,379**	14,929
Phinma Solar	80,000	April 21, 2022	DBP	Principal repayment to commence at the end of the sixth (6) months from date of Draw Down. Principal shall be payable in thirty-six equal quarterly installments.	August 13, 2031	With regular interest of 6.37710%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	April 21, 2022	80,000	**57,482**	59,678
Phinma Solar	50,000	August 2, 2023	DBP	Principal repayment commenced on August 13, 2023 from date of drawdown and principal shall be payable in 33 equal quarterly installments.	August 13, 2031	With regular interest of 7.31470%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	August 2, 2023	50,000	**39,147**	40,640
PHINMA Solar	40,000	November 10, 2023	DBP	Principal repayment commenced on November 13, 2023 and shall be payable in 32 equal quarterly installments.	August 13, 2031	With regular interest rate of 7.5413%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	November 10, 2023	40,000	**32,288**	33,520
PHINMA Solar	30,000	December 22, 2023	DBP	Principal repayment commenced on February 13, 2024 and shall be payable in 31 equal quarterly installments.	August 13, 2031	With regular interest rate of 6.9291%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	December 22, 2023	30,000	**24,658**	25,588

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
PSHC	154,000	July 15, 2006	UPPC	Annual installment payments of ₱4 million for 32 years starting December 31, 2021.	December 31, 2052	The effective interest rate after the modification of term is 6.80%	The loan is availed to finance the acquisition of land from UPPC.	July 15, 2006	154,000	**93,998**	93,998
PPHC	500,000	March 31, 2016	CBC	Payable in 36 quarterly installments with final repayment on April 11, 2026. Annual principal payment of 1/4 of 1% of beginning principal balance to commence on 5th quarter with remaining principal balance payable on final maturity date. The loan has prepayment option and contains negative pledges.	April 11, 2026	Fixed interest rate per annum of 6.1567% Fixed interest rate per annum of 6.04%	The loan is availed to finance the ongoing projects of PPHC.	April 11, 2016 March 20, 2016	100,000 400,000	**97,941** **391,879**	98,003 392,010
Coral Way	200,000	October 29, 2015	|BDO	40 quarterly installments in June 2021, the term of the loan was refinanced under the same term of the facility agreement except that the loan principal is payable quarterly until 2026.	October 29, 2026	First 7 years - fixed based on a seven-year Philippine Daily System Treasury Fixing - R2 benchmark rate plus the minimum spread of 1.4% or annual fixed 5.75%; whichever is higher. Next 3years – subject to repricing after the 7th year based on the prevailing market rate as mutually agreed upon by the third parties.	The loan is availed to partially finance the equity contribution in a subsidiary for construction of a hotel.	October 29, 2015	200,000	**52,500**	57,500
KEHC	300,000	January 2017	CBC	35 quarterly installments	January 2017	The term loan bears quarterly interest of 5.5% for the first seven (7) years and subject to repricing after the 7th year.	The loan is availed to partially finance the construction of a hotel and for working capital requirements.	January 2017	300,000	**154,000**	154,000
Total										**11,171,033**	10,937,557

22. Equity

a. Capital Stock

The composition of the Parent Company's capital stock as at March 31, 2025 and December 31, 2024 is as follows:

	2025		2024	
	Number of Shares	**Amount**	Number of Shares	Amount
Preferred - cumulative, nonparticipating, ₱10 par value				
Class AA – Authorized	**50,000,000**	**500,000**	50,000,000	500,000
Class BB – Authorized	**50,000,000**	**500,000**	50,000,000	500,000
Issued and subscribed	**-**	**-**	-	-
Common - ₱10 par value				
Authorized	**420,000,000**	**4,200,000**	420,000,000	4,200,000
Issued	**336,303,550**	**3,363,036**	336,303,550	3,363,036
Subscribed	**39,994**	**400**	39,994	400
Issued and subscribed	**336,343,544**	**3,363,436**	336,343,544	3,363,436
Less: Subscription receivable		**(124)**		(124)
	336,343,544	**3,363,312**	336,343,544	3,363,312

The issued and outstanding shares as at March 31, 2025 and December 31, 2024 are held by 1,206 equity holders, respectively.

Capital stock presented in the statements of financial position is net of subscription receivable amounting to 0.1 million as at March 31, 2025 and December 31, 2024.

The following summarizes information on the Parent Company's track record of registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Issue/Offer Price
March 12, 1957	1,200,000	10
June 12, 1968	1,000,000	10
April 7, 1969	800,000	10
January 21, 1980	2,000,000	10
November 3, 1988	10,000,000	10
October 13, 1992	25,000,000	10
June 3, 1995	60,000,000	10
March 16, 1999	320,000,000	10

a. Retained Earnings

Appropriated

In February 2020, the Parent Company's BOD approved the appropriation of ₱165.5 million of retained earnings for the buyback of PHN shares until February 2022.

On November 10, 2021, an appropriation was made for the investment in Construction Materials business until December 31, 2022 amounting to ₱1.1 billion. Another ₱500.0 million of the retained earnings was appropriated for the Education business until December 31, 2022.

As at December 31, 2022, appropriated retained earnings amount to ₱1,765.5 million.

On March 3, 2023, upon the expiration of the previously appropriated retained earnings of ₱1.1 billion, the Parent Company's BOD resolved to reverse the expired appropriation and re-appropriate the same amount for the investment in the Construction Materials business until December 31, 2024. On the same date, the Parent Company's BOD approved the appropriation of ₱500.0 million for the investment in PPHC.

In addition, the Parent Company's BOD approved the reversal of previous appropriations of retained earnings amounting to ₱500.0 million for investment in Education business in 2021 and ₱165.5 million for buyback of PHN shares in 2020.

As at December 31, 2024 and 2023, the appropriated retained the amounts to ₱1.6 billion.

On March 21, 2025, the Company's BOD approved the appropriation of ₱500 million for the investment in the Construction Materials Group and ₱500 million for the investment in the PHINMA Community Housing Corporation until December 31, 2026. In addition, the BOD approved the reversal of previous appropriations of retained earnings amounting to ₱500 million for the investment in PPHC and ₱1.1 billion for the investment in the Construction Materials business

Unappropriated

On March 1, 2022, the Parent Company's BOD declared a regular cash dividend of ₱0.40 per share or an equivalent of ₱108.8 million and a special cash dividend of ₱0.10 per share or an equivalent of ₱27.2 million, to all common shareholders of record as at March 22, 2022. The cash dividends were paid on April 6, 2022.

On March 3, 2023, the Parent Company's BOD declared a regular cash dividend of ₱0.60 per share or an equivalent of ₱171.8 million to all common shareholders of record as at March 22, 2023. The cash dividends were paid on April 5, 2023.

On March 5, 2024, the Parent Company's BOD declared a regular cash dividend of ₱0.60 per share or an equivalent of ₱171.8 million to all common shareholders of record as at March 25, 2024. The cash dividends were paid on April 12, 2024.

On April 14, 2025, the Parent Company's BOD declared a regular cash dividend of ₱0.60 per share or an equivalent of ₱201.8 million to all common shareholders of record as at May 13, 2025 payable on May 26, 2025.

The balance of retained earnings includes Parent Company's accumulated equity in net earnings of subsidiaries and associates which are not currently available for dividend declaration until declared by the respective subsidiaries and associates amounting to ₱1,703.3 million and ₱1,388.6 million as at March 31, 2025 and December 31, 2024, respectively.

c. Buyback of Shares

There was no share buy backs for the period ended March 31, 2025 and December 31, 2024.

d. Treasury shares

Details of treasury shares as at March 31, 2025 and December 31, 2024 are as follows:

	Parent Company Treasury Shares	Parent Company Shares held by ABCIC	
Number of shares			**Total**
Balance at beginning of year	**18,279**	**5,407,822**	**5,426,101**
Acquisition of shares	-	**104,000**	**104,000**
Issuance of shares	-	**(5,411,822)**	**(5,411,822)**
Acquisition through business combination	-	-	-
Balance at end of year	**18,279**	**100,000**	**118,279**
Balance at beginning of year	**182**	**57,727**	**57,909**
Acquisition of shares	-	**2,180**	**2,180**
Issuance of shares	-	**(57,807)**	**(57,807)**
Acquisition through business combination	-	-	-
Balance at end of year	**182**	**2,100**	**2,282**

In 2024, proceeds from the sale of 5,411,822 treasury shares amounts to ₱104.6 million. There are no treasury shares sold in 2023.

In 2022, the Parent Company sold 14,431,900 treasury shares with cost of ₱143.9 million for ₱281.4 million.

e. Parent company shares held by a subsidiary

In 2023, APHI acquired additional 164,100 PHN shares with a total cost of ₱3.2 million. As at December 31, 2023, APHI holds 5,407,822 shares with a total cost of ₱57.7 million accounted as treasury shares.

In 2024, APHI acquired additional 104,000 PHN shares with a total cost of ₱2.2 million. At the same period, APHI sold 5,411,822 shares. The gain of ₱49.0 million on the disposal of shares is accounted for as APIC. As at December 31, 2024, APHI holds shares with a total cost of ₱2.1 million, accounted for as treasury shares.

f. Stock rights offering (SRO)

On August 6, 2024, the Parent Company’s BOD approved the SRO. The proceeds will be used to support PHINMA Corporation's subsidiaries in relation to their relevant expansion plans, increase capital for the Company's potential new ventures and/or general corporate purposes.

On October 16, 2024, the SEC issued a Notice of Confirmation of Exempt Transaction confirming that the Offer is exempt from the registration requirements of the Securities Regulation Code.

On October 21, 2024, the Philippine Stock Exchange (PSE) approved the application of the Parent Company for the listing of up to 51,493,306 common shares (“Offer Shares”) for the Company’s SRO of common shares to be issued from the unissued capital stock of the Parent Company, at an offer price range of ₱19.42 to ₱21.55 per Offer Share.

On November 27, 2024, the Parent Company closed the SRO with an offered a total of 50,000,000 Common Shares with a par value of ₱10.00 per share (the "Rights Shares") at an offer price of ₱20.00 per share (the "Offer Price") and raised ₱1 billion in capital. The Offer Price was determined based on the volume-weighted average price of the Issuer's Common Shares traded on the PSE for each of the 90 consecutive trading days immediately prior to (and excluding) pricing date of 31 October 2024, subject to a discount of 3.46%. The entitlement ratio is one rights share for every 5.73 existing common shares.

The transaction resulted to increases in issued share capital of 50,000,000 common shares, capital stock of ₱500 million and additional paid-in capital of ₱473.5 million.

23. Cost of Sales, Educational, Real Estate Sold and Construction Services, Hospital and Installation Services

This account consists of:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Cost of sales	**3,498,506**	2,738,901
Cost of educational services	**638,155**	580,306
Cost of hospital services	**42,884**	36,887
Cost of installation	**23,115**	41,175
Cost of sales, educational, hospital and installation	**4,202,660**	3,397,269
Cost of real estate sold and construction services	**216,403**	183,639
Cost of hotel operations	**56,008**	66,762
Cost of management and administrative services	**28,125**	29,872
	4,503,195	3,677,542

The details of cost of sales, educational and hospital services are as follows:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Inventories used	**3,111,810**	2,388,262
Personnel costs	**447,721**	411,597
Depreciation	**171,258**	177,072
Power and fuel	**70,065**	36,632
Repairs and maintenance	**26,824**	32,036
Laboratory and school supplies	**31,438**	26,818
Rent expense	**25,262**	26,204
Graduation expenses	**50,532**	40,615
School affiliations and other expenses	**29,892**	24,248
Educational tour expenses	**34,712**	17,624
School materials, publication and supplies	**425**	6,232
Review expenses	**21,414**	11,225
Sports development and school activities	**1,758**	3,929
Subscription	**1,605**	2,273
Accreditation expenses	**1,004**	492
Installation cost	**23,115**	41,175
Others	**153,824**	118,623
	4,202,660	3,397,269

24. General and Administrative Expenses

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Personnel costs	**405,173**	359,211
Professional fees and outside services	**121,735**	201,170
Taxes and licenses	**72,546**	47,051
Depreciation and amortization	**54,923**	43,608
Utilities	**38,018**	26,720
Security and janitorial	**34,135**	27,846
Transportation and travel	**20,544**	21,508
Insurance	**18,677**	11,826
Meetings and conferences	**6,399**	8,009
Repairs and maintenance	**9,637**	13,033
Provision (reversal) for ECLs	**(107,411)**	(28,375)
Rent	**13,085**	8,368
Office supplies	**8,914**	4,055
Donations	**1,016**	8,393
Communications	**3,260**	3,277
Advertising and promotions	**1,085**	1,711
Dues and subscription	**3,146**	3,145
Others	**53,820**	40,858
	762,249	801,414

25. Selling Expenses

This account consists of:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Personnel costs	**66,948**	62,234
Advertising	**48,919**	38,424
Commission	**10,393**	14,087
Depreciation and amortization	**31,240**	12,411
Transportation and travel	**14,930**	11,642
Outside services	**1,616**	13,678
Taxes and licenses	**9,248**	6,823
Postage, telephone and telegraph	**2,703**	4,710
Insurance	**3,220**	3,023
Repairs and maintenance	**3,300**	3,116
Rent and utilities	**310**	815
Supplies	**1,170**	939
Entertainment, amusement and recreation	**1,145**	637
Freight, handling and hauling	**53,179**	3
Others	**10,034**	3,626
	258,355	176,167

26. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions and the parties are subject to common control. Related parties may be individual or corporate entities.

The Company has a policy that requires approval of related party transaction by the Audit and Related Party Transactions Committee of the BOD when these breach certain limits and/or when these are not of a usual nature.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For the periods ended March 31, 2025 and 2024, the Company's impairment of receivables from related parties amounted to nil. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The significant related party transactions entered into by the Company with its associates and entities under common control and the amounts included in the interim condensed consolidated financial statements with respect to such transactions are shown below.

Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties (Note 10)	Loans receivable (Note 10)	Terms	Conditions
2025							
Ultimate Parent							
PHINMA Inc.	Share in expenses, management fees and bonus	**50,980**	**46,092**	**1,178**	-	Noninterest-bearing; due and demandable; and to be settled in	Unsecured, no impairment
	Purchase of shares	**150,353**	-	-	-	cash at gross amounts.	
*Other related parties**							
PHINMA Insurance Brokers, Inc. (PHINMA Insurance), PHINMA Foundation, Inc., Phinma Plaza Condominium Corporation, Phinma Prism Property Development Corp.	Advances (PHINMA Prism)	-	-	**56,142**	-	Interest-bearing at range of 4.7% - 6.3% ; payable in March 2026 and to be settled in cash. This is presented as part of non-current receivables.	Unsecured, no impairment
	Interest income (PHINMA Prism)	**876**	-		-	Interest at 4.7% to 6.3% for 95 days; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
	Share in expenses	**4,957**	**31**	**88,399**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PHINMA Prism	Loan receivable	-	-	-	**196,803**	The loan to PHINMA Prism bear interest ranging from 7.21% to 7.75% with a maturity of 91 days up to 365 days This loan is due and demandable and collectible in cash.	Unsecured, no impairment
Shareholders of Parent Company	Loan receivable	-	-	-	**1,793**	Non-interest bearing; due and demandable, settled in cash at gross amounts.	Unsecured, no impairment
PTC Myanmar, IPM, PHINMA Saytanar (PSEd), PE International, Yayasan Triputra Persada	Share in expenses	**1,385**	**535**	**18,433**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PPSMI	Advances	**22,080**	-	**45,979**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
InPHIN8, PPSMI, DBHC, FBHC, SFSHC	Management And Incentive Fees	**3,076**	**160**	-	-	Noninterest-bearing; due and demandable;	Unsecured, no impairment
	Rent (Inphin8)	**2,674**	-	-	-	and to be settled in cash. at gross amounts.	
			46,818	**210,131**	**198,596**		

Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties (Note 10)	Loans receivable (Note 10)	Terms	Conditions
2024							
Ultimate Parent							
PHINMA Inc.	Share in expenses, management fees and bonus	**262,791**	**70,901**	**1,505**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
*Other related parties**							
PHINMA Insurance Brokers, Inc. (PHINMA Insurance), PHINMA Foundation, Inc., Phinma Plaza Condominium Corporation, Phinma Prism Property Development Corp.	Advances (PHINMA Prism)	-	-	**56,142**	-	Interest-bearing at range of 4.7% - 6.3% ; payable in March 2026 and to be settled in cash. This is presented as part of non-current receivables.	Unsecured, no impairment
	Interest income (PHINMA Prism)	**3,563**	-	**782**	-	Interest at 4.7% to 6.3% for 95 days; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
	Share in expenses	**20,310**	**6,478**	**81,990**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PHINMA Prism	Loan receivable	-	-	-	**196,803**	The loan to PHINMA Prism bear interest ranging from 7.21% to 7.75% with a maturity of 91 days up to 365 days This loan is due and demandable and collectible in cash.	Unsecured, no impairment
Shareholders of Parent Company	Loan receivable	-	-	-	**1,793**	Non-interest bearing; due and demandable, settled in cash at gross amounts.	Unsecured, no impairment
PTC Myanmar, IPM, PHINMA Saytanar (PSEd), PE International, Yayasan Triputra Persada	Share in expenses	**28,377**	**73**	**17,048**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PPSMI	Advances	**31,940**	-	**23,889**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
InPHIN8, PPSMI, DBHC, FBHC, SFSHC	Management And Incentive Fees	**32,537**	-	-	-	Noninterest-bearing; due and demandable;	Unsecured, no impairment
	Rent (Inphin8)	**9,493**	-	-	-	and to be settled in cash. at gross amounts.	
			77,452	**181,356**	**198,596**		

** Entities under common control or with common shareholders*

PHINMA, Inc. The Parent Company has a 5-year management contract with PHINMA, Inc. up to June 30, 2029, renewable thereafter mutual agreement. Under this contract, PHINMA, Inc. has a general management authority with corresponding responsibility over all operations and personnel of the Parent Company including planning, direction, and supervision of all the operations, sales, marketing, distribution, finance and other business activities of the Parent Company. Under the existing management agreement, the Parent Company pays PHINMA, Inc. a fixed monthly management fee plus an annual incentive based on a certain percentage of the Parent Company's net income.

Management and Directors' Compensation

PHN, UGC, COC, AU, UPANG, SWU, UI and PPHC are under common management of PHINMA, Inc. and pay PHINMA, Inc. a fixed annual management fee plus an annual bonus based on a certain percentage of the respective companies' adjusted net income, as defined in the management contract between PHINMA, Inc. and the respective companies, pursuant to the provisions of the same contract

Management fees and bonuses, presented as "Professional fees and outside services" under "General and administrative expenses" account, amounted to ₱50.2 million and ₱117.5 million for the three-months periods ended March 31, 2025 and 2024, respectively. The related unpaid amount, presented as "Accruals for professional fees and others" under "Trade and other payables" account in the unaudited interim condensed consolidated statement of financial position, amounted to ₱44.1 million and ₱75.0 million as at March 31, 2025 and December 31, 2024, respectively.

PHN, UGC, UI and AU recognized bonus to directors computed based on net income with pre-agreed adjustments. Directors' bonus, presented in "Personnel costs" under "General and administrative

expenses" account, amounted to ₱9.35 million and ₱7.10 million for the three-month periods ended March 31, 2025 and 2024, respectively. The related unpaid amount, presented in "Accruals for personnel costs" under "Trade and other payables" account in the unaudited interim condensed consolidated statement of financial position, amounted to ₱44.0 million and ₱61.7 million as at March 31, 2025 and December 31, 2024, respectively.

Compensation of Key Management Personnel

Compensation of key management personnel of the Company are as follows:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Short-term employee benefits	**₱105,038**	₱82,639
Pension and other post-employment benefits	**2,738**	3,010
	₱107,776	₱85,649

Key management personnel compensation is presented as part of personnel costs under general and administrative expenses.

27. Income Taxes

The deferred tax assets and liabilities are presented in the consolidated statements of financial position as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Deferred tax assets – net	**₱243,218**	₱229,381
Deferred tax liabilities – net	**(618,783)**	(639,693)
	(₱375,565)	(₱410,312)

The deferred tax assets consist of the tax effects of lease liabilities, net operating loss carryover (NOLCO), pension liability, allowance for ECLs, accrued expenses, management bonus and allowance for inventory write-down.

The deferred tax liabilities consist of excess of fair value over cost, right-of use assets, and fair value adjustments on property, plant and equipment of subsidiaries, unrealized gains on change in fair value, unamortized debt issuance costs, unrealized foreign exchange gain and unamortized capitalized borrowing cost.

The disproportionate relationship between income before income tax and the provision for income tax is due to various factors such as income of schools subjected to lower income tax rate, interest income subjected to lower final tax rate and equity in net losses of associates and joint ventures.

Reconciliation between the statutory tax rates and the Company's effective tax rates follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited)
Applicable statutory tax rate	**25.0%**	25.00%	25.0%
Income tax effects of:			
Income of school's subject to lower income tax rate of 10%/1%	**(39.48)**	(31.94)	(37.53)
Change in unrecognized deferred tax assets and others	**25.49**	34.22	22.58

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited)
Equity in net earnings of associates and joint ventures	**(0.15)**	0.40	(0.21)
Interest income subjected to lower final tax rate	**(0.74)**	(5.64)	(0.55)
Effective tax rates	**10.12%**	22.04%	9.29%

28. Pension and Other Post-employment Benefits

Pension and other post-employment benefits consist of:

	March 31,2025 (Unaudited)	December 31, 2024 (Audited)
Net pension liability	**₱286,963**	₱328,669
Vacation and sick leave	**130,636**	123,560
Defined contribution plan	**41**	375
	417,640	452,604

29. Financial Risk Management Objectives and Policies

The main risks arising from the Company's treasury transactions are credit risk, liquidity risk, market risk, foreign currency risk, interest rate risk and equity price risk. Careful study, skill, prudence and due diligence are exercised at all times in the handling of the funds of the Company.

Credit Risk

Credit risk is the risk that the Company will incur a loss arising from customers, clients or counter-parties that fail to discharge their contractual obligations. Due to the Company's investing and operating activities, the Company is exposed to the potential credit-related losses that may occur as a result of an individual, counterparty or issuer being unable or unwilling to honor its contractual obligations.

In managing credit risk on these financial instruments, the Company transacts only with the Company's duly accredited domestic and foreign banks. Investments per financial institution are subject to a maximum of 20% of the Company's investible funds. It is the Company's policy that investments cannot exceed 10% of the trust or mutual fund's total assets. A comprehensive credit and business review in coordination with dealers or underwriters is performed whenever the Company invests in non-rated securities. Furthermore, the Company monitors the credit quality of corporate and sovereign bonds with reference to credit rating studies and updates from the major rating agencies. The Company's exposure to credit risk on its cash and cash equivalents and trade and other receivables arises from default of the counterparties with maximum exposures equal to the carrying amounts of the instruments.

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial assets at amortized cost:		
Cash and cash equivalents*	**₱3,713,813**	2,804,952
Trade and other receivables	**7,427,649**	8,620,534
Contract assets	**3,909,148**	3,892,207
Refundable deposits**	**92,732**	64,901
	₱15,143,342	15,382,594

**Excluding cash on hand amounting to P42 million and P292 million as at March 31, 2025 and December 31, 2024 respectively.*

***Presented under "Other current assets" and "Other noncurrent assets" account in the consolidated statements of financial position.*

Credit Quality of Receivables from Customers and Contract Assets

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). 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 of the Company's receivables from customers and contract assets using provision matrix:

March 31, 2025	**Receivables from customers and contract assets**					
	Days past due					
	Current	**<30 Days**	**30-60 Days**	**61-90 Days**	**>91 Days**	**Total**
Expected credit loss rate	**2%**	**12%**	**7%**	**33%**	**32%**	**10%**
Estimated total gross carrying amount default	**₱6,577,566**	**₱840,527**	**₱183,837**	**₱212,019**	**₱2,400,731**	**₱10,214,680**
Expected credit loss	**111,507**	**97,573**	**12,749**	**70,127**	**774,808**	**1,066,764**

December 31, 2024	Receivables from customers and contract assets					
	Days past due					
	Current	<30 Days	30-60 Days	61-90 Days	>91 Days	Total
Expected credit loss rate	2%	15%	3%	16%	24%	9%
Estimated total gross carrying amount default	7,117,938	669,602	376,521	439,864	3,145,602	11,749,527
Expected credit loss	146,452	101,329	11,832	72,026	729,376	1,061,015

Customer receivables amounting to ₱460.6 million and ₱569.8 million as at March 31, 2025 and December 31, 2024, respectively, was specifically identified to be fully impaired. Impaired financial instruments comprise of receivables from customers and other receivables. The past due but not impaired trade and other receivables are expected to be collected the following year.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company manages liquidity risks by restricting investments and continuously monitoring weekly and monthly cash flows as well as updates of annual plans.

The maturities of the financial liabilities are determined based on the Company's projected payments and contractual maturities. The current liabilities usually mature within in a period of one (1) year and the non-current liabilities mature with a period of more than one (1) year to 28 years.

The average duration adheres to guidelines provided by the Investment Committee. It is the Company's policy to restrict investment principally to publicly traded securities with a history of marketability and by dealing with only large reputable domestic and international institutions.

Changes in liabilities arising from financing activities

The changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are as follows:

	January 1, 2025	**Additions**	**Payment**	**Others***	**March 31, 2025**
Notes payable	**16,022,789**	**1,424,656**	**(610,0670**	**192**	**16,837,570**
Long-term debt	**10,937,557**	**400,000**	**(175,668)**	**9,144**	**11,171,033**
Due to related parties	**77,452**	-	**(30,634)**	-	**46,818**
Dividends payable	**214,981**	-	**(79,402)**	--	**135,579**
Lease liabilities	**518,400**	-	**(34,240)**	**9,263**	**493,423**
Other noncurrent liabilities	**395,908**	**302**	-	--	**396,210**
	28,167,087	**1,824,958**	**(930,010)**	**18,599**	**29,080,634**

** Others include amortization of debt issuance cost, accretion and roll-over of interest.*

	January 1, 2024	Additions	Payments	Others*	December 31, 2024
Notes payable	7,626,264	19,118,011	(10,722,251)	765	16,022,789
Long-term debt	14,139,066	500,000	(3,740,063)	38,554	10,937,557
Due to related parties	71,981	447,459	(441,988)	-	77,452
Dividends payable	254,258	548,992	(588,269)	-	214,981
Lease liabilities	524,517	131.839	(170,794)	32,838	518,400
Other noncurrent liabilities	301,918	93,990	-	-	395,908
Total liabilities from financing activities	22,918,004	20,840,291	(15,663,365)	72,157	28,167,087

**Others include amortization of debt issue cost and accretion of interest. For lease liabilities, this also includes derecognized amount of 1.4 million due to pre-termination of long-term lease contract.*

	January 1, 2024	Additions	Payments	Others*	March 31, 2024
Notes payable	7,626,264	3,462,236	(1,721,769)	–	9,366,731
Long-term debt	14,139,066	50,000	(114,590)	11,267	14,085,743
Due to related parties	71,981	165,678	(111,903)	–	125,756
Dividends payable	254,258	–	(112,406)	–	313,647
Lease liabilities	524,517	–	(42,928)	7,714	489,303
Other noncurrent liabilities	301,918	–	(6,436)	–	295,482
Total liabilities from financing activities	22,918,004	3,849,708	(2,110,032)	18,981	24,676,662

**Others include amortization of debt issue cost and accretion of interest.*

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Market risks are managed by constant review of global and domestic economic and financial environments as well as regular discussions with banks' economists/strategy officers to get multiple perspectives on interest rate trends/forecasts. Regular comparison of the portfolio's marked-to-market values and yields with defined benchmarks are also made.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial assets that are exposed to foreign currency risk are foreign currency denominated cash and cash equivalents, investment in bonds and investments in UITFs.

Foreign exchange risks on the U.S. dollar and other foreign currencies are managed through constant monitoring of the political and economic environment. Returns are also calibrated on a per currency basis to account for the perceived risks with higher returns expected from weaker currencies.

The following table shows the foreign currency-denominated financial assets and financial liabilities and their peso equivalents as of March 31, 2025 and December 31, 2024:

	March 31, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Foreign Currency	**Peso Equivalent**	Foreign Currency	Peso Equivalent
Financial assets:				
Cash and cash equivalents	**US$3,473**	**198,719**	US$817	47,249
Cash and cash equivalents	**VND956**	**2**	VND5,191	12
Short term investment	**US$1,903**	**108,897**	US$3,973	229,822
Receivables	**US$12,285**	**702,852**	US$11,613	671,760
Investment at FVPL	**US$35,304**	**2,019,764**	US$35,304	2,042,183
Derivative assets	**US$35**	**2,003**	US$17,298	1,000,586
Investment in UITF	**US$17,298**	**989,602**	US$35	2,011
		4,021,840		3,993,623
Financial liabilities:				
Trade and other payables	**US$118**	**6,751**	US$118	6,826
		6,751		6,826

In translating foreign currency-denominated financial assets into peso amounts, the exchange rates used were ₱57.21 and ₱57.85 to US$1.00 as at March 31, 2025 and December 31, 2024, respectively.

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 following tables set out the carrying amounts, by maturity, of the Company's financial assets and liabilities that are exposed to interest rate risk as at March 31, 2025 and December 31, 2024:

	March 31, 2025 (Unaudited)						
	Interest Rates	**Within 1 Year**	**1 to < 2 Years**	**2 to < 3 Years**	**3 to 5 Years**	**More than 5 Years**	**Total**
Financial Assets:							
Placements (PHP)	**1.60%-15.744%**	**437,941**	**₱-**	**₱-**	**₱-**	**₱-**	**₱347,941**
Financial Liabilities:							
PEHI	**4.85% to 8.20%**	**2,220,506**	**267,363**	**467,607**	**743,226**	**525,941**	**4,264,644**
PHN	**6.25%**	**18,211**	**18,119**	**1,864,730**	**-**	**-**	**1,901,060**
UGC	**4.85%-5.11%**	**48,258**	**797,983**	**-**	**-**	**-**	**846,241**

	December 31, 2024 (Audited)						
	Interest Rates	Within 1 Year	1 to < 2 Years	2 to < 3 Years	3 to 5 Years	More than 5 Years	Total
Financial Assets:							
Placements (PHP)	1.60% to 15.74%	1,091,365	-	-	-	-	1,091,365
Financial Liabilities:							
PEHI	4.85% to 8.20%	2,265,506	279,708	491,063	784,461	538,286	4,359,024
PHN	6.25%	18,276	18,189	1,878,310	-	-	1,914,775
UGC	4.85% to 5.11%	48,025	35,535	798,691	-	-	882,251

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the values of individual stocks. The Company's exposure to equity price risk relates primarily to its equity investments listed in the PSE classified under investments held for trading.

The Company's policy is to maintain the risk to an acceptable level. Movement of share price is monitored regularly to determine impact on the Company's financial position.

Capital Management

The primary objective of the Company's capital management is to ensure that the Company maintains a healthy capital structure to maintain strong credit rating and maximize shareholder value.

Capital includes all the accounts appearing in the "Equity attributable to equity holders of the parent" and "Equity attributable to non-controlling interests" in the interim condensed consolidated statements of financial position.

The Company keeps the debt-to-equity ratio at a level no higher than 3.33:1, with the DE ratio computed as consolidated total adjusted indebtedness over consolidated total equity.

The Company's consolidated debt-to-equity ratio as at December 31 are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Total Indebtedness	**28,008,603**	26,960,346
Total equity	**16,297,489**	15,822,990
Debt-to-equity ratio	**1:72:1**	1.70:1

The Company expects to improve the debt-to-equity ratio mainly through improvement in the Company's business operations.

30. Financial Instruments

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of its assets and liabilities by valuation technique:

- 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 is significant to their fair value measurement is unobservable

Assets and liabilities measured or disclosed at fair value are as follows:

	March 31, 2025 (Unaudited)			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets				
Investments held for trading:				
Investments in UITFs	**1,000,248**	**-**	**1,000,248**	**-**
Investments in marketable equity securities	**3,279**	**3,279**	**-**	**-**
Investment in club shares designated at FVOCI	**52,336**	**-**	**52,336**	**-**
Non-listed equity instruments designated at FVOCI	**86,516**	**-**	**-**	**86,516**
Non-listed debt instruments designated at P&L	**2,019,764**	**-**	**-**	**2,019,764**
Derivative assets	**989,602**	**-**	**-**	**989,602**
	4,151,745	**3,279**	**1,052,584**	**3,095,882**
Liabilities				
Long-term debt	**11,171,033**	**-**	**-**	**11,171,033**

	December 31, 2024 (Audited)			
	Total	Level 1	Level 2	Level 3
2024				
Assets				
Investments held for trading:				
Investments in UITFs	1,337,191	-	1,337,191	-
Investments in marketable equity securities	3,670	3,670	-	-
Club shares designated at FVOCI	52,497	-	52,497	-
Non-listed equity instruments designated at FVOCI	86,516	-	-	86,516
Non-listed debt instrument designated at FVPL	2,042,183	-	-	2,042,183
Derivative assets	1,000,586	-	-	1,000,586
	4,522,643	3,670	1,389,688	3,129,285
Liabilities				
Long-term debt	10,937,557	-	-	10,937,557

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

The following methods and assumptions are used to estimate the fair value of the following financial instruments.

Investments Held for Trading, Financial Assets at FVPL, Financial Assets at FVOCI and Derivative Assets. Quoted market prices have been used to determine the fair value of investments in marketable equity securities and club shares designated at FVOCI. The fair values of unquoted equity investments at FVOCI, unquoted debt investment classified as financial asset at FVPL and derivative asset have been estimated using a future cash flows from the investee and applying a discount rate to calculate the present value of the cash flows.

The valuation requires management to make certain assumptions about the model inputs including forecast cashflows, discount rate, long-term growth rate, comparable companies' average volatility, option adjusted spread and risk-free rate. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

The fair values of non-listed shares of stock were determined through the following valuation approach: income approach and asset-based approach. Income approach is predicated upon the concept that the value of any asset can be estimated by ascertaining the amount and timing of future cash flows or earnings that are generated by that asset. Asset-based approach is based on the value of all the tangible and intangible assets and liabilities of the company.

For financial assets at FVOCI, the higher the value of the share price, the higher the fair value. Any change in the fair value of the non-listed equity shares will not significantly impact the consolidated financial statements.

Cash and Cash Equivalents, Trade and Other Receivables, Notes Payable, Trade and Other Payables, Trust Receipts Payable and Due to Related Parties. Due to the short-term nature of these transactions, the carrying value approximate the fair values as at the reporting date.

Long-term Debt. The Company's borrowings as at March 31, 2025 and December 31, 2024 are stated at amortized cost. The fair values of the borrowings approximate their carrying amounts.

Derivative Instruments

Freestanding Derivatives. The Company's derivative financial instruments are accounted for as financial instruments at FVPL.

31. Leases

Company as Lessee

The Company has various lease contracts for land, buildings, warehouses and vehicles. The leases have lease terms of between 2 and 25 years.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the "short-term lease" recognition exemptions for these leases.

The roll forward analysis of right-of-use assets follows:

	March 31, 2025 (Unaudited)				
	Right-of-use: Land	**Right-of-use: Buildings & Warehouses**	**Right-of-use: Vehicles**	**Right-of-use: Others**	**Right-of-use: Total**
Cost					
At January 1, 2025	**248,434**	**391,328**	**386,798**	**3,225**	**1,029,785**
Additions	**-**	**-**	**-**	**-**	**-**
At March 31, 2025	**248,434**	**391,328**	**386,798**	**3,225**	**1,029,785**
Accumulated Depreciation and Amortization					
At January 1, 2025	**84,557**	**233,857**	**303,579**	**3,122**	**625,115**
Depreciation	**4,550**	**8,782**	**12,916**	**76**	**26,324**
At March 31, 2025	**89,107**	**242,639**	**316,495**	**3,198**	**651,439**
Net Book Value	**159,327**	**148,689**	**70,303**	**27**	**378,346**

	December 31, 2024 (Audited)				
	Right-of-use: Land	Right-of-use: Buildings & Warehouses	Right-of-use: Vehicles	Right-of-use: Others	Right-of-use: Total
2024					
Cost					
At January 1, 2024	**248,434**	**306,102**	**348,817**	**2,761**	**906,114**
Additions	**-**	**85,226**	**49,775**	**464**	**135,465**
Pre-termination	-	**-**	**(11,794)**	**-**	**(11,794)**
At December 31, 2024	**248,434**	**391,328**	**386,798**	**3,225**	**1,029,785**
Accumulated depreciation and amortization					
At January 1, 2024	**(68,143)**	**(185,568)**	**(226,361)**	**(2,761)**	**(482,833)**
Depreciation	**(16,414)**	**(48,289)**	**(86,879)**	**(361)**	**(151,943)**
Pre-termination	-	**-**	**9,661**	**-**	**9,661**
At December 31, 2024	**(84,557)**	**(233,857)**	**(303,579)**	**(3,122)**	**(625,115)**
Net Book Value	**163,877**	**157,471**	**83,219**	**103**	**404,670**

March 31, 2024 (Unaudited)

	Right-of-use: Land	Right-of-use: Buildings & Warehouses	Right-of-use: Vehicles	Right-of-use: Others	Right-of-use: Total
Cost					
At January 1, 2024	248,434	306,102	348,817	2,461	906,114
Additions	–	–	–	–	–
Retirement	–	–	–	–	–
At March 31, 2023	248,434	306,102	348,817	2,761	906,114
Accumulated Depreciation and Amortization					
At January 1, 2024	68,143	185,568	226,361	2,761	482,833
Depreciation	4,831	12,775	26,951	–	44,557
Retirement	–	–	–	–	–
At March 31, 2024	72,974	198,343	253,312	2,761	527,390
Net Book Value	175,460	107,759	95,505	–	378,724

The roll forward analysis of lease liabilities follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
As at beginning of year	**518,400**	524,517
Payments	**(34,240)**	(170,794)
Additions	**-**	131,839
Accretion of interest	**9,263**	34,623
Pre-termination	**-**	(1,785)
As at end of year	**493,423**	518,400
Less current portion of lease liabilities	**90,666**	90,271
Noncurrent portion of lease liabilities	**402,757**	428,129

The following are the amounts recognized in the interim condensed consolidated statement of income (amounts in thousands):

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Amortization expense of right-of-use assets (included in general and administrative expenses)	**26,324**	44,557
Interest expense on lease liabilities (included in interest expense and other financing charges)	**9,263**	7,712
	35,587	52,269

32. Contingencies

There are contingent liabilities arising from tax assessments occurring in the ordinary course of business, including the petition filed for the reversal and nullification of safeguard duties on its importation of cement. On the basis of information furnished by the Company's legal counsel, management believes

that none of these contingencies will materially affect the Company's interim financial position and result of operations.

33. Earnings per Share (EPS) Computation

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
(a) Net income (loss) attributable to equity holders of the parent	**191,274**	182,524
(b) Weighted average number of common shares outstanding	**336,325**	286,325
Basic/diluted EPS attributable to equity holders of the parent (a/b)	**0.57**	0.64

34. Segment Information

For management purposes, the Company is organized into business units based on its products and services and has six (6) reportable operating segments as follows:

- Investment holdings - PHN and PSHC are engaged in investment holding activities of shares of stocks and other financial instruments.
- Property development - PPHC is engaged in real estate development. API and APHI lease out its real and personal properties.
- Construction materials - PCC encompasses the operations of the cement trading. UGC handles the manufacturing and trading of iron and steel products. PHINMA Solar provides solar rooftop system to customers. The Company has assessed that the nature of the products and services and the type or class of customers for these products and services are related.
- Educational services - PEHI holds interest in AU, COC, UPANG, UI, SWU, RCI, RCL and UCLI which offer graduate, tertiary, secondary and elementary education services. CAA conducts a non-sectarian institution of learning and operates schools for all levels below tertiary level, whether preschool, primary, secondary, technical and vocational, specialized programs and for all and any form of educational activities.
- Hospitality - PHI provides management services and is engaged in investment holding activities for the hotels. PHINMA Microtel is engaged in hotel franchising. Coral Way is engaged in hotel operations. OAL was engaged in animation services.
- PIBI is the insurance brokerage arm of the Group and OAL was engaged in animation services.

The BOD (Chief Operating Decision Maker) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Segment result is defined as the segment's income generated from its own operations, net of its share in the equity in net earnings of associates and joint ventures and investment income, before deducting interest and financing charges, provision for income tax and share of NCI. The amounts of segment assets and liabilities, and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets, liabilities and profit or loss in the interim condensed consolidated financial statements, which is in accordance with PFRS.

The Company does not report its results based on geographical segments since the Company's risks and rates of return are substantially in the same economic and political environment with the

companies incorporated and operated in the Philippines. There are no transactions with a single customer that accounts to 10% or more of the Company's revenue.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transaction with third parties. Segment revenues, segment expenses and segment results include transfers between operating segments. These transfers are eliminated in full upon consolidation

Segment Information

Financial information on the operating segments is summarized as follows:

	Three-Month Period Ended March 31, 2025 (Unaudited)								
	Investment Holdings	**Property Development**	**Construction Materials**	**Educational Services**	**Hospitality**	**Others**	**BPO**	**Eliminations**	**Total Operations**
Revenue	**108,348**	**415,753**	**3,872,882**	**2,098,460**	**136,336**	**12,848**	**-**	**(44,237)**	**6,600,390**
Segment results	**(96,066)**	**(32,802)**	**102,559**	**1,018,560**	**11,133**	**4,896**		**(59,482)**	**948,798**
Investment income and interest income	**84,211**	**55,813**	**4,355**	**10,059**	**1,317**	**129**	**-**	**(31,872)**	**124,012**
Equity in net earnings (losses) of associates and joint ventures	**-**	**(21,633)**	**-**	**2,023**	**1,198**	**-**	**-**	**22,160**	**3,748**
Interest expense and financing charges	**(107,576)**	**(106,711)**	**(191,824)**	**(41,992)**	**(5,528)**	**-**	**-**	**6,803**	**(446,828)**
Provision for income tax	**(1,763)**	**8,647**	**15,197**	**(81,305)**	**(2,896)**	**(1,235)**	**-**	**-**	**(63,355)**
Share of non-controlling interest	**-**	**(3,761)**	**-**	**(131,126)**	**-**	**-**	**-**	**(236,457)**	**(371,344)**
Net income (loss) attributable to equity holders of parent	**(121,194)**	**(100,447)**	**(69,713)**	**776,219**	**5,224**	**3,790**	**-**	**(298,848)**	**195,031**
Total assets	**14,713,305**	**11,661,453**	**16,455,603**	**20,404,572**	**1,308,200**	**108,448**	**769**	**(11,013,040)**	**53,639,310**
Total liabilities	**6,691,733**	**8,868,620**	**12,382,630**	**9,236,002**	**501,662**	**80,906**	**310,156**	**(726,131)**	**37,345,578**

	Three-Month Period Ended March 31, 2024 (Unaudited)							
	Investment Holdings	Property Development	Construction Materials	Educational Services	Hospitality	BPO	Eliminations	Total Operations
Revenues	82,028	318,789	3,048,334	1,877,342	142,278	–	(14,206)	5,454,565
Segment results	(50,208)	(84,739)	123,500	741,553	20,098	(128)	(20,759)	729,317
Investment income	55,499	59,065	5,309	9,357	3,137	–	(1,257)	131,110
Equity in net losses of associates and joint ventures	–	(26,457)	–	2,636	3,957	–	23,922	4,058
Interest expense and financing charges	(84,189)	(86,392)	(139,896)	(61,618)	(5,770)	–	1,258	(376,607)
Provision for income tax	(2,997)	3,035	(9,203)	(31,094)	(5,090)	–	–	(45,349)
Share of non-controlling interest	–	(123)	–	(121,248)	–	–	(138,634)	(260,005)
Net income attributable to equity holders of parent	(81,895)	(135,611)	(20,290)	539,586	16,334	(128)	(135,470)	182,524
Total assets	13,434,606	9,203,270	13,768,650	15,912,287	1,282,428	692	(9,703,435)	43,898,498
Total liabilities	6,494,096	6,755,890	9,597,659	7,253,544	511,957	309,814	2,130,721	33,053,681

	Investment Holdings	Property Development	Construction Materials	Educational Services	Hospitality	BPO	Eliminations	Total Operations
Year Ended December 31, 2024								
Revenue	815,266	2,357,680	14,295,226	6,386,893	591,631	-	(687,538)	23,759,158
Segment results	(122,508)	219,177	650,967	1,746,014	60,708	(331)	(222,899)	2,331,128
Investment income and interest income	673,606	200,718	20,691	51,031	7,161	-	(457,052)	496,155
Equity in net earnings (losses) of associates and joint ventures	-	(25,694)	-	(20,868)	10,256	-	17,143	(19,163)
Interest expense and financing charges	(386,400)	(397,174)	(570,397)	(241,040)	(22,857)	-	11,474	(1,606,394)
Provision for income tax	(10,069)	(53,051)	(30,973)	(171,164)	399	-	-	(264,858)
Share of non-controlling interest	-	(56,103)	-	(262,776)	-	-	(338,439)	(657,318)
Net income attributable to equity holders of parent	154,629	(112,127)	70,288	1,101,197	55,667	(331)	(989,773)	279,550
Total assets	14,834,648	11,257,678	16,627,994	20,983,838	1,301,905	769	(11,146,839)	53,859,993
Total liabilities	6,691,848	8,254,026	12,515,306	10,757,853	501,172	310,156	(993,358)	38,037,003

Seasonality of Operations

Like any company in the construction industry, the operations of UGC and Philcement are affected by seasonality demand. Demand for construction materials is greater during the dry months from December to May than during the rainy months of June to November. Hence, the demand for the first semester of the calendar year is normally higher than that of the second semester.

The revenues of the schools under the PHINMA Education network decline during summer months. Hence, net income during the first half of the calendar year is lower than the second half.

For other subsidiaries, there is no significant seasonality that would materially affect their operations.

35. Restatement

For the year ended December 31, 2024, the management of UGC, the Parent Company's subsidiary, identified certain adjustments needed to correct selected financial statement line items. These adjustments were primarily due to inconsistencies in the application of certain accounting policies and as a result, select amounts in the previously reported 2023 consolidated financial statements have been restated.

On April 7, 2025, the Company requested for an approval from the SEC to restate the 2023 consolidated financial statements and subsequently received the approval on April 11, 2025

The Company conducted a comprehensive review of its financial records, leading to the following adjustments in the consolidated financial statements:

a. Reduction in the December 31, 2023 ending balance of inventory resulting from the correct application of inventory accounting policies.
b. Reduction in the advances to suppliers presented under trade and other receivables and prepaid expenses and deposits presented under input value-added taxes and other current assets to consistently apply and reflect correct accounting policies for goods that were already delivered and expenses already incurred against trade and other payables and contract liabilities.
c. Increase in cost of sales for inventories sold in 2023 resulting from the adjustments described in (a) and (b) above.

The restatement for the three months period March 31, 2024 pertains to the take-up of additional cost of sales for inventories sold. Financial statement line items that were not affected by the change have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Interim Consolidated Statement of income for the three months period March 31, 2024:

	As previously stated	Effect of restatement	As restated
Costs and expenses			
Cost of sales	4,607,123	48,000	4,655,123
Income before income tax	535,878	(48,000)	487,878
Net income	490,529	(48,000)	442,259
Attributable to:			
Equity holders of the Parent	229,571	(47,047)	182,524
Non-controlling interest	260,958	(953)	260,005
	490,529	(48,000)	442,529
Basic/Diluted Earnings Per Common Share - Attributable to Equity Holders of the Parent	0.80	(0.16)	0.64

Interim Consolidated Statement of cash flow for the three months period March 31, 2024:

	As previously stated	Effect of restatement	As restated
Profit before income tax	535,878	(48,000)	487,878
Operating income before working capital changes	1,111,832	(48,000)	1,063,832
(Increase) decrease in:			

Inventories	(34,577)	48,000	13,423
Net cash provided by operations	134,312	-	134,312
Net cash used in operating activities	(554,355)	-	(554,355)

Such restatement did not impact the previously reported totals of net cash flows from operating, investing and financing activities in the statements of cash flows for the period ended March 31, 2024.

The effects of the restatements to the Construction Materials business segment's financial information as at and for the three months period March 31, 2024 are summarized below. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Construction Materials Segment	As previously stated	Effect of restatement	As restated
Segment results	171,500	(48,000)	123,500
Net income attributable to equity holders of parent	27,710	(48,000)	(20,290)
Total assets	13,768,650	(48,000)	13,720,650
Total liabilities	9,597,659		9,597,659

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

As of the first quarter of 2025, PHINMA Corporation (PHN) reported consolidated revenues of ₱6.60 billion, a 21% increase compared to the ₱5.45 billion recognized in the first quarter of 2024. Meanwhile, net income attributable to equity holders of the parent stood at ₱191.63 million, a 5% increase from the ₱182.52 million in the same period last year. Total consolidated income was at ₱562.99 million. The financial performance for the first quarter was mainly driven by higher enrollment, increased sales, and cost management initiatives.

PHINMA Education Holdings, Inc. (PHINMA Education) saw revenues and net income reach ₱2.1 billion and ₱907.35 million, respectively, for the first three months of the year. Second semester enrollment for School Year 2024-2025 had risen to 137,498 students, a 5% rise from the prior school year, with a strong retention rate of 89%. The increase in revenue resulted in higher profitability when combined with operational efficiency and reduced interest expenses

The PHINMA Construction Materials Group (PHINMA CMG), comprised of Union Galvasteel Corporation (UGC), Philcement Corporation (Philcement), Union Insulated Panels Corporation (UIPC) and PHINMA Solar Energy Corporation (PHINMA Solar), posted combined revenues of ₱3.87 billion, driven by higher sales volumes resulting from strategic efforts to expand market share . To support the sales volume growth and in anticipation of future expansion, higher operational costs and interest expenses were incurred, which led to a net combined loss of ₱67.08 million. PHINMA CMG continues to optimize production efficiencies in its facilities while also negotiating better terms with suppliers to improve margins.

PHINMA Property Holdings Corp. 's (PHINMA Properties) revenues rose to ₱411.96 million reflecting both new sales as well as the carry-over sales from 2024. The net loss for the first quarter was at ₱100.61 million compared to the same period last year while unbooked revenues from these developments will be recognized as construction progresses. PHINMA Properties has also been prioritizing demand outside Metro Manila through its ongoing developments such as Saludad, its 21-hectare master-planned township in Bacolod as well as projects in Cebu, Davao and Batangas. PHINMA Corporation approved an investment of up to ₱250 million in PHINMA Community Housing Corporation, its solution to the socialized housing backlog in the Philippines.

Coral Way City Hotel Corporation (Coral Way), PHINMA Hospitality, Inc., and PHINMA Microtel Hotels, Inc. recognized combined revenues of ₱136.34 million and a combined net income of ₱5.65 million for the first quarter of 2025. Chainwide occupancy was sustained and average room rates rose compared to the previous year. Bookings were primarily from the leisure, corporate and events segments.

As of the end of the first quarter, PHINMA Corporation's consolidated financial position included cash and cash equivalents of ₱3.76 billion, total assets of ₱53.90 billion and a total stockholders' equity of ₱16.29 billion.

STRATEGIC BUSINESS UNITS (SBU)

The following discussion describes the performance of PHINMA's SBUs for the first quarter of 2025:

Education Group

By intent and design, PHINMA Education provides accessible quality education to low-income youth across the Philippines and Indonesia. It is one of the largest private higher education groups in Southeast Asia with a network-wide enrollment of nearly 164,000 students during the first semester of SY 2024-2025.

Second semester enrollment grew over the same period last year primarily due to a combination of strengthened student completion efforts and the acquisition of its tenth school in the Philippines, St. Jude College in Dasmarinas, Cavite. These resulted in consolidated revenues of ₱2.1 billion and consolidated net income of ₱907.35 million during this period

Construction Materials Group

PHINMA CMG, which is composed of Union Galvasteel Corporation (UGC), Philcement Corporation (Philcement), and PHINMA Solar Energy Corporation (PHINMA Solar), supports public and private infrastructure development by supplying galvanized iron and steel building products, cement, and rooftop solar power generation solutions.

UGC and Philcement both recorded an increase in sales volume for the first three months of the year. However, both companies continued to face challenges in improving prices amid intense market competition. PHINMA Solar completed its first batch of projects under the second Green Energy Auction Program (GEAP II) but was challenged with high interconnection costs. Altogether, the three companies under PHINMA CMG generated a combined revenue of ₱3.87 billion. However, the competitive pricing environment and elevated operating costs required to support sales volume growth resulted in a combined net loss of ₱69.94 million.

Despite these challenges, Philcement marked two milestones early in the year – one honoring its legacy and another pointing toward its future. In January 2025, Philcement celebrated its 5th year anniversary with a simple yet meaningful held with its valued customers and community partners. In the same month, its subsidiary, Philcement Mindanao Corporation, held the groundbreaking ceremony for its upcoming cement facility in Panabo, Davao del Norte

Properties Group

PHINMA Property Holdings Corp. (PHINMA Properties) recognized ₱355 million in revenues for the first quarter of the year and recorded a net loss of ₱100.61 million, primarily due to shortfall in percentage of construction completion and high financing costs. Despite these challenges, reservation levels remained stable, with resilient demand in regional developments offsetting the softer market sentiment in NCR that weighed on Metrotowne's performance. Financial performance is expected to improve in the coming quarters as project construction advances and the company begins to recognize its unbooked reservations. With a robust pipeline and a continued focus on operational efficiencies, PHINMA Properties remains on track to deliver sustainable and profitable growth.

The Properties Group, through PHINMA Properties, continues to shape new urban communities that nurture Filipinos to become better citizens. The affordable housing segment continues to be the primary focus 2025, with the Maayo segment still dedicated to providing accessible and sustainable communities that empower middle-income Filipinos. To further extend its market reach, the company has re-entered the low-income market through PHINMA Community Housing (PHINMA CoHo), with its first 530-unit community scheduled to launch in Davao this year. Through these projects, the Properties Group is positioned to be a key player in delivering affordable, sustainable, and scalable housing solutions across the nation.

Hospitality Group

PHINMA Hospitality Inc. (PHINMA Hospitality) remains committed to delivering clean, comfortable, and secure lodging to leisure and business travelers in the country through its Microtel by Wyndham and TRYP by Wyndham hotel properties. PHINMA Hospitality operates 14 Microtel by Wyndham hotels and one TRYP by Wyndham hotel in the Philippines.

During the period, the Hospitality Group maintained its revenues versus last year, driven by steady domestic travel for both business and leisure.

Coral Way, which owns Microtel by Wyndham and TRYP by Wyndham Mall of Asia , sustained its positive results versus the previous year due to consistent demand in the leisure, meetings, and corporate segments,

Key Performance Indicators (KPI)

The top five (5) KPI's used to measure the financial performance of PHINMA and its subsidiaries as of the three (3) month period ended March 31, 2025 compared to the same period in the previous year are shown in the following table:

Financial KPI	Definition	Mar 2025	Mar 2024
Profitability			
Return on Equity (ROE)	Net income attributable to equity holders of the parent / Average equity attributable to equity holders of the parent[1]	**2.04%**	2.58%
Gross Profit Margin	Gross profit[ii] / Total Revenues	**31.77%**	32.58%
Efficiency			
Cash Flow Margin	Cash flows from operating activities / Total Revenues	**9.90%**	-10.16%
Liquidity			
Current Ratio	Total Current Assets / Total Current Liabilities	**0.84 : 1:00**	0.98 : 1.00
Debt to Equity Ratio	Total Liabilities / Total Equity	**2.29 : 1:00**	3.05 : 1.00

iAverage Equity Attributable to Equity Holders of the Parent is derived by dividing in two (2) the sum of beginning Equity Attributable to Equity Holders of the Parent and ending Equity Attributable to Equity Holders of the Parent.
iiGross Profit is calculated by deducting cost of sales and cost of educational, installation, hospital and consultancy service from total revenues.

Profitability

The return on equity for the period of 2.04% is lower than 2.58% return for the same period the previous year mainly due to increase in equity attributable to parent resulting from the additional investment of KKR in PEHI and additional shares issued by Parent in relation to the SRO. Gross profit margin decreased from 32.58% in 2024 to 31.77% in 2025 mainly due to competitive selling price for the CMG products.

Efficiency

Net cash flow margin for the three months ended March 31, 2025 is 9.90% compared to net cash outflow margin of -10.16% over the same period last year, mainly due to collection of receivables by the schools amounting to P1.46 billion.

Liquidity

Current ratio decreased from 0.98:1.00 in 2024 to 0.84:1.00 in 2025 mainly due to more notes payable obtained in 2025 by parent and the subsidiaries to support operations and higher trade payables from CMG and the schools.

Debt-equity ratio of PHINMA and its subsidiaries as of end March 2025 was 2.29:1.00.

The accompanying interim condensed consolidated financial statements of PHINMA for the three (3) months ended March 31, 2025 have been prepared in accordance with PAS 34, Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2024.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss and derivative investments that have been measured at fair value.

The consolidated financial statements are prepared in Philippine pesos, the company's functional and presentation currency.

Interim Disclosures on Financial Statements

Below are additional disclosures on the Company's operations:

a. On any known trend, demand, commitment, event and uncertainty that will result in or likely to decrease its liquidity in any material way :

PHN does not anticipate having any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing loans.

b. On any event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation:

None

c. On material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other person created during the reporting period:

None

d. On material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures:

None

e. On any known trend, event or uncertainty that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations:

None.

f. Any significant elements of income or loss that did not arise from the Issuer's continuing operations.

None.

g. On the causes for any material change from period to period which shall include vertical and horizontal analyses of any material item:

Increase or decrease of 5% or more in the financial statements are discussed below.

h. On any seasonal aspect that had a material effect on the financial condition or results of operations.

Like any company in the construction industry, the operations of UGC and Philcement are affected by seasonal demand. Demand for construction materials is greater during the dry months than during the rainy months. Hence, the demand for the first semester of the calendar year is normally higher than that of the second semester.

School year 2024-25 for PHINMA Education's schools was from June 2024 to April 2025. Cashflow outside these periods may be relatively lower.

For other subsidiaries, there is no significant seasonality that would materially affect their operations.

Material Changes in Statement of Financial Position Accounts

Cash and cash equivalents

The movement in cash and cash equivalents are shown in the cash flow statement

Investments held for trading

The decrease in the account is mainly attributable to redemption of UITFs by PEHI and the parent company.

Trade and other receivables

The decrease in the account is mainly attributable to collection of receivables by PEHI and the schools, amounting to P1.46 billion.

Contract assets

The decrease in the account is mainly due to significant collection from PPHC buyers and loan take-outs from HDMF and banks.

Other current assets

The decrease in the account is mainly due to amortization of deferred charges from PEHI and the schools

Long-term receivables

The increase in the account is mainly due long-term receivables from affiliates of JEPP as JEPP's operations ramped up to more substantial activity by March 2025

Contract assets - noncurrent

The increase of P275.69 million is mainly due to new sales from PPHC

Property, plant and equipment

The increase in this account is attributable to acquisition of land and equipment and renovation of the schools as well as purchase of land for solar farm by CMG

Right-of-use of assets

The ₱26.32 million increase represents the increase in the right-of-use of assets of CMG, PPHC and Coral Way.

Deferred tax asset

The 6% increase in this account represents mainly the increase in the deferred tax assets of CMG and PIBI

Other noncurrent assets

The increase in this account represents advances related to land acquisition of a school. The amount will be re-classified to PPE once transaction is completed.

LIABILITIES

Notes payable

The ₱814.78 million increase in this account pertains to additional availment of short-term loans by CMG, the schools and PPHC for its working capital requirements.

Trade and other payables

The net increase of ₱538.78 million in Trade and other payables is due to increase in payable to contractors and suppliers of PPHC, CMG, PIBI and the schools.

Contract liabilities

The account decreased by ₱2.48 billion largely due to the education group, as revenues were earned by the schools from January to March 2025. (Tuition fees for the semester are accrued as receivable at the start of the semester and the corresponding liability is booked under Contract Liabilities).

Trust receipts payable

The increase of ₱278.64 million in the account is attributable to deposits for customer orders of CMG

Income and other taxes payable

The net increase in this account is mainly attributable to tax payable from the schools which will be remitted and paid in April.

Long-term debt – current portion

The drop in this account is mainly attributable to reclassification of CMG's long-term debt.

Due to related parties

The drop in this account is mainly attributable to payment of amounts due to the parent holding company.

Long-term debt

The increase in this account pertains to reclassification of CMG's long-term debt from current and new loan obtained by a school.

Accrued Retirement

The net increase in the account amounting to ₱34.96 million represents accruals of retirement expense by the group.

Lease liabilities

The decrease in the account amounting to ₱25.37 million represents periodic lease payments by CMG, PPHC and Coral Way.

EQUITY

Equity reserves

The movement in the account pertains to the excess of the purchase price of PIBI shares over the book value of the shares, when the parent acquired PIBI in January 2025.

Retained earnings

The increase in the account represents increase in net income for the first quarter of 2025

Material Changes in Income Statement Accounts

Revenues

The ₱1.15 billion net increase in revenues is mainly due to increase of ₱824.55 million in CMG revenues resulting from higher volume compared to same period of the previous year, ₱226.54 million from the schools resulting from higher enrollment and higher sales from book operations and ₱95.21 million revenues from the Property business.

Cost of Sales

The net increase in cost of sales is attributable to higher input costs from CMG to support higher sales volume and higher bookstore cost to support the higher book sales.

General and administrative expenses

General and administrative expenses increased from previous year mainly due to increased operating expenses from CMG to support the growing sales volume, partially offset by reversal of ECL provision amounting to ₱146 million due to the schools' higher collection efficiency.

Selling expenses

The increase in the account can be attributed to the strengthening of CMG's sales organization.

Interest expense and other financing charges

The increase in interest expense is mainly due to more loans obtained by the group to support the operations

Foreign exchange gains (losses) – net

The net forex gain is attributable to Parent's, CMG's and PEHI's USD holdings restated at the forex rate of ₱57.21: $1 compared to ₱57.845: $1 as of December 31, 2024.

Equity in net earnings (losses) of associates and joint ventures

Equity in net earnings of associates refers to PEHI's equity in IPM, PHINMA Hospitality's equity in hotels and PPHC's equity in Inphin8.

Gain (loss) on change in fair value of financial assets at FVPL

Loss on change in fair value of financial assets pertain to the unrealized foreign exchange loss from the investment in Song Lam preferred shares.

Gain (loss) on derivatives

The loss on derivatives mainly resulted from the higher unrealized foreign exchange loss from the put option on the Song Lam preferred shares.

Gain (loss) on sale of property, plant and equipment

The gain arises mainly from the sale of old equipment by PPHC

Others – net

The increase in this account is mainly due to the increase in other income of the schools, CMG and PPHC.

Provision for (benefit from) income tax

The provision resulted mainly from the schools, partially offset by tax benefit from CMG and parent.

SIGNATURES

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

PHINMA CORPORATION

[redacted]

EDMUND ALAN A. QUA HIANSEN
Senior Vice President – CFO

[redacted]

ANNABELLE S. GUZMAN
Vice President - Controller

May 13, 2025

PHINMA CORPORATION AND SUBSIDIARIES

Consolidated Aging of AR-Trade and Contract assets

As of March 31, 2025

in thousands

	Amount
Current	6,577,566
1-30 days	840,527
31-60 days	183,837
61-90 days	212,019
0ver 90 days	2,861,347
TOTAL	10,675,296
Less: Allowance for expected credit losses (ECL)	1,527,380
Net Trade Receivable and contract assets	**9,147,916**

PHINMA CORPORATION AND SUBSIDIARIES

Consolidated Aging of AR-Nontrade

As of March 31, 2025

in thousands

	Amount
Current	4,046,998
1-30 days	83,940
31-60 days	33,710
61-90 days	36,785
0ver 90 days	1,078,277
TOTAL	5,279,710
Less: Allowance for expected credit losses (ECL)	178,539
Net Nontrade Receivable	**5,101,171**

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.phmessagesmo@sec.gov.ph

The following document has been received:

Receiving: RICHMOND CARLOS AGTARAP
Receipt Date and Time: August 14, 2025 08:27:35 PM

Company Information

SEC Registration No.: 0000012397
Company Name: PHINMA CORPORATION
Industry Classification: D26950
Company Type: Stock Corporation

Document Information

Document ID: OST10814202583659658
Document Type: Quarterly Report
Document Code: SEC_Form_17-Q
Period Covered: June 30, 2025
Submission Type: Original Filing
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

P	H	I	N	M	A		C	O	R	P	O	R	A	T	I	O	N													

(Company's Full Name)

L	E	V	E	L		1	2	-	P	H	I	N	M	A		P	L	A	Z	A		3	9		P	L	A	Z	A
D	R	I	V	E	,		R	O	C	K	W	E	L	L		C	E	N	T	E	R		M	A	K	A	T	I	

(Business Address: No. Street City/Town/Province)

A	N	N	A	B	E	L	L	E		G	U	Z	M	A	N

Contact Person

8	8	7	0	0	1	0	0

Company Telephone Number

1	2

Month

3	1

Day

Calendar Year

S	**E**	**C**		**1**	**7**	**-**	**Q**

FORM TYPE

0	**8**		**1**	**4**		**2**	**5**

Month Day Year

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

PHINMA
Making Lives Better

PHINMA Corporation

Certification

I, **ANNABELLE S. GUZMAN, Vice President - Controller** of **PHINMA CORPORATION** with SEC registration number **12397** with principal office at **Level 12, PHINMA Plaza, 39 Plaza Drive, Rockwell Center Makati City**, on oath state:

1) That on behalf of **PHINMA Corporation**, I have caused this **SEC Form 17 – Q (Quarterly Report) as of June 30, 2025** to be prepared;

2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;

3) That **PHINMA Corporation** will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and

4) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of August, 2025.

[redacted]
ANNABELLE S. GUZMAN
Vice President - Controller

SUBSCRIBED AND SWORN to before me this 11th day of August, 2025 in Makati City, affiant exhibited her Driver's License No. [redacted] with expiration date April 15, 2034.

NOTARY PUBLIC

Doc. No. 387
Page No. 79
Book No. 799
Series No. 2025

JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-16 / Until 12-31-25
Roll No. 45790 / IBP Lifetime No. 4897 / 07-03-03
PTR No. 10466007 / 01-02-25 / Makati City
MCLE No. VIII-0025286 / 03-27-25
G/F Fedman Suites, 199 Salcedo St
Legaspi Village, 1229 Makati City

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17 – Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE (SRC) AND SRC RULE 17 (2)(b) THEREUNDER

1. For the quarterly period ended ***June 30, 2025***

2. Commission identification no. ***12397***

3. BIR Tax Identification No. ***000-107-026-000***

4. ***PHINMA Corporation***
   Exact name of registrant as specified in its charter

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

6. Industry Classification Code:

7. ***12/F, Phinma Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210***
   Address of registrant's principal office

8. ***(632) 8870-01-00***
   Registrant's telephone number, including area code

9. Former name, former address, and former fiscal year, if changed since last report: **N/A**

10. Common Shares – **336,343,544** shares issued and outstanding

11. Are any or all of the securities listed on the Philippine Stock Exchange?

    Yes (x) No ( )

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

    Philippine Stock Exchange, Inc. **Common Shares**

12. Indicate by check mark whether the registrant:

    (a) Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

        Yes [x] No [ ]

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

        Yes [x] No [ ]

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PHINMA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025
(With Comparative Audited Figures as at December 31, 2024)
(Amounts in Thousands)

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 29)	**₱3,349,858**	₱3,096,553
Short-term investments	**51,125**	
Investments held for trading (Notes 8, 29 and 30)	**583,254**	1,340,861
Current portion of:		
Trade and other receivables (Notes 9 and 29)	**10,417,974**	10,987,541
Contract assets (Notes 9 and 29)	**1,553,189**	2,047,789
Inventories (Note 10)	**5,807,262**	5,830,094
Derivative assets – current (Note 30)	**-**	-
Input value-added taxes and other current assets	**2,575,469**	2,727,742
Total Current Assets	**24,338,131**	26,030,580
Noncurrent Assets		
Noncurrent portion of:		
Trade and other receivables (Notes 9 and 29)	**426,192**	350,248
Contract assets (Notes 9 and 29)	**2,313,607**	1,844,418
Investment in and advances to associates and joint ventures (Note 11)	**860,264**	861,040
Financial assets at fair value through profit or loss (Notes 12, 29 and 30)	**1,988,696**	2,042,183
Financial assets at fair value through other comprehensive income (Notes 13 and 30)	**138,869**	139,013
Property, plant and equipment (Note 14)	**18,087,116**	16,861,608
Investment properties (Note 15)	**976,222**	967,940
Intangible assets (Note 16)	**2,411,544**	2,394,238
Right-of-use assets (Note 31)	**366,903**	404,670
Deferred tax assets - net (Note 27)	**199,680**	229,381
Derivative asset (Notes 12, 29 and 30)	**974,380**	1,000,586
Other noncurrent assets (Notes 17 and 29)	**903,018**	734,088
Total Noncurrent Assets	**29,646,491**	27,829,413
	₱53,984,622	₱53,859,993
LIABILITIES AND EQUITY		
Current Liabilities		
Notes payable (Notes 18, 29 and 30)	**₱18,056,987**	₱16,022,789
Trade and other payables (Notes 19, 29 and 30)	**5,219,483**	4,717,866
Contract liabilities (Note 20 and 29)	**1,080,337**	3,207,075
Trust receipts payable (Notes 18, 29 and 30)	**902,681**	695,121
Income and other taxes payable	**345,820**	372,538
Current portion of:		
Long-term debt (Notes 21, 29 and 30)	**4,641,227**	5,349,901
Lease liabilities (Notes 31)	**91,129**	90,271
Non-controlling interest put liability (Notes 6, 22 and 29)	**-**	-
Due to related parties (Notes 26 and 29)	**41,354**	77,452
Total Current Liabilities	**30,379,018**	30,533,013
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 21, 29 and 30)	**6,498,858**	5,587,656
Non-controlling interest put liability (Notes 6, 22 and 29)	**-**	-
Deferred tax liabilities - net (Note 27)	**636,090**	639,693
Pension and other post-employment benefits (Note 28)	**440,042**	452,604
Lease liabilities - net of current portion (Notes 29 and 31)	**386,128**	428,129
Other noncurrent liabilities	**373,514**	395,908
Total Noncurrent Liabilities	**8,334,632**	7,503,990
Total Liabilities	**38,713,650**	38,037,003

(Forward)

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 22)	**₱3,363,312**	₱3,363,312
Additional paid-in capital	**919,367**	919,367
Treasury shares (Note 22)	**(2,282)**	(2,282)
Exchange differences on translation of foreign operations	**(1,113)**	(1,113)
Equity reserves (Note 6)	**(146,391)**	(44,678)
Other comprehensive income (Note 13)	**49,372**	49,523
Retained earnings (Note 22)	**4,394,340**	5,052,873
Equity Attributable to Equity Holders of the Parent	**8,576,605**	9,337,002
Non-controlling Interests	**6,694,367**	6,485,988
Total Equity	**15,270,972**	15,822,990
	₱53,984,622	₱53,859,993

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

PHINMA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Data)

	Three-Month Periods Ended June 30		Six -Month Periods Ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	**2024 (Unaudited)**	2024 (Unaudited)
REVENUES				
Revenue from contracts with customers				
Sale of goods	**₱4,064,244**	₱3,844,475	**₱7,037,983**	₱7,027,572
Tuition, school fees and other services	**502,550**	451,020	**2,395,710**	2,085,159
Hospital routine services	**69,767**	50,241	**130,327**	112,379
Real estate sales	**255,259**	79,938	**539,939**	246,077
Construction contracts	**10,161**	118,723	**41,324**	166,528
Hotel operations	**91,389**	112,937	**191,340**	215,609
Management and administrative fees	**42,053**	54,264	**89,088**	107,441
Installation services	**(34,995)**	38,097		59,847
Consultancy services	**15,082**	25,488	**26,002**	38,274
Commission services	**17,712**		**30,989**	
Royalty and franchise fees	**15,942**	15,916	**25,224**	27,538
Investment and interest income	**125,321**	101,055	**249,333**	232,165
Rental income	**31,376**	27,759	**64,072**	55,889
	4,220,941	4,919,913	**10,821,331**	10,374,478
COSTS AND EXPENSES				
Cost of sales (Note 23)	**2,627,341**	3,290,837	**6,125,847**	6,029,738
Cost of educational, installation and hospital services (Note 23)	**478,223**	434,498	**1,182,377**	1,092,866
Cost of real estate and construction services	**253,084**	180,124	**469,487**	363,763
Cost of hotel operations	**53,585**	82,685	**109,593**	149,447
Cost of management and administrative services	**24,969**	27,817	**53,093**	57,689
General and administrative expenses (Note 24)	**892,229**	869,635	**1,657,995**	1,671,049
Selling expenses (Note 25)	**249,622**	166,453	**508,217**	342,620
	4,579,053	5,052,049	**10,106,609**	9,707,172
OTHER INCOME (EXPENSES)				
Interest expense and other financing charges	**(418,159)**	(373,583)	**(864,987)**	(750,190)
Foreign exchange gain (loss) - net (Note 29)	**(10,355)**	32,743	**(23,445)**	47,751
Equity in net gain (loss) of associates and joint ventures	**(2,407)**	(731)	**1,341**	3,327
Gain (loss) on derivatives - net	**(14,931)**	37,302	**(26,639)**	34,792
Gain (loss) on change in fair value of financial assets at FVPL	**(31,068)**	82,021	**(53,486)**	112,130
Gain (loss) on sale of property, plant and equipment – net	**1,786**	(536)	**121**	(45)
Others – net	**6,839**	26,614	**51,939**	44,501
	(468,295)	(196,170)	**(915,156)**	(507,734)
INCOME (LOSS) BEFORE INCOME TAX	**(826,407)**	(328,306)	**(200,434)**	159,572
Current	**(91,468)**	59,963	**(771)**	113,591
Deferred	**54,604**	(18,969)	**27,262**	(27,248)
	(36,864)	40,994	**26,491**	86,343
NET INCOME (LOSS)	**(₱789,543)**	(₱369,300)	**(₱226,925)**	₱73,229
Attributable to:				
Equity holders of the Parent	**(₱646,333)**	(₱300,415)	**(₱455,059)**	(₱117,891)
Non-controlling interests	**(143,210)**	(68,885)	**228,134**	191,120
Net income (loss)	**(₱789,543)**	(₱369,300)	**(₱226,925)**	₱73,229
Basic/Diluted Earnings Per Common Share - Attributable to Equity Holders of the Parent (Note 33)	**(₱1.92)**	(₱1.05)	**(₱1.35)**	(₱0.41)
Dividends declared per share (Note 22)	**₱ –**	**₱ –**	**₱0.60**	₱0.60

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

PHINMA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Three-Month Periods Ended June 30		Six-Month Periods Ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	**2025 (Unaudited)**	2024 (Unaudited)
NET INCOME (LOSS)	**(₱789,543)**	(₱369,300)	**(₱226,925)**	₱73,229
OTHER COMPREHENSIVE INCOME (LOSS)				
Items not to be reclassified to profit or loss in subsequent periods				
Re-measurement gain (loss) on defined benefit obligation	**(3,150)**	(18,589)	**(3,150)**	(23,112)
Unrealized gain on change in fair value of financial assets at fair value through other comprehensive income	**14**	(5,487)	**(147)**	(2,772)
Share in unrealized gain (loss) on change in fair value of financial assets at fair value through other comprehensive income and defined benefit obligation of associates and joint ventures	**-**	-	**-**	-
Income tax effect	**-**	779	**-**	2,275
	(3,136)	(23,297)	**(3,297)**	(23,609)
Items to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations	**-**	(305)	**-**	(463)
Total other comprehensive loss	**(3,136)**	(23,602)	**(3,297)**	(24,072)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(₱792,679)**	(₱392,902)	**(₱230,222)**	₱49,156
Attributable to:				
Equity holders of the Parent	**(₱648,019)**	(₱317,459)	**(₱456,890)**	(₱135,125)
Non-controlling interests	**(144,660)**	(75,443)	**226,668**	184,281
Total comprehensive income (loss)	**₱ (792,679)**	(₱392,902)	**(₱230,222)**	₱49,146

PHINMA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent											
				Exchange Differences on Translation of		Other	Share in Other Comprehensive Income (Loss) of	Retained Earnings			Non-controlling	
	Capital Stock	Additional Paid-in Capital	Treasury Shares	Foreign Operations	Equity Reserves	Comprehensive Income	Associates and Joint Ventures	Appropriated	Unappropriated	Subtotal	Interests	Total Equity
Balance, December 31, 2024 (Audited)	**₱3,363,312**	**₱919,367**	**(₱2,282)**	**(₱1,113)**	**(₱44,678)**	**₱49,523**	**₱-**	**₱1,600,000**	**₱3,452,873**	**₱9,337,002**	**₱6,485,988**	**₱15,822,990**
Adjustment on PFRS 15: Significant financing component (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-
Total adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Balance, January 1, 2025	**3,363,312**	**919,367**	**(2,282)**	**(1,113)**	**(44,678)**	**49,523**	**-**	**1,600,000**	**3,452,873**	**9,337,002**	**6,485,988**	**15,822,990**
Net income	-	-	-	-	-	-	-	-	**(455,059)**	**(455,059)**	**371,344**	**(226,925)**
Other comprehensive income (loss)	-	-	-		-	**(151)**	-	-	**(1,679)**	**(1,830)**	**(1,466)**	**(3,296)**
Total comprehensive income	-	-	-		-	**(151)**	-	-	**(456,738)**	**(456,889)**	**226,668**	**(230,221)**
Cash dividends (Note 22)	-	-	-	-	-	-	-	-	**(201,795)**	**(201,795)**	**(28,289)**	**(230,084)**
Realized gain on sale of financial assets at fair value through other comprehensive income	–	–	–	–	–		–	–		–	–	–
Issuance of shares from stock purchase plan (Note 6)	-	-	-	-	-	-	-	-	-	-		
Business combination					**(101,713)**					**(101,713)**		**(101,713)**
Issuance of shares											**10,000**	**10,000**
Acquisition of non-controlling interest (Note 6)	-	-	-	-		-	-	-	-			
Dilution of equity shares (Note 6)	-	-	-	-		-	-	-	-			
Put option over non-controlling interests (Note 6)	-	-	-	-		-	-	-	-			
Reversal of Appropriation							-	**(1,600,000)**	**1,600,000**			
Appropriation of retained earnings							-	**1,000,000**	**(1,000,000)**			
Parent company share held by subsidiary (Note 22)	-			-	-	-	-	-	-		-	
Balance, June 30, 2025 (Unaudited)	**₱3,363,312**	**₱919,367**	**(₱2,282)**	**(₱1,113)**	**(₱146,391)**	**₱49,372**	**₱-**	**₱1,000,000**	**₱3,394,340**	**₱8,576,605**	**₱6,694,367**	**₱15,270,972**

	Equity Attributable to Equity Holders of the Parent											
				Exchange Differences on Translation of Foreign			Share in Other Comprehensive Income (Loss) of	Retained Earnings			Non-controlling	
	Capital Stock	Additional Paid-in Capital	Treasury Shares	Operations	Equity Reserves	Other Comprehensive Income (Loss)	Associates and Joint Ventures	Appropriated	Unappropriated	Subtotal	Interests	Total Equity
Balance, December 31, 2023 (Audited)	₱2,863,312	₱396,845	(₱57,909)	(₱773)	(₱1,709,755)	₱63,772	₱-	₱1,600,000	₱3,512,162	₱6,667,654	₱2,992,208	₱9,659,862
Adjustment on PFRS 15: Significant financing component (Note 3)	-	-	-	-	-	-	-	-	(142,170)	(142,170)	(9,068)	(151,238)
Total adjustment	-	-	-	-	-	-	-	-	(142,170)	(142,170)	(9,068)	(151,238)
Balance, January 1, 2024	2,863,312	396,845	(57,909)	(773)	(1,709,755)	63,772	-	1,600,000	3,369,992	6,525,484	2,983,140	9,508,624
Net income (loss)	-	-	-	-	-	-	-	-	(117,891)	(117,891)	191,120	73,229
Other comprehensive income (loss)	-	-	-	(369)	-	(2,440)	-	-	(14,424)	(17,233)	(6,839)	(24,072)
Total comprehensive income (loss)	-	-	-	(369)	-	(2,440)	-	-	(132,315)	(135,124)	184,281	49,157
Cash dividends (Note 22)	-	-	-	-	-	-	-	-	(171,795)	(171,795)	(28,019)	(199,814)
Issuance of shares from stock purchase plan (Note 6)	-	-	-	-	-	-	-	-	-	-	30,080	30,080
Acquisition of non-controlling interests (Note 6)	-	-	-	-	(441,278)	-	-	-	-	(441,278)	(383,076)	(824,354)
Dilution of equity shares (Note 6)	-	-	-	-	(36,637)	-	-	-	-	(36,637)	29,655	(6,982)
Put option over non-controlling interests (Note 6)	-	-	-	-	(279,154)	-	-	-	-	(279,154)	54,612	(224,542)
Parent company share held by subsidiary (Note 22)	-	49,022	57,727	-	-	-	-	-	-	106,749	-	106,749
Balance, June 30, 2024 (Unaudited)	₱2,863,312	₱445,867	(₱182)	(₱1,142)	(₱2,466,824)	₱61,332	₱-	₱1,600,000	₱3,065882	₱5,568,245	₱2,870,673	₱8,438,918

	Equity Attributable to Equity Holders of the Parent											
				Exchange differences on			Share in other comprehensive income of	Retained earnings (Note 23)			Non-	
	Capital stock (Note 23)	Additional paid-in Capital	Treasury shares (Note 23)	translation of foreign Operations	Equity reserves (Note 6)	Other comprehensive income (Note 14)	associates and joint ventures (Note 12)	Appropriated	Unappropriated	Subtotal	controlling Interests	Total (Note 23)
Balance, January 1, 2024 (as restated)	2,863,312	396,845	(57,909)	(773)	(1,709,755)	63,772	-	1,600,000	3,512,162	6,667,654	2,992,208	9,659,862
Adjustment on PFRS 15: Significant financing component	-	-	-	-	-	-	-	-	(142,170)	(142,170)	(9,068)	(151,238)
Balance, January 1, 2024 (as adjusted)	2,863,312	396,845	(57,909)	(773)	(1,709,755)	63,772	-	1,600,000	3,369,992	6,525,484	2,983,140	9,508,624
Comprehensive income (loss)												
Net income	-	-	-	-	-	-	-	-	279,550	279,550	657,318	936,868
Other comprehensive income (loss)	-	-	-	(340)	-	(5,594)	-	-	(33,529)	(39,463)	(13,308)	(52,771)
Total comprehensive income (loss)	-	-	-	(340)	-	(5,594)	-	-	246,021	240,087	644,010	884,097
Transactions with owners												
Cash dividends (Note 23)	-	-	-	-	-	-	-	-	(171,795)	(171,795)	(377,197)	(548,992)
Stock rights offering (SRO) (Note 23)	500,000	473,500	-	-	-	-	-	-	-	973,500	-	973,500
Business combination (Note 5)	-	-	-	-	-	-	-	-	-	-	474,084	474,084
Issuance of shares from stock purchase plan (SPP) (Note 6)	-	-	-	-	(8,424)	-	-	-	-	(8,424)	58,933	50,509
Dilution of equity shares (Note 6)	-	-	-	-	(443,539)	-	-	-	-	(443,539)	(391,688)	(835,227)
Issuance of shares of subsidiaries (Note 6)	-	-	-	-	977,637	-	-	-	-	977,637	1,670,473	2,648,110
Buyback of shares in UGC (Note 6)	-	-	-	-	(30,995)	-	-	-	-	(30,995)	24,012	(6,983)
Accretion of interest in NCI put liability (Note 6)	-	-	-	-	(279,069)	-	-	-	-	(279,069)	(57,747)	(336,816)
Derecognition of NCI put liability (Note 6)	-	-	-	-	1,449,467	-	-	-	-	1,449,467	1,457,968	2,907,435
Parent company shares held by a subsidiary (Note 23)	-	49,022	55,627	-	-	-	-	-	-	104,649	-	104,649
Total transactions with owners	500,000	522,522	55,627	-	1,665,077	-	-	-	(171,795)	2,571,431	2,858,838	5,430,269
Realized gain on sale of financial assets at FVOCI (Note 14)	-	-	-	-	-	(8,655)	-	-	8,655	-	-	-
Balance, December 31, 2024	3,363,312	919,367	(2,282)	(1113)	(44,678)	49,523	-	1,600,000	3,452,873	9,337,002	6,485,988	15,822,990

PHINMA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Six-Month Periods Ended June 30	
	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**(₱200,434)**	₱159,572
Adjustments to reconcile income before income tax to net cash flows:		
Depreciation and amortization (Notes 23, 24 and 25)	**864,987**	513,866
Interest expense and other financing charges	**533,150**	750,190
Unrealized foreign exchange loss (gain) - net	**23,445**	(47,751)
Pension and other employee benefits expense (Note 28)	**60,483**	100,916
Equity in net losses (earnings) of associates and joint ventures (Note 11)	**(1,341)**	(3,327)
Gain on investments held for trading – net	**(9,172)**	(7,330)
Interest income	**(239,576)**	(115,189)
Loss (gain) on derivatives – net (Note 12)	**26,639**	(34,792)
Dividend income	**(55)**	(54)
Unrealized loss (gain) on change in fair value of investment (Note 12)	**53,487**	(112,129)
Loss (gain) on sale of property, plant and equipment – net	**(121)**	45
Operating income before working capital changes	**1,111,492**	1,204,017
Decrease (increase) in		
Trade and other receivables	**574,040**	(354,600)
Contract assets	**25,411**	386,053
Inventories	**22,832**	(246,379)
Input value-added taxes and other current assets	**160,689**	(2,691)
Other non-current assets	**(168,912)**	70,316
Increase (decrease) in:		
Trade and other payables	**542,065**	257,992
Due to related parties	**(36,098)**	104,571
Trust receipts payables	**207,560**	(275,754)
Contract liabilities	**(2,126,738)**	(1,518,840)
Other non-current liabilities	**(22,394)**	(59,814)
Net cash (used in) provided by operations	**289,946**	(435,129)
Interest paid	**(884,714)**	(574,356)
Income tax paid	**(52,045)**	(92,245)
Contributions to the pension fund and benefits paid from operating fund	**(64,388)**	(74,999)
Interest received	**156,122**	117,946
Net cash provided by (used in) operating activities	**(555,079)**	(1,058,783)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Short-term investments	**(1,125)**	-
Investment held for trading	**(18,544)**	(217,230)
Property, plant and equipment	**(1,704,937)**	(1,165,767)
Investment properties	**(12,879)**	(1,599)
Intangible assets	**(51,425)**	(12,301)
Investment in and advances to associates and join venture	**-**	(205,926)
Proceeds from sale of:		
Investment held for trading	**791,130**	232,205
Property, plant and equipment	**35,627**	2,395
Acquisition of subsidiary - net of cash acquired	**(98,489)**	-
Increase in other noncurrent assets	**-**	
Dividends received	**2,172**	54
Net cash provided by (used in) investing activities	**(1,058,470)**	(1,368,169)

(Forward)

	Six -Month Periods Ended June 30	
	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Notes payable	**(₱2,664,249)**	(₱4,764,335)
Cash dividends (Note 22)	**(278,058)**	(311,910)
Lease liability (Note 31)	**(67,812)**	(92,983)
Long-term debt (Note 21)	**(525,602)**	(344,913)
Proceeds from availments of:		
Notes payable	**4,698,062**	8,491,589
Long-term debt	**711,000**	99,058
Acquisition of non-controlling interests (Note 6)		(831,336)
Proceeds from sale of parent company shares held by subsidiary	**-**	106,749
Issuance of shares to non-controlling interest	**10,000**	30,080
Increase (decrease) in due to related parties	**-**	
Increase (decrease) in other non-current liabilities	**-**	
Net cash provided by financing activities	**1,883,341**	2,381,999
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(16,487)**	47,751
NET INCREASE IN CASH AND CASH EQUIVALENTS	**253,305**	2,798
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**3,096,553**	2,905,913
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	**₱3,349,858**	₱2,908,711

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

1. Corporate Information

PHINMA Corporation (PHN or the Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on March 12, 1957.

The Parent Company is listed in the Philippine Stock Exchange (PSE) since August 15, 1958.

On August 2, 2006, the Philippine SEC approved the extension of the Parent Company's corporate life for another 50 years. On May 27, 2010, the Philippine SEC approved the change in the Parent Company's corporate name from Bacnotan Consolidated Industries, Inc. to PHINMA Corporation. Its principal activity is holding investments in shares in various subsidiaries, associates and investees and other financial instruments.

Following are the subsidiaries of the Parent Company and the nature of their principal business activities:

			June 30, 2025			December 31, 2024		
Subsidiaries	Nature of Business	Calendar/ Fiscal Yearend	**PHN Direct Interest**	**Direct Interest of Subsidiary**	**PHN Effective Interest**	PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest
Construction Materials Group								
Union Galvasteel Corporation (UGC)	Manufacturing and distribution of steel products	December 31	**98.64**	-	**98.64**	98.64	-	98.64
PHINMA Solar Energy Corporation (PHINMA Solar)	Solar rooftop	December 31	-	**100.00**	**98.64**	-	100.00	98.64
Union Insulated Panel Corporation [(j)]	Manufacturing and distribution of insulated panel	December 31	-	**100.00**	**98.64**	-	100.00	98.64
Philcement Corporation (PCC) [(g)]	Manufacturing and distribution of cement products	December 31	**60.00**	–	**60.00**	60.00	–	60.00
Philcement Mindanao Corporation (PMC) [(h)]	Manufacturing and distribution of cement products	December 31	-	**70.00**	**42.00**	-	70.00	42.00
Education Group								
PHINMA Education Holdings, Inc. (PEHI) [(a)]	Holding company	March 31	**66.41**	-	**66.41**	66.41	-	66.41
Pamantasan ng Araullo (Araullo University), Inc. (AU) [(a)]	Educational institution	March 31	-	**97.76**	**64.93**	-	97.76	64.93
Cagayan de Oro College, Inc. (COC) [(a)]	Educational institution	March 31	-	**91.27**	**60.62**	-	91.27	60.62
University of Iloilo (UI) [(a)]	Educational institution	March 31	-	**69.23**	**45.98**	-	69.23	45.98
University of Pangasinan (UPANG) and Subsidiary [(a)]	Educational institution	March 31	-	**69.33**	**46.05**	-	69.33	46.05
Southwestern University (SWU) [(a)]	Educational institution	March 31	-	**94.51**	**62.77**	-	94.51	62.77
St. Jude College, Inc. (SJCI) [(a)]	Educational institution	March 31	-	**98.44**	**65.38**	-	98.44	65.38
Republican College, Inc. (RCI)	Educational institution	December 31	-	**99.97**	**66.40**	-	99.97	66.40
Rizal College of Laguna (RCL) [(a)]	Educational institution	April 30	-	**90.00**	**59.80**	-	90.00	59.80
Union College of Laguna (UCLI) [(a)]	Educational institution	December 31	-	**80.91**	**53.74**	-	80.91	53.74
Career Academy Asia, Inc. (CAA) [(a and b)]	Educational Institution	March 31	**90.00**	-	**90.00**	90.00	-	90.00
St. Jude College, Inc. Cavite (SJC-C)	Educational Institution	December 31	-	**94.62**	**62.85**	-	94.62	62.85
Properties Group								
PHINMA Property Holdings Corporation (PPHC) [(d)]	Real estate development	December 31	**78.61**	**22.38**	**94.01**	78.61	22.38	94.01
P & S Holdings Corporation (PSHC)	Investment and real estate holdings	December 31	**60.00**	-	**60.00**	60.00	-	60.00
Asian Plaza, Inc. (API)	Lease of real property	December 31	**57.62**	-	**57.62**	57.62	-	57.62
Community Developers and Construction Corporation (CDCC) [(d)]	Real estate development	December 31	-	**99.22**	**93.28**	-	99.22	93.28
Community Property Managers Group, Inc. (CPMGI) [(d)]	Property Management	December 31	-	**95.75**	**90.01**	-	95.75	90.01
ABCIC Property Holdings, Inc. (APHI) [(d)]	Selling of real and personal properties	December 31	**89.98**	-	**89.98**	89.98	-	89.98
JEPP Property Corporation [(e)]	Real estate development	December 31	-	**55.00**	**51.71**	-	55.00	51.71
PHINMA COHO Corporation [(j)]	Real estate development	December 31	**100%**	-	**100.00**	-	-	-
Hospitality Group								
PHINMA Hospitality Management Corporation [(f)]	Management services and investment holdings	December 31	**100%**	-	**100.00**	-	-	-

Subsidiaries	Nature of Business	Calendar/ Fiscal Yearend	June 30, 2025 PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest	December 31, 2024 PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest
PHINMA Hospitality, Inc. (PHI) and Subsidiaries [d and h]	Management services and investment holdings	December 31	**63.77**	**36.23**	**84.65**	63.77	36.23	84.65
PHINMA Microtel Hotels, Inc. (PHINMA Microtel) [d]	Hotel franchising	December 31	**51.00**	-	**51.00**	51.00	-	51.00
Coral Way City Hotel Corp. (Coral Way)	Hotel operations	December 31	**23.75**	**26.44**	**46.13**	23.75	26.44	46.13
Krypton Esplanade Hotel Corporation (KEHC)	Hotel operations	December 31	-	**100.00**	**46.13**	-	100.00	46.13
Others								
PHINMA Insurance Brokers, Inc. (PIBI)	Insurance broker	December 31	**100.00**	-	**100.00**	-	-	-
One Animate Limited (OAL) and Subsidiary [c]	Business process outsourcing - animation services	December 31	**80.00**	-	**80.00**	80.00	-	80.00

[a] *Balances as at and for the year ended December 31 of these subsidiaries were used for consolidation purposes.*
[b] *CAA ceased its operations on March 31, 2019.*
[c] *OAL owns 100.00% interest in Toon City Animation, Inc. (Toon City). OAL and Toon City ceased operations in April 2013.*
[d] *On July 17, 2023, PHN acquired shares in the following companies: 36.71% ownership interest of PPHC; 63.47% ownership interest of APHI; 63.77% ownership interest of PHI; 51.00% ownership interest of PHINMA Microtel and 8.03% ownership interest of PEHI*
[e] *PPHC and Jepp Real Estate Co. Inc. (JREC) entered into a joint development agreement in 2022 to form Jepp Property Corporation (JEPP) in Bacolod. On November 6, 2024, PPHC obtained 55% controlling shares of stock of JEPP.*
[f] *PHINMA Hospitality Management Corporation (PHMC) was incorporated on May 9, 2024. PHN will invest and obtain 100% ownership in PHMC by the second quarter of 2025.*
[g] *On March 15, 2024, Philcement Mindanao Corporation (PMC) was incorporated. Philcement entered in a share purchase agreement with Petra Cement, Inc. (Petra) for the acquisition of 100% outstanding shares of Petra. Subsequent arrangements provide that the shares will eventually be transferred to PMC, which was completed on April 8, 2025, pending the approval of the SEC.*
[h] *On May 15, 2024, the Board of Directors (BOD) approved PHN's additional investment to be made to PHI amounting to ₱252 million.*
[i] *On September 2, 2022, Union Insulated Panel Corporation (UIPC) was incorporated, which is 100% owned by UGC. On August 6, 2024, the BOD approved an investment up to ₱210 million in UIPC Insulated Panel Plant Project, through UGC.*
[j] *On March 21, 2025, the Company's BOD approved the investment of 250 million in PHINMA COHO Corporation for its initial capital expenditure requirements, purchase of land and working capital requirements.*

The Parent Company and its subsidiaries (collectively referred to as "the Company") were all incorporated in the Philippines, except for OAL which was incorporated in Hong Kong. The Company's ultimate parent company is Philippine Investment-Management (PHINMA), Inc., which is also incorporated in the Philippines.

The information on the segments of the Company is presented in Note 34 to the consolidated financial statements.

On August 6, 2024, PHN's BOD approved a stock rights offering (SRO) consisting of ₱1.0 billion in primary common shares to be listed in the fourth quarter of 2024. On October 16, 2024, the SEC issued a Notice of Confirmation of Exempt Transaction confirming that the Offer is exempt from the registration requirements of the Securities Regulation Code. On October 31, 2024, PHINMA Corporation informed the SEC and the PSE that the Company will offer a total of 50,000,000 common shares at an offer price of ₱20.00 per share, at the ratio of one rights share for every 5.73 existing common shares. Tentative listing date will be on November 27, 2024.

The registered office address of the Parent Company is 12th Floor, PHINMA Plaza, 39 Plaza Drive, Rockwell Center, and Makati City.

The accompanying unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors (BOD), as approved and recommended for approval by the Audit Committee on August 7, 2025.

2. Basis of Preparation and Consolidation and Statement of Compliance

The interim consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by SEC in response to COVID-19 pandemic for the years ended December 31, 2023 and 2022.

The Company availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of Philippine Interpretations Committee (PIC)
Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- PAS Standards; and
- Interpretations issued by the of the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Basis of Consolidation

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

The Company controls an investee if and only if the Company has:

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

For entities wherein the indirect ownership is equal to or lower than 50%, management considers the situations when control is achieved in determining whether the entities will be classified as controlled subsidiaries.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction and is shown as part of "Equity reserves" under the consolidated statement of changes in equity.

Accounting policies and reporting period of its subsidiaries are consistent with the policies adopted by and the reporting period of the Parent Company.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired in the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of a subsidiary

When the Company ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the Company surrenders control to a related party within the group it ultimately belongs, the difference between the consideration received and the fair value of the subsidiary at divestment date, is recognized as other charges to equity.

3. Changes in Accounting Polices and Disclosures

New standards, amendments and interpretations adopted by the Company

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 1, 2025. The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the interim condensed consolidated financial statements of the Company.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

  The amendments to PAS 7 Statement of cash flows requires disclosure on information about supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date. Supplier finance arrangements are often referred to as supply chain finance, payables finance or reverse factoring arrangements.

  An entity shall disclose the following in aggregate for its supplier finance arrangements:

  a) The terms and conditions of the arrangements. However, an entity shall disclose separately the terms and conditions of arrangements that have dissimilar terms and conditions.

  b) As at the beginning and end of the reporting period:
     i) The carrying amounts, and associated line items presented in the entity's statement of financial position, of the financial liabilities that are part of a supplier finance arrangement.
     ii) The carrying amounts, and associated line items, of the financial liabilities disclosed under (i) for which suppliers have already received payment from the finance providers.
     iii) The range of payment due dates for both the financial liabilities disclosed under (i) and comparable trade payables that are not part of a supplier finance arrangement.

  c) the type and effect of non-cash changes in the carrying amounts of the financial liabilities disclosed under (b) (i).

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 with early adoption permitted. The Company's liabilities under supplier finance arrangements are presented as trust receipts payable in the statements of financial position in Note 11.

- Adoption of the Deferred Provisions of PIC Q&A 2018-12, *PFRS 15 Implementation Issues Affecting the Real Estate Industry* (as amended by PIC Q&A 2020-04)

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the Philippine SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019 respectively, providing relief to the real estate industry by deferring the

application of the following provisions of this PIC Q&A for a period of three (3) years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

The PIC Q&A provisions covered by the Philippine SEC deferral that the Company availed in 2021 follows:

	Deferral Period
Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023

On July 8, 2021, to assist real estate companies to finally adopt the above mentioned PIC Q&A and IFRIC pronouncements and enable them to fully comply with PFRS 15 and revert to full PFRS, the SEC issued SEC MC No. 8-2021 amending the transition provision of the above
PIC Q&A, which would provide real estate companies the accounting policy option of applying either the full retrospective approach or modified retrospective approach when they apply the provisions of the above PIC Q&A and IFRIC pronouncements.

The Company has adopted for the first-time effective January 1, 2024 certain amendments to existing standard and interpretations deferred by SEC under Memorandum Circular No. 2018-12 and adopted the guidelines in determining the significant financing component of the contract.

The Company elected to apply such amendments by recognizing the cumulative effect as an adjustment to the retained earnings as at January 1, 2024, which is the date of initial application. The Company elected to apply such amendments retrospectively only to contracts that are not completed contracts at the date of initial application. As a result, an adjustment to decrease contract assets by ₱201.7 million, decreased deferred tax liabilities, net of ₱50.4 million, decreased retained earnings amounting to ₱142.2 million and decreased non-controlling interest amounting to ₱9.1 million was recognized in the consolidated statements of financial position as at January 1, 2024.

For the three months June 30, 2025 and 2024, the Company assessed that the overall impact of the adoption of the requirement of PIC Q&A No. 2018-12 pertaining to significant financing component is amounting to ₱70.4 million and 55.1 million, respectively.

- Amendments to PAS 21, *Lack of Exchangeability*

The amendment defines that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

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

  PFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

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

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

There are no other relevant standards, amendments or interpretations that are effective beginning on or after January 1, 2025 that are expected to have a material impact on the Group's financial statements.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the interim condensed consolidated financial statements and accompanying notes. Changes in these estimates and assumptions could result in outcomes that may require material adjustments to the carrying amounts of the affected assets or liabilities in the future.

There were no significant changes in accounting judgments, estimates, and assumptions that affect the amounts reported in the interim condensed consolidated financial statements and accompanying notes.

5. Business Combination

i. Acquisition of PHINMA Insurance Brokers, Inc.

On January 9, 2025, the Company completed the purchase of PHINMA Insurance Brokers, Inc. (PIBI) from PHINMA, Inc. for a total transaction of P150.53 million for 2.3 million shares representing 100% ownership. On November 7, 2024, the Company disclosed the approval of the board for the acquisition of PIBI from PHINMA, Inc. PIBI is the insurance brokerage arm of the Group, involved in developing, packaging and servicing life, non-life and HMO insurance programs while dealing with reputable local and global insurance companies to answer its clients' various requirements.

The Parent Company and PIBI are subsidiaries of PHINMA, Inc. before and after the business combination. Thus, the acquisition was accounted for as business combination under common control for which pooling of interests method was applied in the preparation of the consolidated financial statements. The assets, liabilities and equity of the acquired businesses are included in the consolidated financial statements at their carrying amounts. Financial information for periods prior to the date of business combination was not restated.

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

Current assets	119,241
Noncurrent assets	13,218
Total assets	132,459
Current liabilities	(70,895)
Noncurrent liabilities	(12,781)
Total Liabilities	(83,676)
Net assets acquired	48,783

The net cash outflow related to the acquisition is as follows:

Cash payments relating to acquisition	₱150,535
Less cash of acquired subsidiaries	(52,046)
Net cash outflow	₱98,489

The combination resulted to equity adjustment from common control business combination, included under "Equity reserves" account, amounting to ₱101.7 million.

ii. Acquisition of JEPP Properties Corporation by PPHC

On October 22, 2022, PPHC and Jepp Real Estate Co. Inc (JREC). entered into a joint development agreement to form JEPP Property Corporation (JEPP), in Bacolod. JEPP was incorporated and registered with Philippine SEC on December 12, 2022. The Company's purpose is to deal and engage in the real estate business in all aspects: to hold, develop, finance and otherwise deal in and dispose of all kinds of real estate development. As at December 31, 2022, the PPHC has no ownership interest in JEPP.

On January 19, 2023, PPHC and JREC entered into a Contract to Sell whereby PPHC agreed to purchase 9.7% ownership interest in JEPP from JREC, for a total consideration of P294.1 million.

These were recorded as advances to third party as part of receivables, pending resolution of certain conditions in the agreement.

On November 17, 2023, PPHC entered into a subscription agreement with JEPP, whereby it agreed to subscribe and purchase 18.2 million shares of JEPP for a price of 18.2 million. As at December 31, 2023, PPHC has no ownership interest in JEPP.

PPHC entered into additional subscription agreement with JEPP whereby it agreed to subscribe and purchase 60.0 million shares of JEPP for a price of 60.0 million, and 55.04 million shares of JEPP for a price of 55.04 million, these were paid on January 15, 2024 and October 28, 2024, respectively.

On November 6, 2024 (the acquisition date), PPHC obtained 55.00% controlling shares of stock of JEPP for a total consideration of 827.1 million, of which 399.7 million is outstanding as at December 31, 2024. The amount also includes the abovementioned subscriptions for primary shares of JEPP amounting to 133.2 million. Net purchase consideration paid to JREC amounted to 294.1 million. The acquisition increased PPHC's market through expansion in Bacolod.

The fair value of the identifiable assets and liabilities of JEPP as at the date of the acquisition are as follows:

	Fair Values Recognized at Acquisition Date
Total assets:	
Cash and cash equivalents	5,043
Trade and other receivables	52,081
Inventories	657,827
Prepaid expenses and other current assets	18,009
Property, plant and equipment	553
Total assets	733,513
Total liabilities:	
Trade payables and other payables	(101,192)
Total liabilities	(101,192)
Total identifiable net assets acquired	632,321
Less: PPHC subscriptions to JEPP	(133,238)
Net identifiable assets acquired	499,083
Less: Share of NCI in net assets acquired	(478,042)
Add: Goodwill arising from acquisition	273,077
Purchase consideration transferred for net assets acquired	294,118

The net assets recognized in the December 31, 2024 financial statements were based on a provisional assessment of the fair value. The Company recognized the non-controlling interests using fair value method. Upon acquisition, PPHC recognized goodwill amounting to 273.1 million attributable to the increase in market share and will not be deductible for tax purposes.

From the date of acquisition, JEPP's revenues and net income amounting to 316.4 million and 123.5 million, respectively, formed part of the 2024 consolidated statement of income. If the combination had taken place at the beginning of the year, JEPP's total contribution to revenues and net income to the 2024 consolidated statements of income would have been 316.4 million and 100.2 million, respectively.

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	294,118
Less cash of acquired subsidiaries	(5,043)
Net cash outflow	289,075

iii. Acquisition of St. Jude College - Cavite by PEHI

On December 6, 2024, PEHI entered into a deed of absolute sale of shares agreement to acquire a 94.62% ownership in St. Jude College – Cavite.

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

	Fair Values Recognized at Acquisition Date
Total assets:	
Cash and cash equivalents	5,277
Property, plant and equipment	89,504
Other assets	18,015
Total assets	112,796
Total liabilities:	
Trade and other payables	(183,194)
Pension	(3,167)
Total liabilities	(186,361)
Total identifiable net liabilities assumed	(73,565)
Add: Proportionate share of NCI in net liabilities assumed	3,958
Goodwill arising from acquisition	154,200
Purchase consideration transferred	84,593

The net liabilities assumed in the December 31, 2024 financial statements were based on a provisional assessment of the fair value. The Company recognized the non-controlling interests at their proportionate share of the acquired net identifiable liabilities.

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	84,593
Less cash of acquired subsidiaries	(5,277)
Net cash outflow	79,316

From the date of acquisition, SJC Cavite's revenues and net income amounting to 19.4 million and 8.0 million, respectively, formed part of the 2024 consolidated statement of income. If the combination had taken place at the beginning of the year, SJC Cavite's total contribution revenues and net loss in the 2024 consolidated statements of income would have been 142.5 million and 111.7 million, respectively.

iv. *Acquisition of PHINMA Property Holdings Corporation, ABCIC Property Holdings, Inc. PHINMA Hospitality and PHINMA Microtel Hotels, Inc.*

On July 17, 2023, the Parent Company and PHINMA, Inc., executed a Deed of Sale for the purchase of investments of PHINMA, Inc. in the following Companies:

Company	Description	PHINMA, Inc.'s Direct Ownership	Transaction Value (in millions)
PPHC	Holding company of the Company's property development arm	36.71%	588.9
PHI	Management company of the Company's Microtel and TRYP hotels; part-owner in 7 hotels	63.77%	251.2
PHINMA Microtel	Master franchisor of Microtel and TRYP hotels in the Philippines	51.00%	21.2
APHI	Owner of real estate properties	63.47%	409.4
Total			1,270.7

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

Company	PPHC	PHI	PHINMA Microtel	APHI
Current assets	5,872,075	177,847	72,639	119,008
Noncurrent assets	958,256	271,740	3,172	250,352
Total assets	6,830,331	449,587	75,811	369,360
Current liabilities	(4,255,742)	(22,216)	(17,530)	(592)
Noncurrent liabilities	(1,258,421)	(10,248)	(11,070)	(70)
Total Liabilities	(5,514,163)	(32,464)	(28,600)	(662)
Net assets acquired	1,316,168	417,123	47,211	368,698

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	1,270,699
Less cash of acquired subsidiaries	287,337
Net cash outflow	983,362

The Parent Company and all the entities above are subsidiaries of PHINMA, Inc. before and after the business combination. Thus, the acquisition was accounted for as business combination under common control for which pooling of interests method was applied in the preparation of the consolidated financial statements. The assets, liabilities and equity of the acquired businesses are included in the consolidated financial statements at their carrying amounts. Financial information for periods prior to the date of business combination was not restated.

Under the pooling of interests method:

- The assets and liabilities of the combining entities are reflected at their carrying amounts;
- No adjustments are made to reflect fair values, or recognize any new assets or liabilities at the date of combination. The only adjustments would be to harmonize accounting policies between the combining entities;
- No "new" goodwill is recognized as a result of the business combination;
- Any difference between the consideration transferred and the net assets acquired is reflected within equity;
- The consolidated statement of income in the year of acquisition reflects the results of the combining entities starting when the combination took place.

The combination resulted to equity adjustment from common control business combination, included under "Equity reserves" account, amounting to ₱636.4 million. It also resulted to increase in "Non-controlling interests" account amounting to ₱573.9 million and decreases in "Retained earnings", "Other comprehensive income" and "Share in other comprehensive income of associates and joint ventures accounts amounting to ₱10.6 million, ₱14.3 million and ₱9.6 million, respectively.

6. Transactions with Non-controlling Interests and Others Changes in Ownership

Dilution and Acquisition of Ownership Interest of NCI in SWU

On April 26, 2024, PEHI acquired additional 226,922 common shares of SWU for a total consideration of 835.2 million, which increased its ownership interest to 97.76%. The acquisition resulted to the decrease in "Non-controlling interest" and "Equity reserves" accounts in the statements of changes in equity by 443.5 million and 391.7 million, respectively.

Dilution of Ownership Interest in PEHI

Issuance of shares from SPP

On July 14, 2023, PEHI's stock purchase plan was approved by its Board of Trustees and shareholders. The stock sharing plan was offered to PEHI's executives and employees with more than 1 year of service as of March 31, 2023. For the year ended December 31, 2024, PEHI granted 638,570 shares to its employees with a fair value at grant date of 58.9 million (2023 – nil). This resulted to a corresponding decrease of the Parent Company's ownership interest in PEHI amounting to 8.4 million (2023 – nil) or to 75.01%. The transaction resulted to the decrease in "Equity reserves" and increase to "Non-controlling interests" accounts by ₱8.4 million and ₱58.9 million, respectively.

Call and Put Option over the NCI in PEHI and Issuance of shares to NCI

In 2021, PEHI and the Parent Company signed a Shareholders Agreement with third party investors (the "Investors") who acquired non controlling interest in PEHI. As part of the signed investment agreement of PEHI and the Investors, in the event that an initial public offering (IPO) of PEHI is not completed on the fifth anniversary of the agreement, the Investors have an irrevocable right and option to sell to and obligate the Parent Company to purchase all or portion of their shares (put option). On the other hand, the Parent Company

has an irrevocable right and option to purchase and obligate all of the Investors to sell all of its shares under certain conditions.

The exercise price of the options is based at a price that generates 10% internal rate of return, based on the investor US dollar subscription price per share, which is calculated at the agreed exchange rate for the period beginning on the closing date and ending on the date of the relevant notice.

Asian Development Bank (ADB) invested 1.1 million shares of PEHI for a total consideration of
625.0 million. The stock purchase agreement contains call and put options and as a result, additional non-controlling interest put liability is recognized.

The transactions described above resulted to recognition of “Non-controlling interest put liability” amounting to 2,570.6 million as at 2023, and derecognition of “Non-controlling interests” amounting to 133.8 million 2023, with the difference recorded as “Equity reserves” amounting to 248.5 million in 2023.

For the year ended December 31, 2024 , accretion of interest in the put liability amounts to 336.8 million, presented in the statements of changes in equity as decreases in “Equity Reserves” and “Non-controlling interest” amounting to 279.0 million and 57.7 million, respectively.

On May 21, 2024, PEHI signed an investment agreement with Phoenix Investments II Pte. Ltd (Phoenix II), an investment vehicle of funds managed by KKR, a leading global investment firm, relating to the issuance of newly issued shares. Concurrently, Phoenix II entered into an agreement to acquire all of the shares in PEHI owned, directly or indirectly, by Asian Development Bank (ADB), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) and Kaizen Private Equity II Pte. Ltd. (Kaizen) and a termination agreement between PHN and the original shareholders was executed.

In the fourth quarter of 2024, all of the completion obligation requirements indicated in the new shareholder agreement and termination agreement were met. Following the completion of the two transactions, ADB, FMO and Kaizen will no longer be shareholders of PEHI and PHN derecognized the put liability amounting to 2,907.4 million and the related reserve in equity amounting to 1,449.5 million, and increased the non-controlling interest by 1,458.0 million.

In October 2024, PEHI sold 25,132,793 shares to Phoenix Investments II Pte LTD (KKR) for a total consideration of 2,439.7 million. The transaction resulted to the increase in “Equity reserves” and “Non-controlling interests” accounts in the statements of changes in equity by 977.6 million and 1,462.1 million, respectively.

The transactions described above, further reduced the Company’s ownership in PEHI to 66.41% as at December 31, 2024.

Acquisition of Ownership Interest of NCI in PEHI

On July 17, 2023, the Parent Company acquired the shares in PEHI held by PHINMA, Inc. for a total cost of 1,064.8 million, which increased its ownership interest to 75.21%. The

transaction resulted to the decrease in "Non-controlling interests" and "Equity reserves" accounts in the statements of changes in equity by 542.4 million and 522.3 million, respectively.

Dilution and Acquisition of Ownership Interest of NCI in AU

On September 1, 2023, PEHI acquired 32,361 shares in AU for a total cost of 3.79 million, which increased its ownership interest to 97.76%. The transaction resulted to the decrease in "Equity reserves" and "Non-controlling interests" accounts in the statements of changes in equity by 3.1 million and 0.7 million, respectively.

Buy back of UGC shares

On May 22, 2024, UGC acquired 780,811 shares of its own common shares under stock purchase plan from retired employees for ₱6.98 million which increased the Company's ownership interest to 98.64%. The transaction resulted to the decrease in "Equity reserves" and increase to "Noncontrolling interests" accounts by ₱31 million and ₱24 million, respectively.

Acquisition of ownership interest in PMC

In Q4 2024, ANFLO Management and Investment Corporation subscribed to 30% ownership interest in PMC for a total consideration of ₱208.3 million.

7. Cash and Cash Equivalents

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Cash on hand and in banks	**2,601,607**	2,005,188	2,373,669
Short-term deposits	**748,251**	1,091,365	535,042
	3,349,858	3,096,553	2,908,711

Cash in banks earn interest at the prevailing bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

8. Investments Held for Trading

This account consists of investments in:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Unit Investment Trust Funds (UITFs)	**579,810**	1,337,191
Marketable equity securities	**3,444**	3,670
	583,254	1,340,861

9. Trade and Other Receivables; Contract Assets and Liabilities

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Receivables from customers (Note 25)	**5,860,127**	8,398,405
Advances to suppliers and contractors	**4,424,167**	2,717,255
Advances to other third parties	**278,434**	278,434
Accrued interest receivables	**600,326**	516,873
Loans receivables	**234,464**	218,898
Due from related parties (see Note 33)	**185,751**	278,434
Rent receivable	**117,905**	113,727
Advances to officers and employees	**154,675**	118,315
Others	**505,571**	575,165
	12,361,419	13,118,428
Less allowance for expected credit losses (ECLs)	**1,517,253**	1,780,639
	10,844,166	11,337,789
Less: Noncurrent portion	**426,192**	350,248
	10,417,974	10,987,541

Non-current portion of receivables from customers pertain to consideration for sold solar photovoltaic rooftop system with an annual effective interest rate of 6% and 8% payable monthly for five (5) to ten (10) years. Interest income realized from sale of solar photovoltaic rooftop system amounted to ₱ 8.3 million and ₱ 10.2 million for the period ended June 30, 2025 and 2024, respectively.

Movements in the allowance for ECLs are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning balance	**1,780,639**	1,524,697
Provisions (see Notes 22 and 23)	**6,430**	266,359
Reversal	**(79,206)**	-
Reclassification	**-**	(10,385)
Write-off	**(192,685)**	(32)
Acquisition through business combination	**2,075**	-
	1,517,253	1,780,639

Contract assets and liabilities

Contract assets represent the right to consideration that was already delivered by PPHC in excess of the amount recognized as installment contracts receivable. This is reclassified as real estate installment contracts receivable when the monthly amortization of the customer is already due for collection or, in the case of sales of real estate under HDMF and bank financing schemes, upon submission of the documentary requirements to HDMF and the lending bank, respectively and upon approval of the loan. Movements in contract asset during the year is mainly due to real estate sales recognized during the period less transfer to real estate installment contracts receivable.

Contract liabilities include unearned revenue from tuition, school and other service fees and deposits from customer for future goods and services. Contract liabilities also consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by PPHC based on POC. When the conditions for revenue recognition are met for the related customer account, sale is recognized and these contract liabilities will be recognized as revenue. The movement in contract liabilities is mainly

due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in POC.

For construction segment, contract liabilities include billings in excess of costs and estimated earnings on uncompleted contracts which represents billings in excess of total costs incurred and estimated earnings recognized.

10. Inventories

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At cost:		
Land and development cost	**3,109,439**	2,802,856
Finished goods	**1,459,908**	2,110,378
Raw materials	**588,126**	362,312
Condominium and housing units for sale	**161,343**	153,565
Spare parts and others	**229,776**	190,703
Other inventories	**221,199**	177,742
	5,769,791	5,797,556
At net realizable value:		
Finished goods	**16,231**	16,231
Other inventories	**27,150**	23,562
	43,380	39,793
Less: Allowance for inventory write down	**(5,910)**	(7,255)
	37,471	32,538
	5,807,262	5,830,094

The Company recognized provision (reversal) for inventory obsolescence of (1.3 million) and nil in June 30, 2025 and 2024, respectively. The reversal pertains to inventories which have been disposed of or sold during the period. Write-off of inventory amounted to nil in 2025 and 2024. The allowance for inventory obsolescence amounted to 5.9 million and 7.3 million as at June 30, 2025 and December 31, 2024, respectively.

11. Investment in and advances to Associates and Joint Ventures

The Company's associates and joint ventures consist of the following:

	Percentage of Ownership (Effective)	
	2025	2024
Interests in joint ventures:		
PHINMA Saytanar Education Company Limited (PHINMA Saytanar) [c]	**37.61**	37.61
PT Ind-Phil Management (IPM) [c]	**51.69**	51.69
Investment in associates:		
Diniwid Beach Hotel Corp. (DBHC) [s]	**36.46**	36.46
First Batangas Hotel Corp (FBHC) [a]	**35.83**	35.83
Nemo Beach Hotel Corp. (NBHC) [a]	**16.93**	16.93
First Commonwealth Hotel Corp.(FCHC) [a]	**16.93**	16.93
South Forbes Silangan Hotel Corp. (SFSHC) [a]	**25.39**	25.39
Inphin8 Space, Inc. (InPHIN8) [b]	**34.56**	34.56
Phinma Properties Sales and Marketing Inc. (PPSMI) [b]	**30.72**	30.72
DITC Bulk Terminal, Inc. (DBTI) [d]	**18.00**	18.00

[a] *Indirect ownership through PHI.*
[b] *Indirect ownership through PPHC*
[c] *Indirect ownership through PEHI.*
[d] *Indirect ownership through PCC*

Investment in and advances to associates and joint ventures
This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Interests in joint ventures	**693,087**	694,604
Investments in associates	**167,177**	166,436
	860,264	861,040

Interests in Joint Ventures
The detailed carrying values of interests in joint ventures (accounted for under the equity method) are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
IPM	**693,087**	694,604
PHINMA Saytanar	**-**	-
	693,087	694,604

The movements and details of the investments in joint ventures are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Acquisition costs:		
Balance at beginning of period	**715,859**	509,793
Additions	**-**	206,066
Balance at end of period	**715,859**	715,859
Accumulated equity in net earnings (losses):		
Balance at beginning of period	**(21,255)**	(387)
Equity in net earnings	**(1,517)**	(20,868)
Balance at end of period	**(22,772)**	(21,255)
	693,087	694,604

The detailed carrying values of investments in associates (accounted for under the equity method) are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
DBTI	**56,605**	56,605
DBHC	**33,802**	33,774
FBHC	**21,216**	22,683
NBHC	**8,714**	9,168
FCHC	**8,253**	8,863
SFSHC	**31,523**	30,473
InPHIN8	**6,396**	4,202
PPSMI	**668**	668
	167,177	166,436

The movements and details of the investments in associates are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Acquisition costs		
Balances at beginning of period	**208,076**	149,471
Additions	**-**	58,605
Balances at end of period	**208,076**	208,076
Accumulated equity in net losses		
Balances at beginning of period	**(41,640)**	(41,652)
Equity in net earnings (loss)	**2,858**	1,705
Dividends	**(2,117)**	(1,693)
Balances at end of period	**(40,899)**	(41,640)
Share in other comprehensive income of associates		
Balances at beginning of period	-	-
Share in other comprehensive loss	-	-
Balances at end of period	-	-
	167,177	166,436

The movement in advances to associate is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	**–**	1,299
Collections	**–**	(1,299)
Balance at end of period	**–**	**–**

12. Financial Assets at FVPL

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Investment in preferred shares	**1,988,696**	2,042,183

On September 18, 2019, the Parent Company executed a Term Sheet with Song Lam Cement Joint Stock Company (Song Lam), Vissai Ninh Binh Joint Stock Company (Vissai) and Hoang Manh Truong (Sponsor) for the investment of US$50.0 million via preferred shares in Song Lam. Song Lam Joint Stock Company manufactures, markets, distributes and exports clinker, cement and cement products and is a supplier of Philcement, a 60%-owned subsidiary of PHN. Vissai is the parent company of Song Lam which owns and manages five cement plants in Vietnam.

In January 2020, the Parent Company, Song Lam, Vissai and Hoang Minh Truong entered into share subscription agreement related to the Parent Company's subscription of the new preferred shares of Song Lam. An advance payment of 10% equivalent to US$5.0 million was made on November 26, 2019 and the 90% balance or US$45.0 million was paid on May 18, 2021. The total US$50.0 million investment has an equivalent peso amount of 2.39 billion on May 18, 2021.

The preferred shares are entitled to receive an annual fixed cumulative dividend of 7.5%, independent of Song Lam's business outcome and regardless of operating business results of Song Lam and the existence of retained earnings. For the six months ended June 30, 2025 and 2024, the investment income recognized from the dividends in Song Lam amounts to 104.8 million and 109.6 million, respectively.

The preferred shares shall be convertible to common shares after two (2) years from issuance thereof. The Parent Company may convert the preferred shares between the last day of the second (2nd) year after issuance thereof until the end of the seventh (7th) year following said issuance.

The Parent Company has the option to sell the preferred shares or converted shares to Vissai, the Sponsor or Song Lam at a price equivalent to seventy-five million US Dollars (US$75,000,000.00), less the amount of preferred dividends received by the Parent Company. The put option may be exercised by the Parent Company after five (5) years from closing and until the end of the seventh (7th) year from said closing.

The Parent Company performs valuation of embedded derivatives and financial assets at FVPL at every reporting date using Cox-Ross-Rubenstein Binomial Lattice Model (Binomial Model). This requires an estimation of the expected future cash flows from the investee and applying a discount rate to calculate the present value of these cash flows. The discount rate uses the weighted average cost of capital (WACC) which incorporates the median debt-to-equity ratios and median beta of comparable companies as well as applying an alpha based on small-risk premium. The cash flow projections cover a five-year period.

The significant assumptions used in the fair value computation as at June 30, 2025 and December 31, 2024 are as follows:

a. The discount rate applied to cash flow projection is 14.79% and 14.84%, respectively.
b. The terminal value in the discounted cash flow uses 6.10% and 5.8% long-term growth rate based on expected Vietnam Gross Domestic Product (GDP) growth rate in 2024 and 2023, respectively.
c. The binomial model uses 33.3% and 38.06% average volatility of comparable companies' quarterly historical prices and used interquartile range to consider outliers in 2024 and 2023, respectively.
d. The option-adjusted spread computed at inception from the binomial model is 9.93% in 2025 and 2024.

The Company's fair value exercise is done at year end. The changes in the carrying amount of investment in FVPL for the period ended June 30, 2025 and 2024 pertains to the impact of foreign currency revaluation.

The derivative asset arising from the put option amounted to ₱974.4 million and ₱1,000.6 million as at June 30, 2025 and December 31, 2024, respectively. The unrealized gain (loss) on change in fair value of the derivative asset amounted to (₱26.2 million) and ₱34.6 million as of June 30, 2025 and June 30, 2024, respectively.

13. Financial Assets at FVOCI

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Investment in club shares	**52,261**	52,497
Non-listed equity securities	**86,608**	86,516
	138,869	139,013

Investment in equity investments pertain to shares of stock and club shares which are not held for trading. The Company has irrevocably designated the equity instruments at FVOCI, as the Company considers these investments to be strategic in nature.

The movements in net unrealized gain on financial assets at FVOCI, net of tax are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period	**49,523**	63,772
Gain (loss) due to changes in fair value of investment in equity instruments	**(151)**	(5,594)
Sale of equity instruments	**–**	(8,655)
Balance at end of the period	**49,372**	49,523

14. Property, Plant and Equipment

This account consists of:

	January 1, 2025	Acquisition through business Combination	Additions	Disposals	Reclassifications	June 30, 2025 (Unaudited)
Cost						
Land	**4,783,992**	**-**	**202,065**	**-**	**-**	**4,986,057**
Plant site improvements	**4,313,745**	**-**	**560**	**(7,5950**	**-**	**4,306,710**
Buildings and improvements	**7,696,426**	**-**	**138,267**	**-**	**32,007**	**7,866,700**
Machinery and equipment	**3,451,573**	**-**	**92,868**	**(43,925)**	**589**	**3,501,105**
Transportation and other equipment	**1,157,033**	**11,398**	**50,459**	**(13,996)**	**2,306**	**1,207,200**
Linens, curtains and draperies	**35,564**	**-**	**3,597**	**-**	**-**	**39,161**
	21,438,333	**11,398**	**487,816**	**(65,516)**	**34,902**	**21,906,933**
Less Accumulated Depreciation						
Plant site improvements	**698,796**	**-**	**89,819**	**(5,950)**	**-**	**782,665**
Buildings and improvements	**2,624,527**	**-**	**159,455**	**-**	**-**	**2,783,982**
Machinery and equipment	**2,436,801**	**-**	**142,056**	**(15,882)**	**-**	**2,562,975**
Transportation and other equipment	**795,695**	**9,796**	**51,905**	**(8,178)**	**-**	**849,218**
Linens, curtains and draperies	**29,798**	**-**	**1,554**	**-**	**-**	**31,352**
	6,585,617	**9,796**	**444,789**	**(30,010)**	**-**	**7,010,192**
	14,852,716	**1,602**	**75,033**	**(35,506)**	**34,902**	**14,896,741**
Construction in progress (see Note 13)	**2,008,892**	**-**	**1,217,121**	**-**	**(35,638)**	**3,190,375**
Net Book Value	**16,861,608**	**1,602**	**1,260,148**	**(35,506)**	**(736)**	**18,087,116**

	January 1, 2024	Acquisition through business combination (see Note 6)	Additions	Disposals	Reclassifications	December 31, 2024
Cost						
Land	4,188,583	-	595,409	-	-	4,783,992
Plant site improvements	4,296,922	-	3,787	-	13,036	4,313,745
Buildings and improvements	6,588,237	183,618	905,842	(1,401)	20,130	7,696,426
Machinery and equipment	3,037,574	5,336	340,055	(10,989)	79,597	3,451,573
Transportation and other equipment	1,020,256	1,240	149,143	(23,756)	10,150	1,157,033
Linens, curtains and draperies	31,790	–	3,774	-	-	35,564
	19,163,362	190,194	1,998,010	(36,146)	122,913	21,438,333
Less Accumulated Depreciation						
Plant site improvements	(520,135)	-	(178,661)	-	-	(698,796)
Buildings and improvements	(2,219,309)	(96,751)	(309,868)	1,401	-	(2,624,527)
Machinery and equipment	(2,206,471)	(2,699)	(229,336)	1,705	-	(2,436,801)
Transportation and other equipment	(719,758)	(687)	(93,370)	18,120	-	(795,695)
Linens, curtains and draperies	(27,194)	-	(2,604)	-	-	(29,798)
	(5,692,867)	(100,137)	(813,839)	21,226	-	(6,585,617)
	13,470,495	90,057	1,184,171	(14,920)	122,913	14,852,716
Construction in progress	1,009,495	-	1,138,452	-	(139,055)	2,008,892
Net Book Value	14,479,990	90,057	2,322,623	(14,920)	(16,142)	16,861,608

	January 1, 2024	Additions	Disposals	Reclassifications	June 30, 2024 (Unaudited)
Cost					
Land	₱4,188,583	₱84,328	₱-	₱-	₱4,272,911
Plant site improvements	4,296,922	820	-	-	4,297,742
Buildings and improvements	6,588,237	198,284	(1,401)	299,126	7,084,246
Machinery and equipment	3,037,574	104,639	-	4,401	3,146,614
Transportation and other equipment	1,020,256	74,810	(8,554)	2,663	1,089,175
Linens, curtains and draperies	31,790	1,625	-	-	33,415
	19,163,362	464,506	(9,955)	306,190	19,924,103
Less Accumulated Depreciation					
Plant site improvements	520,135	87,360	-	-	607,495
Buildings and improvements	2,219,309	166,869	(1,401)	-	2,384,777
Machinery and equipment	2,206,471	102,292	-	-	2,308,763
Transportation and other equipment	719,758	36,982	(6,114)	-	750,626
Linens, curtains and draperies	27,194	1,128	-	-	28,322
	5,692,867	394,631	(7,515)	-	6,079,983
	13,470,495	69,875	(2,440)	306,190	13,844,120
Construction in progress (see Note 13)	1,009,495	701,261	-	(316,765)	1,393,991
Net Book Value	₱14,479,990	₱771,136	(₱2,440)	(₱10,575)	₱15,238,111

The Company classified certain items of construction in progress to intangibles amounting to 0.7 million and 15.3 million as at June 30, 2025 and December 31, 2024, respectively.

Outstanding construction in progress pertains to construction costs for various buildings and hospital renovations which are expected to be completed in 2025 to 2027.

Interest capitalized as part of "Construction in progress" account amounted to ₱ nil and ₱160 million and nil at a capitalization rate ranging from 6.65% to 8.20% and 5.575% to 8.45% in June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

Certain property and equipment of AU, COC, UI, UPANG, PCC, UGC, Coral Way and Krypton Esplanade Hotel Corporation (KEHC) with aggregate amount of ₱6,243.6 million and ₱6,305.3 million as at June 30, 2025 and December 31, 2024, respectively, are used as collateral for their respective long-term debts obtained from local banks.

15. Investment Properties

This account consists of:

	January 1, 2025	**Additions**	**Acquisition thru business combination**	**Disposal**	**June 30, 2025 (Unaudited)**
Cost:					
Land	**624,740**	**12,879**	**1,872**	**-**	**639491**
Buildings for lease	**445,660**	**-**	**-**	**-**	**445,660**
	1,070,400	**12,879**	**1,872**	**-**	**1,085,151**
Less accumulated depreciation -	**102,460**	**6,469**	**-**	**-**	**108,929**
Buildings for lease	**967,940**	**6,410**	**1,872**	**-**	**976,222**

	January 1, 2024	Additions	Disposals	December 31, 2024
Cost:				
Land	624,740	-	-	624,740
Buildings/units for lease	391,858	53,801	-	445,659
	1,016,598	53,801	-	1,070,399
Less accumulated depreciation:				
Buildings/units for lease	(91,127)	(11,332)	-	(102,459)
	925,471	42,469	-	967,940

	January 1, 2024	Additions	Disposals	June 30, 2024 (Unaudited)
Cost:				
Land	₱624,740	₱-	-	₱624,740
Buildings for lease	391,858	1,599	-	393,457
	1,016,598	1,599	-	1,018,197
Less accumulated depreciation -				
Buildings for lease	91,127	5,577	-	96,704
	₱925,471	(₱3,978)	-	₱921,493

As at June 30, 2025 and December 31, 2024, the fair values of the investment properties amounted to ₱4,367.3 million based on valuations performed by accredited independent appraisers on various dates from 2023 to 2024.

The description of the valuation techniques used and key inputs to fair valuation are as follows:

	Valuation technique	Significant inputs	Range (in absolute amounts)	Relationship of unobservable inputs to fair value
Land	Market comparison approach	Price per square meter	250 to 100,000	The higher the price per square meter, the higher the fair value.
Buildings/units for lease - PPHC	Income approach	Discount rates for similar lease contracts, market rent levels, expected vacancy and expected maintenance	Discount rate - 8%	The higher the rate, the lower the fair value.
			Expected vacancy - 5%	The higher the rate, the lower the fair value.
			Expected maintenance - 15% of gross revenue	The higher the rate, the lower the fair value.
			Market rent levels (housing units) -	The higher the market rental rate, the higher the fair value.

			33,134 to 46,648	
			Market rent levels (commercial units) - 8,021 to 17,783	The higher the market rental rate, the higher the fair value.
Buildings/units for lease - Parent Company	Market comparison approach	Price per square meter	201,400 to 282,100	The higher the price per square meter, the higher the fair value.

The fair value disclosure is categorized under Level 3, except for the investment property of COC which is categorized under Level 2.

PSHC's land amounting to ₱220.0 million as at June 30, 2025 and as at December 31, 2024, respectively, is used as a security for its long-term debt (see Note 20). Other than this, the Company has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties.

16. Intangible Assets

Following are the details and movements in this account:

	Student List	**Software Costs**	**Trademark with Indefinite Useful Life**	**Goodwill**	**Total**
Cost					
At January 1, 2024	165,638	215,758	15,335	2,225,190	2,621,921
Additions	-	44,960	830	427,277	473,067
Reclassification (Note 16)	-	15,252	-	-	15,252
At December 31, 2024 (Audited)	165,638	275,970	16,165	2,652,467	3,110,240
Reclassifications (see Note 11)	-	736	-	-	736
Additions	-	51,425	-	-	51,425
At June 30, 2025 (Unaudited)	**165,638**	**328,131**	**16,165**	**2,652,467**	**3,162,401**
Amortization and Impairment					
At January 1, 2024	(165,638)	(93,952)	(7,719)	(403,132)	(670,441)
Amortization (see Note 31)	-	(44,794)	(767)	-	(45,561)
At December 31, 2024 (Audited)	(165,638)	(138,746)	(8,486)	(403,132)	(716,002)
Amortization	-	(34,473)	(383)	-	(34,856)
At June 30, 2025 (Unaudited)	**(165,638)**	**(173,218)**	**(8,869)**	**(403,132)**	**(750,857)**
Net Book Value					
At June 30, 2025 (Unaudited)	**-**	**154,913**	**7,296**	**2,249,335**	**2,411,544**
At December 31, 2024 (Audited)	–	137,225	7,679	2,249,335	2,394,238

	Student List	Software Costs	Trademark with Indefinite Useful Life	Goodwill	Total
Cost					
At January 1, 2023	₱165,638	₱85,650	₱-	₱2,221,068	₱2,472,356
Acquisition through business combination	-	25,130	15,335	4,122	44,587
Additions	-	32,391	-	-	32,391
Reclassification (Note 16)	-	72,588	-	-	72,588
At December 31, 2023 (Audited)	₱165,638	₱215,759	₱15,335	₱2,225,190	₱2,621,922
Reclassifications (see Note 11)	-	10,575	-	-	10,575
Additions	-	12,301	-	-	12,301
At June 30, 2024 (Unaudited)	₱165,638	₱238,635	₱15,335	₱2,225,190	₱2,644,798
Amortization and Impairment					
At January 1, 2023	₱165,638	₱49,861	₱-	₱403,132	₱618,631
Acquisition through business combination	-	15,275	6,541	-	21,816
Amortization (see Note 31)	-	28,816	1,179	-	29,995
At December 31, 2023 (Audited)	₱165,638	₱93,952	₱7,720	₱403,132	₱670,442
Amortization	-	19,749	335	-	20,084
At June 30, 2024 (Unaudited)	₱165,638	₱113,701	₱8,055	₱403,132	₱690,526
Net Book Value					
At June 30, 2024 (Unaudited)	₱-	₱124,934	₱7,280	₱1,822,058	₱1,954,272
At December 31, 2023 (Audited)	-	121,807	7,615	1,822,058	1,951,480

17. Other Noncurrent Assets

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Advances to suppliers and contractors	**769,367**	622,541
Deposit in escrow – bonds	**49,401**	49,401
Refundable and other deposits	**33,219**	28,201
Creditable withholding taxes	**7,812**	7,812
Indemnification assets	**6,412**	6,412
Others	**22,058**	19,721
	903,018	734,088

18. Notes Payable and Trust Receipts Payable

This account consists of notes payable of the Parent Company and subsidiaries:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
PCC	**5,985,000**	5,269,000
PPHC	**5,694,106**	4,670,294
UGC	**1,890,881**	1,690,495
PSEC	**542,000**	253,000
COC	**100,000**	270,000
UPANG	**270,000**	270,000
SWU	**100,000**	100,000
PHN	**3,400,000**	3,400,000
AU	**75,000**	100,000
	18,056,987	16,022,789

The notes payable are unsecured short-term peso-denominated loans obtained from financial institutions with an annual interest rate ranging between 4.25% to 17.0% and 4.63% to 17.0% in 2025 and 2024, respectively.

Trust Receipts Payable

Trust receipts payable pertains to short-term import loans from banks for purchases of inventories from foreign suppliers amounting to ₱902.68 million and ₱695.12 million with an annual interest of 6.6% and 7.5% for 60-182 days as at June 30, 2025 and December 31, 2024, respectively. UGC and Philcement opened lines of credit with local banks that would initially pay the suppliers' banks for the cost of imported goods upon the receipt of the Company of the commercial invoice from the supplier. Thereafter, UGC and Philcement banks will bill the Company for the amount paid to suppliers' banks.

19. Trade and Other Payables

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade	**2,239,429**	1,826,861
Accruals for:		
Professional fees and others	**1,199,887**	1,196,706
Commission	**308,221**	290,170
Personnel costs (Note 30)	**192,275**	162,067
Freight, hauling and handling	**32,794**	81,872
Interest (see Notes 23 and 32)	**139,014**	175,871
Processing cost	**788**	-
Premiums Due	**35,690**	-
Dividends	**167,008**	214,981
Deposits from buyers	**249,137**	256,399
Retentions payable	**162,708**	168,662
Deposit liabilities	**220,442**	69,640
Liability from acquisition of land	**55,412**	94,269
Others	**216,678**	180,368
	5,219,483	4,717,866

20. Contract Liabilities

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Unearned revenues	**893,511**	2,375,967
Customers' deposits	**186,825**	831,108
	1,080,336	3,207,075

Unearned revenues pertain to portion of tuition fees received or due from students to which the Company still has an obligation to transfer services to the students within the next financial year. The amount of unearned revenues for a term shall be divided equally by the number of months covered by the term (five months each for the 1st and 2nd semesters and two months for summer). The resulting amount shall be recorded as the amount of tuition and school fees for the month, net of amortization of deferred scholarship and discounts. Customers' deposits pertain to cash advance received to which the Company has an obligation to deliver roofing and other steel products and installation services within the next financial year.

21. Long-term Debt

Long term debt as at June 30, 2025 and December 31, 2024 are as follows:

	2025		2024	
	Current portion	**Non-current portion**	Current portion	Non-current portion
PHN fixed rate bonds, net of debt issuance costs	-	-	-	-
Long term loans payable, net of debt issuance costs	**4,361,526**	**6,809,507**	**5,349,901**	**5,587,656**
	4,361,526	**6,809,507**	**5,349,901**	**5,587,656**

PHN Fixed Rate Bonds due 2024

There are no fixed rate bonds as at December 31, 2024.

	Amount
Principal	3,000,000
Less: debt issuance cost	-
	3,000,000
Payment	(3,000,000)
	-

On May 6, 2021, the Parent Company filed with the SEC a Registration Statement for the proposed offering of three-year fixed rate bonds due 2024 with an aggregate principal amount of up to two Billion Pesos (₱2,000,000,000.00), with an oversubscription option of up to One Billion Pesos (₱1,000,000,000.00) at an offer price of 100% of face value. This bond offering was authorized by resolutions of the BOD of the Parent Company on March 2, 2021 and the Executive Committee of the Parent Company on April 30, 2021. The Certificate of Permit to offer securities for sale was issued by SEC on August 10, 2021.

The interest rate was set at 3.5335% and the offer period commenced at 9:00 a.m. on August 10, 2021 and ended at 5:00 p.m. on August 16, 2021. The Parent Company appointed China Bank Capital Corporation and SB Capital Investment Corporation as Joint Issue Managers and Joint Lead Underwriters; Rizal Commercial Banking Corporation –Trust and Investments Group as the Trustee; and Philippine Depository & Trust Corp. as the Registrar and Paying Agent. The Bonds have a term ending three (3) years from the Issue Date, or on August 20, 2024. In 2024, the Company fully settled the bond liability upon maturity.

The bonds were listed in the Philippine Dealing & Exchange Corp. on August 20, 2021.

The balance of unamortized debt issuance cost follows:

	2024
Beginning of year	**10,802**
Amortization	**(10,802)**
End of year	**-**

Long- Term Loans

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
PHN	**2,850,000**	2,860,000
PEHI	**1,859,030**	1,889,240
PCC	**1,065,125**	1,423,500
UGC	**837,500**	862,500
UPANG	**641,067**	673,350
SWU	**574,000**	577,500
PPHC	**490,000**	490,625
AU	**555,659**	368,333
UI	**509,750**	520,000
COC	**706,998**	314,688
SJC	**370,000**	370,000
PHINMA Solar	**168,777**	175,789
PSHC	**93,998**	93,998
Coral Way	**303,517**	211,500
RCL	**100,000**	100,000
UCLI	**50,000**	50,000
	11,175,421	10,981,023
Less debt issuance cost	**35,336**	(43,466)
	11,140,085	10,937,557
Less current portion - net of debt issuance cost	**4,641,227**	5,349,901
	6,498,858	5,587,656

The debt agreements presented in the succeeding pages include, among others, certain restrictions and requirements. The loan agreements with Security Bank Corporation (SBC), Rizal Commercial Banking Corporation (RCBC) and China Banking Corporation (CBC) stipulate, among others, positive and negative covenants which must be complied with by PHN, UGC, PCC, PEHI, AU, COC, UPANG, UI, SWU, PPHC and Coral Way for as long as the loans remain outstanding. Negative covenants include certain restrictions and requirements, such as maintenance of certain current, debt-to-equity and debt service coverage ratios.

As at December 31, 2024, the Company is in compliance with the required financial ratios and other loan covenants, except for two (2) subsidiaries, UGC and PCC, which resulted to the classification of long term debt amounting to 1,711.2 million to current liabilities. UGC breached the required current, debt-to-equity and debt service coverage ratios. PCC breached the required debt-to-equity ratio.

In June 2025, PCC obtained a waiver from the bank related to the breach in the debt-to-equity ratio and classified the long term debt to non-current.

Certain assets amounting ₱6,243.6 million and ₱6,305.3 million as at June 30, 2025 and December 31, 2024, respectively, are mortgaged as collaterals for the respective long-term debts as follows (see Notes 16 and 17):

Entity	Collateral
AU	Land and land improvements in the main campus
COC	Land in the main campus
UPANG	Land and land improvements
UI	Land and land improvements
Philcement	Assignment of leasehold rights on the land where the cement terminal is constructed, registration of real estate or chattel mortgage on cement terminal building, equipment and other assets, and assignment of port ownership, right to land lease and rights to foreshore lease
UGC	Land, plant site improvements, buildings and installations and machinery and equipment
PSHC	Land
PPHC	Real estate ICR under receivable purchase agreements
Coral Way	Real estate mortgage on a hotel building
KEHC	Assignment of the lease rights over the land where the hotel is constructed and real estate mortgage over the hotel building and its permanent improvements

PEHI's loan agreement with CBC is covered by a negative pledge on the shares of stocks held by PEHI with AU, COC, UPANG, UI and SWU.

The balance of unamortized debt issuance cost follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning of year	**43,466**	71,218
Additions	**9,000**	3,750
Acquisition through business combination	**-**	-
Amortization	**(17,130)**	(31,502)
End of year	**35,336**	43,466

The details of long-term debts are summarized below:

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
PEHI	1,500,000	December 7, 2015	RCBC	28 equal quarterly payments of 3.8 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 7, 2019.	December 7, 2025	First five years is based on the three-day average of five-year Philippine Dealing System Treasury Reference Rate (PDST-R2) plus a 1.35% spread or 5.00%, whichever is higher, and to be repriced at the end of the fifth year for the remaining five years at an interest rate based on the interest rate then current or the applicable five-year benchmark rate plus 1.35% spread or 5.00%, whichever is higher.	The loan is availed to finance the acquisition of majority ownership in AU, COC, UPANG, UI and SWU.	December 7, 2015	500,000	**402,500**	407,906
PEHI		December 7, 2015	RCBC	28 equal quarterly payments of 6.8 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 7, 2019.	December 7, 2025	First seven years is based on the three-day average of seven-year PDST-R2 plus a 1.40% spread or 5.00%, whichever is higher, and to be repriced at the end of the seventh year for the remaining three years at an interest rate based on the interest rate then current or the applicable three-year benchmark rate plus 1.40% spread or 5.00%, whichever is higher.		December 7, 2015	900,000	**724,500**	731,222
PEHI	1,000,00	December 1, 2015	CBC	28 equal quarterly payments of 3.8 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 8, 2019.	December 8, 2025	First five years is based on the three-day average of five-year PDST-R2 plus a 1.35% spread or 5.00%, whichever is higher, and to be repriced at the end of the fifth year for the remaining five years at an interest rate based on the interest rate then current or the applicable five-year benchmark rate plus 1.35% spread or 5.00%, whichever is higher.	The loan is availed to finance the acquisition of majority ownership in AU, COC, UPANG, UI and SWU.	December 8, 2015	500,000	**402.500**	410,349
PEHI	364,00	December 27, 2021	RCBC	16 equal quarterly payments of 2.73 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 27, 2022.	December 7, 2025	First 7 years is based on the 3-day average of 7-year PDST-R2 plus a 1.40% spread or 5.00%, whichever is higher, and to be repriced at the end of the 7th year for the remaining 3 years at an interest rate based on the interest rate then current or the applicable 3-year benchmark rate plus 1.40% spread or 5.00%, whichever is higher.	The loan is availed to refinance the loan used to invest in majority ownership of PEHI's subsidiaries, AU, COC, UPANG, UI and SWU.	December 27, 2022	364,000	**324,167**	329,434

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
COC	125,000	June 24, 2018	CBC	28 unequal quarterly payments as follows: 8 quarterly installments of 0.3 million from October 9, 2021 to July 9, 2023; 8 quarterly installments of 1.6 million from October 9, 2023 to July 9, 2025; 8 quarterly installment of 3.1 million from October 9, 2025 to July 9, 2027 and 4 quarterly installments of 21.3 million from October 9, 2027 to July 9, 2028. First principal payment commenced on July 9, 2021.	July 9, 2028	Fixed rate of 6.25% p.a. for the first five years; for remaining five years, higher of applicable five-year PDST-R2 plus a spread of up to 100 bps or 6.25% p.a.	The loan is availed to fund the expansion projects and development plans.	July 9, 2018	125,000	**111,563**	**114,688**
COC	200,000	February 1, 2023	CBC	Quarterly principal payments as follows: 1.69 million from May 10, 2025 to November 10, 2032 and; 97.5 million upon maturity on February 10, 2033	February 10, 2033	Interest payable quarterly in arrears at 7.3170% p.a. fixed up to 2/10/2028, and 7.6258% p.a. thereafter up to 2/10/2030. On the day after the seventh (7th) anniversary from the Initial Drawdown Date until the Maturity Date, the Interest Rate per annum shall be reset on the Interest Rate Resetting Date to the higher of: (a) Benchmark Rate plus Interest Spread, divided by the Interest Premium Factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans	February 10, 2023	150,000	**148,305**	149,343
COC		February 1, 2023	CBC	Quarterly principal payments as follows: 0.565 million from May 10, 2025 to November 10, 2032 and; 32.5 million upon maturity on February 10, 2033	February 10, 2033	Interest payable quarterly in arrears at 7.2824% per annum fixed up to February 10, 2028, and 7.5897% per annum thereafter up to February 10, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.		March 17, 2023	50,000	**49,435**	49,771
COC	400,000	March 10, 2025	SBC	36 quarterly installments of 5.5million for the first 9 years and 50million quarterly on the 10th year	March 19, 2035	First 2 years floating rate, with repricing on semi-annual basis.	The loan is availed to fund the capital expenditures and expansion plans	March 19, 2025	400,000	**394,049**	-
UI	200,000	December 12, 2017	CBC	Quarterly principal payments as follows: 1.0 million per quarter for the 3rd and 4th year from initial drawdown; 1.5 million per quarter for the 5th and 6th year; 2.5 million per quarter for the 7th until 9th year and 37.5 million per quarter for the 10th year.	December 20, 2027	Fixed for the first seven years. Applicable seven- year PDST-R2 a spread up to 1.25%, for the remaining three years, the applicable three-year PDST-R2 plus a spread up to 1.25%	The loan is availed to finance the expansion and development plans, including school building upgrades and improvement of the existing facilities.	December 20, 2017	100,000	**80,724**	84,487

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
UI		December 12, 2017	CBC	Principal payments will be the same with the first drawdown. As per agreement both the first and second drawdown will be repaid at the same dates and terms.	December 20, 2027	Fixed for the first seven years. Applicable seven- year PDST-R2 a spread up to 1.25%, and for the remaining three years, the applicable three-year PDST-R2 plus a spread up to 1.25%.		April 24, 2018	100,000	**80,961**	84,749
UI	200,000	October 14, 2022	RCBC	Quarterly principal payments as follows: 1.5 million per quarter from the beginning of the 3rd year drawn	December 18, 2032	For the first seven years, from the initial drawn date to the end of the 7th year. Interest shall be based on the sum of the applicable 7-year benchmark and margin. For the next 3 years: from the beginning of the 8th year to final maturity date - sum of the applicable 3-year benchmark and the margin.	The loan is availed to finance the expansion and development plans, including school building upgrades and improvement of the existing facilities.	October 18, 2022	200,000	**198,004**	199,375
UI	150,000	October 17, 2024	RCBC	Quarterly principal payments as follows: 1.5 million per quarter from the beginning of the 3rd year drawn	October 17, 2032	For the first seven years, from the initial drawn date to the end of the 7th year. Interest shall be based on the sum of the applicable 7-year benchmark and margin. For the next 3 years: from the beginning of the 8th year to final maturity date - sum of the applicable 3-year benchmark and the margin. 6.9836% inclusive of GRT (first 5 years); 7.2048% inclusive of GRT (next 2 years)	The loan is availed to finance the expansion and development plans, including school building upgrades and improvement of the existing facilities.	October 17, 2024	150,000	**147,835**	148,914
AU	100,000	November 29, 2019	CBC	27 equal quarterly payments of 1.5 million starting from November 29, 2022 to May 5, 2029 with the remaining balance of 60.3 million to be paid on maturity date. First principal payment commenced on February 28, 2023.	November 29, 2029	Fixed rate for the first five years based on the five-year Benchmark rate of the term plus interest spread or a floor rate of 5.25% plus applicable GRT. Interest rate is subject for repricing for the remaining five years based on: i. Initial interest rate; or ii. Then prevailing five-year Benchmark rate plus interest spread, whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	November 29, 2019	100,000	**85,417**	88,672
AU	100,000	November 29, 2019	CBC	28 unequal quarterly payments as follows: 8 quarterly installments of 2.5 million from February 28, 2023 to November 29, 2024; 16 quarterly installments of 3.8 million from February 28, 2025 to November 29, 2028 and four quarterly installment of 5.0 million from February 28, 2029 to November 29, 2029. First principal payment commenced on February 28, 2023.	November 29, 2029	Fixed rate for the first five years based on the five-year Benchmark rate of the term plus interest spread or a floor rate of 5.25% plus applicable GRT. Interest rate is subject for repricing for the remaining five years based on: i. Initial interest rate or ii. Then prevailing five-year Benchmark rate plus interest spread, whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	November 29, 2019	100,000	**72,500**	79,569
AU	200,000	February 1, 2023	CBC	Quarterly principal payments as follows: 1.1 million from June 1, 2025 to December 1, 2032 and; 65.0 million upon maturity	March 1, 2033	Interest payable quarterly in arrears at 7.3900% per annum fixed up to March 1, 2028, and 7.7019% per annum thereafter up to March 1, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity	The loan is availed to fund the capital expenditures and expansion plans.	March 1, 2023	100,000	**98,345**	99,446

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
				on March 1, 2033		date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.					
AU	Included in the 200 million loan facility taken on February 1, 2023	February 1, 2023	CBC	Quarterly principal payments as follows: 1.1 million from June 1, 2025 to December 1, 2032 and; 65.0 million upon maturity on March 1, 2033	March 1, 2033	Interest payable quarterly in arrears at 7.7601% per annum fixed up to March 1, 2028, and 8.8076% per annum thereafter up to March 1, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	July 11, 2023	100,000	**98,313**	99,390
AU	200,000	March 17, 2025	CBC	28 quarterly installments of 14million from 6/17/2027 to 3/17/2032, quarterly installment of P102million from 6/17/2032 until maturity	March 17, 2035	First 2 years floating rate, with repricing on semi-annual basis + 8 years tiered fixed rate.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	March 17, 2025	200,000	**198,632**	-
UPANG	190,000	March 27, 2018	CBC	32 unequal quarterly payments as follows: 1.9 million from June 27, 2020 to March 27, 2022; 2.9 million from June 27, 2022 to March 27, 2025; 4.8 million from June 27, 2025 to March 27, 2027; and 25.7 million from June 27, 2027 to March 27, 2028.	March 27, 2028	Interest shall be payable quarterly in arrears from February 27, 2018 to June 27, 2018 (92 days) shall be at 6.50% inclusive of GRT fixed for the first five years. Interest shall be based on five-year PDST-R2 (5.22% + 122 bps + 1% GRT. The interest rate for the remaining five years of the loan shall be the PDST-R2 plus a spread of up to 125 bps or 6.50% whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	March 27, 2018	190,000	**136,063**	143,061
UPANG	200,000	February 1, 2023	CBC	Quarterly principal payments as follows: 1.1 million from May 27, 2025 to November 27, 2032 and; 65.0 million upon maturity on February 27, 2033	February 27, 2033	Interest payable quarterly in arrears at 7.3871% per annum fixed up to February 27, 2028, and 7.6988% per annum thereafter up to February 27, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	February 27, 2023	100,000	**98,465**	99,594

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
UPANG	Included in the 200 million loan facility taken on February 1, 2023.	February 1, 2023	CBC	Quarterly principal payments as follows: 0.57 million from May 27, 2025 to November 27, 2032 and; 32.5 million upon maturity on February 27, 2033	February 27, 2033	Interest payable quarterly in arrears at 7.4081% p.a. fixed up to 2/27/2028, and 7.7207% p.a. thereafter up to 2/27/2030. On the day after the seventh (7th) anniversary from the Initial Drawdown Date until the Maturity Date, the Interest Rate per annum shall be reset on the Interest Rate Resetting Date to the higher of: (a) Benchmark Rate plus Interest Spread, divided by the Interest Premium Factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	July 3, 2023	50,000	**49,027**	49,771
UPANG	Included in the 200 million loan facility taken on February 1, 2023.	February 1, 2023	CBC	31 quarterly installments of 0.564 million from May 27, 2025 to November 27, 2032, full payment of 32.5 million upon maturity	February 27, 2033	Interest payable quarterly in arrears at 7.3775% p.a. fixed up to 2/27/2028, and 7.6888% p.a. thereafter up to February 27, 2030. On the day after the seventh (7th) anniversary from the Initial Drawdown Date until the Maturity Date, the Interest Rate per annum shall be reset on the Interest Rate Resetting Date to the higher of: (a) Benchmark Rate plus Interest Spread, divided by the Interest Premium Factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	December 13, 2023	50,000	**49,210**	49,776
UPANG Urdaneta	100,000	September 29, 2015	RCBC	28 quarterly payments, to commence at the end of the 13th quarter from the initial drawdown date.	September 29, 2025	Interest shall be payable quarterly in arrears. i. Fixed rate for the first seven (7) years of the term based on three-day average of seven-year PDST-R2 + 1.42%, subject to repricing at the end of the seventh year; and ii. On the last three years of the term, the interest rate shall be based on the interest rate then current or the three-day average of three-year PDST-R2 + 1.42%, whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	September 29, 2015	100,000	**7,464**	29,889
UPANG Urdaneta	300,000	April 25, 2023	RCBC	31 quarterly payments of 1.5 million with the remaining balance of 84.5 million to be paid on maturity date. First principal payment will commence on September 1, 2025.	June 1, 2033	Interest payable quarterly in arrears at 7.0200% per annum fixed up to June 1, 2028 and 7.3160% thereafter up to June 1, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	June 1, 2023	130,000	**129,131**	**1**29,397
UPANG Urdaneta	Included in the 300 million loan facility taken on April 25, 2023.	April 25, 2023	RCBC	31 quarterly installments of 0.790 million from September 1, 2025 to March 1, 2033, full payment of 45.5 million upon maturity	June 1, 2033	Interest payable quarterly in arrears at 7.652% p.a. fixed up to June 1, 2028 and 7.9750% thereafter up to June 1 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	September 8, 2023	70,000	**69,648**	69,734
UPANG Urdaneta	Included in the 300 million loan facility taken on April 25, 2023.	April 25, 2023	RCBC	31 quarterly installments of 0.566million from September 1, 2025 to March 1, 2033, full payment of 32.5million upon maturity.	June 1, 2033	Interest payable quarterly at 7.691% inclusive of GRT (first 5 years); 8.015% inclusive of GRT (next 2 years)	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	July 5, 2024	50,000	**49,612**	50,475

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
UPANG Urdaneta	Included in the 300 million loan facility taken on April 25, 2023.	April 25, 2023	RCBC	31 quarterly installments of 0.566million from September 1, 2025 to March 1, 2033, full payment of 32.5million upon maturity.	June 1, 2033	Interest payable quarterly at 7.199% inclusive of GRT (first 5 years); 7.5030% inclusive of GRT (next 2 years)	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	November 22, 2024	50,000	**49,622**	50,486
SWU	400,000	December 6, 2017	RCBC	28 quarterly payments of 1.0 million. First principal payment commenced on March 7, 2021.	December 7, 2027	Interest is payable quarterly in arrears, commencing at the end of the first quarter from the initial drawdown date. Interest shall be fixed at 6.66% from years one to five and at 6.94% onwards until maturity.	The loan is availed to finance the building development, expansion and purchase of equipment for SWU's Hospital and building developments.	December 7, 2017; December 20, 2017; March 29, 2018	100,000 200,000 100,000	**95,500** **191,000** **95.500**	96,000 192,000 96,000
SWU	200,000	April 18, 2018	CBC	27 equal quarterly payments of 0.5 million with the remaining balance to be paid on maturity date. First principal payment commenced on July 18, 2021.	April 18, 2028	6.4178% from years one to five and subsequently interest shall be based on the applicable five-year base rate plus spread up to 125 basis points. Effective April 18, 2023, the interest rate was repriced to 7.44%.	The loan is availed to finance the building development, expansion and purchase of equipment for SWU's Hospital and building developments.	April 18, 2018	200,000	**192,000**	193,500
SJC	110,000	April 25, 2023	RCBC	31 quarterly payments of 1.2 million with the remaining balance of 71.5 million to be paid on maturity date. First principal payment commenced will commence on August 3, 2025	May 3, 2033	Interest payable quarterly in arrears at 7.2320% per annum fixed up to May 3, 2028 and 7.5340% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	May 3, 2023	110,000	**109,614**	109,506
SJC	70,000	April 25, 2023	RCBC	31 quarterly payments of 0.79 million with the remaining balance of 45.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025	May 3, 2033	Interest payable quarterly in arrears at 7.0670% per annum fixed up to May 3, 2028 and 7.3650% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	May 31, 2023	70,000	**69,746**	69,678
SJC	90,000	April 25, 2023	RCBC	31 quarterly payments of 1.0 million with the remaining balance of 58.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025	May 3, 2023	Interest payable quarterly in arrears at 7.5080% per annum fixed up to May 3, 2028 and 7.824% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	July 5, 2023	90,000	**89,670**	89,579
SJC	100,000	February 5, 2024	RCBC	31 quarterly payments of 0.5 million with the remaining balance of 32.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025.	May 3, 2033	Interest payable quarterly in arrears at 7.5080% p.a. fixed up to May 3, 2028 and 7.824% thereafter up to May 3, 2030.From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	February 5, 2024	50,000	**49,769**	49,716

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
SJC				31 quarterly payments of 0.5 million with the remaining balance of 32.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025.	May 3, 2033	Interest payable quarterly in arrears at 7.1102% p.a. fixed up to May 3, 2028 and 7.4095% thereafter up to May 3, 2030.From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	November 8, 2024	50,000	**49,648**	49,632
RCL	100,000	March 19,2024	RCBC	31 quarterly payments of | 0.564 million with the remaining balance of 39.5 million to be paid on maturity date. First principal payment will commence on September 27, 2026.	June 27, 2034	Interest payable quarterly in arrears at 7.690% p.a. fixed up to June 27, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	June 27, 2024	50,000	**49,647**	49,625
RCL			RCBC	31 quarterly payments of 0.564 million with the remaining balance of 39.5 million to be paid on maturity date. First principal payment will commence on September 27, 2026.	June 27, 2034	Interest payable quarterly in arrears at 7.3035% p.a. fixed up to June 27, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	August 15, 2024	50,000	**49,648**	49,626
UCLI	50,000	August 15, 2024	RCBC	31 quarterly payments of 0.564 million with the remaining balance of 39.5 million to be paid on maturity date. First principal payment will commence on August 15, 2026.	May 15, 2034	Interest payable quarterly in arrears at 7.3035% p.a. fixed up to August 15, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	August 15, 2024	50,000	**49,633**	49,626
PHN	2,000,000	May 23, 2017	SBC	Principal repayment shall commence at the end of the 3rd year from initial drawdown date until maturity date; balloon payment amounting to 1.9 billion or 94% of principal amount on maturity date.	May 21, 2027	Interest rate is equivalent to: i) the applicable 10-year PDST-R2 Benchmark Rate plus an interest spread of 125 basis points per annum (1.25% p.a.), and ii) 6.25% p.a., whichever is higher.	The loan is availed to refinance investments in subsidiaries and other general corporate purposes.	May 23, 2017	2,000,000	**1,896,498**	1,905,633
PHN	1,000,000	July 11, 2023	CBC	Principal repayment of 50.0 million after 1 year of initial drawdown date and balance on principal amount on maturity date.	July 17, 2025	With regular interest of 7.8557%. Interest to be paid on quarterly basis.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	July 17, 2023	1,000,000	**949,816**	947,900
UGC	1,000,000	February 18, 2022	BDO	Principal amortization commence three months after drawdown date and every quarter thereafter and shall be paid based on 1.25% every quarter for 4 years and the remaining 80% paid in balloon upon maturity.	February 18, 2027	Interest rate is based on 3Y BVAL 3.3618+ spread 1.25%= 4.6118% + 5% GRT = 4.8545%	The loan is availed to refinance the outstanding loan of UGC with BDO and convert the short term loans to long-term loans.	February 18, 2022	1,000,000	**834,232**	858,255

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
PCC	720,000	February 26, 2021	SBC	Eight quarterly principal payments of 10.3 million, nine quarterly principal payments of 20.5 million and remaining balance to be paid at maturity date	June 13, 2025	Interest rate of 6.73% GRT inclusive, fixed rate up to maturity Interest rate of 6.84% GRT inclusive, fixed rate up to maturity	The loan is availed to partially finance the acquisition of Phase 2 port terminal. This is a continuation of the remaining tenor with the original SNPSI loan.	February 26, 2021	369,363 350,637	- -	122,669 116,449
PCC	500,000	March 19, 2021	SBC	20 unequal quarterly payments	March 30, 2026	Interest rate of 5.1% GRT inclusive, fixed rate up to March 29, 2024 and for the remaining two years, the applicable two-year BVAL plus 40 bps, subject to a floor rate of 5.1%	The loan is availed to refinance short-term project costs and finance the mixer facility.	March 19, 2021	500,000	**134,675**	232,333
PCC	1,000,000	September 5, 2023	SBC	Eight quarterly principal payments of 10.0 million, Four quarterly payments of 50.0 million and four quarterly payments of 180.0 million. First principal payment commenced on December 7, 2023.	September 7, 2027	Interest rate of 7.2056% fixed rate for the first 2 years, subject to repricing at the end of the 2nd year (2+2 structure)	The loan is availed to refinance existing loans and finance the expansion and improvement projects in the Mariveles facility.	September 7, 2023	1,000,000	**922,613**	940,466
Phinma Solar	20,000	June 25, 2021	DBP	Principal repayment to commence at the end of the fifth (5th) quarter from date of Initial Draw Down. Principal shall be payable in thirty-six equal quarterly installments.	August 13, 2031	4.875% (4.924% GRT inc.) for the 1st 5 years. Next 5 years based on the relevant 5YR BVAL + 1% spread with a floor rate not lower than the rate prior to repricing (4.875%). Interest to be paid on quarterly basis	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	August 31, 2021	20,000	**14,379**	14,929
Phinma Solar	80,000	April 21, 2022	DBP	Principal repayment to commence at the end of the sixth (6) months from date of Draw Down. Principal shall be payable in thirty-six equal quarterly installments.	August 13, 2031	With regular interest of 6.37710%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	April 21, 2022	80,000	**57,090**	59,678
Phinma Solar	50,000	August 2, 2023	DBP	Principal repayment commenced on August 13, 2023 from date of drawdown and principal shall be payable in 33 equal quarterly installments.	August 13, 2031	With regular interest of 7.31470%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	August 2, 2023	50,000	**39,147**	40,640
PHINMA Solar	40,000	November 10, 2023	DBP	Principal repayment commenced on November 13, 2023 and shall be payable in 32 equal quarterly installments.	August 13, 2031	With regular interest rate of 7.5413%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	November 10, 2023	40,000	**32,288**	33,520
PHINMA Solar	30,000	December 22, 2023	DBP	Principal repayment commenced on February 13, 2024 and shall be payable in 31 equal quarterly installments.	August 13, 2031	With regular interest rate of 6.9291%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	December 22, 2023	30,000	**24,659**	25,588

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
PSHC	154,000	July 15, 2006	UPPC	Annual installment payments of 4 million for 32 years starting December 31, 2021.	December 31, 2052	The effective interest rate after the modification of term is 6.80%	The loan is availed to finance the acquisition of land from UPPC.	July 15, 2006	154,000	**93,998**	93,998
PPHC	500,000	March 31, 2016	CBC	Payable in 36 quarterly installments with final repayment on April 11, 2026. Annual principal payment of 1/4 of 1% of beginning principal balance to commence on 5th quarter with remaining principal balance payable on final maturity date. The loan has prepayment option and contains negative pledges.	April 11, 2026	Fixed interest rate per annum of 6.1567%	The loan is availed to finance the ongoing projects of PPHC.	April 11, 2016	100,000	**97,878**	98,003
						Fixed interest rate per annum of 6.04%		March 20, 2016	400,000	**391,748**	392,010
Coral Way	200,000	October 29, 2015	BDO	40 quarterly installments in June 2021, the term of the loan was refinanced under the same term of the facility agreement except that the loan principal is payable quarterly until 2026.	October 29, 2026	First 7 years - fixed based on a seven-year Philippine Daily System Treasury Fixing - R2 benchmark rate plus the minimum spread of 1.4% or annual fixed 5.75%; whichever is higher. Next 3years – subject to repricing after the 7th year based on the prevailing market rate as mutually agreed upon by the third parties.	The loan is availed to partially finance the equity contribution in a subsidiary for construction of a hotel.	October 29, 2015	200,000	**29,518**	57,500
Coral Way	440,000	Jun 30, 2025	BDO	Sculpted amortization after 2 years of grace period.	June 30, 2025	For 1st 5 years, fixed rate of 7.2567%p.a. (inclusive of 1% GRT), subject to repricing after the 5th year based on 5-year BVAL + 1.25% spread divided by applicable interest rate premium factor (5% GRT)	The loan is availed to finance the expansion construction of a hotel.	June 30, 2025	120,000	**120,000**	120,000
KEHC	300,000	January 2017	CBC	35 quarterly installments	January 2017	The term loan bears quarterly interest of 5.5% for the first seven (7) years and subject to repricing after the 7th year.	The loan is availed to partially finance the construction of a hotel and for working capital requirements.	January 2017	300,000	**154,000**	154,000
Total										**11,140,085**	10,937,557

22. Equity

a. Capital Stock

The composition of the Parent Company's capital stock as at June 30, 2025 and December 31, 2024 is as follows:

	2025		2024	
	Number of Shares	**Amount**	Number of Shares	Amount
Preferred - cumulative, nonparticipating, 10 par value				
Class AA – Authorized	**50,000,000**	**500,000**	50,000,000	500,000
Class BB – Authorized	**50,000,000**	**500,000**	50,000,000	500,000
Issued and subscribed	-	-	-	-
Common - 10 par value				
Authorized	**420,000,000**	**4,200,000**	420,000,000	4,200,000
Issued	**336,303,550**	**3,363,036**	336,303,550	3,363,036
Subscribed	**39,994**	**400**	39,994	400
Issued and subscribed	**336,343,544**	**3,363,436**	336,343,544	3,363,436
Less: Subscription receivable		**(124)**		(124)
	336,343,544	**3,363,312**	336,343,544	3,363,312

The issued and outstanding shares as at June 30, 2025 and December 31, 2024 are held by 1,213 and 1,206 equity holders, respectively.

Capital stock presented in the statements of financial position is net of subscription receivable amounting to 0.1 million as at June 30, 2025 and December 31, 2024.

The following summarizes information on the Parent Company's track record of registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Issue/Offer Price
March 12, 1957	1,200,000	10
June 12, 1968	1,000,000	10
April 7, 1969	800,000	10
January 21, 1980	2,000,000	10
November 3, 1988	10,000,000	10
October 13, 1992	25,000,000	10
June 3, 1995	60,000,000	10
March 16, 1999	320,000,000	10

a. Retained Earnings

Appropriated

In February 2020, the Parent Company's BOD approved the appropriation of 165.5 million of retained earnings for the buyback of PHN shares until February 2022.

On November 10, 2021, an appropriation was made for the investment in Construction Materials business until December 31, 2022 amounting to 1.1 billion. Another 500.0 million of the retained earnings was appropriated for the Education business until December 31, 2022.

As at December 31, 2022, appropriated retained earnings amounts to 1,765.5 million.

On March 3, 2023, upon the expiration of the previously appropriated retained earnings of 1.1 billion, the Parent Company's BOD resolved to reverse the expired appropriation and re-appropriate the same amount for the investment in the Construction Materials business until December 31, 2024. On the same date, the Parent Company's BOD approved the appropriation of 500.0 million for the investment in PPHC.

In addition, the Parent Company's BOD approved the reversal of previous appropriations of retained earnings amounting to 500.0 million for investment in Education business in 2021 and 165.5 million for buyback of PHN shares in 2020.

As at December 31, 2024 and 2023, the appropriated retained the amounts to 1.6 billion.

On March 21, 2025, the Company's BOD approved the appropriation of 500 million for the investment in the Construction Materials Group and 500 million for the investment in the PHINMA Community Housing Corporation until December 31, 2026. In addition, the BOD approved the reversal of previous appropriations of retained earnings amounting to 500 million for the investment in PPHC and 1.1 billion for the investment in the Construction Materials business

Unappropriated

On March 1, 2022, the Parent Company's BOD declared a regular cash dividend of 0.40 per share or an equivalent of 108.8 million and a special cash dividend of 0.10 per share or an equivalent of 27.2 million, to all common shareholders of record as at March 22, 2022. The cash dividends were paid on April 6, 2022.

On March 3, 2023, the Parent Company's BOD declared a regular cash dividend of ₱0.60 per share or an equivalent of ₱171.8 million to all common shareholders of record as at March 22, 2023. The cash dividends were paid on April 5, 2023.

On March 5, 2024, the Parent Company's BOD declared a regular cash dividend of ₱0.60 per share or an equivalent of ₱171.8 million to all common shareholders of record as at March 25, 2024. The cash dividends were paid on April 12, 2024.

On April 14, 2025, the Parent Company's BOD declared a regular cash dividend of ₱0.60 per share or an equivalent of ₱201.8 million to all common shareholders of record as at May 13, 2025 payable on May 26, 2025.

The balance of retained earnings includes Parent Company's accumulated equity in net earnings of subsidiaries and associates which are not currently available for dividend declaration until declared by the respective subsidiaries and associates amounting to 1,317.2 million and 1,388.6 million as at June 30, 2025 and December 31, 2024, respectively.

c. Buyback of Shares

There were no share buy backs for the period ended June 30, 2025 and December 31, 2024.

d. Treasury shares

Details of treasury shares as at June 30, 2025 and December 31, 2024 are as follows:

	Parent Company Treasury Shares	Parent Company Shares held by ABCIC	
Number of shares			**Total**
Balance at beginning of year	**18,279**	**5,407,822**	**5,426,101**
Acquisition of shares	**-**	**104,000**	**104,000**
Issuance of shares	**-**	**(5,411,822)**	**(5,411,822)**
Acquisition through business combination	**-**	**-**	**-**
Balance at end of year	**18,279**	**100,000**	**118,279**
Balance at beginning of year	**182**	**57,727**	**57,909**
Acquisition of shares	**-**	**2,180**	**2,180**
Issuance of shares	**-**	**(57,807)**	**(57,807)**
Acquisition through business combination	**-**	**-**	**-**
Balance at end of year	**182**	**2,100**	**2,282**

In 2024, proceeds from the sale of 5,411,822 treasury shares amounts to 104.6 million. There are no treasury shares sold in 2023.

In 2022, the Parent Company sold 14,431,900 treasury shares with cost of 143.9 million for 281.4 million.

e. Parent company shares held by a subsidiary

In 2023, APHI acquired additional 164,100 PHN shares with a total cost of 3.2 million. As at December 31, 2023, APHI holds 5,407,822 shares with a total cost of 57.7 million accounted as treasury shares.

In 2024, APHI acquired additional 104,000 PHN shares with a total cost of 2.2 million. At the same period, APHI sold 5,411,822 shares. The gain of 49.0 million on the disposal of shares is accounted for as APIC. As at December 31, 2024, APHI holds shares with a total cost of 2.1 million, accounted for as treasury shares.

f. Stock rights offering (SRO)

On August 6, 2024, the Parent Company’s BOD approved the SRO. The proceeds will be used to support PHINMA Corporation's subsidiaries in relation to their relevant expansion plans, increase capital for the Company's potential new ventures and/or general corporate purposes.

On October 16, 2024, the SEC issued a Notice of Confirmation of Exempt Transaction confirming that the Offer is exempt from the registration requirements of the Securities Regulation Code.

On October 21, 2024, the Philippine Stock Exchange (PSE) approved the application of the Parent Company for the listing of up to 51,493,306 common shares (“Offer Shares”) for the Company’s SRO of common shares to be issued from the unissued capital stock of the Parent Company, at an offer price range of 19.42 to 21.55 per Offer Share.

On November 27, 2024, the Parent Company closed the SRO with an offered a total of 50,000,000 Common Shares with a par value of 10.00 per share (the "Rights Shares") at an offer price of 20.00 per share (the "Offer Price") and raised 1 billion in capital. The Offer Price was determined based on the volume-weighted average price of the Issuer's Common Shares traded on the PSE for each of the 90 consecutive trading days immediately prior to (and excluding) pricing date of 31 October 2024, subject to a discount of 3.46%. The entitlement ratio is one rights share for every 5.73 existing common shares.

The transaction resulted to increases in issued share capital of 50,000,000 common shares, capital stock of 500 million and additional paid-in capital of 473.5 million.

23. Cost of Sales, Educational, Real Estate Sold and Construction Services, Hospital and Installation Services

This account consists of:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Cost of sales	**6,125,847**	6,029,738
Cost of educational services	**1,071,846**	922,056
Cost of hospital services	**87,416**	78,186
Cost of installation	**23,115**	92,624
Cost of sales, educational, hospital and installation	**7,308,224**	7,122,604
Cost of real estate sold and construction services	**469,487**	363,763
Cost of hotel operations	**109,593**	149,447
Cost of management and administrative services	**53,093**	57,689
	7,940,397	7,693,503

The details of cost of sales, educational, hospital and installation services are as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Inventories used	**5,382,113**	5,390,743
Personnel costs	**800,670**	683,675
Depreciation	**336,050**	360,637
Power and fuel	**135,394**	75,990
Repairs and maintenance	**59,785**	59,538
Laboratory and school supplies	**62,830**	57,717
Rent expense	**47,327**	44,373
Graduation expenses	**48,778**	43,099
School affiliations and other expenses	**47,200**	26,427
Educational tour expenses	**26,308**	17,579
School materials, publication and supplies	**6,617**	13,135
Review expenses	**21,233**	12,827
Sports development and school activities	**2,646**	8,930
Subscription	**4,664**	5,069
Accreditation expenses	**2,064**	1,302
Installation cost	**23,115**	92,624
Others	**301,429**	228,940
	7,308,224	7,122,604

24. General and Administrative Expenses

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Personnel costs	**717,301**	729,608
Professional fees and outside services	**235,438**	332,894
Taxes and licenses	**120,889**	122,055
Depreciation and amortization	**127,428**	91,230
Utilities	**88,679**	66,832
Security and janitorial	**68,197**	59,940
Transportation and travel	**122,762**	45,833
Insurance	**37,408**	29,859
Meetings and conferences	**11,696**	25,527
Repairs and maintenance	**26,025**	23,043
Provision (reversal) for ECLs	**(71,210)**	14,416
Rent	**24,901**	15,312
Office supplies	**16,353**	13,316
Donations	**18,298**	7,378
Communications	**6,932**	4,093
Advertising and promotions	**5,193**	3,613
Dues and subscription	**29,931**	8,588
Others	**71,774**	77,512
	1,657,995	1,671,049

25. Selling Expenses

This account consists of:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Personnel costs	**132,278**	121,831
Advertising	**141,287**	75,509
Commission	**16,487**	28,144
Depreciation and amortization	**31,799**	25,591
Transportation and travel	**11,452**	24,540
Outside services	**5,384**	19,535
Taxes and licenses	**10,405**	15,933
Postage, telephone and telegraph	**2,703**	7,487
Insurance	**5,772**	5,664
Repairs and maintenance	**11,094**	5,558
Rent and utilities	**9,326**	2,243
Supplies	**10,405**	1,393
Entertainment, amusement and recreation	**1,838**	951
Freight, handling and hauling	**96,327**	-
Others	**13,274**	8,241
	508,217	342,620

26. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions and the parties are subject to common control. Related parties may be individual or corporate entities.

The Company has a policy that requires approval of related party transaction by the Audit and Related Party Transactions Committee of the BOD when these breach certain limits and/or when these are not of a usual nature.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For the periods ended June 30, 2025 and 2024, the Company's impairment of receivables from related parties amounted to nil. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The significant related party transactions entered into by the Company with its associates and entities under common control and the amounts included in the interim condensed consolidated financial statements with respect to such transactions are shown below.

Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties (Note 10)	Loans receivable (Note 10)	Terms	Conditions
2025							
Ultimate Parent							
PHINMA Inc.	Share in expenses, management fees and bonus	**57,720**	**40,594**	**1,623**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
	Purchase of shares	**150,353**	-	-	-		
*Other related parties**							
PHINMA Insurance Brokers, Inc. (PHINMA Insurance), PHINMA Foundation, Inc., Phinma Plaza Condominium Corporation, Phinma Prism Property Development Corp.	Advances (PHINMA Prism)	-	-	**56,142**	-	Interest-bearing at range of 4.7% - 6.3% ; payable in March 2026 and to be settled in cash. This is presented as part of non-current receivables.	Unsecured, no impairment
	Interest income (PHINMA Prism)	**1,772**	-	-	-	Interest at 4.7% to 6.3% for 95 days; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
	Share in expenses	**9,590**	**714**	**97,319**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PHINMA Prism	Loan receivable	-	-	-	**196,803**	The loan to PHINMA Prism bear interest ranging from 7.21% to 7.75% with a maturity of 91 days up to 365 days This loan is due and demandable and collectible in cash.	Unsecured, no impairment
Shareholders of Parent Company	Loan receivable	-	-	-	**1,793**	Non-interest bearing; due and demandable, settled in cash at gross amounts.	Unsecured, no impairment
PTC Myanmar, IPM, PHINMA Saytanar (PSEd), PE International, Yayasan Triputra Persada	Share in expenses	**2.500**	**19**	**16,172**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PPSMI	Advances	**22,080**	-	**14,494**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
InPHIN8, PPSMI, DBHC, FBHC, SFSHC	Management And Incentive Fees	**6,579**	**27**	-	-	Noninterest-bearing; due and demandable;	Unsecured, no impairment
	Rent (Inphin8)	**5,349**	-	-	-	and to be settled in cash. at gross amounts.	
			41,354	**185,751**	**198,596**		

Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties (Note 10)	Loans receivable (Note 10)	Terms	Conditions
2024							
Ultimate Parent							
PHINMA Inc.	Share in expenses, management fees and bonus	**262,791**	**70,901**	**1,505**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
*Other related parties**							
PHINMA Insurance Brokers, Inc. (PHINMA Insurance), PHINMA Foundation, Inc., Phinma Plaza Condominium Corporation, Phinma Prism Property Development Corp.	Advances (PHINMA Prism)	-	-	**56,142**	-	Interest-bearing at range of 4.7% - 6.3% ; payable in March 2026 and to be settled in cash. This is presented as part of non-current receivables.	Unsecured, no impairment
	Interest income (PHINMA Prism)	**3,563**	-	**782**	-	Interest at 4.7% to 6.3% for 95 days; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
	Share in expenses	**20,310**	**6,478**	**81,990**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PHINMA Prism	Loan receivable	-	-	-	**196,803**	The loan to PHINMA Prism bear interest ranging from 7.21% to 7.75% with a maturity of 91 days up to 365 days This loan is due and demandable and collectible in cash.	Unsecured, no impairment
Shareholders of Parent Company	Loan receivable	-	-	-	**1,793**	Non-interest bearing; due and demandable, settled in cash at gross amounts.	Unsecured, no impairment
PTC Myanmar, IPM, PHINMA Saytanar (PSEd), PE International, Yayasan Triputra Persada	Share in expenses	**28,377**	**73**	**17,048**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PPSMI	Advances	**31,940**	-	**23,889**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
InPHIN8, PPSMI, DBHC, FBHC, SFSHC	Management And Incentive Fees	**32,537**	-	-	-	Noninterest-bearing; due and demandable;	Unsecured, no impairment
	Rent (Inphin8)	**9,493**	-	-	-	and to be settled in cash. at gross amounts.	
			77,452	**181,356**	**198,596**		

** Entities under common control or with common shareholders*

PHINMA, Inc. The Parent Company has a 5-year management contract with PHINMA, Inc. up to June 30, 2029, renewable thereafter mutual agreement. Under this contract, PHINMA, Inc. has a general management authority with corresponding responsibility over all operations and personnel of the Parent Company including planning, direction, and supervision of all the operations, sales, marketing, distribution, finance and other business activities of the Parent Company. Under the existing management agreement, the Parent Company pays PHINMA, Inc. a fixed monthly management fee plus an annual incentive based on a certain percentage of the Parent Company's net income.

Management and Directors' Compensation

PHN, UGC, COC, AU, UPANG, SWU, UI and PPHC are under common management of PHINMA, Inc. and pay PHINMA, Inc. a fixed annual management fee plus an annual bonus based on a certain percentage of the respective companies' adjusted net income, as defined in the management contract between PHINMA, Inc. and the respective companies, pursuant to the provisions of the same contract

Management fees and bonuses, presented as "Professional fees and outside services" under "General and administrative expenses" account, amounted to ₱54.7 million and ₱145.9 million for the six-months periods ended June 30, 2025 and 2024, respectively. The related unpaid amount, presented as "Accruals for professional fees and others" under "Trade and other payables" account in the unaudited interim condensed consolidated statement of financial position, amounted to ₱44.1 million and ₱75.0 million as at June 30, 2025 and December 31, 2024, respectively.

PHN, UGC, UI and AU recognized bonus to directors computed based on net income with pre-agreed

adjustments. Directors' bonus, presented in "Personnel costs" under "General and administrative expenses" account, amounted to ₱25.4 million and ₱17.3 million for the six-month periods ended June 30, 2025 and 2024, respectively. The related unpaid amount, presented in "Accruals for personnel costs" under "Trade and other payables" account in the unaudited interim condensed consolidated statement of financial position, amounted to ₱40.1 million and ₱61.7 million as at June 30, 2025 and December 31, 2024, respectively.

Compensation of Key Management Personnel

Compensation of key management personnel of the Company are as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Short-term employee benefits	**₱181,200**	₱164,729
Pension and other post-employment benefits	**4,572**	6,408
	₱185,772	₱171,137

Key management personnel compensation is presented as part of personnel costs under general and administrative expenses.

27. Income Taxes

The deferred tax assets and liabilities are presented in the consolidated statements of financial position as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Deferred tax assets – net	**₱199,680**	₱229,381
Deferred tax liabilities – net	**(636,090)**	(639,693)
	(₱436,410)	(₱410,312)

The deferred tax assets consist of the tax effects of lease liabilities, net operating loss carryover (NOLCO), pension liability, allowance for ECLs, accrued expenses, management bonus and allowance for inventory write-down.

The deferred tax liabilities consist of excess of fair value over cost, right-of use assets, and fair value adjustments on property, plant and equipment of subsidiaries, unrealized gains on change in fair value, unamortized debt issuance costs, unrealized foreign exchange gain and unamortized capitalized borrowing cost.

The disproportionate relationship between income before income tax and the provision for income tax is due to various factors such as income of schools subjected to lower income tax rate, interest income subjected to lower final tax rate and equity in net losses of associates and joint ventures.

Reconciliation between the statutory tax rates and the Company's effective tax rates follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Applicable statutory tax rate	**25.0%**	25.00%	25.0%
Income tax effects of:			
Income of school's subject to lower income tax rate of 10%/1%	**(78.51)**	(31.94)	(45.9)
Change in unrecognized deferred	**45.40**	34.22	57.0

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
tax assets and others			
Equity in net earnings of associates and joint ventures	**(0.17)**	0.40	(0.3)
Interest income subjected to lower final tax rate	**(4.94)**	(5.64)	(2.2)
Effective tax rates	**(13.22%)**	22.04%	33.6%

28. Pension and Other Post-employment Benefits

Pension and other post-employment benefits consist of:

	June 30,2025 (Unaudited)	December 31, 2024 (Audited)
Net pension liability	**₱310,013**	₱328,669
Vacation and sick leave	**129,989**	123,560
Defined contribution plan	**40**	375
	440,042	452,604

29. Financial Risk Management Objectives and Policies

The main risks arising from the Company's treasury transactions are credit risk, liquidity risk, market risk, foreign currency risk, interest rate risk and equity price risk. Careful study, skill, prudence and due diligence are exercised at all times in the handling of the funds of the Company.

Credit Risk

Credit risk is the risk that the Company will incur a loss arising from customers, clients or counter-parties that fail to discharge their contractual obligations. Due to the Company's investing and operating activities, the Company is exposed to the potential credit-related losses that may occur as a result of an individual, counterparty or issuer being unable or unwilling to honor its contractual obligations.

In managing credit risk on these financial instruments, the Company transacts only with the Company's duly accredited domestic and foreign banks. Investments per financial institution are subject to a maximum of 20% of the Company's investible funds. It is the Company's policy that investments cannot exceed 10% of the trust or mutual fund's total assets. A comprehensive credit and business review in coordination with dealers or underwriters is performed whenever the Company invests in non-rated securities. Furthermore, the Company monitors the credit quality of corporate and sovereign bonds with reference to credit rating studies and updates from the major rating agencies. The Company's exposure to credit risk on its cash and cash equivalents and trade and other receivables arises from default of the counterparties with maximum exposures equal to the carrying amounts of the instruments.

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial assets at amortized cost:		
Cash and cash equivalents*	**₱3,090,383**	2,804,952
Trade and other receivables	**6,412,990**	8,620,534
Contract assets	**3,866,796**	3,892,207
Refundable deposits**	**98,259**	64,901
	₱13,468,438	15,382,594

**Excluding cash on hand amounting to P259 million and P292 million as at June 30, 2025 and December 31, 2024*

respectively.

***Presented under "Other current assets" and "Other noncurrent assets" account in the consolidated statements of financial position.*

Credit Quality of Receivables from Customers and Contract Assets

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). 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 of the Company's receivables from customers and contract assets using provision matrix:

June 30, 2025	**Receivables from customers and contract assets**					
	Days past due					
	Current	**<30 Days**	**30-60 Days**	**61-90 Days**	**>91 Days**	**Total**
Expected credit loss rate	**1%**	**9%**	**13%**	**18%**	**33%**	**12%**
Estimated total gross carrying amount default	**₱5,234,471**	**₱954,349**	**₱451,073**	**₱187,040**	**₱2,665,840**	**₱9,492,773**
Expected credit loss	**48,349**	**82,626**	**56,830**	**33,081**	**883,626**	**1,104,512**

December 31, 2024	Receivables from customers and contract assets					
	Days past due					
	Current	<30 Days	30-60 Days	61-90 Days	>91 Days	Total
Expected credit loss rate	2%	15%	3%	16%	24%	9%
Estimated total gross carrying amount default	7,117,938	669,602	376,521	439,864	3,145,602	11,749,527
Expected credit loss	146,452	101,329	11,832	72,026	729,376	1,061,015

Customer receivables amounting to 262.8 million and 569.8 million as at June 30, 2025 and December 31, 2024, respectively, was specifically identified to be fully impaired. Impaired financial instruments comprise of receivables from customers and other receivables. The past due but not impaired trade and other receivables are expected to be collected the following year.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company manages liquidity risks by restricting investments and continuously monitoring weekly and monthly cash flows as well as updates of annual plans.

The maturities of the financial liabilities are determined based on the Company's projected payments and contractual maturities. The current liabilities usually mature within in a period of one (1) year and the non-current liabilities mature with a period of more than one (1) year to 28 years.

The average duration adheres to guidelines provided by the Investment Committee. It is the Company's policy to restrict investment principally to publicly traded securities with a history of marketability and by dealing with only large reputable domestic and international institutions.

Changes in liabilities arising from financing activities

The changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are as follows:

	January 1, 2025	**Additions**	**Payment**	**Others***	**June 30, 2025**
Notes payable	**16,022,789**	**4,698,062**	**(2,664,249)**	**385**	**18,056,987**
Long-term debt	**10,937,557**	**720,000**	**(525,602)**	**8,130**	**11,140,085**
Due to related parties	**77,452**	**-**	**(36,098)**	**-**	**41,354**
Dividends payable	**214,981**	**230,084**	**(278,058)**	**--**	**167,008**
Lease liabilities	**518,400**	**9,269**	**(67,812)**	**17,400**	**477,257**
Other noncurrent liabilities	**395,908**	**-**	**-(22,394)**	**--**	**373,514**
	28,167,087	**5,657,416**	**(3,594,213)**	**25,915**	**30,256,205**

** Others include amortization of debt issuance cost, accretion and roll-over of interest.*

	January 1, 2024	Additions	Payments	Others*	December 31, 2024
Notes payable	7,626,264	19,118,011	(10,722,251)	765	16,022,789
Long-term debt	14,139,066	500,000	(3,740,063)	38,554	10,937,557
Due to related parties	71,981	447,459	(441,988)	-	77,452
Dividends payable	254,258	548,992	(588,269)	-	214,981
Lease liabilities	524,517	131.839	(170,794)	32,838	518,400
Other noncurrent liabilities	301,918	93,990	-	-	395,908
Total liabilities from financing activities	22,918,004	20,840,291	(15,663,365)	72,157	28,167,087

**Others include amortization of debt issue cost and accretion of interest. For lease liabilities, this also includes derecognized amount of 1.4 million due to pre-termination of long-term lease contract.*

	January 1, 2024	Additions	Payment	Others*	June 30, 2024
Notes payable	7,626,264	8,491,589	(4,764,335)	383	11,353,901
Long-term debt	14,139,066	100,000	(344,913)	19,942	13,914,095
Dividends payable	254,258	171,795	(283,891)	-	142,162
Lease liabilities	524,517	16,160	(92,983)	15,393	463,087
	22,544,105	8,779,544	(5,486,122)	35,719	25,873,246

**Others include amortization of debt issue cost and accretion of interest.*

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Market risks are managed by constant review of global and domestic economic and financial environments as well as regular discussions with banks' economists/strategy officers to get multiple perspectives on interest rate trends/forecasts. Regular comparison of the portfolio's marked-to-market values and yields with defined benchmarks are also made.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial assets that are exposed to foreign currency risk are foreign currency denominated cash and cash equivalents, investment in bonds and investments in UITFs.

Foreign exchange risks on the U.S. dollar and other foreign currencies are managed through constant monitoring of the political and economic environment. Returns are also calibrated on a per currency basis to account for the perceived risks with higher returns expected from weaker currencies.

The following table shows the foreign currency-denominated financial assets and financial liabilities and their peso equivalents as of June 30, 2025 and December 31, 2024:

	June 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Foreign Currency	**Peso Equivalent**	Foreign Currency	Peso Equivalent
Financial assets:				
Cash and cash equivalents	**US$2,329**	**131,214**	US$817	47,249
Cash and cash equivalents	**VND1,460**	**3**	VND5,191	12
Short term investment	**US$1,916**	**107,919**	US$3,973	229,822
Receivables	**US$13,053**	**735,251**	US$11,613	671,760
Investment at FVPL	**US$35,304**	**1,988,696**	US$35,304	2,042,183
Derivative assets	**US$17,298**	**974,380**	US$17,298	1,000,586
Investment in UITF	**US$35**	**1,996**	US$35	2,011
		3,939,460		3,993,623
Financial liabilities:				
Trade and other payables	**US$118**	**6,647**	US$118	6,826
		6,647		6,826

In translating foreign currency-denominated financial assets into peso amounts, the exchange rates used were ₱56.330 and ₱57.845 to US$1.00 as at June 30 2025 and December 31, 2024, respectively.

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 following tables set out the carrying amounts, by maturity, of the Company's financial assets and liabilities that are exposed to interest rate risk as at June 30, 2025 and December 31, 2024:

	June 30, 2025 (Unaudited)						
	Interest Rates	**Within 1 Year**	**1 to < 2 Years**	**2 to < 3 Years**	**3 to 5 Years**	**More than 5 Years**	**Total**
Financial Assets:							
Placements (PHP)	1.60% to 15.74%	**748,251**	-	-	-	-	**748,251**
Financial Liabilities:							
PEHI	4.85% to 8.20%	**2,170,439**	**247,342**	**447,518**	**718,159**	**507,888**	**4,091,346**
PHN	6.25%	**18,189**	**1,860,121**	-	-	-	**1,878,310**
UGC	4.85% to 5.11%	**35,033**	**799,200**	-	-	-	**834,233**

	December 31, 2024 (Audited)						
	Interest Rates	Within 1 Year	1 to < 2 Years	2 to < 3 Years	3 to 5 Years	More than 5 Years	Total
Financial Assets:							
Placements (PHP)	1.60% to 15.74%	1,091,365	-	-	-	-	1,091,365
Financial Liabilities:							
PEHI	4.85% to 8.20%	2,265,506	279,708	491,063	784,461	538,286	4,359,024
PHN	6.25%	18,276	18,189	1,878,310	-	-	1,914,775
UGC	4.85% to 5.11%	48,025	35,535	798,691	-	-	882,251

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the values of individual stocks. The Company's exposure to equity price risk relates primarily to its equity investments listed in the PSE classified under investments held for trading.

The Company's policy is to maintain the risk to an acceptable level. Movement of share price is monitored regularly to determine impact on the Company's financial position.

Capital Management

The primary objective of the Company's capital management is to ensure that the Company maintains a healthy capital structure to maintain strong credit rating and maximize shareholder value.

Capital includes all the accounts appearing in the "Equity attributable to equity holders of the parent" and "Equity attributable to non-controlling interests" in the interim condensed consolidated statements of financial position.

The Company keeps the debt-to-equity ratio at a level no higher than 3.33:1, with the DE ratio computed as consolidated total adjusted indebtedness over consolidated total equity.

The Company's consolidated debt-to-equity ratio as at December 31 are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Total Indebtedness	**30,577,010**	28.173,867
Total equity	**15,270,972**	15,822,990
Debt-to-equity ratio	**2.00:1**	1.78:1

The Company expects to improve the debt-to-equity ratio mainly through improvement in the Company's business operations.

30. Financial Instruments

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of its assets and liabilities by valuation technique:

- 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 is significant to their fair value measurement is unobservable

Assets and liabilities measured or disclosed at fair value are as follows:

	June 30, 2025 (Unaudited)			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets				
Investments held for trading:				
Investments in UITFs	**579,810**	**-**	**579,810**	**-**
Investments in marketable equity securities	**3,444**	**3,444**	**-**	**-**
Investment in club shares designated at FVOCI	**52,261**	**-**	**52,261**	**-**
Non-listed equity instruments designated at FVOCI	**86,608**	**-**	**-**	**86,608**
Non-listed debt instruments designated at P&L	**1,988,696**	**-**	**-**	**1,988,696**
Derivative assets	**974,380**	**-**	**-**	**974,380**
	3,685,199	**3,444**	**632,071**	**3,049,684**
Liabilities				
Long-term debt	**11,140,085**	**-**	**-**	**11,140,085**

	December 31, 2024 (Audited)			
	Total	Level 1	Level 2	Level 3
2024				
Assets				
Investments held for trading:				
Investments in UITFs	1,337,191	-	1,337,191	-
Investments in marketable equity securities	3,670	3,670	-	-
Club shares designated at FVOCI	52,497	-	52,497	-
Non-listed equity instruments designated at FVOCI	86,516	-	-	86,516
Non-listed debt instrument designated at FVPL	2,042,183	-	-	2,042,183
Derivative assets	1,000,586	-	-	1,000,586

	December 31, 2024 (Audited)			
	Total	Level 1	Level 2	Level 3
	4,522,643	3,670	1,389,688	3,129,285
Liabilities				
Long-term debt	10,937,557	-	-	10,937,557

During the periods ended June 30, 2025 and December 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

The following methods and assumptions are used to estimate the fair value of the following financial instruments.

Investments Held for Trading, Financial Assets at FVPL, Financial Assets at FVOCI and Derivative Assets. Quoted market prices have been used to determine the fair value of investments in marketable equity securities and club shares designated at FVOCI. The fair values of unquoted equity investments at FVOCI, unquoted debt investment classified as financial asset at FVPL and derivative asset have been estimated using a future cash flows from the investee and applying a discount rate to calculate the present value of the cash flows.

The valuation requires management to make certain assumptions about the model inputs including forecast cashflows, discount rate, long-term growth rate, comparable companies' average volatility, option adjusted spread and risk-free rate. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

The fair values of non-listed shares of stock were determined through the following valuation approach: income approach and asset-based approach. Income approach is predicated upon the concept that the value of any asset can be estimated by ascertaining the amount and timing of future cash flows or earnings that are generated by that asset. Asset-based approach is based on the value of all the tangible and intangible assets and liabilities of the company.

For financial assets at FVOCI, the higher the value of the share price, the higher the fair value. Any change in the fair value of the non-listed equity shares will not significantly impact the consolidated financial statements.

Cash and Cash Equivalents, Trade and Other Receivables, Notes Payable, Trade and Other Payables, Trust Receipts Payable and Due to Related Parties. Due to the short-term nature of these transactions, the carrying value approximate the fair values as at the reporting date.

Long-term Debt. The Company's borrowings as at June 30, 2025 and December 31, 2024 are stated at amortized cost. The fair values of the borrowings approximate their carrying amounts.

Derivative Instruments

Freestanding Derivatives. The Company's derivative financial instruments are accounted for as financial instruments at FVPL.

31. Leases

Company as Lessee

The Company has various lease contracts for land, buildings, warehouses and vehicles. The leases have lease terms of between 2 and 25 years.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the "short-term lease" recognition exemptions for these leases.

The roll forward analysis of right-of-use assets follows:

	June 30, 2025 (Unaudited)				
	Right-of-use: Land	**Right-of-use: Buildings & Warehouses**	**Right-of-use: Vehicles**	**Right-of-use: Others**	**Right-of-use: Total**
Cost					
At January 1, 2025	**248,434**	**391,328**	**386,798**	**3,225**	**1,029,785**
Additions	**-**	**2,594**	**6,654**	**21**	**9,269**
At June 30, 2025	**248,434**	**393,922**	**393,452**	**3,246**	**1,039,054**
Accumulated Depreciation and Amortization					
At January 1, 2025	**84,557**	**233,857**	**303,579**	**3,122**	**625,115**
Depreciation	**8,337**	**18,321**	**20,295**	**83**	**47,036**
At June 30, 2025	**92,894**	**252,178**	**323,874**	**3,205**	**672,151**
Net Book Value	**155,540**	**141,744**	**69,578**	**41**	**366,903**

	December 31, 2024 (Audited)				
	Right-of-use: Land	Right-of-use: Buildings & Warehouses	Right-of-use: Vehicles	Right-of-use: Others	Right-of-use: Total
2024					
Cost					
At January 1, 2024	248,434	306,102	348,817	2,761	906,114
Additions	-	85,226	49,775	464	135,465
Pre-termination	-	-	(11,794)	-	(11,794)
At December 31, 2024	248,434	391,328	386,798	3,225	1,029,785
Accumulated depreciation and amortization					
At January 1, 2024	(68,143)	(185,568)	(226,361)	(2,761)	(482,833)
Depreciation	(16,414)	(48,289)	(86,879)	(361)	(151,943)
Pre-termination	-	-	9,661	-	9,661
At December 31, 2024	(84,557)	(233,857)	(303,579)	(3,122)	(625,115)
Net Book Value	163,877	157,471	83,219	103	404,670

	Right-of-use: Land	Right-of-use: Buildings & Warehouses	Right-of-use: Vehicles	Right-of-use: Others	Right-of-use: Total
Cost					
At January 1, 2024	₱248,434	₱306,102	₱348,817	₱2,761	₱906,114
Additions	-	-	16,160	-	16,160
At June 30, 2024	248,434	306,102	364,977	2,761	922,274
Accumulated Depreciation and Amortization					
At January 1, 2024	68,143	185,568	226,361	2,761	482,833
Depreciation	8,448	23,463	61,663	-	93,574
At June 30, 2024	76,591	209,031	288,024	2,761	576,407
Net Book Value	₱171,843	₱97,071	₱76,953	₱-	₱345,867

The roll forward analysis of lease liabilities follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
As at beginning of year	**518,400**	524,517
Payments	**(67,812)**	(170,794)
Additions	**9,269**	131,839
Accretion of interest	**17,400**	34,623
Pre-termination	**-**	(1,785)
As at end of year	**477.257**	518,400
Less current portion of lease liabilities	**91,129**	90,271
Noncurrent portion of lease liabilities	**386,128**	428,129

The following are the amounts recognized in the interim condensed consolidated statement of income (amounts in thousands):

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Amortization expense of right-of-use assets (included in general and administrative expenses)	**47,036**	93,574
Interest expense on lease liabilities (included in interest expense and other financing charges)	**17,400**	15,393
	64,436	108,967

32. Contingenciess

There are contingent liabilities arising from tax assessments occurring in the ordinary course of business, including the petition filed for the reversal and nullification of safeguard duties on its importation of cement. On the basis of information furnished by the Company's legal counsel, management believes that none of these contingencies will materially affect the Company's interim financial position and result of operations.

33. Earnings per Share (EPS) Computation

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
(a) Net income (loss) attributable to equity holders of the parent	**(455,059)**	(117,891)
(b) Weighted average number of common shares outstanding	**336,325**	286,325
Basic/diluted EPS attributable to equity holders of the parent (a/b)	**(1.35)**	(0.41)

34. Segment Information

For management purposes, the Company is organized into business units based on its products and services and has six (6) reportable operating segments as follows:

- Investment holdings - PHN and PSHC are engaged in investment holding activities of shares of stocks and other financial instruments.
- Property development - PPHC is engaged in real estate development. API and APHI lease out its real and personal properties.
- Construction materials - PCC encompasses the operations of the cement trading. UGC handles the manufacturing and trading of iron and steel products. PHINMA Solar provides solar rooftop system to customers. The Company has assessed that the nature of the products and services and the type or class of customers for these products and services are related.
- Educational services - PEHI holds interest in AU, COC, UPANG, UI, SWU, RCI, RCL and UCLI which offer graduate, tertiary, secondary and elementary education services. CAA conducts a non-sectarian institution of learning and operates schools for all levels below tertiary level, whether preschool, primary, secondary, technical and vocational, specialized programs and for all and any form of educational activities.
- Hospitality - PHI provides management services and is engaged in investment holding activities for the hotels. PHINMA Microtel is engaged in hotel franchising. Coral Way is engaged in hotel operations. OAL was engaged in animation services.
- PIBI is the insurance brokerage arm of the Group and OAL was engaged in animation services.

The BOD (Chief Operating Decision Maker) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Segment result is defined as the segment's income generated from its own operations, net of its share in the equity in net earnings of associates and joint ventures and investment income, before deducting interest and financing charges, provision for income tax and share of NCI. The amounts of segment assets and liabilities, and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets, liabilities and profit or loss in the interim condensed consolidated financial statements, which is in accordance with PFRS.

The Company does not report its results based on geographical segments since the Company's risks and rates of return are substantially in the same economic and political environment with the companies incorporated and operated in the Philippines. There are no transactions with a single customer that accounts to 10% or more of the Company's revenue.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transaction with third parties. Segment revenues, segment expenses and segment results include transfers between operating segments. These transfers are eliminated in full upon consolidation

Segment Information

Financial information on the operating segments are summarized as follows:

	Six-Month Period Ended June 30, 2025 (Unaudited)								
	Investment Holdings	**Property Development**	**Construction Materials**	**Educational Services**	**Hospitality**	**Others**	**BPO**	**Eliminations**	**Total Operations**
Revenue	**227,685**	**772,778**	**6,876,311**	**2,741,703**	**268,273**	**31,503**	**-**	**(96,922)**	**10,821,331**
Segment results	**(335,678)**	**(152,922)**	**209,674**	**699,868**	**13,695**	**12,522**		**(33,280)**	**413,879**
Investment income and interest income	**175,261**	**107,073**	**9,120**	**22,646**	**2,518**	**1,379**	**-**	**(68,664)**	**249,333**
Equity in net earnings (losses) of associates and joint ventures	**-**	**(66,976)**	**-**	**(1,517)**	**(753)**	**-**	**-**	**70,587**	**1,341**
Interest expense and financing charges	**(216,778)**	**(216,333)**	**(337,038)**	**(91,520)**	**(11,338)**	**-**	**-**	**8,020**	**(864,987)**
Benefit from (Provision for) income tax	**(3,614)**	**27,493**	**28,762**	**(71,269)**	**(4,738)**	**(3,125)**	**-**	**-**	**(26,491)**
Share of non-controlling interest	**-**	**(5,705)**	**-**	**(98,695)**	**-**	**-**	**-**	**(123,734)**	**(228,134)**
Net income (loss) attributable to equity holders of parent	**(380,809)**	**(307,370)**	**(89,482)**	**459,513**	**(616)**	**10,776**	**-**	**(147,071)**	**(455,059)**
Total assets	**14,252,352**	**11,796,630**	**17,301,811**	**20,123,770**	**1,425,320**	**129,234**	**769**	**(11,045,264)**	**53,984,622**
Total liabilities	**6,692,192**	**9,196,470**	**12,913,571**	**9,314,002**	**581,461**	**94,707**	**310,156**	**(388,909)**	**38,713,650**

	Six-Month Period Ended June 30, 2024 (Unaudited)							
	Investment Holdings	Property Development	Construction Materials	Educational Services	Hospitality	BPO	Eliminations	Total Operations
Revenue	₱208,201	₱595,108	₱6,873,910	₱2,458,298	₱296,966	₱-	(₱58,005)	₱10,374,478
Segment results	27,718	(169,501)	311,467	525,117	37,778	(29)	(99,103)	674,270
Investment income and interest income	144,838	85,047	10,431	19,902	5,097	-	(33,150)	232,165
Equity in net earnings (losses) of associates and joint ventures	-	(65,535)	-	2,636	5,233	-	60,993	3,327
Interest expense and financing charges	(169,498)	(180,243)	(275,870)	(115,808)	(11,285)	-	2,514	(750,190)
Provision for income tax	(5,431)	20,085	(37,238)	(54,689)	(9,070)	-	-	(86,343)
Share of non-controlling interest	-	(235)	-	(100,779)	-	-	(90,106)	(191,120)
Net income (loss) attributable to equity holders of parent	(2,373)	(310,382)	8,790	276,379	27,753	(29)	(158,852)	(117,891)
Total assets	₱13,524,428	₱9,462,780	₱14,677,703	₱15,410,157	₱1,283,616	₱768	(₱9,850,238)	₱44,509,214
Total liabilities	₱6,508,816	₱7,225,756	₱10,499,614	₱7,886,042	₱504,311	₱310,060	₱2,095,189	₱35,029,788

	Investment Holdings	Property Development	Construction Materials	Educational Services	Hospitality	BPO	Eliminations	Total Operations
Year Ended December 31, 2024								
Revenue	815,266	2,357,680	14,295,226	6,386,893	591,631	-	(687,538)	23,759,158
Segment results	(122,508)	219,177	650,967	1,746,014	60,708	(331)	(222,899)	2,331,128
Investment income and interest income	673,606	200,718	20,691	51,031	7,161	-	(457,052)	496,155
Equity in net earnings (losses) of associates and joint ventures	-	(25,694)	-	(20,868)	10,256	-	17,143	(19,163)
Interest expense and financing charges	(386,400)	(397,174)	(570,397)	(241,040)	(22,857)	-	11,474	(1,606,394)
Provision for income tax	(10,069)	(53,051)	(30,973)	(171,164)	399	-	-	(264,858)
Share of non-controlling interest	-	(56,103)	-	(262,776)	-	-	(338,439)	(657,318)
Net income attributable to equity holders of parent	154,629	(112,127)	70,288	1,101,197	55,667	(331)	(989,773)	279,550
Total assets	14,834,648	11,257,678	16,627,994	20,983,838	1,301,905	769	(11,146,839)	53,859,993
Total liabilities	6,691,848	8,254,026	12,515,306	10,757,853	501,172	310,156	(993,358)	38,037,003

Seasonality of Operations

Like any company in the construction industry, the operations of UGC and Philcement are affected by seasonality demand. Demand for construction materials is greater during the dry months from December to May than during the rainy months of June to November. Hence, the demand for the first semester of the calendar year is normally higher than that of the second semester.

The revenues of the schools under the PHINMA Education network decline during summer months. Hence, net income during the first half of the calendar year is lower than the second half.

For other subsidiaries, there is no significant seasonality that would materially affect their operations.

35. Restatement

For the year ended December 31, 2024, the management of UGC, the Parent Company's subsidiary, identified certain adjustments needed to correct selected financial statement line items. These adjustments were primarily due to inconsistencies in the application of certain accounting policies and as a result, select amounts in the previously reported 2023 consolidated financial statements have been restated.

On April 7, 2025, the Company requested for an approval from the SEC to restate the 2023 consolidated financial statements and subsequently received the approval on April 11, 2025

The Company conducted a comprehensive review of its financial records, leading to the following adjustments in the consolidated financial statements:

a. Reduction in the December 31, 2023 ending balance of inventory resulting from the correct application of inventory accounting policies.
b. Reduction in the advances to suppliers presented under trade and other receivables and prepaid expenses and deposits presented under input value-added taxes and other current assets to consistently apply and reflect correct accounting policies for goods that were already delivered and expenses already incurred against trade and other payables and contract liabilities.
c. Increase in cost of sales for inventories sold in 2023 resulting from the adjustments described in (a) and (b) above.

The restatement for the six months period June 30, 2024 pertains to the take-up of additional cost of sales for inventories sold. Financial statement line items that were not affected by the change have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Interim Consolidated Statement of income for the three months period June 30, 2024:

	As previously stated	Effect of restatement	As restated
Costs and expenses			
Cost of sales	9,609,472	97,700	9,707,172
Income before income tax	257,272	(97,700)	159,572
Net income	170,929	(97,700)	73,229
Attributable to:			
Equity holders of the Parent	(22,135)	(95,756)	(117,891)
Non-controlling interest	193,064	(1,944)	191,120
	170,929	(97,700)	73,229
Basic/Diluted Earnings Per Common Share - Attributable to Equity Holders of the Parent	(0.08)	(0.33)	(0.41)

Iterim Consolidated Statement of cash flow for the three months period June 30, 2024:

	As previously stated	Effect of restatement	As restated
Profit before income tax	257,272	(97,700)	159,572
Operating income before working capital changes	1,301,717	(97,700)	1,204,017
(Increase) decrease in:			

Inventories	(344,079)	97,700	(246,379)
Net cash provided by operations	(435,129)	-	(435,129)
Net cash used in operating activities	(1,058,783)	-	(1,058,783)

Such restatement did not impact the previously reported totals of net cash flows from operating, investing and financing activities in the statements of cash flows for the period ended June 30, 2024.

The effects of the restatements to the Construction Materials business segment's financial information as at and for the three months period June 30, 2024 are summarized below. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Construction Materials Segment	As previously stated	Effect of restatement	As restated
Segment results	409,167	(97,700)	311,467
Net income attributable to equity holders of parent	106,490	(97,700)	8,790
Total assets	14,775,403	(97,700)	14,677,703
Total liabilities	10,499,614		10,499,614

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

PHINMA Corporation (PHN) recorded consolidated revenues of ₱10.82 billion in the first half of 2025. In the same period, the Company recognized a consolidated net loss of ₱226.92 million and a net loss attributable to equity holders of the parent amounting to ₱455.06 million. This reflects pressure from the macroeconomic environment and the impact of seasonal factors, which were partially offset by the strong performance of PHINMA Education Holdings, Inc. (PHINMA Education). Ongoing expansion efforts will develop new markets and improve cost efficiency across all strategic business units.

PHINMA Education had a record high enrollment during the second semester of School Year 2024-2025 - a testament to the network's successful student retention programs and acquisition of St. Jude College Dasmariñas Cavite. PHINMA Education produced 12,000 new graduates this School Year including 28 board topnotchers in fields like Nursing and Criminology. With these strong results, PHINMA Education reported consolidated revenues and a consolidated net income of P2.74 billion and P558.21 million, respectively, for the first half of 2025.

The PHINMA Construction Materials Group (PHINMA CMG)—composed of Union Galvasteel Corporation, Philcement Corporation, Union Insulated Panels Corporation, and PHINMA Solar Energy Corporation—continued to focus on growth and implementing expansion efforts to improve margins. Improved sales efforts translated to increases in volume and combined revenues rose to ₱6.88 billion for January to June. PHINMA CMG had a net loss of ₱89.48 million after frontloading fixed costs and interest expenses to maximize the impact of its investments and to improve its business operations in succeeding periods.

PHINMA Property Holdings Corp. (PHINMA Properties) continued to face challenges in the Metro Manila market and is prioritizing future developments in other areas such as Bacolod. As a result, PHINMA Corporation recently infused additional equity into PHINMA Properties for the development of its first township, Saludad. While PHINMA Properties recorded revenues of ₱765.72 million for the period, the company posted a net loss of ₱299.85 million amid industry headwinds that tempered real estate demand and extended payment terms. PHINMA CoHo Corporation (PHINMA Community Housing) is on track to launch its first project in Davao in the fourth quarter of 2025.

Coral Way City Hotel Corporation, PHINMA Hospitality, Inc., and PHINMA Microtel Hotels, Inc., the Group's Hospitality segment, saw occupancy rates decline in certain properties due to weaker tourist demand. As a result, the combined revenues stood at ₱268.27 million and the combined net loss was at ₱2.03 million for the period.

For the period ended June 30, 2025, PHINMA Corporation's consolidated financial position had cash and cash equivalents of ₱3.33 billion, total assets of ₱53.98 billion and total stockholders' equity of ₱15.27 billion.

STRATEGIC BUSINESS UNITS (SBU)

The following discussion describes the performance of PHINMA's SBUs for the first half of 2025:

Education Group

PHINMA Education, by intent and design, delivers accessible, quality education to underserved youth in the Philippines and Indonesia. With a steadfast focus on student success, the network enrolled nearly 164,000 students in the first semester of SY 2024–2025, making it one of Southeast Asia's largest private higher education groups.

During this period, consolidated revenue grew to ₱2.74 billion, driven by strong enrollment growth. Second semester enrollment exceeded the previous year's figures, supported by intensified student completion efforts and the acquisition of St. Jude College in Dasmarinas, Cavite. Enrollment for the Summer Term also posted significant year-on-year growth. As a result, consolidated net income for this period amounted to ₱558 million.

Construction Materials Group

PHINMA CMG, which is composed of Union Galvasteel Corporation (UGC), Philcement Corporation (Philcement), Union Insulated Panels Corporation (UIPC) and PHINMA Solar Energy Corporation (PHINMA Solar), supports public and private infrastructure development by supplying galvanized iron and steel building products, cement, and rooftop solar power generation solutions.

UGC, PhilCement, and UIPC reported an increase in sales volume compared to H1 of last year. However, these companies continued to face challenges due to intense market competition. Despite the growth, UGC and PhilCement remain challenged by rising variable costs, which continue to pressure margins. On the other hand, UIPC successfully secured a number of high value projects and was able to award ₱675 million worth of projects for H1 2025.

Collectively, the PHINMA Construction Materials Group (PHINMA CMG) generated ₱7.3 billion in revenues, supported by increased sales volumes and strategic pricing initiatives. However, the highly competitive business environment and elevated operating costs associated with sustaining volume growth led to a net combined loss of ₱112.47 million.

To improve margins and operational efficiencies, the group has diversified its supply sources of raw materials and has implemented reductions in shipping costs by streamlining logistics. These efforts support profitability and help cushion the impact of rising operational expenses.

Properties Group

PHINMA Property Holdings Corp. (PHINMA Properties) recognized ₱658 million in revenues for the second quarter of the year and recorded a net loss of ₱300 million, primarily due to shortfall in percentage of construction completion and high financing costs. Despite these challenges, reservation levels remained stable, with resilient demand in regional developments offsetting the softer market sentiment in NCR that weighed on Metrotowne's performance. Financial performance is expected to improve in the coming quarters as project construction advances and the company begins to recognize its unbooked reservations. With a robust pipeline and a continued focus on operational efficiencies, PHINMA Properties remains on track to deliver sustainable and profitable growth.

The Properties Group, through PHINMA Properties, continues to shape new urban communities that nurture Filipinos to become better citizens. The affordable housing segment continues to be the primary focus 2025, with the Maayo segment still dedicated to providing accessible and sustainable communities that empower middle-income Filipinos. To further extend its market reach, the company has re-entered the low-income market through PHINMA Community Housing (PHINMA CoHo), with its first 530-unit community scheduled to launch in Davao this year. Through these projects, the Properties Group is positioned to be a key player in delivering affordable, sustainable, and scalable housing solutions across the nation.

Hospitality Group

PHINMA Hospitality Inc. (PHINMA Hospitality) remains committed to delivering clean, comfortable, and secure lodging to leisure and business travelers in the country through its Microtel by Wyndham and TRYP by Wyndham hotel properties. PHINMA Hospitality operates 14 Microtel by Wyndham hotels and one TRYP by Wyndham hotel in the Philippines.

During the period, the Hospitality Group saw a slight decline in its revenues versus last year, primarily due to lower occupancy rates in select properties. While foreign arrivals registered a slight dip during the period, strong domestic leisure and business travel continued to support the overall performance of the Group.

Coral Way, which owns Microtel by Wyndham and TRYP by Wyndham Mall of Asia , registered slightly lower results compared to the previous year. Leisure, corporate and events-related bookings continue to be the primary demand drivers for both hotels.

Key Performance Indicators (KPI)

The top five (5) KPI's used to measure the financial performance of PHINMA and its subsidiaries as of the six (6) month period ended June 30, 2025 compared to the same period in the previous year are shown in the following table:

Financial KPI	**Definition**	**June 2025**	**June 2024**
Profitability			
Return on Equity (ROE)	Net income attributable to equity holders of the parent / Average equity attributable to equity holders of the parent[1]	**-5.08%**	-1.93%
Gross Profit Margin	Gross profit[ii] / Total Revenues	**26.62%**	25.84%
Efficiency			
Cash Flow Margin	Cash flows from operating activities / Total Revenues	**-5.13%**	-10.21%
Liquidity			
Current Ratio	Total Current Assets / Total Current Liabilities	**0.80 : 1:00**	0.85 : 1.00
Debt to Equity Ratio	Total Liabilities / Total Equity	**2.54 : 1:00**	4.15 : 1.00

iAverage Equity Attributable to Equity Holders of the Parent is derived by dividing in two (2) the sum of beginning Equity Attributable to Equity Holders of the Parent and ending Equity Attributable to Equity Holders of the Parent.
iiGross Profit is calculated by deducting cost of sales and cost of educational, installation, hospital and consultancy service from total revenues.

Profitability

The return on equity for the period of -5.08% is lower than -1.93% return for the same period the previous year mainly due to higher net loss attributable to parent coupled with increase in equity attributable to parent resulting from the additional investment of KKR in PEHI and additional shares issued by Parent in relation to the SRO in the second half of 2024. Gross profit margin slightly increased from 25.84% in 2024 to 26.62% in 2025 mainly due to lower input cost for the CMG products.

Efficiency

Net cash flow margin for the six months ended June 30, 2025 is -5.13% compared to net cash outflow margin of -10.21% over the same period last year, mainly due to collection of receivables by the schools amounting to P1.75 billion and improved input cost management by CMG.

Liquidity

Current ratio decreased from 0.85:1.00 in 2024 to 0.80:1.00 in 2025 mainly due to more notes payable obtained in 2025 by CMG to support operations and higher trade payables from CMG and the schools.

Debt-equity ratio of PHINMA and its subsidiaries as of end June 2025 was 2.54:1.00.

The accompanying interim condensed consolidated financial statements of PHINMA for the six (6) months ended June 30, 2025 have been prepared in accordance with PAS 34, Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2024.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss and derivative investments that have been measured at fair value.

The consolidated financial statements are prepared in Philippine pesos, the company's functional and presentation currency.

Interim Disclosures on Financial Statements

Below are additional disclosures on the Company's operations:

a. On any known trend, demand, commitment, event and uncertainty that will result in or likely to decrease its liquidity in any material way :

PHN does not anticipate having any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing loans.

b. On any event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation:

None

c. On material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other person created during the reporting period:

None

d. On material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures:

None

e. On any known trend, event or uncertainty that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations:

None.

f. Any significant elements of income or loss that did not arise from the Issuer's continuing operations.

None.

g. On the causes for any material change from period to period which shall include vertical and horizontal analyses of any material item:

Increase or decrease of 5% or more in the financial statements are discussed below.

h. On any seasonal aspect that had a material effect on the financial condition or results of operations.

Like any company in the construction industry, the operations of UGC and Philcement are affected by seasonal demand. Demand for construction materials is greater during the dry months than during the rainy months. Hence, the demand for the first semester of the calendar year is normally higher than that of the second semester.

School year 2024-25 for PHINMA Education's schools was from June 2024 to April 2025. Cashflow outside these periods may be relatively lower.

For other subsidiaries, there is no significant seasonality that would materially affect their operations.

Material Changes in Statement of Financial Position Accounts

Cash and cash equivalents

The movement in cash and cash equivalents are shown in the cash flow statement

Investments held for trading

The decrease in the account is mainly attributable to redemption of UITFs by PEHI, Coral Way and the Parent company.

Trade and other receivables

The decrease in the account is mainly attributable to collection of receivables by PEHI and the schools and PPHC, amounting to ₱1.84 billion, partially offset by the increase in CMG receivables.

Contract assets

The decrease in the account is mainly due to significant collection from PPHC buyers and loan take-outs from HDMF and banks.

Input tax

The increase in this account is mainly attributable to purchases of CMG and PHINMA Properties.

Other current assets

The decrease in the account is mainly due to amortization of deferred charges from the schools, partially offset by increase in creditable taxes withheld and deposit to supplies from PPHC and CMG.

Long-term receivables

The increase in the account is mainly due to advances to minority shareholders of JEPP Property and increase in retention receivable from PPHC's ongoing projects

Contract assets - noncurrent

The increase of ₱469.19 million is mainly due to new sales from PPHC

Property, plant and equipment

The increase in this account is attributable to acquisition of land and equipment and renovation of the schools as well as construction of Davao terminal by CMG

Right-of-use of assets

The ₱37.77 million decrease represents depreciation of the right-of-use of assets of CMG, PPHC and Coral Way.

Deferred tax asset

The 13% decrease in this account represents mainly the decrease in the deferred tax assets of CMG and the schools, partially offset by the increase in deferred tax assets of PIBI

Other noncurrent assets

The increase in this account represents advances related to land acquisition of a school. The amount will be re-classified to PPE once transaction is completed.

LIABILITIES

Notes payable

The ₱2.03 billion increase in this account pertains to additional availment of short-term loans by CMG and PPHC for working capital requirements and property development..

Trade and other payables

The net increase of ₱501.62 million in Trade and other payables is mainly due to increase in payable to contractors and suppliers of CMG, PIBI and the schools.

Contract liabilities

The account decreased by ₱2.13 billion largely due to the education group, as revenues were earned by the schools from January to June 2025. (Tuition fees for the semester are accrued as receivable at the start of the semester and the corresponding liability is booked under Contract Liabilities). In addition, CMG fulfilled its contractual obligations to customers with advance payments, contributing to the decrease in the account.

Trust receipts payable

The increase of ₱207.56 million in the account is attributable to deposits for customer orders of CMG

Income and other taxes payable

The net decrease in this account is mainly attributable to lower tax payable from the schools since second quarter is summer months, which usually generates lower income compared to other quarters of the year.

Long-term debt – current portion

The drop in this account is mainly attributable to payment of CMG's debt, partially offset by reclassification of PPHC's debt to current.

Due to related parties

The drop in this account is mainly attributable to payment of amounts due to the parent holding company.

Long-term debt

The increase in this account pertains to new loans obtained by CMG and the schools for expansion projects.

Lease liabilities

The decrease in the account amounting to P42.0 million represents periodic lease payments by CMG, PPHC and Coral Way.

Other non-current liabilities

The decrease in this account is mainly due to payments made for Accrued Land Liability by PPHC

EQUITY

Equity reserves

The movement in the account pertains to the excess of the purchase price of PIBI shares over the book value of the shares, when the parent acquired PIBI in January 2025.

Retained earnings

The decrease in the account represents net loss for the first half of 2025

Material Changes in Income Statement Accounts

Revenues

The ₱446.85 million net increase in revenues is mainly due to increase of ₱271.5 million from the schools resulting from higher enrollment and higher sales from book operations and ₱175.29 million revenues from the Property business.

Cost of Sales

The net increase in cost of sales is attributable to operation costs from CMG's Porac plant and higher personnel cost from schools to support higher enrollment. PPHC cost also increased in line with higher revenues and construction in progress.

General and administrative expenses

General and administrative expenses increased from previous year mainly due to increased operating expenses from CMG to support the growing sales volume, higher manpower cost from PPHC and incurrence of broker fee from the acquisition of a school.

Selling expenses

The increase in the account can be attributed to the inclusion of other projects to PPSMI, resulting to higher commissions.

Interest expense and other financing charges

The increase in interest expense is mainly due to more loans obtained by the group to support the operations

Foreign exchange gains (losses) – net

The net forex loss is attributable to Parent's and PEHI's USD holdings restated at the forex rate of ₱56.33: $1 compared to ₱57.845: $1 as of December 31, 2024.

Equity in net earnings (losses) of associates and joint ventures

Equity in net earnings of associates refers to PEHI's equity in IPM, PHINMA Hospitality's equity in hotels and PPHC's equity in Inphin8.

Gain (loss) on change in fair value of financial assets at FVPL

Loss on change in fair value of financial assets pertain to the unrealized foreign exchange loss from the investment in Song Lam preferred shares.

Gain (loss) on derivatives

The loss on derivatives mainly resulted from the higher unrealized foreign exchange loss from the put option on the Song Lam preferred shares.

Gain (loss) on sale of property, plant and equipment

The gain arises mainly from the sale of old equipment by PPHC and Parent

Others – net

The increase in this account is mainly due to the increase in other income of the schools..

Provision for (benefit from) income tax

The provision resulted mainly from the schools, Parent and PIBI, partially offset by tax benefit from CMG and PPHC.

SIGNATURES

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

PHINMA CORPORATION

[redacted]

EDMUND ALAN A. QUA HIANSEN
Senior Vice President – CFO

[redacted]

ANNABELLE S. GUZMAN
Vice President - Controller

Aug 11, 2025

PHINMA CORPORATION AND SUBSIDIARIES

Consolidated Aging of AR-Trade and Contract assets

As of June 30, 2025

in thousands

	Amount
Current	5,234,471
1-30 days	954,349
31-60 days	451,073
61-90 days	187,040
0ver 90 days	2,928,655
TOTAL	9,755,588
Less: Allowance for expected credit losses (ECL)	1,367,326
Net Trade Receivable and contract assets	**8,388,262**

PHINMA CORPORATION AND SUBSIDIARIES

Consolidated Aging of AR-Nontrade

As of June 30, 2025

in thousands

	Amount
Current	4,983,363
1-30 days	103,362
31-60 days	41,510
61-90 days	45,296
0ver 90 days	1,327,761
TOTAL	6,501,292
Less: Allowance for expected credit losses (ECL)	178,592
Net Nontrade Receivable	**6,322,700**

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.phmessagesmo@sec.gov.ph

The following document has been received:

Receiving: DONNA ENCARNADO
Receipt Date and Time: November 14, 2025 09:09:28 PM

Company Information

SEC Registration No.: 0000012397
Company Name: PHINMA CORPORATION
Industry Classification: D26950
Company Type: Stock Corporation

Document Information

Document ID: OST11114202583819108
Document Type: Quarterly Report
Document Code: SEC_Form_17-Q
Period Covered: September 30, 2025
Submission Type: Original Filing
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

1	2	3	9	7					

S.E.C. Registration Number

P	H	I	N	M	A		C	O	R	P	O	R	A	T	I	O	N													

(Company's Full Name)

L	E	V	E	L		1	2	-	P	H	I	N	M	A		P	L	A	Z	A		3	9		P	L	A	Z	A
D	R	I	V	E	,		R	O	C	K	W	E	L	L		C	E	N	T	E	R		M	A	K	A	T	I	

(Business Address: No. Street City/Town/Province)

A	N	N	A	B	E	L	L	E		G	U	Z	M	A	N

Contact Person

8	8	7	0	0	1	0	0

Company Telephone Number

1	2

Month

3	1

Day

Calendar Year

S	**E**	**C**		**1**	**7**	**-**	**Q**

FORM TYPE

1	**1**		**1**	**4**		**2**	**5**

Month Day Year

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

PHINMA
Making Lives Better

PHINMA Corporation

Certification

I, **ANNABELLE S. GUZMAN, Vice President - Controller** of **PHINMA CORPORATION** with SEC registration number **12397** with principal office at **Level 12, PHINMA Plaza, 39 Plaza Drive, Rockwell Center Makati City**, on oath state:

1) That on behalf of **PHINMA Corporation**, I have caused this **SEC Form 17 – Q (Quarterly Report) as of September 30, 2025** to be prepared;

2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;

3) That **PHINMA Corporation** will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and

4) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of November, 2025.

[redacted]
ANNABELLE S. GUZMAN
Vice President - Controller

SUBSCRIBED AND SWORN to before me this 11th day of August, 2025 in Makati City, affiant exhibited her Driver's License No. [redacted] with expiration date April 15, 2034.

ATTY. RYAN ANTHONY G. PEREÑA
NOTARY PUBLIC
NOTARY PUBLIC for MAKATI CITY
Commission No. M-042 until Dec. 31, 2025
Roll of Attorneys 77327
PTR No. 10465813; 01/02/2025; Makati City
IBP OR No. 488686; 12/28/2024; Pasig City
MCLE Compliance No. VIII-0000389
8553 San Jose St., Guadalupe Nuevo, Makati City

Doc. No. 345
Page No. 70
Book No. 20
Series No. 2025

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17 – Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE (SRC) AND SRC RULE 17 (2)(b) THEREUNDER

1. For the quarterly period ended ***September 30, 2025***

2. Commission identification no. ***12397***

3. BIR Tax Identification No. ***000-107-026-000***

4. ***PHINMA Corporation***
Exact name of registrant as specified in its charter

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

6. Industry Classification Code:

7. ***12/F, Phinma Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210***
Address of registrant's principal office

8. ***(632) 8870-01-00***
Registrant's telephone number, including area code

9. Former name, former address, and former fiscal year, if changed since last report: **N/A**

10. Common Shares – **336,343,544** shares issued and outstanding

11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes (x) No ( )

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

Philippine Stock Exchange, Inc. **Common Shares**

12. Indicate by check mark whether the registrant:

(a) Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

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

Yes [x] No [ ]

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PHINMA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025
(With Comparative Audited Figures as at December 31, 2024)
(Amounts in Thousands)

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 29)	**₱4,396,429**	₱3,096,553
Short-term investments	**139,806**	
Investments held for trading (Notes 8, 29 and 30)	**667,807**	1,340,861
Current portion of:		
Trade and other receivables (Notes 9 and 29)	**11,660,040**	10,987,541
Contract assets (Notes 9 and 29)	**1,128,046**	2,047,789
Inventories (Note 10)	**5,855,809**	5,830,094
Input value-added taxes and other current assets	**3,243,864**	2,727,742
Total Current Assets	**27,091,801**	26,030,580
Noncurrent Assets		
Noncurrent portion of:		
Trade and other receivables (Notes 9 and 29)	**440,036**	350,248
Contract assets (Notes 9 and 29)	**2,363,840**	1,844,418
Investment in and advances to associates and joint ventures (Note 11)	**863,041**	861,040
Financial assets at fair value through profit or loss (Notes 12, 29 and 30)	**2,054,574**	2,042,183
Financial assets at fair value through other comprehensive income (Notes 13 and 30)	**88,375**	139,013
Property, plant and equipment (Note 14)	**19,402,453**	16,861,608
Investment properties (Note 15)	**962,161**	967,940
Intangible assets (Note 16)	**2,445,151**	2,394,238
Right-of-use assets (Note 31)	**443,029**	404,670
Deferred tax assets - net (Note 27)	**226,733**	229,381
Derivative asset (Notes 12, 29 and 30)	**1,006,657**	1,000,586
Other noncurrent assets (Notes 17 and 29)	**571,636**	734,088
Total Noncurrent Assets	**30,867,686**	27,829,413
	₱57,959,487	₱53,859,993
LIABILITIES AND EQUITY		
Current Liabilities		
Notes payable (Notes 18, 29 and 30)	**₱15,823,851**	₱16,022,789
Trade and other payables (Notes 19, 29 and 30)	**5,390,215**	4,717,866
Contract liabilities (Note 20 and 29)	**2,071,960**	3,207,075
Trust receipts payable (Notes 18, 29 and 30)	**1,612,555**	695,121
Income and other taxes payable	**368,294**	372,538
Current portion of:		
Long-term debt (Notes 21, 29 and 30)	**3,739,352**	5,349,901
Lease liabilities (Notes 31)	**91,727**	90,271
Due to related parties (Notes 26 and 29)	**78,026**	77,452
Total Current Liabilities	**29,175,980**	30,533,013
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 21, 29 and 30)	**10,190,290**	5,587,656
Deferred tax liabilities - net (Note 27)	**577,137**	639,693
Pension and other post-employment benefits (Note 28)	**440,205**	452,604
Lease liabilities - net of current portion (Notes 29 and 31)	**465,311**	428,129
Other noncurrent liabilities	**345,285**	395,908
Total Noncurrent Liabilities	**12,018,228**	7,503,990
Total Liabilities	**41,194,208**	38,037,003

(Forward)

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 22)	**₱3,363,312**	₱3,363,312
Additional paid-in capital	**919,367**	919,367
Treasury shares (Note 22)	**(2,282)**	(2,282)
Exchange differences on translation of foreign operations	**(1,113)**	(1,113)
Equity reserves (Note 6)	**164,411**	(44,678)
Other comprehensive income (Note 13)	**6,598**	49,523
Retained earnings (Note 22)	**4,678,656**	5,052,873
Equity Attributable to Equity Holders of the Parent	**9,128,949**	9,337,002
Non-controlling Interests	**7,636,330**	6,485,988
Total Equity	**16,765,279**	15,822,990
	₱57,959,487	₱53,859,993

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

PHINMA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Per Share Data)

	Three-Month Periods Ended September 30		Nine -Month Periods Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	**2025 (Unaudited)**	2024 (Unaudited)
REVENUES				
Revenue from contracts with customers				
Sale of goods	**₱2,982,297**	₱4,021,081	**₱10,020,280**	₱11,048,653
Tuition, school fees and other services	**1,984,184**	1,760,279	**4,379,894**	3,845,438
Hospital routine services	**66,628**	55,844	**196,955**	168,223
Real estate sales	**68,251**	407,546	**608,190**	653,623
Construction contracts	**5,599**	50,166	**46,923**	216,694
Hotel operations	**76,788**	102,285	**268,128**	317,894
Management and administrative fees	**46,766**	51,343	**135,854**	158,784
Installation services	**58,435**	25,115	**58,435**	84,962
Consultancy services	**6,250**	19,977	**32,252**	58,251
Commission services	**17,602**	-	**48,591**	-
Royalty and franchise fees	**7,923**	4,586	**33,147**	32,124
Investment and interest income	**130,511**	81,661	**379,844**	313,826
Rental income	**33,286**	28,203	**97,358**	84,092
	5,484,520	6,608,086	**16,305,851**	16,982,564
COSTS AND EXPENSES				
Cost of sales (Note 23)	**2,415,793**	3,328,240	**8,541,640**	9,526,502
Cost of educational, installation and hospital services (Note 23)	**686,884**	597,101	**1,869,261**	1,597,343
Cost of real estate and construction services	**72,671**	268,411	**542,158**	632,174
Cost of hotel operations	**68,234**	57,990	**177,827**	207,437
Cost of management and administrative services	**27,071**	28,999	**80,164**	86,688
General and administrative expenses (Note 24)	**1,064,138**	1,021,912	**2,722,133**	2,692,961
Selling expenses (Note 25)	**196,320**	192,547	**704,537**	535,167
	4,531,111	5,495,200	**14,637,720**	15,104,672
OTHER INCOME (EXPENSES)				
Interest expense and other financing charges	**(472,390)**	(428,670)	**(1,337,377)**	(1,178,860)
Foreign exchange gain (loss) - net (Note 29)	**23,127**	(18,990)	**(318)**	28,761
Equity in net gain (loss) of associates and joint ventures	**2,776**	(35,597)	**4,117**	(32,270)
Gain (loss) on derivatives - net	**32,188**	(40,975)	**5,549**	(6,183)
Gain (loss) on change in fair value of financial assets at FVPL	**65,878**	(89,289)	**12,392**	22,841
Gain (loss) on sale of property, plant and equipment – net	**(2)**	309	**119**	264
Others – net	**30,909**	55,169	**82,848**	99,670
TOTAL INCOME (CHARGES)	**(317,514)**	(558,043)	**(1,232,670)**	(1,065,777)
INCOME (LOSS) BEFORE INCOME TAX	**635,895**	554,843	**435,461**	638,515
Current	**127,408**	116,345	**126,637**	229,936
Deferred	**(94,477)**	295	**(67,215)**	(26,953)
	32,931	116,640	**59,422**	202,983
NET INCOME (LOSS)	**₱602,964**	₱438,203	**₱376,039**	₱435,532
Attributable to:				
Equity holders of the Parent	**₱238,604**	₱144,864	**(₱216,455)**	(₱47,895)
Non-controlling interests	**364,360**	293,339	**592,494**	483,427
Net income (loss)	**₱602,964**	₱438,202	**₱376,039**	₱435,532
Basic/Diluted Earnings Per Common Share - Attributable to Equity Holders of the Parent (Note 33)	**₱0.71**	₱0.51	**(₱0.64)**	(₱0.17)
Dividends declared per share (Note 22)	**₱ –**	**₱ –**	**₱0.60**	₱0.60

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

PHINMA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Three-Month Periods Ended September 30		Nine-Month Periods Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	**2025 (Unaudited)**	2024 (Unaudited)
NET INCOME (LOSS)	**₱602,964**	₱438,202	**₱376,039**	₱435,532
OTHER COMPREHENSIVE INCOME (LOSS)				
Items not to be reclassified to profit or loss in subsequent periods				
Re-measurement gain (loss) on defined benefit obligation	**(28)**	-	**(3,178)**	(23,112)
Unrealized gain on change in fair value of financial assets at fair value through other comprehensive income	**3,509**	1,000	**3,362**	(1,772)
Share in unrealized gain (loss) on change in fair value of financial assets at fair value through other comprehensive income and defined benefit obligation of associates and joint ventures	**-**	-	**-**	-
Income tax effect	**(600)**	(149)	**(600)**	2,126
	2,881	851	**(416)**	(22,758)
Items to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations	**-**	36	**-**	(428)
Total other comprehensive loss	**2,881**	887	**(416)**	(23,186)
TOTAL COMPREHENSIVE INCOME (LOSS)	**₱605,845**	₱439,089	**₱375,623**	₱412,345
Attributable to:				
Equity holders of the Parent	**₱241,542**	₱145,743	**(₱215,348)**	(₱64,250)
Non-controlling interests	**364,303**	293,346	**590,971**	476,595
Total comprehensive income (loss)	**₱605,845**	₱439,089	**₱375,623**	₱412,345

PHINMA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent											
	Capital Stock	Additional Paid-in Capital	Treasury Shares	Exchange Differences on Translation of Foreign Operations	Equity Reserves	Other Comprehensive Income	Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures	Retained Earnings		Subtotal	Non-controlling Interests	Total Equity
								Appropriated	Unappropriated			
Balance, December 31, 2024 (Audited)	**₱3,363,312**	**₱919,367**	**(₱2,282)**	**(₱1,113)**	**(₱44,678)**	**₱49,523**	**₱-**	**₱1,600,000**	**₱3,452,873**	**₱9,337,002**	**₱6,485,988**	**₱15,822,990**
Adjustment on PFRS 15: Significant financing component (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-
Total adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Balance, January 1, 2025	**3,363,312**	**919,367**	**(2,282)**	**(1,113)**	**(44,678)**	**49,523**	**-**	**1,600,000**	**3,452,873**	**9,337,002**	**6,485,988**	**15,822,990**
Net income	-	-	-	-	-	-	-	-	**(216,455)**	**(216,455)**	**592,494**	**376,039**
Other comprehensive income (loss)	-	-	-		-	**2,803**	-	-	**(1,696)**	**1,107**	**(1,523)**	**(416)**
Total comprehensive income	-	-	-		-	**2,803**	-	-	**(218,151)**	**(215,348)**	**590,971**	**375,623**
Cash dividends (Note 22)	-	-	-	-	-	-	-	-	**(201,795)**	**(201,795)**	**(319,733)**	**(521,528)**
Realized gain on sale of financial assets at fair value through other comprehensive income	–	–	–	–	–	**(45,729)**	–	–	**45,729**	–	–	–
Issuance of shares from stock purchase plan (Note 6)	-	-	-	-	-	-	-	-	-	-	**41,355**	**41,355**
Business combination	-	-	-	-	**(101,713)**	-			-	**(101,713)**	-	**(101,713)**
Issuance of shares (Note 6)	-	-	-	-	**310,802**	-			-	**310,802**	**862,274**	**1,173,077**
Dilution of equity shares (Note 6)	-	-	-	-	-	-	-	-	-	-	**(24,525)**	**(24,525)**
Reversal of Appropriation	-	-	-	-	-	-	-	**(1,600,000)**	**1,600,000**	-	-	-
Appropriation of retained earnings	-	-	-	-	-	-	-	**1,000,000**	**(1,000,000)**	-	-	-
Balance, September 30, 2025 (Unaudited)	**3,363,312**	**919,367**	**(2,282)**	**(1,113)**	**164,411**	**6,598**	**-**	**1,000,000**	**3,678,656**	**9,128,949**	**7,636,330**	**16,765,279**

	Equity Attributable to Equity Holders of the Parent											
	Capital Stock	Additional Paid-in Capital	Treasury Shares	Exchange Differences on Translation of Foreign Operations	Equity Reserves	Other Comprehensive Income	Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures	Retained Earnings: Appropriated	Retained Earnings: Unappropriated	Subtotal	Non-controlling Interests	Total Equity
Balance, December 31, 2023 (Audited)	2,863,312	396,845	(57,909)	(773)	(1,709,755)	63,772	-	1,600,000	3,512,162	6,667,654	2,992,208	9,659,862
Adjustment on PFRS 15: Significant financing component (Note 3)	-	-	-	-	-	-	-	-	(142,170)	(142,170)	(9,068)	(151,238)
Total adjustment	-	-	-	-	-	-	-	-	(142,170)	(142,170)	(9,068)	(151,238)
Balance, January 1, 2024	2,863,312	396,845	(57,909)	(773)	(1,709,755)	63,772	-	1,600,000	3,369,992	6,525,484	2,983,140	9,508,624
Net income	-	-	-	-	-	-	-	-	(47,895)	(47,895)	483,427	435,532
Other comprehensive income (loss)	-	-	-	(340)	-	(1,590)	-	-	(14,425)	(16,355)	(6,832)	(23,186)
Total comprehensive income	-	-	-	(340)	-	(1,590)	-	-	(64,250)	(64,250)	476,595	412,346
Cash dividends (Note 22)	-	-	-	-	-	-	-	-	(171,795)	(171,795)	(207,908)	(379,703)
Realized gain on sale of financial assets at fair value through other comprehensive income	–	–	–	–	–	(8,500)	–	–	8,500	–	–	–
Issuance of shares from stock purchase plan (Note 6)	-	-	-	-	-	-	-	-	-	-	36,827	36,827
Acquisition of non-controlling interest (Note 6)	-	-	-	-	(447,488)	-	-	-	-	(447,488)	(387,739)	(835,227)
Dilution of equity shares (Note 6)	-	-	-	-	(36,637)	-	-	-	-	(36,637)	29,655	(6,982)
Put option over non-controlling interests (Note 6)	-	-	-	-	(278,973)	-	-	-	-	(278,973)	(57,842)	(336,815)
Parent company share held by subsidiary (Note 22)	-	49,022	57,727	-	-	-	-	-	-	106,749	-	106,749
Balance, September 30, 2024 (Unaudited)	₱2,863,312	₱445,867	(₱182)	(₱1,113)	(₱2,472,853)	₱53,682	₱-	₱1,600,000	₱3,142,447	₱5,633,090	₱2,872,728	₱8,505,818

	Equity Attributable to Equity Holders of the Parent											
	Capital stock (Note 23)	Additional paid-in Capital	Treasury shares (Note 23)	Exchange differences on translation of foreign Operations	Equity reserves (Note 6)	Other comprehensive income (Note 14)	Share in other comprehensive income of associates and joint ventures (Note 12)	Retained earnings (Note 23): Appropriated	Retained earnings (Note 23): Unappropriated	Subtotal	Non-controlling Interests	Total (Note 23)
Balance, January 1, 2024 (as restated)	2,863,312	396,845	(57,909)	(773)	(1,709,755)	63,772	-	1,600,000	3,512,162	6,667,654	2,992,208	9,659,862
Adjustment on PFRS 15: Significant financing component	-	-	-	-	-	-	-	-	(142,170)	(142,170)	(9,068)	(151,238)
Balance, January 1, 2024 (as adjusted)	2,863,312	396,845	(57,909)	(773)	(1,709,755)	63,772	-	1,600,000	3,369,992	6,525,484	2,983,140	9,508,624
Comprehensive income (loss)												
Net income	-	-	-	-	-	-	-	-	279,550	279,550	657,318	936,868
Other comprehensive income (loss)	-	-	-	(340)	-	(5,594)	-	-	(33,529)	(39,463)	(13,308)	(52,771)
Total comprehensive income (loss)	-	-	-	(340)	-	(5,594)	-	-	246,021	240,087	644,010	884,097
Transactions with owners												
Cash dividends (Note 23)	-	-	-	-	-	-	-	-	(171,795)	(171,795)	(377,197)	(548,992)
Stock rights offering (SRO) (Note 23)	500,000	473,500	-	-	-	-	-	-	-	973,500	-	973,500
Business combination (Note 5)	-	-	-	-	-	-	-	-	-	-	474,084	474,084
Issuance of shares from stock purchase plan (SPP) (Note 6)	-	-	-	-	(8,424)	-	-	-	-	(8,424)	58,933	50,509
Dilution of equity shares (Note 6)	-	-	-	-	(443,539)	-	-	-	-	(443,539)	(391,688)	(835,227)
Issuance of shares of subsidiaries (Note 6)	-	-	-	-	977,637	-	-	-	-	977,637	1,670,473	2,648,110
Buyback of shares in UGC (Note 6)	-	-	-	-	(30,995)	-	-	-	-	(30,995)	24,012	(6,983)
Accretion of interest in NCI put liability (Note 6)	-	-	-	-	(279,069)	-	-	-	-	(279,069)	(57,747)	(336,816)
Derecognition of NCI put liability (Note 6)	-	-	-	-	1,449,467	-	-	-	-	1,449,467	1,457,968	2,907,435
Parent company shares held by a subsidiary (Note 23)	-	49,022	55,627	-	-	-	-	-	-	104,649	-	104,649
Total transactions with owners	500,000	522,522	55,627	-	1,665,077	-	-	-	(171,795)	2,571,431	2,858,838	5,430,269
Realized gain on sale of financial assets at FVOCI (Note 14)	-	-	-	-	-	(8,655)	-	-	8,655	-	-	-
Balance, December 31, 2024	3,363,312	919,367	(2,282)	(1113)	(44,678)	49,523	-	1,600,000	3,452,873	9,337,002	6,485,988	15,822,990

PHINMA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Nine-Month Periods Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱435,461	₱638,515
Adjustments to reconcile income before income tax to net cash flows:		
Depreciation and amortization (Notes 23, 24 and 25)	831,139	755,253
Interest expense and other financing charges	1,337,377	1,178,860
Unrealized foreign exchange loss (gain) - net	318	(28,761)
Pension and other employee benefits expense (Note 28)	68,548	126,967
Equity in net losses (earnings) of associates and joint ventures (Note 11)	(4,117)	32,270
Gain on investments held for trading – net	(3,596)	(9,987)
Interest income	(366,776)	(145,088)
Loss (gain) on derivatives – net (Note 12)	(5,549)	6,183
Dividend income	(648)	(111)
Unrealized loss (gain) on change in fair value of investment (Note 12)	(12,391)	(22,841)
Loss (gain) on sale of property, plant and equipment – net	(119)	(264)
Operating income before working capital changes	2,279,647	2,530,996
Decrease (increase) in		
Trade and other receivables	(597,375)	(1,807,105)
Contract assets	400,321	67,701
Inventories	(25,175)	(919,046)
Input value-added taxes and other current assets	(507,706)	(543,848)
Other non-current assets	162,470	105,028
Increase (decrease) in:		
Trade and other payables	385,672	843,273
Due to related parties	574	(19,985)
Trust receipts payables	917,434	(496,376)
Contract liabilities	(1,135,115)	(144,675)
Other non-current liabilities	(50,623)	99,755
Net cash (used in) provided by operations	1,829,584	(284,282)
Interest paid	(1,316,413)	(1,148,426)
Income tax paid	(70,973)	(104,342)
Contributions to the pension fund and benefits paid from operating fund	(88,270)	(88,528)
Interest received	210,704	100,765
Net cash provided by (used in) operating activities	564,632	(1,524,813)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Short-term investments	(89,806)	(284,831)
Investment held for trading	(138,319)	(2,272,871)
Property, plant and equipment	(3,253,766)	(228,218)
Investment properties	(12,879)	(1,599)
Intangible assets	(102,588)	(18,752)
Proceeds from sale of:		
Investment held for trading	820,776	306,724
Property, plant and equipment	40,149	12,035
Investment properties	11,600	-
Financial Assets at FVOCI	54,000	16,000
Acquisition of subsidiary – net of cash acquired	(98,489)	-
Dividends received	2,764	111
Net cash provided by (used in) investing activities	(2,766,558)	(2,471,401

(Forward)

	Nine -Month Periods Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Notes payable	(6,862,248)	(₱6,998,344)
Cash dividends (Note 22)	(300,326)	(388,409)
Lease liability (Note 31)	(124,264)	(133,566)
Long-term debt (Note 21)	(1,640,259)	(3,573,396)
Proceeds from availments of:		
Notes payable	4,586,250	15,816,681
Long-term debt	6,657,979	248,308
Acquisition of non-controlling interests (Note 6)	-	106,749
Proceeds from sale of parent company shares held by subsidiary	-	36,827
Issuance of shares to non-controlling interest (Note 6)	1,189,906	-
Increase (decrease) in other non-current liabilities	-	(842,209)
Net cash provided by financing activities	3,507,038	4,272,641
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(5,236)	28,761
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,299,876	305,188
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,096,553	2,905,913
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	4,396,429	₱3,211,101

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

1. Corporate Information

PHINMA Corporation (PHN or the Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on March 12, 1957.

The Parent Company is listed in the Philippine Stock Exchange (PSE) since August 15, 1958.

On August 2, 2006, the Philippine SEC approved the extension of the Parent Company's corporate life for another 50 years. On May 27, 2010, the Philippine SEC approved the change in the Parent Company's corporate name from Bacnotan Consolidated Industries, Inc. to PHINMA Corporation. Its principal activity is holding investments in shares in various subsidiaries, associates and investees and other financial instruments.

Following are the subsidiaries of the Parent Company and the nature of their principal business activities:

			September 30, 2025			December 31, 2024		
Subsidiaries	Nature of Business	Calendar/ Fiscal Yearend	**PHN Direct Interest**	**Direct Interest of Subsidiary**	**PHN Effective Interest**	PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest
Construction Materials Group								
Union Galvasteel Corporation (UGC)	Manufacturing and distribution of steel products	December 31	**98.64**	-	**98.64**	98.64	-	98.64
PHINMA Solar Energy Corporation (PHINMA Solar)	Solar rooftop	December 31	-	**100.00**	**98.64**	-	100.00	98.64
Union Insulated Panel Corporation [(i)]	Manufacturing and distribution of insulated panel	December 31	-	**100.00**	**98.64**	-	100.00	98.64
Philcement Corporation (PCC) [(k)]	Manufacturing and distribution of cement products	December 31	**60.00**	–	**60.00**	60.00	–	60.00
Philcement Mindanao Corporation (PMC) [(g)]	Manufacturing and distribution of cement products	December 31	-	**70.00**	**42.00**	-	70.00	42.00
Education Group								
PHINMA Education Holdings, Inc. (PEHI) [(a)]	Holding company	March 31	**63.93**	-	**63.93**	66.41	-	66.41
Pamantasan ng Araullo (Araullo University), Inc. (AU) [(a)]	Educational institution	March 31	-	**97.76**	**62.50**	-	97.76	64.93
Cagayan de Oro College, Inc. (COC) [(a)]	Educational institution	March 31	-	**92.81**	**59.33**	-	91.27	60.62
University of Iloilo (UI) [(a)]	Educational institution	March 31	-	**69.30**	**44.30**	-	69.23	45.98
University of Pangasinan (UPANG) and Subsidiary [(a)]	Educational institution	March 31	-	**69.38**	**44.34**	-	69.33	46.05
Southwestern University (SWU) [(a)]	Educational institution	March 31	-	**95.55**	**61.09**	-	94.51	62.77
St. Jude College, Inc. (SJCI) [(a)]	Educational institution	March 31	-	**98.44**	**62.94**	-	98.44	65.38
Republican College, Inc. (RCI)	Educational institution	December 31	-	**99.97**	**63.91**	-	99.97	66.40
Rizal College of Laguna (RCL) [(a)]	Educational institution	April 30	-	**90.00**	**57.54**	-	90.00	59.80
Union College of Laguna (UCLI) [(a)]	Educational institution	December 31	-	**80.91**	**51.73**	-	80.91	53.74
Career Academy Asia, Inc. (CAA) [(a and b)]	Educational Institution	March 31	**90.00**	-	**90.00**	90.00	-	90.00
St. Jude College, Inc. Cavite (SJC-C)	Educational Institution	December 31	-	**94.62**	**60.49**	-	94.62	62.85
Properties Group								
PHINMA Property Holdings Corporation (PPHC) [(d)]	Real estate development	December 31	**78.61**	**22.38**	**94.01**	78.61	22.38	94.01
P & S Holdings Corporation (PSHC)	Investment and real estate holdings	December 31	**60.00**	-	**60.00**	60.00	-	60.00
Asian Plaza, Inc. (API)	Lease of real property	December 31	**57.62**	-	**57.62**	57.62	-	57.62
Community Developers and Construction Corporation (CDCC) [(d)]	Real estate development	December 31	-	**99.22**	**93.28**	-	99.22	93.28
Community Property Managers Group, Inc. (CPMGI) [(d)]	Property Management	December 31	-	**95.75**	**90.01**	-	95.75	90.01
ABCIC Property Holdings, Inc. (APHI) [(d)]	Selling of real and personal properties	December 31	**89.98**	-	**89.98**	89.98	-	89.98
JEPP Property Corporation [(e)]	Real estate development	December 31	-	**55.00**	**51.71**	-	55.00	51.71
PHINMA COHO Corporation [(j)]	Real estate development	December 31	**100%**	-	**100.00**	-	-	-
Hospitality Group								
PHINMA Hospitality Management Corporation [(f)]	Management services and investment holdings	December 31	**100%**	-	**100.00**	-	-	-

Subsidiaries	Nature of Business	Calendar/ Fiscal Yearend	September 30, 2025 PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest	December 31, 2024 PHN Direct Interest	Direct Interest of Subsidiary	PHN Effective Interest
PHINMA Hospitality, Inc. (PHI) and Subsidiaries [d and h]	Management services and investment holdings	December 31	**63.77**	**36.23**	**84.65**	63.77	36.23	84.65
PHINMA Microtel Hotels, Inc. (PHINMA Microtel) [d]	Hotel franchising	December 31	**51.00**	-	**51.00**	51.00	-	51.00
Coral Way City Hotel Corp. (Coral Way)	Hotel operations	December 31	**23.75**	**26.44**	**46.13**	23.75	26.44	46.13
Krypton Esplanade Hotel Corporation (KEHC)	Hotel operations	December 31	-	**100.00**	**46.13**	-	100.00	46.13
Others								
PHINMA Insurance Brokers, Inc. (PIBI)	Insurance broker	December 31	**100.00**	-	**100.00**	-	-	-
One Animate Limited (OAL) and Subsidiary [c]	Business process outsourcing - animation services	December 31	**80.00**	-	**80.00**	80.00	-	80.00

[a] *Balances as at and for the year ended December 31 of these subsidiaries were used for consolidation purposes.*
[b] *CAA ceased its operations on March 31, 2019.*
[c] *OAL owns 100.00% interest in Toon City Animation, Inc. (Toon City). OAL and Toon City ceased operations in April 2013.*
[d] *On July 17, 2023, PHN acquired shares in the following companies: 36.71% ownership interest of PPHC; 63.47% ownership interest of APHI; 63.77% ownership interest of PHI; 51.00% ownership interest of PHINMA Microtel and 8.03% ownership interest of PEHI*
[e] *PPHC and Jepp Real Estate Co. Inc. (JREC) entered into a joint development agreement in 2022 to form Jepp Property Corporation (JEPP) in Bacolod. On November 6, 2024, PPHC obtained 55% controlling shares of stock of JEPP.*
[f] *PHINMA Hospitality Management Corporation (PHMC) was incorporated on May 9, 2024. PHN will invest and obtain 100% ownership in PHMC by the second quarter of 2025.*
[g] *On March 15, 2024, Philcement Mindanao Corporation (PMC) was incorporated. Philcement entered in a share purchase agreement with Petra Cement, Inc. (Petra) for the acquisition of 100% outstanding shares of Petra. Subsequent arrangements provide that the shares will eventually be transferred to PMC, which was completed on April 8, 2025, pending the approval of the SEC.*
[h] *On May 15, 2024, the Board of Directors (BOD) approved PHN's additional investment to be made to PHI amounting to ₱252 million.*
[i] *On September 2, 2022, Union Insulated Panel Corporation (UIPC) was incorporated, which is 100% owned by UGC. On August 6, 2024, the BOD approved an investment up to ₱210 million in UIPC Insulated Panel Plant Project, through UGC.*
[j] *On March 21, 2025, the Company's BOD approved the investment of 250 million in PHINMA COHO Corporation for its initial capital expenditure requirements, purchase of land and working capital requirements.*
[k] *On September 16, 2025, Philcemnet Corporation signed a s\Share Subscription Agreement with Sumitomo Osaka Cement Co., Ltd for the acquisition of 15% of Philcement through the issuance of primary shares. The transaction will be closed before the end of the year, subject to the satisfaction of closing conditions.*

The Parent Company and its subsidiaries (collectively referred to as "the Company") were all incorporated in the Philippines, except for OAL which was incorporated in Hong Kong. The Company's ultimate parent company is Philippine Investment-Management (PHINMA), Inc., which is also incorporated in the Philippines.

The information on the segments of the Company is presented in Note 34 to the consolidated financial statements.

On August 6, 2024, PHN's BOD approved a stock rights offering (SRO) consisting of ₱1.0 billion in primary common shares to be listed in the fourth quarter of 2024. On October 16, 2024, the SEC issued a Notice of Confirmation of Exempt Transaction confirming that the Offer is exempt from the registration requirements of the Securities Regulation Code. On October 31, 2024, PHINMA Corporation informed the SEC and the PSE that the Company will offer a total of 50,000,000 common shares at an offer price of ₱20.00 per share, at the ratio of one rights share for every 5.73 existing common shares. Tentative listing date will be on November 27, 2024.

The registered office address of the Parent Company is 12th Floor, PHINMA Plaza, 39 Plaza Drive, Rockwell Center, and Makati City.

The accompanying unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors (BOD), as approved and recommended for approval by the Audit Committee on November 6, 2025.

2. Basis of Preparation and Consolidation and Statement of Compliance

The interim consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by SEC in response to

COVID-19 pandemic for the years ended December 31, 2023 and 2022.

The Company availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of Philippine Interpretations Committee (PIC)
Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- PAS Standards; and
- Interpretations issued by the of the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Basis of Consolidation

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

The Company controls an investee if and only if the Company has:

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

For entities wherein the indirect ownership is equal to or lower than 50%, management considers the situations when control is achieved in determining whether the entities will be classified as controlled subsidiaries.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction and is shown as part of "Equity reserves" under the consolidated statement of changes in equity.

Accounting policies and reporting period of its subsidiaries are consistent with the policies adopted by and the reporting period of the Parent Company.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired in the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of a subsidiary

When the Company ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the Company surrenders control to a related party within the group it ultimately belongs, the difference between the consideration received and the fair value of the subsidiary at divestment date, is recognized as other charges to equity.

3. Changes in Accounting Polices and Disclosures

New standards, amendments and interpretations adopted by the Company

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 1, 2025. The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the interim condensed consolidated financial statements of the Company.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

  The amendments to PAS 7 Statement of cash flows requires disclosure on information about supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date. Supplier finance arrangements are often referred to as supply chain finance, payables finance or reverse factoring arrangements.

  An entity shall disclose the following in aggregate for its supplier finance arrangements:

  a) The terms and conditions of the arrangements. However, an entity shall disclose separately the terms and conditions of arrangements that have dissimilar terms and conditions.

  b) As at the beginning and end of the reporting period:
     i) The carrying amounts, and associated line items presented in the entity's statement of financial position, of the financial liabilities that are part of a supplier finance arrangement.
     ii) The carrying amounts, and associated line items, of the financial liabilities disclosed under (i) for which suppliers have already received payment from the finance providers.
     iii) The range of payment due dates for both the financial liabilities disclosed under (i) and comparable trade payables that are not part of a supplier finance arrangement.

  c) the type and effect of non-cash changes in the carrying amounts of the financial liabilities disclosed under (b) (i).

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 with early adoption permitted. The Company's liabilities under supplier finance arrangements are presented as trust receipts payable in the statements of financial position in Note 11.

- Adoption of the Deferred Provisions of PIC Q&A 2018-12, *PFRS 15 Implementation Issues Affecting the Real Estate Industry* (as amended by PIC Q&A 2020-04)

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the Philippine SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019 respectively, providing relief to the real estate industry by deferring the

application of the following provisions of this PIC Q&A for a period of three (3) years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

The PIC Q&A provisions covered by the Philippine SEC deferral that the Company availed in 2021 follows:

	Deferral Period
Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023

On July 8, 2021, to assist real estate companies to finally adopt the above mentioned PIC Q&A and IFRIC pronouncements and enable them to fully comply with PFRS 15 and revert to full PFRS, the SEC issued SEC MC No. 8-2021 amending the transition provision of the above PIC Q&A, which would provide real estate companies the accounting policy option of applying either the full retrospective approach or modified retrospective approach when they apply the provisions of the above PIC Q&A and IFRIC pronouncements.

The Company has adopted for the first-time effective January 1, 2024 certain amendments to existing standard and interpretations deferred by SEC under Memorandum Circular No. 2018-12 and adopted the guidelines in determining the significant financing component of the contract.

The Company elected to apply such amendments by recognizing the cumulative effect as an adjustment to the retained earnings as at January 1, 2024, which is the date of initial application. The Company elected to apply such amendments retrospectively only to contracts that are not completed contracts at the date of initial application. As a result, an adjustment to decrease contract assets by ₱201.7 million, decreased deferred tax liabilities, net of ₱50.4 million, decreased retained earnings amounting to ₱142.2 million and decreased non-controlling interest amounting to ₱9.1 million was recognized in the consolidated statements of financial position as at January 1, 2024.

For the nine months September 30, 2025 and 2024, the Company assessed that the overall impact of the adoption of the requirement of PIC Q&A No. 2018-12 pertaining to significant financing component is amounting to ₱111.0 million and 60.4 million, respectively.

- Amendments to PAS 21, *Lack of Exchangeability*

The amendment defines that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

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

  PFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

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

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

There are no other relevant standards, amendments or interpretations that are effective beginning on or after January 1, 2025 that are expected to have a material impact on the Group's financial statements.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the interim condensed consolidated financial statements and accompanying notes. Changes in these estimates and assumptions could result in outcomes that may require material adjustments to the carrying amounts of the affected assets or liabilities in the future.

There were no significant changes in accounting judgments, estimates, and assumptions that affect the amounts reported in the interim condensed consolidated financial statements and accompanying notes.

5. Business Combination

i. Acquisition of PHINMA Insurance Brokers, Inc.

On January 9, 2025, the Company completed the purchase of PHINMA Insurance Brokers, Inc. (PIBI) from PHINMA, Inc. for a total transaction of P150.53 million for 2.3 million shares representing 100% ownership. On November 7, 2024, the Company disclosed the approval of the board for the acquisition of PIBI from PHINMA, Inc. PIBI is the insurance brokerage arm of the Group, involved in developing, packaging and servicing life, non-life and HMO insurance programs while dealing with reputable local and global insurance companies to answer its clients' various requirements.

The Parent Company and PIBI are subsidiaries of PHINMA, Inc. before and after the business combination. Thus, the acquisition was accounted for as business combination under common control for which pooling of interests method was applied in the preparation of the consolidated financial statements. The assets, liabilities and equity of the acquired businesses are included in the consolidated financial statements at their carrying amounts. Financial information for periods prior to the date of business combination was not restated.

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

Current assets	119,241
Noncurrent assets	13,218
Total assets	132,459
Current liabilities	(70,895)
Noncurrent liabilities	(12,781)
Total Liabilities	(83,676)
Net assets acquired	48,783

The net cash outflow related to the acquisition is as follows:

Cash payments relating to acquisition	₱150,535
Less cash of acquired subsidiaries	(52,046)
Net cash outflow	₱98,489

The combination resulted to equity adjustment from common control business combination, included under "Equity reserves" account, amounting to ₱101.7 million.

ii. Acquisition of JEPP Properties Corporation by PPHC

On October 22, 2022, PPHC and Jepp Real Estate Co. Inc (JREC). entered into a joint development agreement to form JEPP Property Corporation (JEPP), in Bacolod. JEPP was incorporated and registered with Philippine SEC on December 12, 2022. The Company's purpose is to deal and engage in the real estate business in all aspects: to hold, develop, finance and otherwise deal in and dispose of all kinds of real estate development. As at December 31, 2022, the PPHC has no ownership interest in JEPP.

On January 19, 2023, PPHC and JREC entered into a Contract to Sell whereby PPHC agreed to purchase 9.7% ownership interest in JEPP from JREC, for a total consideration of P294.1 million.

These were recorded as advances to third party as part of receivables, pending resolution of certain conditions in the agreement.

On November 17, 2023, PPHC entered into a subscription agreement with JEPP, whereby it agreed to subscribe and purchase 18.2 million shares of JEPP for a price of 18.2 million. As at December 31, 2023, PPHC has no ownership interest in JEPP.

PPHC entered into additional subscription agreement with JEPP whereby it agreed to subscribe and purchase 60.0 million shares of JEPP for a price of 60.0 million, and 55.04 million shares of JEPP for a price of 55.04 million, these were paid on January 15, 2024 and October 28, 2024, respectively.

On November 6, 2024 (the acquisition date), PPHC obtained 55.00% controlling shares of stock of JEPP for a total consideration of 827.1 million, of which 399.7 million is outstanding as at December 31, 2024. The amount also includes the abovementioned subscriptions for primary shares of JEPP amounting to 133.2 million. Net purchase consideration paid to JREC amounted to 294.1 million. The acquisition increased PPHC's market through expansion in Bacolod.

The fair value of the identifiable assets and liabilities of JEPP as at the date of the acquisition are as follows:

	Fair Values Recognized at Acquisition Date
Total assets:	
Cash and cash equivalents	5,043
Trade and other receivables	52,081
Inventories	657,827
Prepaid expenses and other current assets	18,009
Property, plant and equipment	553
Total assets	733,513
Total liabilities:	
Trade payables and other payables	(101,192)
Total liabilities	(101,192)
Total identifiable net assets acquired	632,321
Less: PPHC subscriptions to JEPP	(133,238)
Net identifiable assets acquired	499,083
Less: Share of NCI in net assets acquired	(478,042)
Add: Goodwill arising from acquisition	273,077
Purchase consideration transferred for net assets acquired	294,118

The net assets recognized in the December 31, 2024 financial statements were based on a provisional assessment of the fair value. The Company recognized the non-controlling interests using fair value method. Upon acquisition, PPHC recognized goodwill amounting to 273.1 million attributable to the increase in market share and will not be deductible for tax purposes.

From the date of acquisition, JEPP's revenues and net income amounting to 316.4 million and 123.5 million, respectively, formed part of the 2024 consolidated statement of income. If the combination had taken place at the beginning of the year, JEPP's total contribution to revenues and net income to the 2024 consolidated statements of income would have been 316.4 million and 100.2 million, respectively.

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	294,118
Less cash of acquired subsidiaries	(5,043)
Net cash outflow	289,075

iii. Acquisition of St. Jude College - Cavite by PEHI

On December 6, 2024, PEHI entered into a deed of absolute sale of shares agreement to acquire a 94.62% ownership in St. Jude College – Cavite.

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

	Fair Values Recognized at Acquisition Date
Total assets:	
Cash and cash equivalents	5,277
Property, plant and equipment	89,504
Other assets	18,015
Total assets	112,796
Total liabilities:	
Trade and other payables	(183,194)
Pension	(3,167)
Total liabilities	(186,361)
Total identifiable net liabilities assumed	(73,565)
Add: Proportionate share of NCI in net liabilities assumed	3,958
Goodwill arising from acquisition	154,200
Purchase consideration transferred	84,593

The net liabilities assumed in the December 31, 2024 financial statements were based on a provisional assessment of the fair value. The Company recognized the non-controlling interests at their proportionate share of the acquired net identifiable liabilities.

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	84,593
Less cash of acquired subsidiaries	(5,277)
Net cash outflow	79,316

From the date of acquisition, SJC Cavite's revenues and net income amounting to 19.4 million and 8.0 million, respectively, formed part of the 2024 consolidated statement of income. If the combination had taken place at the beginning of the year, SJC Cavite's total contribution revenues and net loss in the 2024 consolidated statements of income would have been 142.5 million and 111.7 million, respectively.

iv. *Acquisition of PHINMA Property Holdings Corporation, ABCIC Property Holdings, Inc. PHINMA Hospitality and PHINMA Microtel Hotels, Inc.*

On July 17, 2023, the Parent Company and PHINMA, Inc., executed a Deed of Sale for the purchase of investments of PHINMA, Inc. in the following Companies:

Company	Description	PHINMA, Inc.'s Direct Ownership	Transaction Value (in millions)
PPHC	Holding company of the Company's property development arm	36.71%	588.9
PHI	Management company of the Company's Microtel and TRYP hotels; part-owner in 7 hotels	63.77%	251.2
PHINMA Microtel	Master franchisor of Microtel and TRYP hotels in the Philippines	51.00%	21.2
APHI	Owner of real estate properties	63.47%	409.4
Total			1,270.7

The fair value of the identifiable assets and liabilities of the acquiree as at the date of the acquisition are as follows:

Company	PPHC	PHI	PHINMA Microtel	APHI
Current assets	5,872,075	177,847	72,639	119,008
Noncurrent assets	958,256	271,740	3,172	250,352
Total assets	6,830,331	449,587	75,811	369,360
Current liabilities	(4,255,742)	(22,216)	(17,530)	(592)
Noncurrent liabilities	(1,258,421)	(10,248)	(11,070)	(70)
Total Liabilities	(5,514,163)	(32,464)	(28,600)	(662)
Net assets acquired	1,316,168	417,123	47,211	368,698

The net cash outflow related to the acquisition is as follows:

	Amount
Cash payments relating to acquisition	1,270,699
Less cash of acquired subsidiaries	287,337
Net cash outflow	983,362

The Parent Company and all the entities above are subsidiaries of PHINMA, Inc. before and after the business combination. Thus, the acquisition was accounted for as business combination under common control for which pooling of interests method was applied in the preparation of the consolidated financial statements. The assets, liabilities and equity of the acquired businesses are included in the consolidated financial statements at their carrying amounts. Financial information for periods prior to the date of business combination was not restated.

Under the pooling of interests method:

- The assets and liabilities of the combining entities are reflected at their carrying amounts;
- No adjustments are made to reflect fair values, or recognize any new assets or liabilities at the date of combination. The only adjustments would be to harmonize accounting policies between the combining entities;
- No "new" goodwill is recognized as a result of the business combination;
- Any difference between the consideration transferred and the net assets acquired is reflected within equity;
- The consolidated statement of income in the year of acquisition reflects the results of the combining entities starting when the combination took place.

The combination resulted to equity adjustment from common control business combination, included under "Equity reserves" account, amounting to ₱636.4 million. It also resulted to increase in "Non-controlling interests" account amounting to ₱573.9 million and decreases in "Retained earnings", "Other comprehensive income" and "Share in other comprehensive income of associates and joint ventures accounts amounting to ₱10.6 million, ₱14.3 million and ₱9.6 million, respectively.

6. Transactions with Non-controlling Interests and Others Changes in Ownership

Dilution and Acquisition of Ownership Interest of NCI in SWU

On April 26, 2024, PEHI acquired additional 226,922 common shares of SWU for a total consideration of 835.2 million, which increased its ownership interest to 97.76%. The acquisition resulted to the decrease in "Non-controlling interest" and "Equity reserves" accounts in the statements of changes in equity by 443.5 million and 391.7 million, respectively.

Dilution of Ownership Interest in PEHI

Issuance of shares from SPP

On July 14, 2023, PEHI's stock purchase plan was approved by its Board of Trustees and shareholders. The stock sharing plan was offered to PEHI's executives and employees with more than 1 year of service as of March 31, 2023. For the year ended December 31, 2024, PEHI granted 638,570 shares to its employees with a fair value at grant date of 58.9 million (2023 – nil). This resulted to a corresponding decrease of the Parent Company's ownership interest in PEHI amounting to 8.4 million (2023 – nil) or to 75.01%. The transaction resulted to the decrease in "Equity reserves" and increase to "Non-controlling interests" accounts by ₱8.4 million and ₱58.9 million, respectively.

Call and Put Option over the NCI in PEHI and Issuance of shares to NCI

In 2021, PEHI and the Parent Company signed a Shareholders Agreement with third party investors (the "Investors") who acquired non controlling interest in PEHI. As part of the signed investment agreement of PEHI and the Investors, in the event that an initial public offering (IPO) of PEHI is not completed on the fifth anniversary of the agreement, the Investors have an irrevocable right and option to sell to and obligate the Parent Company to purchase all or portion of their shares (put option). On the other hand, the Parent Company

has an irrevocable right and option to purchase and obligate all of the Investors to sell all of its shares under certain conditions.

The exercise price of the options is based at a price that generates 10% internal rate of return, based on the investor US dollar subscription price per share, which is calculated at the agreed exchange rate for the period beginning on the closing date and ending on the date of the relevant notice.

Asian Development Bank (ADB) invested 1.1 million shares of PEHI for a total consideration of
625.0 million. The stock purchase agreement contains call and put options and as a result, additional non-controlling interest put liability is recognized.

The transactions described above resulted to recognition of “Non-controlling interest put liability” amounting to 2,570.6 million as at 2023, and derecognition of “Non-controlling interests” amounting to 133.8 million 2023, with the difference recorded as “Equity reserves” amounting to 248.5 million in 2023.

For the year ended December 31, 2024 , accretion of interest in the put liability amounts to 336.8 million, presented in the statements of changes in equity as decreases in “Equity Reserves” and “Non-controlling interest” amounting to 279.0 million and 57.7 million, respectively.

On May 21, 2024, PEHI signed an investment agreement with Phoenix Investments II Pte. Ltd (Phoenix II), an investment vehicle of funds managed by KKR, a leading global investment firm, relating to the issuance of newly issued shares. Concurrently, Phoenix II entered into an agreement to acquire all of the shares in PEHI owned, directly or indirectly, by Asian Development Bank (ADB), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) and Kaizen Private Equity II Pte. Ltd. (Kaizen) and a termination agreement between PHN and the original shareholders was executed.

In the fourth quarter of 2024, all of the completion obligation requirements indicated in the new shareholder agreement and termination agreement were met. Following the completion of the two transactions, ADB, FMO and Kaizen will no longer be shareholders of PEHI and PHN derecognized the put liability amounting to 2,907.4 million and the related reserve in equity amounting to 1,449.5 million, and increased the non-controlling interest by 1,458.0 million.

In October 2024, PEHI sold 25,132,793 shares to Phoenix Investments II Pte LTD (KKR) for a total consideration of 2,439.7 million. The transaction resulted to the increase in “Equity reserves” and “Non-controlling interests” accounts in the statements of changes in equity by 977.6 million and 1,462.1 million, respectively.

The transactions described above, further reduced the Company’s ownership in PEHI to 66.41% as at December 31, 2024.

In August 2025, PEHI issued 8,204,057 common shares to Rise Edu Pte. Ltd. for a total consideration of 825.0 million. The transaction resulted to the increase in “Equity reserves” and Non-controlling interest” accounts in the statements of changes in equity by 309.3 million and 515.7 million, respectively. The Company’s ownership decreased to 63.93% .

Acquisition of Ownership Interest of NCI in PEHI

On July 17, 2023, the Parent Company acquired the shares in PEHI held by PHINMA, Inc. for a total cost of 1,064.8 million, which increased its ownership interest to 75.21%. The transaction resulted to the decrease in "Non-controlling interests" and "Equity reserves" accounts in the statements of changes in equity by 542.4 million and 522.3 million, respectively.

Dilution and Acquisition of Ownership Interest of NCI in AU

On September 1, 2023, PEHI acquired 32,361 shares in AU for a total cost of 3.79 million, which increased its ownership interest to 97.76%. The transaction resulted to the decrease in "Equity reserves" and "Non-controlling interests" accounts in the statements of changes in equity by 3.1 million and 0.7 million, respectively.

Dilution and Acquisition of Ownership Interest of NCI in UI, UPang, COC, SWU and RC

In July 2025, PEHI acquired an additional 676,053 common shares of UI for a total consideration of ₱346.1 million, increasing its ownership interest to 69.30%.
At the same month, PEHI also acquired an additional 9,904,489 common shares of Upang for a total consideration of ₱346.7 million, increasing its ownership interest to 69.38%.

In August 2025, PEHI acquired an additional 182,561 common shares of COC for a total consideration of ₱182.6 million, increasing its ownership interest to 92.81%.It also acquired an additional 127,330 common shares of SWU for a total consideration of ₱191.0 million, increasing its ownership interest to 95.55%. Furthermore, PEHI acquired an additional 1,999,456 common shares of RC for a total consideration of ₱199.9 million, increasing its ownership interest to 99.97%.

Capital infusion in RCL

In March 2025, PEHI infused ₱90.0 million into RCL for future capital expansion.

Buy back of UGC shares

On May 22, 2024, UGC acquired 780,811 shares of its own common shares under stock purchase plan from retired employees for ₱6.98 million which increased the Company's ownership interest to 98.64%. The transaction resulted to the decrease in "Equity reserves" and increase to "Noncontrolling interests" accounts by ₱31 million and ₱24 million, respectively.

Acquisition of ownership interest in PMC

In Q4 2024, ANFLO Management and Investment Corporation subscribed to 30% ownership interest in PMC for a total consideration of ₱208.3 million.

7. Cash and Cash Equivalents

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)	September 30, 2024 (Unaudited)
Cash on hand and in banks	**3,076,692**	2,005,188	2,840,938
Short-term deposits	**1,319,737**	1,091,365	370,163
	4,396,429	3,096,553	3,211,101

Cash in banks earn interest at the prevailing bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

8. Investments Held for Trading

This account consists of investments in:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Unit Investment Trust Funds (UITFs)	**664,713**	1,337,191
Marketable equity securities	**3,094**	3,670
	667,807	1,340,861

9. Trade and Other Receivables; Contract Assets and Liabilities

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Receivables from customers (Note 25)	**7,547,673**	8,398,405
Advances to suppliers and contractors	**4,306,416**	2,717,255
Advances to other third parties	**160,985**	278,434
Accrued interest receivables	**672,945**	516,873
Loans receivables	**32,362**	218,898
Due from related parties (see Note 33)	**186,240**	278,434
Rent receivable	**121,040**	113,727
Advances to officers and employees	**123,955**	118,315
Others	**520,041**	575,165
	13,671,657	13,118,428
Less allowance for expected credit losses (ECLs)	**1,577,581**	1,780,639
	12,094,076	11,337,789
Less: Noncurrent portion	**434,036**	350,248
	11,660,040	10,987,541

Non-current portion of receivables from customers pertain to consideration for sold solar photovoltaic rooftop system with an annual effective interest rate of 6% and 8% payable monthly for five (5) to ten (10) years. Interest income realized from sale of solar photovoltaic rooftop system amounted to ₱ 12.2 million and ₱ 15.1 million for the period ended September 30, 2025 and 2024, respectively.

Movements in the allowance for ECLs are as follows:

	September 30, 2025	December 31, 2024 (Audited)

	(Unaudited)	
Beginning balance	**1,780,639**	1,524,697
Provisions (see Notes 22 and 23)	**30,571**	266,359
Reversal	**(43,019)**	-
Reclassification	**-**	(10,385)
Write-off	**(192,685)**	(32)
Acquisition through business combination	**2,075**	-
	1,577,581	1,780,639

Contract assets and liabilities

Contract assets represent the right to consideration that was already delivered by PPHC in excess of the amount recognized as installment contracts receivable. This is reclassified as real estate installment contracts receivable when the monthly amortization of the customer is already due for collection or, in the case of sales of real estate under HDMF and bank financing schemes, upon submission of the documentary requirements to HDMF and the lending bank, respectively and upon approval of the loan. Movements in contract asset during the year is mainly due to real estate sales recognized during the period less transfer to real estate installment contracts receivable.

Contract liabilities include unearned revenue from tuition, school and other service fees and deposits from customer for future goods and services. Contract liabilities also consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by PPHC based on POC. When the conditions for revenue recognition are met for the related customer account, sale is recognized and these contract liabilities will be recognized as revenue. The movement in contract liabilities is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in POC.

For construction segment, contract liabilities include billings in excess of costs and estimated earnings on uncompleted contracts which represents billings in excess of total costs incurred and estimated earnings recognized.

10. Inventories

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At cost:		
Land and development cost	**3,158,981**	2,802,856
Finished goods	**1,515,983**	2,110,378
Raw materials	**621,405**	362,312
Condominium and housing units for sale	**156,865**	153,565
Spare parts and others	**190,883**	190,703
Other inventories	**174,830**	177,742
	5,818,947	5,797,556
At net realizable value:		
Finished goods	**16,231**	16,231
Other inventories	**26,541**	23,562
	42,772	39,793
Less: Allowance for inventory write down	**(5,910)**	(7,255)
	36,862	32,538
	5,855,809	5,830,094

The Company recognized provision (reversal) for inventory obsolescence of (1.3 million) and nil in September 30, 2025 and 2024, respectively. The reversal pertains to inventories which have been disposed of or sold during the period. Write-off of inventory amounted to nil in 2025 and 2024. The allowance for inventory obsolescence amounted to 5.9 million and 7.3 million as at September 30, 2025 and December 31, 2024, respectively.

11. Investment in and advances to Associates and Joint Ventures

The Company's associates and joint ventures consist of the following:

	Percentage of Ownership (Effective)	
	2025	2024
Interests in joint ventures:		
PHINMA Saytanar Education Company Limited (PHINMA Saytanar) [c]	**31.97**	33.21
PT Ind-Phil Management (IPM) [c]	**43.93**	45.64
Investment in associates:		
Diniwid Beach Hotel Corp. (DBHC) [s]	**36.46**	36.46
First Batangas Hotel Corp (FBHC) [a]	**35.83**	35.83
Nemo Beach Hotel Corp. (NBHC) [a]	**16.93**	16.93
First Commonwealth Hotel Corp.(FCHC) [a]	**16.93**	16.93
South Forbes Silangan Hotel Corp. (SFSHC) [a]	**25.39**	25.39
Inphin8 Space, Inc. (InPHIN8) [b]	**34.56**	34.56
Phinma Properties Sales and Marketing Inc. (PPSMI) [b]	**30.72**	30.72
DITC Bulk Terminal, Inc. (DBTI) [d]	**18.00**	18.00

[a] *Indirect ownership through PHI.*
[b] *Indirect ownership through PPHC*
[c] *Indirect ownership through PEHI.*
[d] *Indirect ownership through PCC*

Investment in and advances to associates and joint ventures
This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Interests in joint ventures	**698,325**	694,604
Investments in associates	**164,715**	166,436
	863,041	861,040

Interests in Joint Ventures
The detailed carrying values of interests in joint ventures (accounted for under the equity method) are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
IPM	**698,325**	694,604
PHINMA Saytanar	**-**	-
	698,325	694,604

The movements and details of the investments in joint ventures are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Acquisition costs:		
Balance at beginning of period	**715,859**	509,793
Additions	**-**	206,066
Balance at end of period	**715,859**	715,859
Accumulated equity in net earnings (losses):		
Balance at beginning of period	**(21,255)**	(387)
Equity in net earnings	**3,721**	(20,868)
Balance at end of period	**(17,534)**	(21,255)
	698,325	694,604

The detailed carrying values of investments in associates (accounted for under the equity method) are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
DBTI	**56,605**	56,605
DBHC	**32,941**	33,774
FBHC	**21,718**	22,683
NBHC	**8,068**	9,168
FCHC	**8,444**	8,863
SFSHC	**31,984**	30,473
InPHIN8	**4,286**	4,202
PPSMI	**668**	668
	164,715	166,436

The movements and details of the investments in associates are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Acquisition costs		
Balances at beginning of period	**208,076**	149,471
Additions	**-**	58,605
Balances at end of period	**208,076**	208,076
Accumulated equity in net losses		
Balances at beginning of period	**(41,640)**	(41,652)
Equity in net earnings (loss)	**396**	1,705
Dividends	**(2,117)**	(1,693)
Balances at end of period	**(43,361)**	(41,640)
Share in other comprehensive income of associates		
Balances at beginning of period	**-**	-
Share in other comprehensive loss	**-**	-
Balances at end of period	-	-
	164,715	166,436

The movement in advances to associate is as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	**–**	1,299
Collections	**–**	(1,299)
Balance at end of period	**–**	**–**

12. Financial Assets at FVPL

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Investment in preferred shares	**2,054,574**	2,042,183

On September 18, 2019, the Parent Company executed a Term Sheet with Song Lam Cement Joint Stock Company (Song Lam), Vissai Ninh Binh Joint Stock Company (Vissai) and Hoang Manh Truong (Sponsor) for the investment of US$50.0 million via preferred shares in Song Lam. Song Lam Joint Stock Company manufactures, markets, distributes and exports clinker, cement and cement products and is a supplier of Philcement, a 60%-owned subsidiary of PHN. Vissai is the parent company of Song Lam which owns and manages five cement plants in Vietnam.

In January 2020, the Parent Company, Song Lam, Vissai and Hoang Minh Truong entered into share subscription agreement related to the Parent Company's subscription of the new preferred shares of Song Lam. An advance payment of 10% equivalent to US$5.0 million was made on November 26, 2019 and the 90% balance or US$45.0 million was paid on May 18, 2021. The total US$50.0 million investment has an equivalent peso amount of 2.39 billion on May 18, 2021.

The preferred shares are entitled to receive an annual fixed cumulative dividend of 7.5%, independent of Song Lam's business outcome and regardless of operating business results of Song Lam and the existence of retained earnings. For the nine months ended September 30, 2025 and 2024, the investment income recognized from the dividends in Song Lam amounts to 163.2 million and 157.7 million, respectively.

The preferred shares shall be convertible to common shares after two (2) years from issuance thereof. The Parent Company may convert the preferred shares between the last day of the second (2nd) year after issuance thereof until the end of the seventh (7th) year following said issuance.

The Parent Company has the option to sell the preferred shares or converted shares to Vissai, the Sponsor or Song Lam at a price equivalent to seventy-five million US Dollars (US$75,000,000.00), less the amount of preferred dividends received by the Parent Company. The put option may be exercised by the Parent Company after five (5) years from closing and until the end of the seventh (7th) year from said closing.

The Parent Company performs valuation of embedded derivatives and financial assets at FVPL at every reporting date using Cox-Ross-Rubenstein Binomial Lattice Model (Binomial Model). This requires an estimation of the expected future cash flows from the investee and applying a discount rate to calculate the present value of these cash flows. The discount rate uses the weighted average cost of capital (WACC) which incorporates the median debt-to-equity ratios and median beta of comparable companies as well as applying an alpha based on small-risk premium. The cash flow projections cover a five-year period.

The significant assumptions used in the fair value computation as at September 30, 2025 and December 31, 2024 are as follows:

a. The discount rate applied to cash flow projection is 14.79% and 14.84%, respectively.
b. The terminal value in the discounted cash flow uses 6.10% and 5.8% long-term growth rate based on expected Vietnam Gross Domestic Product (GDP) growth rate in 2024 and 2023, respectively.
c. The binomial model uses 33.3% and 38.06% average volatility of comparable companies' quarterly historical prices and used interquartile range to consider outliers in 2024 and 2023, respectively.
d. The option-adjusted spread computed at inception from the binomial model is 9.93% in 2025 and 2024.

The Company's fair value exercise is done at year end. The changes in the carrying amount of investment in FVPL for the period ended September 30, 2025 and 2024 pertains to the impact of foreign currency revaluation.

The derivative asset arising from the put option amounted to ₱1,006.7 million and ₱1,000.6 million as at September 30, 2025 and December 31, 2024, respectively. The unrealized gain (loss) on change in fair value of the derivative asset amounted to ₱6.1 million as of September 30, 2025 and September 30, 2024, respectively.

13. Financial Assets at FVOCI

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Investment in club shares	**1,767**	52,497
Non-listed equity securities	**86,608**	86,516
	88,375	139,013

Investment in equity investments pertain to shares of stock and club shares which are not held for trading. The Company has irrevocably designated the equity instruments at FVOCI, as the Company considers these investments to be strategic in nature.

The movements in net unrealized gain on financial assets at FVOCI, net of tax are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period	**49,523**	63,772
Gain (loss) due to changes in fair value of investment in equity instruments	**2,804**	(5,594)
Sale of equity instruments	**(45,729)**	(8,655)
Balance at end of the period	**6,598**	49,523

14. Property, Plant and Equipment

This account consists of:

	January 1, 2025	Acquisition through business Combination	Additions	Disposals	Reclassifications	September 30, 2025 (Unaudited)
Cost						
Land	**4,783,992**	**-**	**665,464**	**-**	**-**	**5,449,456**
Plant site improvements	**4,313,745**	**-**	**68,385**	**(7,595)**	**-**	**4,374,535**
Buildings and improvements	**7,696,426**	**-**	**191,118**	**-**	**31,382**	**7,918,926**
Machinery and equipment	**3,451,573**	**-**	**191,997**	**(43,429)**	**1,590**	**3,601,713**
Transportation and other equipment	**1,157,033**	**11,398**	**65,261**	**(19,056)**		**1,214,636**
Linens, curtains and draperies	**35,564**	**-**	**4,642**	**-**	**-**	**40,206**
	21,438,333	**11,398**	**1,186,867**	**(70,080)**	**32,972**	**22,599,490**
Less Accumulated Depreciation						
Plant site improvements	**698,796**	**-**	**142,590**	**(5,950)**	**-**	**835,436**
Buildings and improvements	**2,624,527**	**-**	**226,471**	**-**	**-**	**2,850,998**
Machinery and equipment	**2,436,801**	**-**	**214,846**	**(15,882)**	**-**	**2,635,765**
Transportation and other equipment	**795,695**	**9,796**	**77,036**	**(8,218)**	**-**	**874,309**
Linens, curtains and draperies	**29,798**	**-**	**2,379**	**-**	**-**	**32,177**
	6,585,617	**9,796**	**663,322**	**(30,050)**	**-**	**7,228,685**
	14,852,716	**1,602**	**523,545**	**(40,030)**	**32,972**	**15,370,805**
Construction in progress (see Note 13)	**2,008,892**	**-**	**2,066,899**	**-**	**(44,143)**	**4,031,648**
Net Book Value	**16,861,608**	**1,602**	**2,590,444**	**(40,030)**	**(11,171)**	**19,402,453**

	January 1, 2024	Acquisition through business combination (see Note 6)	Additions	Disposals	Reclassifications	December 31, 2024
Cost						
Land	4,188,583	-	595,409	-	-	4,783,992
Plant site improvements	4,296,922	-	3,787	-	13,036	4,313,745
Buildings and improvements	6,588,237	183,618	905,842	(1,401)	20,130	7,696,426
Machinery and equipment	3,037,574	5,336	340,055	(10,989)	79,597	3,451,573
Transportation and other equipment	1,020,256	1,240	149,143	(23,756)	10,150	1,157,033
Linens, curtains and draperies	31,790	–	3,774	-	-	35,564
	19,163,362	190,194	1,998,010	(36,146)	122,913	21,438,333
Less Accumulated Depreciation						
Plant site improvements	(520,135)	-	(178,661)	-	-	(698,796)
Buildings and improvements	(2,219,309)	(96,751)	(309,868)	1,401	-	(2,624,527)
Machinery and equipment	(2,206,471)	(2,699)	(229,336)	1,705	-	(2,436,801)
Transportation and other equipment	(719,758)	(687)	(93,370)	18,120	-	(795,695)
Linens, curtains and draperies	(27,194)	-	(2,604)	-	-	(29,798)
	(5,692,867)	(100,137)	(813,839)	21,226	-	(6,585,617)
	13,470,495	90,057	1,184,171	(14,920)	122,913	14,852,716
Construction in progress	1,009,495	-	1,138,452	-	(139,055)	2,008,892
Net Book Value	14,479,990	90,057	2,322,623	(14,920)	(16,142)	16,861,608

	January 1, 2024	Additions	Disposals	Reclassifications	September 30, 2024 (Unaudited)
Cost					
Land	₱4,188,583	₱490,216	₱-	₱-	₱4,678,799
Plant site improvements	4,296,922	1,189	-	-	4,298,111
Buildings and improvements	6,588,237	523,013	(1,401)	334,920	7,444,769
Machinery and equipment	3,037,574	205,302	(10,989)	55,437	3,357,125
Transportation and other equipment	1,020,256	114,201	(9,225)	9,990	1,135,223
Linens, curtains and draperies	31,790	3,203	–	–	34,993
	19,163,362	1,406,925	(21,615)	400,347	20,949,019
Less Accumulated Depreciation					
Plant site improvements	520,135	133,492	-	-	653,627
Buildings and improvements	2,219,309	230,237	(1,401)	-	2,448,145
Machinery and equipment	2,206,471	159,413	(1,705)	-	2,364,179
Transportation and other equipment	719,758	69,497	(6,738)	-	782,517
Linens, curtains and draperies	27,194	1,846	–	-	29,040
	5,692,867	594,485	(9,844)	-	6,277,508
	13,470,495	812,440	(11,771)	400,347	14,671,511
Construction in progress (see Note 13)	1,009,495	865,946	-	(423,626)	1,451,815
Net Book Value	₱14,479,990	₱1,678,386	(₱11,771)	(₱23,279)	₱16,123,326

The Company classified certain items of construction in progress to intangibles amounting to 11.2 million and 15.3 million as at September 30, 2025 and December 31, 2024, respectively.

Outstanding construction in progress pertains to construction costs for various buildings and hospital renovations which are expected to be completed in 2025 to 2027.

Interest capitalized as part of "Construction in progress" account amounted to ₱ nil and ₱160 million and nil at a capitalization rate ranging from 6.65% to 8.20% and 5.575% to 8.45% in September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

Certain property and equipment of AU, COC, UI, UPANG, PCC, UGC, Coral Way and Krypton Esplanade Hotel Corporation (KEHC) with aggregate amount of ₱6,197.1 million and ₱6,305.3 million as at September 30, 2025 and December 31, 2024, respectively, are used as collateral for their respective long-term debts obtained from local banks.

15. Investment Properties

This account consists of:

	January 1, 2025	**Additions**	**Acquisition thru business combination**	**Disposal**	**September 30, 2025 (Unaudited)**
Cost:					
Land	**624,740**	**12,879**	**1,872**	**(11,600)**	627,891
Buildings for lease	**445,660**	**-**	**-**	**-**	**445,600**
	1,070,400	**12,879**	**1,872**	**(11,600)**	**1,073,551**
Less accumulated depreciation -	**102,460**	**8,930**	**-**	**-**	**111,390**
Buildings for lease	**967,940**	**3,949**	**1,872**	**(11,600)**	**962,161**

	January 1, 2024	Additions	Disposals	December 31, 2024
Cost:				
Land	624,740	-	-	624,740
Buildings/units for lease	391,858	53,801	-	445,659
	1,016,598	53,801	-	1,070,399
Less accumulated depreciation:				
Buildings/units for lease	(91,127)	(11,332)	-	(102,459)
	925,471	42,469	-	967,940

	January 1, 2024	Additions	Disposal	September 30, 2024 (Unaudited)
Cost:				
Land	₱624,740	₱-	₱-	₱624,740
Buildings for lease	391,858	1,599	-	393,457
	1,016,598	5,307	-	1,018,197
Less accumulated depreciation -				
Buildings for lease	91,127	8,455	-	99,582
	₱925,471	(₱5,394)	-	₱ 920,077

As at September 30, 2025 and December 31, 2024, the fair values of the investment properties amounted to ₱4,367.3 million based on valuations performed by accredited independent appraisers on various dates from 2023 to 2024.

The description of the valuation techniques used and key inputs to fair valuation are as follows:

	Valuation technique	Significant inputs	Range (in absolute amounts)	Relationship of unobservable inputs to fair value
Land	Market comparison approach	Price per square meter	250 to 100,000	The higher the price per square meter, the higher the fair value.
Buildings/units for lease - PPHC	Income approach	Discount rates for similar lease contracts, market rent levels, expected vacancy and expected maintenance	Discount rate - 8%	The higher the rate, the lower the fair value.
			Expected vacancy - 5%	The higher the rate, the lower the fair value.
			Expected maintenance - 15% of gross revenue	The higher the rate, the lower the fair value.
			Market rent levels (housing units) -	The higher the market rental rate, the higher the fair value.

			33,134 to 46,648	
			Market rent levels (commercial units) - 8,021 to 17,783	The higher the market rental rate, the higher the fair value.
Buildings/units for lease - Parent Company	Market comparison approach	Price per square meter	201,400 to 282,100	The higher the price per square meter, the higher the fair value.

The fair value disclosure is categorized under Level 3, except for the investment property of COC which is categorized under Level 2.

PSHC's land amounting to ₱220.0 million as at September 30, 2025 and as at December 31, 2024, respectively, is used as a security for its long-term debt (see Note 20). Other than this, the Company has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties.

16. Intangible Assets

Following are the details and movements in this account:

	Student List	**Software Costs**	**Trademark with Indefinite Useful Life**	**Goodwill**	**Total**
Cost					
At January 1, 2024	165,638	215,758	15,335	2,225,190	2,621,921
Additions	-	44,960	830	427,277	473,067
Reclassification (Note 16)	-	15,252	-	-	15,252
At December 31, 2024 (Audited)	165,638	275,970	16,165	2,652,467	3,110,240
Reclassifications (see Note 11)	-	11,171	-	-	11.171
Additions	-	102,588	-	-	102.588
At September 30, 2025 (Unaudited)	**165,638**	**389,729**	**16,165**	**2,652,467**	**3,223,999**
Amortization and Impairment					
At January 1, 2024	(165,638)	(93,952)	(7,719)	(403,132)	(670,441)
Amortization (see Note 31)	-	(44,794)	(767)	-	(45,561)
At December 31, 2024 (Audited)	(165,638)	(138,746)	(8,486)	(403,132)	(716,002)
Amortization	-	(62,272)	(575)	-	(62,847)
At September 30, 2025 (Unaudited)	**-**	**201,017**	**9,061**	**403,132**	**778,848**
Net Book Value					
At September 30, 2025 (Unaudited)	**-**	**188,712**	**7,104**	**2,249,335**	**2,445,151**
At December 31, 2024 (Audited)	–	137,225	7,679	2,249,335	2,394,238

	Student List	Software Costs	Trademark with Indefinite Useful Life	Goodwill	Total
Cost					
At January 1, 2023	₱165,638	₱85,650	₱–	₱2,221,068	₱2,472,356
Acquisition through business combination	-	25,130	15,335	4,122	44,587
Additions	-	32,391	-	-	32,391
Reclassification (Note 16)	-	72,588	-	-	72,588
At December 31, 2023 (Audited)	₱165,638	₱215,759	₱15,335	₱2,225,190	₱2,621,922
Reclassifications (see Note 11)	-	23,279	-	-	23,279
Additions	-	17,972	780	-	18,752
At September 30, 2024 (Unaudited)	₱165,638	₱257,009	₱16,115	₱2,225,190	₱2,663,952
Amortization and Impairment					
At January 1, 2023	₱165,638	₱49,861	₱-	₱403,132	₱618,631
Acquisition through business combination	-	15,275	6,541	-	21,816
Amortization (see Note 31)	-	28,816	1,179	-	29,995
At December 31, 2023 (Audited)	₱165,638	₱93,952	₱7,719	₱403,132	₱670,441
Amortization	-	30,765	526	-	31,291
At September 30, 2024 (Unaudited)	₱165,638	₱124,717	₱8,245	₱403,132	₱701,732
Net Book Value					
At September 30, 2024 (Unaudited)	₱-	₱132,292	₱7,870	₱1,822,058	₱1,962,220
At December 31, 2023 (Audited)	-	121,807	7,615	1,822,058	1,951,480

17. Other Noncurrent Assets

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Advances to suppliers and contractors	**434,772**	622,541
Deposit in escrow – bonds	**49,401**	49,401
Refundable and other deposits	**33,729**	28,201
Creditable withholding taxes	**7,812**	7,812
Indemnification assets	**6,412**	6,412
Others	**20,790**	19,721
	571,636	734,088

18. Notes Payable and Trust Receipts Payable

This account consists of notes payable of the Parent Company and subsidiaries:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
PCC	**6,220,000**	5,269,000
PPHC	**5,459,615**	4,670,294
UGC	**2,102,576**	1,690,495
PHN	**1,499,660**	3,400,000
PSEC	**542,000**	253,000
COC	-	270,000
UPANG	-	270,000
SWU	-	100,000
AU	-	100,000
	15,823,851	16,022,789

The notes payable are unsecured short-term peso-denominated loans obtained from financial institutions with an annual interest rate ranging between 4.25% to 17.0% and 4.63% to 17.0% in 2025 and 2024, respectively.

Trust Receipts Payable

Trust receipts payable pertains to short-term import loans from banks for purchases of inventories from foreign suppliers amounting to ₱1,612.56 million and ₱695.12 million with an annual interest of 6.6% and 7.5% for 60-182 days as at September 30, 2025 and December 31, 2024, respectively. UGC and Philcement opened lines of credit with local banks that would initially pay the suppliers' banks for the cost of imported goods upon the receipt of the Company of the commercial invoice from the supplier. Thereafter, UGC and Philcement banks will bill the Company for the amount paid to suppliers' banks.

19. Trade and Other Payables

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade	**1,845,760**	1,826,861
Accruals for:		
Professional fees and others	**1,224,098**	1,196,706
Commission	**254,540**	290,170
Personnel costs (Note 30)	**173,018**	162,067
Freight, hauling and handling	**76,734**	81,872
Interest (see Notes 23 and 32)	**150,741**	175,871
Processing cost	**17,452**	-
Premiums Due	**97,712**	-
Dividends	**436,183**	214,981
Deposits from buyers	**311,004**	256,399
Retentions payable	**219,223**	168,662
Deposit liabilities	**338,337**	69,640
Liability from acquisition of land	**55,412**	94,269
Others	**190,001**	180,368
	5,390,215	4,717,866

20. Contract Liabilities

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Unearned revenues	**1,875,390**	2,375,967
Customers' deposits	**196,570**	831,108
	2,071,960	3,207,075

Unearned revenues pertain to portion of tuition fees received or due from students to which the Company still has an obligation to transfer services to the students within the next financial year. The amount of unearned revenues for a term shall be divided equally by the number of months covered by the term (five months each for the 1st and 2nd semesters and two months for summer). The resulting amount shall be recorded as the amount of tuition and school fees for the month, net of amortization of deferred scholarship and discounts. Customers' deposits pertain to cash advance received to which the Company has an obligation to deliver roofing and other steel products and installation services within the next financial year.

21. Long-term Debt

Long term debt as at September 30, 2025 and December 31, 2024 are as follows:

	2025		2024	
	Current portion	**Non-current portion**	Current portion	Non-current portion
PHN fixed rate bonds, net of debt issuance costs	-	-	-	-
Long term loans payable, net of debt issuance costs	**3,739,352**	**10,190,290**	**5,349,901**	**5,587,656**
	3,739,352	**10,190,290**	**5,349,901**	**5,587,656**

PHN Fixed Rate Bonds due 2024

There are no fixed rate bonds as at December 31, 2024.

	Amount
Principal	3,000,000
Less: debt issuance cost	-
	3,000,000
Payment	(3,000,000)
	-

On May 6, 2021, the Parent Company filed with the SEC a Registration Statement for the proposed offering of three-year fixed rate bonds due 2024 with an aggregate principal amount of up to two Billion Pesos (₱2,000,000,000.00), with an oversubscription option of up to One Billion Pesos (₱1,000,000,000.00) at an offer price of 100% of face value. This bond offering was authorized by resolutions of the BOD of the Parent Company on March 2, 2021 and the Executive Committee of the Parent Company on April 30, 2021. The Certificate of Permit to offer securities for sale was issued by SEC on August 10, 2021.

The interest rate was set at 3.5335% and the offer period commenced at 9:00 a.m. on August 10, 2021 and ended at 5:00 p.m. on August 16, 2021. The Parent Company appointed China Bank Capital Corporation and SB Capital Investment Corporation as Joint Issue Managers and Joint Lead Underwriters; Rizal Commercial Banking Corporation –Trust and Investments Group as the Trustee; and Philippine Depository & Trust Corp. as the Registrar and Paying Agent. The Bonds have a term ending three (3) years from the Issue Date, or on August 20, 2024. In 2024, the Company fully settled the bond liability upon maturity.

The bonds were listed in the Philippine Dealing & Exchange Corp. on August 20, 2021.

The balance of unamortized debt issuance cost follows:

	2024
Beginning of year	**10,802**
Amortization	**(10,802)**
End of year	**-**

Long- Term Loans

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
PHN	**5,395,000**	2,860,000
PEHI	**1,838,300**	1,889,240
PCC	**1,005,938**	1,423,500
UGC	**825,000**	862,500
UPANG	**623,197**	673,350
SWU	**572,500**	577,500
PPHC	**489,688**	490,625
AU	**648,192**	368,333
UI	**504,625**	520,000
COC	**687,229**	314,688
SJC	**370,000**	370,000
PHINMA Solar	**163,367**	175,789
PSHC	**93,998**	93,998
Coral Way	**298,517**	211,500
RCL	**395,213**	100,000
UCLI	**50,000**	50,000
	13,960,764	10,981,023
Less debt issuance cost	**(31,122)**	(43,466)
	13,929,642	10,937,557
Less current portion - net of debt issuance cost	**3,739,352**	5,349,901
	10,190,290	5,587,656

The debt agreements presented in the succeeding pages include, among others, certain restrictions and requirements. The loan agreements with Security Bank Corporation (SBC), Rizal Commercial Banking Corporation (RCBC) and China Banking Corporation (CBC) stipulate, among others, positive and negative covenants which must be complied with by PHN, UGC, PCC, PEHI, AU, COC, UPANG, UI, SWU, PPHC and Coral Way for as long as the loans remain outstanding. Negative covenants include certain restrictions and requirements, such as maintenance of certain current, debt-to-equity and debt service coverage ratios.

As at December 31, 2024, the Company is in compliance with the required financial ratios and other loan covenants, except for two (2) subsidiaries, UGC and PCC, which resulted to the classification of long term debt amounting to 1,711.2 million to current liabilities. UGC breached the required current, debt-to-equity and debt service coverage ratios. PCC breached the required debt-to-equity ratio.

As at September 30, 2025, PCC obtained a waiver from the bank related to the breach in the debt-to-equity ratio and classified the long term debt to non-current.

Certain assets amounting ₱6,197.1 million and ₱6,305.3 million as at September 30, 2025 and December 31, 2024, respectively, are mortgaged as collaterals for the respective long-term debts as follows (see Notes 16 and 17):

Entity	Collateral
AU	Land and land improvements in the main campus
COC	Land in the main campus
UPANG	Land and land improvements
UI	Land and land improvements
Philcement	Assignment of leasehold rights on the land where the cement terminal is constructed, registration of real estate or chattel mortgage on cement terminal building, equipment and other assets, and assignment of port ownership, right to land lease and rights to foreshore lease
UGC	Land, plant site improvements, buildings and installations and machinery and equipment
PSHC	Land
PPHC	Real estate ICR under receivable purchase agreements
Coral Way	Real estate mortgage on a hotel building
KEHC	Assignment of the lease rights over the land where the hotel is constructed and real estate mortgage over the hotel building and its permanent improvements

PEHI's loan agreement with CBC is covered by a negative pledge on the shares of stocks held by PEHI with AU, COC, UPANG, UI and SWU.

The balance of unamortized debt issuance cost follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning of year	**43,466**	71,218
Additions	**33,750**	3,750
Acquisition through business combination	**-**	-
Amortization	**(46,094)**	(31,502)
End of year	**31,122**	43,466

The details of long-term debts are summarized below:

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
PEHI	1,500,000	December 7, 2015	RCBC	28 equal quarterly payments of 3.8 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 7, 2019.	December 7, 2025	First five years is based on the three-day average of five-year Philippine Dealing System Treasury Reference Rate (PDST-R2) plus a 1.35% spread or 5.00%, whichever is higher, and to be repriced at the end of the fifth year for the remaining five years at an interest rate based on the interest rate then current or the applicable five-year benchmark rate plus 1.35% spread or 5.00%, whichever is higher.	The loan is availed to finance the acquisition of majority ownership in AU, COC, UPANG, UI and SWU.	December 7, 2015	500,000	**398,150**	407,906
PEHI		December 7, 2015	RCBC	28 equal quarterly payments of 6.8 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 7, 2019.	December 7, 2025	First seven years is based on the three-day average of seven-year PDST-R2 plus a 1.40% spread or 5.00%, whichever is higher, and to be repriced at the end of the seventh year for the remaining three years at an interest rate based on the interest rate then current or the applicable three-year benchmark rate plus 1.40% spread or 5.00%, whichever is higher.		December 7, 2015	900,000	**717,050**	731,222
PEHI	1,000,00	December 1, 2015	CBC	28 equal quarterly payments of 3.8 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 8, 2019.	December 8, 2025	First five years is based on the three-day average of five-year PDST-R2 plus a 1.35% spread or 5.00%, whichever is higher, and to be repriced at the end of the fifth year for the remaining five years at an interest rate based on the interest rate then current or the applicable five-year benchmark rate plus 1.35% spread or 5.00%, whichever is higher.	The loan is availed to finance the acquisition of majority ownership in AU, COC, UPANG, UI and SWU.	December 8, 2015	500,000	**398,150**	410,349
PEHI	364,00	December 27, 2021	RCBC	16 equal quarterly payments of 2.73 million with the remaining balance to be paid on maturity date. First principal payment commenced on March 27, 2022.	December 7, 2025	First 7 years is based on the 3-day average of 7-year PDST-R2 plus a 1.40% spread or 5.00%, whichever is higher, and to be repriced at the end of the 7th year for the remaining 3 years at an interest rate based on the interest rate then current or the applicable 3-year benchmark rate plus 1.40% spread or 5.00%, whichever is higher.	The loan is availed to refinance the loan used to invest in majority ownership of PEHI's subsidiaries, AU, COC, UPANG, UI and SWU.	December 27, 2022	364,000	**323,030**	329,434

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
COC	125,000	June 24, 2018	CBC	28 unequal quarterly payments as follows: 8 quarterly installments of 0.3 million from October 9, 2021 to July 9, 2023; 8 quarterly installments of 1.6 million from October 9, 2023 to July 9, 2025; 8 quarterly installment of 3.1 million from October 9, 2025 to July 9, 2027 and 4 quarterly installments of 21.3 million from October 9, 2027 to July 9, 2028. First principal payment commenced on July 9, 2021.	July 9, 2028	Fixed rate of 6.25% p.a. for the first five years; for remaining five years, higher of applicable five-year PDST-R2 plus a spread of up to 100 bps or 6.25% p.a.	The loan is availed to fund the expansion projects and development plans.	July 9, 2018	125,000	**95,120**	**114,688**
COC	200,000	February 1, 2023	CBC	Quarterly principal payments as follows: 1.69 million from May 10, 2025 to November 10, 2032 and; 97.5 million upon maturity on February 10, 2033	February 10, 2033	Interest payable quarterly in arrears at 7.3170% p.a. fixed up to 2/10/2028, and 7.6258% p.a. thereafter up to 2/10/2030. On the day after the seventh (7th) anniversary from the Initial Drawdown Date until the Maturity Date, the Interest Rate per annum shall be reset on the Interest Rate Resetting Date to the higher of: (a) Benchmark Rate plus Interest Spread, divided by the Interest Premium Factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans	February 10, 2023	150,000	**148,305**	149,343
COC		February 1, 2023	CBC	Quarterly principal payments as follows: 0.565 million from May 10, 2025 to November 10, 2032 and; 32.5 million upon maturity on February 10, 2033	February 10, 2033	Interest payable quarterly in arrears at 7.2824% per annum fixed up to February 10, 2028, and 7.5897% per annum thereafter up to February 10, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.		March 17, 2023	50,000	**49,435**	49,771
COC	400,000	March 10, 2025	SBC	36 quarterly installments of 5.5million for the first 9 years and 50million quarterly on the 10th year	March 19, 2035	First 2 years floating rate, with repricing on semi-annual basis.	The loan is availed to fund the capital expenditures and expansion plans	March 19, 2025	400,000	**390,799**	-
UI	200,000	December 12, 2017	CBC	Quarterly principal payments as follows: 1.0 million per quarter for the 3rd and 4th year from initial drawdown; 1.5 million per quarter for the 5th and 6th year; 2.5 million per quarter for the 7th until 9th year and 37.5 million per quarter for the 10th year.	December 20, 2027	Fixed for the first seven years. Applicable seven- year PDST-R2 a spread up to 1.25%, for the remaining three years, the applicable three-year PDST-R2 plus a spread up to 1.25%	The loan is availed to finance the expansion and development plans, including school building upgrades and improvement of the existing facilities.	December 20, 2017	100,000	**78,161**	84,487

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
UI		December 12, 2017	CBC	Principal payments will be the same with the first drawdown. As per agreement both the first and second drawdown will be repaid at the same dates and terms.	December 20, 2027	Fixed for the first seven years. Applicable seven- year PDST-R2 a spread up to 1.25%, and for the remaining three years, the applicable three-year PDST-R2 plus a spread up to 1.25%.		April 24, 2018	100,000	**78,398**	84,749
UI	200,000	October 14, 2022	RCBC	Quarterly principal payments as follows: 1.5 million per quarter from the beginning of the 3rd year drawn	December 18, 2032	For the first seven years, from the initial drawn date to the end of the 7th year. Interest shall be based on the sum of the applicable 7-year benchmark and margin. For the next 3 years: from the beginning of the 8th year to final maturity date - sum of the applicable 3-year benchmark and the margin.	The loan is availed to finance the expansion and development plans, including school building upgrades and improvement of the existing facilities.	October 18, 2022	200,000	**198,004**	199,375
UI	150,000	October 17, 2024	RCBC	Quarterly principal payments as follows: 1.5 million per quarter from the beginning of the 3rd year drawn	October 17, 2032	For the first seven years, from the initial drawn date to the end of the 7th year. Interest shall be based on the sum of the applicable 7-year benchmark and margin. For the next 3 years: from the beginning of the 8th year to final maturity date - sum of the applicable 3-year benchmark and the margin. 6.9836% inclusive of GRT (first 5 years); 7.2048% inclusive of GRT (next 2 years)	The loan is availed to finance the expansion and development plans, including school building upgrades and improvement of the existing facilities.	October 17, 2024	150,000	**147,836**	148,914
AU	100,000	November 29, 2019	CBC	27 equal quarterly payments of 1.5 million starting from November 29, 2022 to May 5, 2029 with the remaining balance of 60.3 million to be paid on maturity date. First principal payment commenced on February 28, 2023.	November 29, 2029	Fixed rate for the first five years based on the five-year Benchmark rate of the term plus interest spread or a floor rate of 5.25% plus applicable GRT. Interest rate is subject for repricing for the remaining five years based on: i. Initial interest rate; or ii. Then prevailing five-year Benchmark rate plus interest spread, whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	November 29, 2019	100,000	**83,958**	88,672
AU	100,000	November 29, 2019	CBC	28 unequal quarterly payments as follows: 8 quarterly installments of 2.5 million from February 28, 2023 to November 29, 2024; 16 quarterly installments of 3.8 million from February 28, 2025 to November 29, 2028 and four quarterly installment of 5.0 million from February 28, 2029 to November 29, 2029. First principal payment commenced on February 28, 2023.	November 29, 2029	Fixed rate for the first five years based on the five-year Benchmark rate of the term plus interest spread or a floor rate of 5.25% plus applicable GRT. Interest rate is subject for repricing for the remaining five years based on: i. Initial interest rate or ii. Then prevailing five-year Benchmark rate plus interest spread, whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	November 29, 2019	100,000	**68,750**	79,569
AU	200,000	February 1, 2023	CBC	Quarterly principal payments as follows: 1.1 million from June 1, 2025 to December 1, 2032 and; 65.0 million upon maturity	March 1, 2033	Interest payable quarterly in arrears at 7.3900% per annum fixed up to March 1, 2028, and 7.7019% per annum thereafter up to March 1, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity	The loan is availed to fund the capital expenditures and expansion plans.	March 1, 2023	100,000	**97,260**	99,446

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
				on March 1, 2033		date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.					
AU	Included in the 200 million loan facility taken on February 1, 2023	February 1, 2023	CBC	Quarterly principal payments as follows: 1.1 million from June 1, 2025 to December 1, 2032 and; 65.0 million upon maturity on March 1, 2033	March 1, 2033	Interest payable quarterly in arrears at 7.7601% per annum fixed up to March 1, 2028, and 8.8076% per annum thereafter up to March 1, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	July 11, 2023	100,000	**97,228**	99,390
AU	200,000	March 17, 2025	CBC	28 quarterly installments of 14million from 6/17/2027 to 3/17/2032, quarterly installment of P102million from 6/17/2032 until maturity	March 17, 2035	First 2 years floating rate, with repricing on semi-annual basis + 8 years tiered fixed rate.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	March 17, 2025	200,000	**198,632**	-
AU	100,000	March 17, 2025	CBC	28 quarterly installments of 14million from 6/17/2027 to 3/17/2032, quarterly installment of P102million from 6/17/2032 until maturity	March 17, 2035	First 2 years floating rate, with repricing on semi-annual basis + 8 years tiered fixed rate.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	July 8, 2025	200,000	**198,632**	-
UPANG	190,000	March 27, 2018	CBC	32 unequal quarterly payments as follows: 1.9 million from June 27, 2020 to March 27, 2022; 2.9 million from June 27, 2022 to March 27, 2025; 4.8 million from June 27, 2025 to March 27, 2027; and 25.7 million from June 27, 2027 to March 27, 2028.	March 27, 2028	Interest shall be payable quarterly in arrears from February 27, 2018 to June 27, 2018 (92 days) shall be at 6.50% inclusive of GRT fixed for the first five years. Interest shall be based on five-year PDST-R2 (5.22% + 122 bps + 1% GRT. The interest rate for the remaining five years of the loan shall be the PDST-R2 plus a spread of up to 125 bps or 6.50% whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	March 27, 2018	190,000	**130,001**	143,061
UPANG	200,000	February 1, 2023	CBC	Quarterly principal payments as follows: 1.1 million from May 27, 2025 to November 27, 2032 and; 65.0 million upon maturity on February 27, 2033	February 27, 2033	Interest payable quarterly in arrears at 7.3871% per annum fixed up to February 27, 2028, and 7.6988% per annum thereafter up to February 27, 2030. On the day after the seventh (7th) anniversary from the initial drawdown date until the maturity date, the interest rate per annum shall be reset on the interest rate resetting date to the higher of: (a) benchmark rate plus interest spread, divided by the interest premium factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	February 27, 2023	100,000	**97,742**	99,594

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
UPANG	Included in the 200 million loan facility taken on February 1, 2023.	February 1, 2023	CBC	Quarterly principal payments as follows: 0.57 million from May 27, 2025 to November 27, 2032 and; 32.5 million upon maturity on February 27, 2033	February 27, 2033	Interest payable quarterly in arrears at 7.4081% p.a. fixed up to 2/27/2028, and 7.7207% p.a. thereafter up to 2/27/2030. On the day after the seventh (7th) anniversary from the Initial Drawdown Date until the Maturity Date, the Interest Rate per annum shall be reset on the Interest Rate Resetting Date to the higher of: (a) Benchmark Rate plus Interest Spread, divided by the Interest Premium Factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	July 3, 2023	50,000	**48,871**	49,771
UPANG	Included in the 200 million loan facility taken on February 1, 2023.	February 1, 2023	CBC	31 quarterly installments of 0.564 million from May 27, 2025 to November 27, 2032, full payment of 32.5 million upon maturity	February 27, 2033	Interest payable quarterly in arrears at 7.3775% p.a. fixed up to 2/27/2028, and 7.6888% p.a. thereafter up to February 27, 2030. On the day after the seventh (7th) anniversary from the Initial Drawdown Date until the Maturity Date, the Interest Rate per annum shall be reset on the Interest Rate Resetting Date to the higher of: (a) Benchmark Rate plus Interest Spread, divided by the Interest Premium Factor; or (b) existing interest rate.	The loan is availed to fund the capital expenditures and expansion plans.	December 13, 2023	50,000	**48,871**	49,776
UPANG Urdaneta	100,000	September 29, 2015	RCBC	28 quarterly payments, to commence at the end of the 13th quarter from the initial drawdown date.	September 29, 2025	Interest shall be payable quarterly in arrears. i. Fixed rate for the first seven (7) years of the term based on three-day average of seven-year PDST-R2 + 1.42%, subject to repricing at the end of the seventh year; and ii. On the last three years of the term, the interest rate shall be based on the interest rate then current or the three-day average of three-year PDST-R2 + 1.42%, whichever is higher.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	September 29, 2015	100,000	-	29,889
UPANG Urdaneta	300,000	April 25, 2023	RCBC	31 quarterly payments of 1.5 million with the remaining balance of 84.5 million to be paid on maturity date. First principal payment will commence on September 1, 2025.	June 1, 2033	Interest payable quarterly in arrears at 7.0200% per annum fixed up to June 1, 2028 and 7.3160% thereafter up to June 1, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	June 1, 2023	130,000	**126,653**	**1**29,397
UPANG Urdaneta	Included in the 300 million loan facility taken on April 25, 2023.	April 25, 2023	RCBC	31 quarterly installments of 0.790 million from September 1, 2025 to March 1, 2033, full payment of 45.5 million upon maturity	June 1, 2033	Interest payable quarterly in arrears at 7.652% p.a. fixed up to June 1, 2028 and 7.9750% thereafter up to June 1 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	September 8, 2023	70,000	**69,210**	69,734
UPANG Urdaneta	Included in the 300 million loan facility taken on April 25, 2023.	April 25, 2023	RCBC	31 quarterly installments of 0.566million from September 1, 2025 to March 1, 2033, full payment of 32.5million upon maturity.	June 1, 2033	Interest payable quarterly at 7.691% inclusive of GRT (first 5 years); 8.015% inclusive of GRT (next 2 years)	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	July 5, 2024	50,000	**49,435**	50,475

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
UPANG Urdaneta	Included in the 300 million loan facility taken on April 25, 2023.	April 25, 2023	RCBC	31 quarterly installments of 0.566million from September 1, 2025 to March 1, 2033, full payment of 32.5million upon maturity.	June 1, 2033	Interest payable quarterly at 7.199% inclusive of GRT (first 5 years); 7.5030% inclusive of GRT (next 2 years)	The loan is availed to finance the capital expenditure projects and refinance existing loan obligations.	November 22, 2024	50,000	**49,435**	50,486
SWU	400,000	December 6, 2017	RCBC	28 quarterly payments of 1.0 million. First principal payment commenced on March 7, 2021.	December 7, 2027	Interest is payable quarterly in arrears, commencing at the end of the first quarter from the initial drawdown date. Interest shall be fixed at 6.66% from years one to five and at 6.94% onwards until maturity.	The loan is availed to finance the building development, expansion and purchase of equipment for SWU's Hospital and building developments.	December 7, 2017; December 20, 2017; March 29, 2018	100,000 200,000 100,000	**95,250** **190,500** **95,250**	96,000 192,000 96,000
SWU	200,000	April 18, 2018	CBC	27 equal quarterly payments of 0.5 million with the remaining balance to be paid on maturity date. First principal payment commenced on July 18, 2021.	April 18, 2028	6.4178% from years one to five and subsequently interest shall be based on the applicable five-year base rate plus spread up to 125 basis points. Effective April 18, 2023, the interest rate was repriced to 7.44%.	The loan is availed to finance the building development, expansion and purchase of equipment for SWU's Hospital and building developments.	April 18, 2018	200,000	**191,500**	193,500
SJC	110,000	April 25, 2023	RCBC	31 quarterly payments of 1.2 million with the remaining balance of 71.5 million to be paid on maturity date. First principal payment commenced will commence on August 3, 2025	May 3, 2033	Interest payable quarterly in arrears at 7.2320% per annum fixed up to May 3, 2028 and 7.5340% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	May 3, 2023	110,000	**109,583**	109,506
SJC	70,000	April 25, 2023	RCBC	31 quarterly payments of 0.79 million with the remaining balance of 45.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025	May 3, 2033	Interest payable quarterly in arrears at 7.0670% per annum fixed up to May 3, 2028 and 7.3650% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	May 31, 2023	70,000	**69,746**	69,678
SJC	90,000	April 25, 2023	RCBC	31 quarterly payments of 1.0 million with the remaining balance of 58.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025	May 3, 2023	Interest payable quarterly in arrears at 7.5080% per annum fixed up to May 3, 2028 and 7.824% thereafter up to May 3, 2030. From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	July 5, 2023	90,000	**89,645**	89,579
SJC	100,000	February 5, 2024	RCBC	31 quarterly payments of 0.5 million with the remaining balance of 32.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025.	May 3, 2033	Interest payable quarterly in arrears at 7.5080% p.a. fixed up to May 3, 2028 and 7.824% thereafter up to May 3, 2030.From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	February 5, 2024	50,000	**49,769**	49,716

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
SJC				31 quarterly payments of 0.5 million with the remaining balance of 32.5 million to be paid on maturity date. First principal payment will commence on August 3, 2025.	May 3, 2033	Interest payable quarterly in arrears at 7.1102% p.a. fixed up to May 3, 2028 and 7.4095% thereafter up to May 3, 2030.From the beginning of the 8th year to final maturity date, interest shall be applicable 3-year BVAL + 115bps.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	November 8, 2024	50,000	**49,649**	49,632
RCL	100,000	March 19,2024	RCBC	31 quarterly payments of | 0.564 million with the remaining balance of 39.5 million to be paid on maturity date. First principal payment will commence on September 27, 2026.	June 27, 2034	Interest payable quarterly in arrears at 7.690% p.a. fixed up to June 27, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	June 27, 2024	50,000	**49,647**	49,625
RCL			RCBC	31 quarterly payments of 0.564 million with the remaining balance of 39.5 million to be paid on maturity date. First principal payment will commence on September 27, 2026.	June 27, 2034	Interest payable quarterly in arrears at 7.3035% p.a. fixed up to June 27, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	August 15, 2024	50,000	**49,648**	49,626
RCL	300,000	March 19, 2024	RCBC	31 quarterly payments of 0.564 million with the remaining balance of 39.5 million to be paid on maturity date. First principal payment will commence on September 27, 2026.	June 27, 2034	Interest payable quarterly in arrears at 7.3035% p.a. fixed up to June 27, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	August 7, 2025	300,000	**292,963**	-
UCLI	50,000	August 15, 2024	RCBC	31 quarterly payments of 0.564 million with the remaining balance of 39.5 million to be paid on maturity date. First principal payment will commence on August 15, 2026.	May 15, 2034	Interest payable quarterly in arrears at 7.3035% p.a. fixed up to August 15, 2029 and Sum of 5-yr BVAL + 1.150% Margin + 5% GRT For Borrower's Account for the next five years.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	August 15, 2024	50,000	**49,596**	49,626
PHN	2,000,000	May 23, 2017	SBC	Principal repayment shall commence at the end of the 3rd year from initial drawdown date until maturity date; balloon payment amounting to 1.9 billion or 94% of principal amount on maturity date.	May 21, 2027	Interest rate is equivalent to: i) the applicable 10-year PDST-R2 Benchmark Rate plus an interest spread of 125 basis points per annum (1.25% p.a.), and ii) 6.25% p.a., whichever is higher.	The loan is availed to refinance investments in subsidiaries and other general corporate purposes.	May 23, 2017	2,000,000	**1,895,421**	1,905,633
PHN	1,000,000	July 11, 2023	CBC	Principal repayment of 50.0 million after 1 year of initial drawdown date and balance on principal amount on maturity date.	July 17, 2025	With regular interest of 7.8557%. Interest to be paid on quarterly basis.	The loan is availed to finance capital expenditures, expansion plans, and other general corporate purposes of the debtor.	July 17, 2023	1,000,000	-	947,900
PHN	1,500,000	August 15, 2025	SBC	Principal repayment of	August 15, 2030	Interest rate shall be the higher of i)	The loan is availed to	August 15,	1,500,000	**1,498,009**	-

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
				P3.75M or 0.25% per quarter shall commence on February 17, 2026 with remaining balance of P1.432B or 95.5% to be paid on final maturity date.		applicable 5Y BVAL + 1.15% interest margin, and (ii) floor Rate of BSP Overnight Policy Rate + 50 bps	re-finance existing short-term laons and other general corporate purposes of the debtor.	2025			
PHN	2,000,000	August 18, 2025	RCBC	Principal repayment of P20M or 1% per year shall commence on August 18, 2026 with remaining balance of P1.820B or 91% to be paid on final maturity date	August 18, 2035	Interest rate is equivalent to the applicable 2Y+3Y+5Y BVAL plus 1.15% interest margin with floor rate of 5.75%	The loan is availed to re-finance existing short-term laons and other general corporate purposes of the debtor.	August 18, 2025	2,000,000	**1,998,891**	-
UGC	1,000,000	February 18, 2022	BDO	Principal amortization commence three months after drawdown date and every quarter thereafter and shall be paid based on 1.25% every quarter for 4 years and the remaining 80% paid in balloon upon maturity.	February 18, 2027	Interest rate is based on 3Y BVAL 3.3618+ spread 1.25%= 4.6118% + 5% GRT = 4.8545%	The loan is availed to refinance the outstanding loan of UGC with BDO and convert the short term loans to long-term loans.	February 18, 2022	1,000,000	**822,229**	858,255
PCC	720,000	February 26, 2021	SBC	Eight quarterly principal payments of 10.3 million, nine quarterly principal payments of 20.5 million and remaining balance to be paid at maturity date	June 13, 2025	Interest rate of 6.73% GRT inclusive, fixed rate up to maturity	The loan is availed to partially finance the acquisition of Phase 2 port terminal. This is a continuation of the remaining tenor with the original SNPSI loan.	February 26, 2021	369,363	-	122,669
						Interest rate of 6.84% GRT inclusive, fixed rate up to maturity			350,637	-	116,449
PCC	500,000	March 19, 2021	SBC	20 unequal quarterly payments	March 30, 2026	Interest rate of 5.1% GRT inclusive, fixed rate up to March 29, 2024 and for the remaining two years, the applicable two-year BVAL plus 40 bps, subject to a floor rate of 5.1%	The loan is availed to refinance short-term project costs and finance the mixer facility.	March 19, 2021	500,000	**85,724**	232,333
PCC	1,000,000	September 5, 2023	SBC	Eight quarterly principal payments of 10.0 million, Four quarterly payments of 50.0 million and four quarterly payments of 180.0 million. First principal payment commenced on December 7, 2023.	September 7, 2027	Interest rate of 7.2056% fixed rate for the first 2 years, subject to repricing at the end of the 2nd year (2+2 structure)	The loan is availed to refinance existing loans and finance the expansion and improvement projects in the Mariveles facility.	September 7, 2023	1,000,000	**913,826**	940,466
Phinma Solar	20,000	June 25, 2021	DBP	Principal repayment to commence at the end of the fifth (5th) quarter from date of Initial Draw Down. Principal shall be payable in thirty-six equal quarterly installments.	August 13, 2031	4.875% (4.924% GRT inc.) for the 1st 5 years. Next 5 years based on the relevant 5YR BVAL + 1% spread with a floor rate not lower than the rate prior to repricing (4.875%). Interest to be paid on quarterly basis	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	August 31, 2021	20,000	**14,027**	14,929
Phinma Solar	80,000	April 21, 2022	DBP	Principal repayment to commence at the end of the sixth (6) months from date of Draw Down. Principal shall be payable in thirty-six equal quarterly	August 13, 2031	With regular interest of 6.37710%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	April 21, 2022	80,000	**55,796**	59,678

Debtor	Loan Amount	Date of Loan Agreement	Lender	Terms		Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts	
				Installments	Final Installment					**2025**	2024
				installments.							
Phinma Solar	50,000	August 2, 2023	DBP	Principal repayment commenced on August 13, 2023 from date of drawdown and principal shall be payable in 33 equal quarterly installments.	August 13, 2031	With regular interest of 7.31470%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	August 2, 2023	50,000	**37,653**	40,640
PHINMA Solar	40,000	November 10, 2023	DBP	Principal repayment commenced on November 13, 2023 and shall be payable in 32 equal quarterly installments.	August 13, 2031	With regular interest rate of 7.5413%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	November 10, 2023	40,000	**31,056**	33,520
PHINMA Solar	30,000	December 22, 2023	DBP	Principal repayment commenced on February 13, 2024 and shall be payable in 31 equal quarterly installments.	August 13, 2031	With regular interest rate of 6.9291%	The loan is availed to finance the general corporate requirements of the rooftop solar projects.	December 22, 2023	30,000	**23,729**	25,588
PSHC	154,000	July 15, 2006	UPPC	Annual installment payments of 4 million for 32 years starting December 31, 2021.	December 31, 2052	The effective interest rate after the modification of term is 6.80%	The loan is availed to finance the acquisition of land from UPPC.	July 15, 2006	154,000	**93,998**	93,998
PPHC	500,000	March 31, 2016	CBC	Payable in 36 quarterly installments with final repayment on April 11, 2026. Annual principal payment of 1/4 of 1% of beginning principal balance to commence on 5th quarter with remaining principal balance payable on final maturity date. The loan has prepayment option and contains negative pledges.	April 11, 2026	Fixed interest rate per annum of 6.1567% Fixed interest rate per annum of 6.04%	The loan is availed to finance the ongoing projects of PPHC.	April 11, 2016 March 20, 2016	100,000 400,000	**97,816** **391,719**	98,003 392,010
Coral Way	200,000	October 29, 2015	BDO	40 quarterly installments in June 2021, the term of the loan was refinanced under the same term of the facility agreement except that the loan principal is payable quarterly until 2026.	October 29, 2026	First 7 years - fixed based on a seven-year Philippine Daily System Treasury Fixing - R2 benchmark rate plus the minimum spread of 1.4% or annual fixed 5.75%; whichever is higher. Next 3years – subject to repricing after the 7th year based on the prevailing market rate as mutually agreed upon by the third parties.	The loan is availed to partially finance the equity contribution in a subsidiary for construction of a hotel.	October 29, 2015	200,000	**24,517**	57,500
Coral Way	440,000	Jun 30, 2025	BDO	Sculpted amortization after 2 years of grace period.	June 30, 2025	For 1st 5 years, fixed rate of 7.2567%p.a. (inclusive of 1% GRT), subject to repricing after the 5th year based on 5-year BVAL + 1.25% spread divided by applicable interest rate premium factor (5% GRT)	The loan is availed to finance the expansion construction of a hotel.	June 30, 2025	120,000	**120,000**	120,000
KEHC	300,000	January 2017	CBC	35 quarterly installments	January 2017	The term loan bears quarterly interest of 5.5% for the first seven (7) years and subject to repricing after the 7th year.	The loan is availed to partially finance the construction of a hotel and for working capital requirements.	January 2017	300,000	**154,000**	154,000
Total										**13,929,642**	10,937,557

22. Equity

a. Capital Stock

The composition of the Parent Company's capital stock as at September 30, 2025 and December 31, 2024 is as follows:

	2025		2024	
	Number of Shares	**Amount**	Number of Shares	Amount
Preferred - cumulative, nonparticipating, 10 par value				
Class AA – Authorized	**50,000,000**	**500,000**	50,000,000	500,000
Class BB – Authorized	**50,000,000**	**500,000**	50,000,000	500,000
Issued and subscribed	-	-	-	-
Common - 10 par value				
Authorized	**420,000,000**	**4,200,000**	420,000,000	4,200,000
Issued	**336,303,550**	**3,363,036**	336,303,550	3,363,036
Subscribed	**39,994**	**400**	39,994	400
Issued and subscribed	**336,343,544**	**3,363,436**	336,343,544	3,363,436
Less: Subscription receivable		**(124)**		(124)
	336,343,544	**3,363,312**	336,343,544	3,363,312

The issued and outstanding shares as at September 30, 2025 and December 31, 2024 are held by 1,212 and 1,206 equity holders, respectively.

Capital stock presented in the statements of financial position is net of subscription receivable amounting to 0.1 million as at September 30, 2025 and December 31, 2024.

The following summarizes information on the Parent Company's track record of registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Issue/Offer Price
March 12, 1957	1,200,000	10
June 12, 1968	1,000,000	10
April 7, 1969	800,000	10
January 21, 1980	2,000,000	10
November 3, 1988	10,000,000	10
October 13, 1992	25,000,000	10
June 3, 1995	60,000,000	10
March 16, 1999	320,000,000	10

a. Retained Earnings

Appropriated

In February 2020, the Parent Company's BOD approved the appropriation of 165.5 million of retained earnings for the buyback of PHN shares until February 2022.

On November 10, 2021, an appropriation was made for the investment in Construction Materials business until December 31, 2022 amounting to 1.1 billion. Another 500.0 million of the retained earnings was appropriated for the Education business until December 31, 2022.

As at December 31, 2022, appropriated retained earnings amounts to 1,765.5 million.

On March 3, 2023, upon the expiration of the previously appropriated retained earnings of 1.1 billion, the Parent Company's BOD resolved to reverse the expired appropriation and re-appropriate the same amount for the investment in the Construction Materials business until December 31, 2024. On the same date, the Parent Company's BOD approved the appropriation of 500.0 million for the investment in PPHC.

In addition, the Parent Company's BOD approved the reversal of previous appropriations of retained earnings amounting to 500.0 million for investment in Education business in 2021 and 165.5 million for buyback of PHN shares in 2020.

As at December 31, 2024 and 2023, the appropriated retained the amounts to 1.6 billion.

On March 21, 2025, the Company's BOD approved the appropriation of 500 million for the investment in the Construction Materials Group and 500 million for the investment in the PHINMA Community Housing Corporation until December 31, 2026. In addition, the BOD approved the reversal of previous appropriations of retained earnings amounting to 500 million for the investment in PPHC and 1.1 billion for the investment in the Construction Materials business

Unappropriated

On March 1, 2022, the Parent Company's BOD declared a regular cash dividend of 0.40 per share or an equivalent of 108.8 million and a special cash dividend of 0.10 per share or an equivalent of 27.2 million, to all common shareholders of record as at March 22, 2022. The cash dividends were paid on April 6, 2022.

On March 3, 2023, the Parent Company's BOD declared a regular cash dividend of ₱0.60 per share or an equivalent of ₱171.8 million to all common shareholders of record as at March 22, 2023. The cash dividends were paid on April 5, 2023.

On March 5, 2024, the Parent Company's BOD declared a regular cash dividend of ₱0.60 per share or an equivalent of ₱171.8 million to all common shareholders of record as at March 25, 2024. The cash dividends were paid on April 12, 2024.

On April 14, 2025, the Parent Company's BOD declared a regular cash dividend of ₱0.60 per share or an equivalent of ₱201.8 million to all common shareholders of record as at May 13, 2025 payable on May 26, 2025.

The balance of retained earnings includes Parent Company's accumulated equity in net earnings of subsidiaries and associates which are not currently available for dividend declaration until declared by the respective subsidiaries and associates amounting to 1,215.1 million and 1,388.6 million as at September 30, 2025 and December 31, 2024, respectively.

c. Buyback of Shares

There were no share buy backs for the period ended September 30, 2025 and December 31, 2024.

d. Treasury shares

Details of treasury shares as at September 30, 2025 and December 31, 2024 are as follows:

	Parent Company Treasury Shares	Parent Company Shares held by ABCIC	
Number of shares			**Total**
Balance at beginning of year	**18,279**	**5,407,822**	**5,426,101**
Acquisition of shares	-	**104,000**	**104,000**
Issuance of shares	-	**(5,411,822)**	**(5,411,822)**
Balance at end of year	**18,279**	**100,000**	**118,279**
Balance at beginning of year	**182**	**57,727**	**57,909**
Acquisition of shares	-	**2,180**	**2,180**
Issuance of shares	-	**(57,807)**	**(57,807)**
Balance at end of year	**182**	**2,100**	**2,282**

In 2024, proceeds from the sale of 5,411,822 treasury shares amounts to 104.6 million. There are no treasury shares sold in 2023.

In 2022, the Parent Company sold 14,431,900 treasury shares with cost of 143.9 million for 281.4 million.

e. Parent company shares held by a subsidiary

In 2023, APHI acquired additional 164,100 PHN shares with a total cost of 3.2 million. As at December 31, 2023, APHI holds 5,407,822 shares with a total cost of 57.7 million accounted as treasury shares.

In 2024, APHI acquired additional 104,000 PHN shares with a total cost of 2.2 million. At the same period, APHI sold 5,411,822 shares. The gain of 49.0 million on the disposal of shares is accounted for as APIC. As at December 31, 2024, APHI holds shares with a total cost of 2.1 million, accounted for as treasury shares.

f. Stock rights offering (SRO)

On August 6, 2024, the Parent Company's BOD approved the SRO. The proceeds will be used to support PHINMA Corporation's subsidiaries in relation to their relevant expansion plans, increase capital for the Company's potential new ventures and/or general corporate purposes.

On October 16, 2024, the SEC issued a Notice of Confirmation of Exempt Transaction confirming that the Offer is exempt from the registration requirements of the Securities Regulation Code.

On October 21, 2024, the Philippine Stock Exchange (PSE) approved the application of the Parent Company for the listing of up to 51,493,306 common shares ("Offer Shares") for the Company's SRO of common shares to be issued from the unissued capital stock of the Parent Company, at an offer price range of 19.42 to 21.55 per Offer Share.

On November 27, 2024, the Parent Company closed the SRO with an offered a total of 50,000,000 Common Shares with a par value of 10.00 per share (the "Rights Shares") at

an offer price of 20.00 per share (the "Offer Price") and raised 1 billion in capital. The Offer Price was determined based on the volume-weighted average price of the Issuer's Common Shares traded on the PSE for each of the 90 consecutive trading days immediately prior to (and excluding) pricing date of 31 October 2024, subject to a discount of 3.46%. The entitlement ratio is one rights share for every 5.73 existing common shares.

The transaction resulted to increases in issued share capital of 50,000,000 common shares, capital stock of 500 million and additional paid-in capital of 473.5 million.

23. Cost of Sales, Educational, Real Estate Sold and Construction Services, Hospital and Installation Services

This account consists of:

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Cost of sales	**8,541,640**	9,526,502
Cost of educational services	**1,691,967**	1,459,605
Cost of hospital services	**133,927**	96,563
Cost of installation	**43,367**	41,175
Cost of sales, educational, hospital and installation	**10,410,901**	11,123,845
Cost of real estate sold and construction services	**542,158**	632,174
Cost of hotel operations	**177,827**	207,437
Cost of management and administrative services	**80,164**	86,688
	11,211,050	12,050,144

The details of cost of sales, educational, hospital and installation services are as follows:

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Inventories used	**7,532,060**	8,555,706
Personnel costs	**1,252,079**	1,112,583
Depreciation	**503,823**	519,457
Power and fuel	**153,044**	125,213
Repairs and maintenance	**87,624**	93,884
Laboratory and school supplies	**96,410**	65,998
Rent expense	60,118	67,708
Graduation expenses	49,314	41,659
School affiliations and other expenses	74,390	40,906
Educational tour expenses	41,694	33,363
School materials, publication and supplies	13,444	21,423
Review expenses	49,710	33,954
Sports development and school activities	6,059	5,550
Subscription	7,276	6,851
Accreditation expenses	2,984	1,909
Installation cost	**43,367**	41,175
Others	**437,503**	356,558
	10,410,901	11,123,845

24. General and Administrative Expenses

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Personnel costs	**1,080,053**	1,183,196
Professional fees and outside services	**363,290**	501,190
Taxes and licenses	**224,514**	203,745
Depreciation and amortization	**213,604**	138,615
Utilities	**141,305**	112,496
Security and janitorial	**105,500**	93,683
Transportation and travel	**186,152**	67,226
Insurance	**77,398**	39,879
Meetings and conferences	**21,906**	41,153
Repairs and maintenance	**38,729**	44,028
Provision (reversal) for ECLs	**(10,883)**	76,513
Rent	**36,442**	27,553
Office supplies	**30,942**	22,184
Donations	**26,371**	24,059
Communications	**10,918**	6,148
Advertising and promotions	**9,743**	5,764
Dues and subscription	**28,245**	13,166
Others	**137,904**	91,571
	2,722,133	2,692,961

25. Selling Expenses

This account consists of:

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Personnel costs	**154,868**	186,382
Advertising	**203,623**	117,053
Freight, handling and hauling	**142,182**	-
Commission	**18,626**	57,144
Depreciation and amortization	**49,463**	42,396
Transportation and travel	**14,938**	39,148
Outside services	**9,079**	23,614
Taxes and licenses	**3,319**	23,981
Postage, telephone and telegraph	**2,703**	7,611
Insurance	**8,023**	8,669
Repairs and maintenance	**3,158**	7,938
Rent and utilities	**10,032**	3,309
Supplies	**9,534**	2,244
Entertainment, amusement and recreation	**3,255**	1,838
Others	**71,734**	13,840
	704,537	535,167

26. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions and the parties are subject to common control. Related parties may be individual or corporate entities.

The Company has a policy that requires approval of related party transaction by the Audit and Related Party Transactions Committee of the BOD when these breach certain limits and/or when these are not of a usual nature.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For the periods ended September 30, 2025 and 2024, the Company's impairment of receivables from related parties amounted to nil. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The significant related party transactions entered into by the Company with its associates and entities under common control and the amounts included in the interim condensed consolidated financial statements with respect to such transactions are shown below.

Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties (Note 10)	Loans receivable (Note 10)	Terms	Conditions
2025							
Ultimate Parent							
PHINMA Inc.	Share in expenses, management fees and bonus	**112,287**	**23,403**	**1,437**		Noninterest-bearing	Unsecured, no impairment
	Purchase of Shares	**150,353**	-	-			
Associates							
PPHC	Share in Expenses	-	-	-	-	Noninterest-bearing	Unsecured, no impairment
APHI	Share in Expenses	-	-	-	-	Noninterest-bearing	Unsecured, no impairment
Entities Under Common Control	Advances			**56,142**			Unsecured, no impairment
PHINMA Insurance Brokers, Inc. (PHINMA Insurance), PHINMA Foundation, Inc., Phinma Plaza	Interest Income	**1,844**					Unsecured, no impairment
Condominium Corporation, Phinma Prism Property Development Corp.	Share in Expenses	**10,735**	**737**	**97,041**			Unsecured, no impairment
Phinma Prism	Loans receivable	-	-	-	-		
Shareholders of Parent Company	Loan receivable	-	-	-	-		
PTC Myanmar, IPM, Yayasan Triputra Persada	Share in expenses	**4,967**	**17**	**16,649**	-	Noninterest-bearing	Unsecured, no impairment
PPSMI/Petra Cement	Advances	75,949	53,869	14,970		Noninterest-bearing	Unsecured, no impairment
InPHIN8, PPSMI, DBHC, FBHC, SFSHC	Management And Incentive Fees	**12,086**	-	-		Noninterest-bearing	Unsecured, no impairment
InPHIN8, PPSMI, DBHC, FBHC, SFSHC	Rent	**8,023**	-	-		Noninterest-bearing	Unsecured, no impairment
			78,026	**186,240**			

Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties (Note 10)	Loans receivable (Note 10)	Terms	Conditions
2024							
Ultimate Parent							
PHINMA Inc.	Share in expenses, management fees and bonus	**262,791**	**70,901**	**1,505**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
*Other related parties**							
PHINMA Insurance Brokers, Inc. (PHINMA Insurance), PHINMA Foundation, Inc., Phinma Plaza Condominium Corporation, Phinma Prism Property Development Corp.	Advances (PHINMA Prism)	-	-	**56,142**	-	Interest-bearing at range of 4.7% - 6.3% ; payable in March 2026 and to be settled in cash. This is presented as part of non-current receivables.	Unsecured, no impairment
	Interest income (PHINMA Prism)	**3,563**	-	**782**	-	Interest at 4.7% to 6.3% for 95 days; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
	Share in expenses	**20,310**	**6,478**	**81,990**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PHINMA Prism	Loan receivable	-	-	-	**196,803**	The loan to PHINMA Prism bear interest ranging from 7.21% to 7.75% with a maturity of 91 days up to 365 days This loan is due and demandable and collectible in cash.	Unsecured, no impairment
Shareholders of Parent Company	Loan receivable	-	-	-	**1,793**	Non-interest bearing; due and demandable, settled in cash at gross amounts.	Unsecured, no impairment
PTC Myanmar, IPM, PHINMA Saytanar (PSEd), PE International, Yayasan Triputra Persada	Share in expenses	**28,377**	**73**	**17,048**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
PPSMI	Advances	**31,940**	-	**23,889**	-	Noninterest-bearing; due and demandable; and to be settled in cash at gross amounts.	Unsecured, no impairment
InPHIN8, PPSMI, DBHC, FBHC, SFSHC	Management And Incentive Fees	**32,537**	-	-	-	Noninterest-bearing; due and demandable;	Unsecured, no impairment
	Rent (Inphin8)	**9,493**	-	-	-	and to be settled in cash. at gross amounts.	
			77,452	**181,356**	**198,596**		

** Entities under common control or with common shareholders*

PHINMA, Inc. The Parent Company has a 5-year management contract with PHINMA, Inc. up to June 30, 2029, renewable thereafter mutual agreement. Under this contract, PHINMA, Inc. has a general management authority with corresponding responsibility over all operations and personnel of the Parent Company including planning, direction, and supervision of all the operations, sales, marketing, distribution, finance and other business activities of the Parent Company. Under the existing management agreement, the Parent Company pays PHINMA, Inc. a fixed monthly management fee plus an annual incentive based on a certain percentage of the Parent Company's net income.

Management and Directors' Compensation

PHN, UGC, COC, AU, UPANG, SWU, UI and PPHC are under common management of PHINMA, Inc. and pay PHINMA, Inc. a fixed annual management fee plus an annual bonus based on a certain percentage of the respective companies' adjusted net income, as defined in the management contract between PHINMA, Inc. and the respective companies, pursuant to the provisions of the same contract

Management fees and bonuses, presented as "Professional fees and outside services" under "General and administrative expenses" account, amounted to ₱115.3 million and ₱149.1 million for the six-months periods ended September 30, 2025 and 2024, respectively. The related unpaid amount, presented as "Accruals for professional fees and others" under "Trade and other payables" account in the unaudited interim condensed consolidated statement of financial position, amounted to ₱44.1 million and ₱31.4 million as at September 30, 2025 and December 31, 2024, respectively.

PHN, UGC, UI and AU recognized bonus to directors computed based on net income with pre-agreed

adjustments. Directors' bonus, presented in "Personnel costs" under "General and administrative expenses" account, amounted to ₱19.1 million and ₱29.6 million for the nine-month periods ended September 30, 2025 and 2024, respectively. The related unpaid amount, presented in "Accruals for personnel costs" under "Trade and other payables" account in the unaudited interim condensed consolidated statement of financial position, amounted to ₱40.1 million and ₱61.7 million as at September 30, 2025 and December 31, 2024, respectively.

Compensation of Key Management Personnel

Compensation of key management personnel of the Company are as follows:

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Short-term employee benefits	₱252,840	₱315,115
Pension and other post-employment benefits	7,544	8,214
	₱260,384	₱323,329

Key management personnel compensation is presented as part of personnel costs under general and administrative expenses.

27. Income Taxes

The deferred tax assets and liabilities are presented in the consolidated statements of financial position as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Deferred tax assets – net	**226,733**	₱229,381
Deferred tax liabilities – net	**(577,137)**	(639,693)
	(350,404)	(₱410,312)

The deferred tax assets consist of the tax effects of lease liabilities, net operating loss carryover (NOLCO), pension liability, allowance for ECLs, accrued expenses, management bonus and allowance for inventory write-down.

The deferred tax liabilities consist of excess of fair value over cost, right-of use assets, and fair value adjustments on property, plant and equipment of subsidiaries, unrealized gains on change in fair value, unamortized debt issuance costs, unrealized foreign exchange gain and unamortized capitalized borrowing cost.

The disproportionate relationship between income before income tax and the provision for income tax is due to various factors such as income of schools subjected to lower income tax rate, interest income subjected to lower final tax rate and equity in net losses of associates and joint ventures.

Reconciliation between the statutory tax rates and the Company's effective tax rates follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)	September 30, 2024 (Unaudited)
Applicable statutory tax rate	**25.00%**	25.00%	25.0%
Income tax effects of:			
Income of school's subject to lower income tax rate of 10%/1%	**(90.08)**	(31.94)	(38.4)
Change in unrecognized deferred	**82.41**	34.22	38.3

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)	September 30, 2024 (Unaudited)
tax assets and others			
Equity in net earnings of associates and joint ventures	**(0.24)**	0.40	1.0
Interest income subjected to lower final tax rate	**(3.45)**	(5.64)	(0.9)
Effective tax rates	**13.65%**	22.04%	25.0%

28. Pension and Other Post-employment Benefits

Pension and other post-employment benefits consist of:

	September 30,2025 (Unaudited)	December 31, 2024 (Audited)
Net pension liability	**314,398**	₱328,669
Vacation and sick leave	**125,771**	123,560
Defined contribution plan	**36**	375
	440,205	452,604

29. Financial Risk Management Objectives and Policies

The main risks arising from the Company's treasury transactions are credit risk, liquidity risk, market risk, foreign currency risk, interest rate risk and equity price risk. Careful study, skill, prudence and due diligence are exercised at all times in the handling of the funds of the Company.

Credit Risk

Credit risk is the risk that the Company will incur a loss arising from customers, clients or counter-parties that fail to discharge their ctual obligations. Due to the Company's investing and operating activities, the Company is exposed to the potential credit-related losses that may occur as a result of an individual, counterparty or issuer being unable or unwilling to honor its contractual obligations.

In managing credit risk on these financial instruments, the Company transacts only with the Company's duly accredited domestic and foreign banks. Investments per financial institution are subject to a maximum of 20% of the Company's investible funds. It is the Company's policy that investments cannot exceed 10% of the trust or mutual fund's total assets. A comprehensive credit and business review in coordination with dealers or underwriters is performed whenever the Company invests in non-rated securities. Furthermore, the Company monitors the credit quality of corporate and sovereign bonds with reference to credit rating studies and updates from the major rating agencies. The Company's exposure to credit risk on its cash and cash equivalents and trade and other receivables arises from default of the counterparties with maximum exposures equal to the carrying amounts of the instruments.

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial assets at amortized cost:		
Cash and cash equivalents*	**4,273,535**	2,804,952
Trade and other receivables	**7,787,660**	8,620,534
Contract assets	**3,491,886**	3,892,207
Refundable deposits**	**105,843**	64,901
	15,658,924	15,382,594

**Excluding cash on hand amounting to P122,894 million and P292 million as at September 30, 2025 and December 31, 2024 respectively.*
***Presented under "Other current assets" and "Other noncurrent assets" account in the consolidated statements of financial position.*

Credit Quality of Receivables from Customers and Contract Assets

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). 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 of the Company's receivables from customers and contract assets using provision matrix:

September 30, 2025	**Receivables from customers and contract assets**					
	Days past due					
	Current	**<30 Days**	**30-60 Days**	**61-90 Days**	**>91 Days**	**Total**
Expected credit loss rate	**2%**	**7%**	**15%**	**31%**	**30%**	**11%**
Estimated total gross carrying amount default	**6,597,702**	**780,697**	**336,526**	**285,868**	**2,777,167**	**10,777,960**
Expected credit loss	**114,155**	**56,694**	**49,314**	**88,092**	**829,189**	**1,134,444**

December 31, 2024	Receivables from customers and contract assets					
	Days past due					
	Current	<30 Days	30-60 Days	61-90 Days	>91 Days	Total
Expected credit loss rate	2%	15%	3%	16%	24%	9%
Estimated total gross carrying amount default	7,117,938	669,602	376,521	439,864	3,145,602	11,749,527
Expected credit loss	146,452	101,329	11,832	72,026	729,376	1,061,015

Customer receivables amounting to 291.0 million and 569.8 million as at September 30, 2025 and December 31, 2024, respectively, was specifically identified to be fully impaired. Impaired financial instruments comprise of receivables from customers and other receivables. The past due but not impaired trade and other receivables are expected to be collected the following year.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company manages liquidity risks by restricting investments and continuously monitoring weekly and monthly cash flows as well as updates of annual plans.

The maturities of the financial liabilities are determined based on the Company's projected payments and contractual maturities. The current liabilities usually mature within in a period of one (1) year and the non-current liabilities mature with a period of more than one (1) year to 28 years.

The average duration adheres to guidelines provided by the Investment Committee. It is the Company's policy to restrict investment principally to publicly traded securities with a history of marketability and by dealing with only large reputable domestic and international institutions.

Changes in liabilities arising from financing activities

The changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are as follows:

	January 1, 2025	**Additions**	**Payment**	**Others***	**September 30, 2025**
Notes payable	**16,022,789**	**6,657,979**	**(6,862,248)**	**5,331**	**15,823,851**
Long-term debt	**10,937,557**	**4,620,000**	**(1,640,259)**	**12,334**	**13,929,642**
Due to related parties	**77,452**	**53,863**	**(53,289)**	**-**	**78,026**
Dividends payable	**214,981**	**521,528**	**(300,326)**	**--**	**436,183**
Lease liabilities	**518,400**	**134,199**	**(124,264)**	**28,703**	**557,038**
Other noncurrent liabilities	**395,908**	**-**	**(50,623)**	**--**	**345,285**
	28,167,087	**11,987,569**	**(9,031,009**	**46,378**	**31,170,025**

** Others include amortization of debt issuance cost, accretion and roll-over of interest.*

	January 1, 2024	Additions	Payments	Others*	December 31, 2024
Notes payable	7,626,264	19,118,011	(10,722,251)	765	16,022,789
Long-term debt	14,139,066	500,000	(3,740,063)	38,554	10,937,557
Due to related parties	71,981	447,459	(441,988)	-	77,452
Dividends payable	254,258	548,992	(588,269)	-	214,981
Lease liabilities	524,517	131.839	(170,794)	32,838	518,400
Other noncurrent liabilities	301,918	93,990	-	-	395,908
Total liabilities from financing activities	22,918,004	20,840,291	(15,663,365)	72,157	28,167,087

**Others include amortization of debt issue cost and accretion of interest. For lease liabilities, this also includes derecognized amount of 1.4 million due to pre-termination of long-term lease contract.*

	January 1, 2024	Additions	Payment	Others*	September 30, 2024
Notes payable	7,626,264	15,816,681	(6,998,344)	575	16,445,175
Long-term debt	14,139,066	250,000	(573,396)	19,942	13,835,612
Dividends payable	254,258	379,703	(388,409)	-	245,552
Lease liabilities	524,517	39,299	(133,566)	23,487	453,737
	22,544,105	16,485,683	(8,093,716)	44,004	30,980,076

** Others include amortization of debt issuance cost, accretion and roll-over of interest.*

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Market risks are managed by constant review of global and domestic economic and financial environments as well as regular discussions with banks' economists/strategy officers to get multiple perspectives on interest rate trends/forecasts. Regular comparison of the portfolio's marked-to-market values and yields with defined benchmarks are also made.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial assets that are exposed to foreign currency risk are foreign currency denominated cash and cash equivalents, investment in bonds and investments in UITFs.

Foreign exchange risks on the U.S. dollar and other foreign currencies are managed through constant monitoring of the political and economic environment. Returns are also calibrated on a per currency basis to account for the perceived risks with higher returns expected from weaker currencies.

The following table shows the foreign currency-denominated financial assets and financial liabilities and their peso equivalents as of September 30, 2025 and December 31, 2024:

	September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Foreign Currency	**Peso Equivalent**	Foreign Currency	Peso Equivalent
Financial assets:				
Cash and cash equivalents	US$876	50,971	US$817	47,249
Cash and cash equivalents	VND1,351	3	VND5,191	12
Short term investment	US$1,871	108,897	US$3,973	229,822
Receivables	US$14,544	846,389	US$11,613	671,760
Investment at FVPL	US$35,304	2,054,574	US$35,304	2,042,183
Derivative assets	US$17,298	1,006,657	US$17,298	1,000,586
Investment in UITF	US$35	2,052	US$35	2,011
		4,069,545		3,993,623
Financial liabilities:				
Trade and other payables	US$118	6,867	US$118	6,826
		6,826		6,826

In translating foreign currency-denominated financial assets into peso amounts, the exchange rates used were ₱58.196 and ₱57.845 to US$1.00 as at September 30, 2025 and December 31, 2024, respectively.

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 following tables set out the carrying amounts, by maturity, of the Company's financial assets and liabilities that are exposed to interest rate risk as at September 30, 2025 and December 31, 2024:

	September 30, 2025 (Unaudited)						
	Interest Rates	**Within 1 Year**	**1 to < 2 Years**	**2 to < 3 Years**	**3 to 5 Years**	**More than 5 Years**	**Total**
Financial Assets:							
Placements (PHP)	1.60% to 15.74%	**1,319,737**	-	-	-	-	**1,319,737**
Financial Liabilities:							
PEHI	4.85% to 8.20%	**2,170,439**	**247,342**	**447,518**	**718,159**	**507,888**	**4,091,346**
PHN	6.25%	**18,189**	**1,882,871**	-	-	-	**1,901,060**
UGC	4.85% to 5.11%	**35,033**	**811,208**	-	-	-	**846,241**

	December 31, 2024 (Audited)						
	Interest Rates	Within 1 Year	1 to < 2 Years	2 to < 3 Years	3 to 5 Years	More than 5 Years	Total
Financial Assets:							
Placements (PHP)	1.60% to 15.74%	1,091,365	-	-	-	-	1,091,365
Financial Liabilities:							
PEHI	4.85% to 8.20%	2,265,506	279,708	491,063	784,461	538,286	4,359,024
PHN	6.25%	18,276	18,189	1,878,310	-	-	1,914,775
UGC	4.85% to 5.11%	48,025	35,535	798,691	-	-	882,251

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the values of individual stocks. The Company's exposure to equity price risk relates primarily to its equity investments listed in the PSE classified under investments held for trading.

The Company's policy is to maintain the risk to an acceptable level. Movement of share price is monitored regularly to determine impact on the Company's financial position.

Capital Management

The primary objective of the Company's capital management is to ensure that the Company maintains a healthy capital structure to maintain strong credit rating and maximize shareholder value.

Capital includes all the accounts appearing in the "Equity attributable to equity holders of the parent" and "Equity attributable to non-controlling interests" in the interim condensed consolidated statements of financial position.

The Company keeps the debt-to-equity ratio at a level no higher than 3.33:1, with the DE ratio computed as consolidated total adjusted indebtedness over consolidated total equity.

The Company's consolidated debt-to-equity ratio as at December 31 are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Total Indebtedness	**31,923,086**	28.173,867
Total equity	**16,765,279**	15,822,990
Debt-to-equity ratio	**1.90:1**	1.78:1

The Company expects to improve the debt-to-equity ratio mainly through improvement in the Company's business operations.

30. Financial Instruments

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of its assets and liabilities by valuation technique:

- 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 is significant to their fair value measurement is unobservable

Assets and liabilities measured or disclosed at fair value are as follows:

	September 30, 2025 (Unaudited)			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets				
Investments held for trading:				
Investments in UITFs	**664,713**	-	**664,713**	-
Investments in marketable equity securities	**3,094**	**3,094**	-	-
Investment in club shares designated at FVOCI	**1,767**	-	**1,767**	-
Non-listed equity instruments designated at FVOCI	**86,608**	-	-	**86,608**
Non-listed debt instruments designated at P&L	**2,054,574**	-	-	**2,054,574**
Derivative assets	**1,006,839**	-	-	**1,006,839**
	3,817,413	**3,094**	**666,480**	**3,147,839**
Liabilities				
Long-term debt	**13,929,642**	-	-	**13,929,642**
	13,929,642	-	-	**13,929,642**

	December 31, 2024 (Audited)			
	Total	Level 1	Level 2	Level 3
2024				
Assets				
Investments held for trading:				
Investments in UITFs	1,337,191	-	1,337,191	-
Investments in marketable equity securities	3,670	3,670	-	-
Club shares designated at FVOCI	52,497	-	52,497	-
Non-listed equity instruments designated at FVOCI	86,516	-	-	86,516
Non-listed debt instrument designated at FVPL	2,042,183	-	-	2,042,183
Derivative assets	1,000,586	-	-	1,000,586
	4,522,643	3,670	1,389,688	3,129,285
Liabilities				
Long-term debt	10,937,557	-	-	10,937,557

During the periods ended September 30, 2025 and December 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

The following methods and assumptions are used to estimate the fair value of the following financial instruments.

Investments Held for Trading, Financial Assets at FVPL, Financial Assets at FVOCI and Derivative Assets. Quoted market prices have been used to determine the fair value of investments in marketable equity securities and club shares designated at FVOCI. The fair values of unquoted equity investments at FVOCI, unquoted debt investment classified as financial asset at FVPL and derivative asset have been estimated using a future cash flows from the investee and applying a discount rate to calculate the present value of the cash flows.

The valuation requires management to make certain assumptions about the model inputs including forecast cashflows, discount rate, long-term growth rate, comparable companies' average volatility, option adjusted spread and risk-free rate. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

The fair values of non-listed shares of stock were determined through the following valuation approach: income approach and asset-based approach. Income approach is predicated upon the concept that the value of any asset can be estimated by ascertaining the amount and timing of future cash flows or earnings that are generated by that asset. Asset-based approach is based on the value of all the tangible and intangible assets and liabilities of the company.

For financial assets at FVOCI, the higher the value of the share price, the higher the fair value. Any change in the fair value of the non-listed equity shares will not significantly impact the consolidated financial statements.

Cash and Cash Equivalents, Trade and Other Receivables, Notes Payable, Trade and Other Payables, Trust Receipts Payable and Due to Related Parties. Due to the short-term nature of these transactions, the carrying value approximate the fair values as at the reporting date.

Long-term Debt. The Company's borrowings as at September 30, 2025 and December 31, 2024 are stated at amortized cost. The fair values of the borrowings approximate their carrying amounts.

Derivative Instruments

Freestanding Derivatives. The Company's derivative financial instruments are accounted for as financial instruments at FVPL.

31. Leases

Company as Lessee

The Company has various lease contracts for land, buildings, warehouses and vehicles. The leases have lease terms of between 2 and 25 years.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the "short-term lease" recognition exemptions for these leases.

The roll forward analysis of right-of-use assets follows:

	September 30, 2025 (Unaudited)				
	Right-of-use: Land	**Right-of-use: Buildings & Warehouses**	**Right-of-use: Vehicles**	**Right-of-use: Others**	**Right-of-use: Total**
Cost					
At January 1, 2025	**248,434**	**391,328**	**386,798**	**3,225**	**1,029,785**
Additions	**-**	**124,520**	**9,680**	**200**	**134,400**
At September 30, 2025	**248,434**	**515,848**	**396,478**	**3,425**	**1,164,185**
Accumulated Depreciation and Amortization					
At January 1, 2025	**84,557**	**233,857**	**303,579**	**3,122**	**625,115**
Additions	**12,752**	**51,942**	**31,208**	**139**	**96,041**
At September 30, 2025	**97,309**	**285,799**	**334,787**	**3,261**	**721,156**
Net Book Value	**151,125**	**230,049**	**61,691**	**164**	**443,029**

	December 31, 2024 (Audited)				
	Right-of-use: Land	Right-of-use: Buildings & Warehouses	Right-of-use: Vehicles	Right-of-use: Others	Right-of-use: Total
2024					
Cost					
At January 1, 2024	248,434	306,102	348,817	2,761	906,114
Additions	-	85,226	49,775	464	135,465
Pre-termination	-	-	(11,794)	-	(11,794)
At December 31, 2024	248,434	391,328	386,798	3,225	1,029,785
Accumulated depreciation and amortization					
At January 1, 2024	(68,143)	(185,568)	(226,361)	(2,761)	(482,833)
Depreciation	(16,414)	(48,289)	(86,879)	(361)	(151,943)
Pre-termination	-	-	9,661	-	9,661
At December 31, 2024	(84,557)	(233,857)	(303,579)	(3,122)	(625,115)
Net Book Value	163,877	157,471	83,219	103	404,670

	September 30, 2024 (Unaudited)				
	Right-of-use: Land	Right-of-use: Buildings & Warehouses	Right-of-use: Vehicles	Right-of-use: Others	Right-of-use: Total
Cost					
At January 1, 2024	₱248,434	₱306,102	₱348,817	₱2,761	₱906,114
Additions	-	-	39,298	-	39,298
At September 30, 2024	248,434	306,102	388,115	2,761	945,412
Accumulated Depreciation and					

Amortization					
At January 1, 2024	68,143	185,568	226,361	2,761	482,833
Depreciation	12,319	33,879	74,824	-	121,022
At September 30, 2024	80,462	219,447	301,185	2,761	603,855
Net Book Value	₱167,972	₱86,655	₱86,930	₱-	341,557

The roll forward analysis of lease liabilities follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
As at beginning of year	**518,400**	524,517
Payments	**(124,264)**	(170,794)
Additions	**134,199**	131,839
Accretion of interest	**28,703**	34,623
Pre-termination	-	(1,785)
As at end of year	**557,038**	518,400
Less current portion of lease liabilities	**91,727**	90,271
Noncurrent portion of lease liabilities	**465,311**	428,129

The following are the amounts recognized in the interim condensed consolidated statement of income (amounts in thousands):

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Amortization expense of right-of-use assets (included in general and administrative expenses)	₱96,041	₱121,022
Interest expense on lease liabilities (included in interest expense and other financing charges)	28,713	23,487
	₱124,754	₱144,509

32. Contingenciess

There are contingent liabilities arising from tax assessments occurring in the ordinary course of business, including the petition filed for the reversal and nullification of safeguard duties on its importation of cement. On the basis of information furnished by the Company's legal counsel, management believes that none of these contingencies will materially affect the Company's interim financial position and result of operations.

33. Earnings per Share (EPS) Computation

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
(a) Net income (loss) attributable to equity holders of the parent	**(216,455)**	(47,895)
(b) Weighted average number of common shares outstanding	**336,325**	286,325

Basic/diluted EPS attributable to equity holders of the parent (a/b)	**(0.64)**	(0.17)

34. Segment Information

For management purposes, the Company is organized into business units based on its products and services and has six (6) reportable operating segments as follows:

- Investment holdings - PHN and PSHC are engaged in investment holding activities of shares of stocks and other financial instruments.
- Property development - PPHC is engaged in real estate development. API and APHI lease out its real and personal properties.
- Construction materials - PCC encompasses the operations of the cement trading. UGC handles the manufacturing and trading of iron and steel products. PHINMA Solar provides solar rooftop system to customers. The Company has assessed that the nature of the products and services and the type or class of customers for these products and services are related.
- Educational services - PEHI holds interest in AU, COC, UPANG, UI, SWU, RCI, RCL and UCLI which offer graduate, tertiary, secondary and elementary education services. CAA conducts a non-sectarian institution of learning and operates schools for all levels below tertiary level, whether preschool, primary, secondary, technical and vocational, specialized programs and for all and any form of educational activities.
- Hospitality - PHI provides management services and is engaged in investment holding activities for the hotels. PHINMA Microtel is engaged in hotel franchising. Coral Way is engaged in hotel operations. OAL was engaged in animation services.
- PIBI is the insurance brokerage arm of the Group and OAL was engaged in animation services.

The BOD (Chief Operating Decision Maker) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Segment result is defined as the segment's income generated from its own operations, net of its share in the equity in net earnings of associates and joint ventures and investment income, before deducting interest and financing charges, provision for income tax and share of NCI. The amounts of segment assets and liabilities, and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets, liabilities and profit or loss in the interim condensed consolidated financial statements, which is in accordance with PFRS.

The Company does not report its results based on geographical segments since the Company's risks and rates of return are substantially in the same economic and political environment with the companies incorporated and operated in the Philippines. There are no transactions with a single customer that accounts to 10% or more of the Company's revenue.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transaction with third parties. Segment revenues, segment expenses and segment results include transfers between operating segments. These transfers are eliminated in full upon consolidation

Segment Information

Financial information on the operating segments are summarized as follows:

	Nine-Month Period Ended September 30, 2025 (Unaudited)								
	Investment Holdings	**Property Development**	**Construction Materials**	**Educational Services**	**Hospitality**	**Others**	**BPO**	**Eliminations**	**Total Operations**
Revenue	**703,451**	**946,457**	**9,470,123**	**5,266,734**	**374,507**	**49,732**	**-**	**(505,153)**	**16,305,851**
Segment results	**(331,860)**	**(279,537)**	**341,524**	**1,690,155**	**6,544**	**20,484**		**(58,433)**	**1,388,877**
Investment income and interest income	**631,316**	**162,681**	**13,120**	**32,971**	**3,970**	**2,401**		**(466,615)**	**379,844**
Equity in net earnings (losses) of associates and joint ventures	**-**	**(112,123)**	**-**	**3,721**	**(4,364)**	**-**	**-**	**116,883**	**4,117**
Interest expense and financing charges	**(334,105)**	**(323,117)**	**(516,381)**	**(157,766)**	**(17,043)**	**-**	**-**	**11,035**	**(1,337,377)**
Benefit from (Provision for) income tax	**(4,693)**	**62,949**	**39,642**	**(146,617)**	**(5,491)**	**(5,212)**	**-**	**-**	**(59,422)**
Share of non-controlling interest	**-**	**(12,328)**	**-**	**(240,493)**	**-**	**-**	**-**	**(339,673)**	**(592,494)**
Net income (loss) attributable to equity holders of parent	**(39,342)**	**(501,475)**	**(122,095)**	**1,181,971**	**(16,384)**	**17,673**	**-**	**(736,803)**	**(216,455)**
Total assets	**15,236,037**	**11,501,687**	**18,654,071**	**23,139,902**	**1,402,282**	**191,903**	**769**	**(12,167,164)**	**57,959,487**
Total liabilities	**7,339,386**	**8,780,390**	**14,063,444**	**11,037,300**	**577,449**	**150,479**	**310,156**	**(1,064,396)**	**41,194,208**

	Nine-Month Period Ended September 30, 2024 (Unaudited)							
	Investment Holdings	Property Development	Construction Materials	Educational Services	Hospitality	BPO	Eliminations	Total Operations
Revenue	₱291,693	₱1,120,035	₱10,501,445	₱4,711,728	₱435,336	₱-	(₱77,674)	₱16,982,563
Segment results	(201,583)	(85,328)	459,071	1,433,489	47,448	(331)	(116,947)	1,535,819
Investment income and interest income	195,548	107,427	15,407	26,527	7,144	-	(38,226)	313,827
Equity in net earnings (losses) of associates and joint ventures	-	(82,601)	-	(32,878)	5,033	-	78,175	(32,271)
Interest expense and financing charges	(270,711)	(285,287)	(432,852)	(180,528)	(17,072)	-	7,591	(1,178,859)
Provision for income tax	(8,114)	(4,109)	(57,084)	(122,028)	(11,649)	-	-	(202,984)
Share of non-controlling interest	-	(525)	-	(226,393)	-	-	(256,508)	(483,427)
Net income (loss) attributable to equity holders of parent	(₱284,860)	(₱350,423)	(₱15,458)	₱898,189	₱30,904	(₱331)	(₱325,915)	(₱47,895)
Total assets	₱13,890,899	₱9,971,506	₱15,889,226	₱18,118,123	₱1,288,661	₱769	(₱10,611,972)	₱48,547,212
Total liabilities	₱7,156,924	₱7,791,620	₱10,997,680	₱10,071,876	₱506,018	₱310,156	₱2,166,610	₱39,000,885

	Investment Holdings	Property Development	Construction Materials	Educational Services	Hospitality	BPO	Eliminations	Total Operations
Year Ended December 31, 2024								
Revenue	815,266	2,357,680	14,295,226	6,386,893	591,631	-	(687,538)	23,759,158
Segment results	(122,508)	219,177	650,967	1,746,014	60,708	(331)	(222,899)	2,331,128
Investment income and interest income	673,606	200,718	20,691	51,031	7,161	-	(457,052)	496,155
Equity in net earnings (losses) of associates and joint ventures	-	(25,694)	-	(20,868)	10,256	-	17,143	(19,163)
Interest expense and financing charges	(386,400)	(397,174)	(570,397)	(241,040)	(22,857)	-	11,474	(1,606,394)
Provision for income tax	(10,069)	(53,051)	(30,973)	(171,164)	399	-	-	(264,858)
Share of non-controlling interest	-	(56,103)	-	(262,776)	-	-	(338,439)	(657,318)
Net income attributable to equity holders of parent	154,629	(112,127)	70,288	1,101,197	55,667	(331)	(989,773)	279,550
Total assets	14,834,648	11,257,678	16,627,994	20,983,838	1,301,905	769	(11,146,839)	53,859,993
Total liabilities	6,691,848	8,254,026	12,515,306	10,757,853	501,172	310,156	(993,358)	38,037,003

Seasonality of Operations

Like any company in the construction industry, the operations of UGC and Philcement are affected by seasonality demand. Demand for construction materials is greater during the dry months from December to May than during the rainy months of June to November. Hence, the demand for the first semester of the calendar year is normally higher than that of the second semester.

The revenues of the schools under the PHINMA Education network decline during summer months. Hence, net income during the first half of the calendar year is lower than the second half.

For other subsidiaries, there is no significant seasonality that would materially affect their operations.

35. Restatement

For the year ended December 31, 2024, the management of UGC, the Parent Company's subsidiary, identified certain adjustments needed to correct selected financial statement line items. These adjustments were primarily due to inconsistencies in the application of certain accounting policies and as a result, select amounts in the previously reported 2023 consolidated financial statements have been restated.

On April 7, 2025, the Company requested for an approval from the SEC to restate the 2023 consolidated financial statements and subsequently received the approval on April 11, 2025

The Company conducted a comprehensive review of its financial records, leading to the following adjustments in the consolidated financial statements:

a. Reduction in the December 31, 2023 ending balance of inventory resulting from the correct application of inventory accounting policies.
b. Reduction in the advances to suppliers presented under trade and other receivables and prepaid expenses and deposits presented under input value-added taxes and other current assets to consistently apply and reflect correct accounting policies for goods that were already delivered and expenses already incurred against trade and other payables and contract liabilities.
c. Increase in cost of sales for inventories sold in 2023 resulting from the adjustments described in (a) and (b) above.

The restatement for the nine months period September 30, 2024 pertains to the take-up of additional cost of sales for inventories sold. Financial statement line items that were not affected by the change have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Interim Consolidated Statement of income for the nine months period September 30, 2024:

	As previously stated	Effect of restatement	As restated
Costs and expenses			
Cost of sales	12,050,144	173,600	12,223,774
Income before income tax	812,115	(173,600)	638,515
Net income	609,132	(173,600)	435,532
Attributable to:			
Equity holders of the Parent	122,729	(170,624)	(47,895)
Non-controlling interest	486,103	(2,976)	483,427
	609,132	(173,600)	435,532
Basic/Diluted Earnings Per Common Share - Attributable to Equity Holders of the Parent	0.43	(0.60)	(0.17)

Iterim Consolidated Statement of cash flow for the nine months period September 30, 2024:

	As previously stated	Effect of restatement	As restated
Profit before income tax	812,115	(173,600)	638,515
Operating income before working capital changes	2,704,596	(173,60)	2,530,996
(Increase) decrease in:			

Inventories	(1,092,646)	173,600	(919,046)
Net cash provided by operations	(284,282)	-	(284,282)
Net cash used in operating activities	(1,524,813)	-	(1,524,813)

Such restatement did not impact the previously reported totals of net cash flows from operating, investing and financing activities in the statements of cash flows for the period ended September 30, 2024.

The effects of the restatements to the Construction Materials business segment's financial information as at and for the nine months period September 30, 2024 are summarized below. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Construction Materials Segment	As previously stated	Effect of restatement	As restated
Segment results	632,671	(173,600)	459,071
Net income attributable to equity holders of parent	158,142	(173,600)	(15,458)
Total assets	16,062,826	(173,600)	15,889,226
Total liabilities	10,997,680		10,997,680

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

For the nine months ended September 30, 2025, the company recorded consolidated revenues of ₱16.31 billion and a net income of ₱376.04 million, along with a net loss attributable to equity holders of the parent amounting to ₱216.45 million. PHINMA Education's strong performance balanced weaker results in other segments that had incurred early expansion costs to boost operational efficiency amid a challenging macroeconomic climate.

PHINMA Education achieved a record-high enrollment of 177,851 students for the first semester of School Year 2025-2026. This improvement, combined with student completion initiatives and effective cost management, drove revenues to ₱5.27 billion and consolidated net income to ₱1.42 billion for the first nine months. In August, PHINMA Education Holdings Inc. (PEHI) received ₱825 million from Rise Edu Pte. Ltd., an investment vehicle of funds managed by Kaizenvest (Kaizenvest III). This is part of the ₱4.5 billion investment agreement signed with KKR in May 2024.

The PHINMA Construction Materials Group (PHINMA CMG)—composed of Union Galvasteel Corp., Philcement Corp., Philcement Mindanao, Union Insulated Panel Corp., and PHINMA Solar Energy Corp. - had combined revenues of ₱9.47 billion and a net loss of ₱122.09 million for the period amid soft construction demand and rising input costs. To strengthen manufacturing capabilities and improve margins, PHINMA CMG frontloaded expansion-related expenditures while implementing strict cost monitoring and strategic pricing measures. Last September, Philcement Corp. ("Philcement") signed a share subscription agreement with Sumitomo Osaka Cement Co., Ltd., a leading Japanese cement manufacturing company. This partnership will strengthen Philcement's manufacturing operations and support sustainable growth.

PHINMA Property Holdings Corp. (PHINMA Properties) recognized revenues of ₱936.17 million and a net loss of ₱484.22 million amid lingering headwinds in the Metro Manila market. PHINMA Properties continued focusing on its developments outside the capital region, particularly its Bacolod township Saludad, in response to favorable market demand. Meanwhile, PHINMA CoHo Corporation (PHINMA Community Housing) will break ground on its first project in Davao this November.

PHINMA's Hospitality arm, consisted of Coral Way City Hotel Corp., PHINMA Hospitality, Inc., and PHINMA Microtel Hotels, Inc., posted combined revenues of ₱374.51 million and a net loss of ₱21.06 million. Microtel Mall of Asia's ongoing hotel expansion efforts led to lower occupancy, while fewer tourist arrivals affected other hotel properties. This dip was offset by sustained bookings from leisure; corporate; and meetings, incentives, conferences and exhibitions (MICE) markets. The Hospitality segment is expanding regional operations, with the groundbreaking of TRYP by Wyndham in Bacolod set in the coming months.

As of September 30, 2025, PHINMA Corporation's consolidated financial position had cash and cash equivalents of ₱4.40 billion, total assets of ₱57.96 billion and total stockholders' equity of ₱16.77 billion.

STRATEGIC BUSINESS UNITS (SBU)

The following discussion describes the performance of PHINMA's SBUs as of the third quarter of 2025:

Education Group

PHINMA Education, by intent and design, delivers accessible, quality education to underserved youth in the Philippines and Indonesia. The network continued to post strong enrollment growth reaching 178,000 students for SY 2025-2026. This represents a 13% increase in enrollment, year-on-year, accounting for students who did not continue after registration.

Anchored on a culture of care, brought to life through a whole-of-school approach and the guidance of coaches who walk alongside students throughout their journey, the network achieved a 96% migration rate among continuing students who choose to stay, persist, and complete their studies with PHINMA Education. This strong commitment to student completion and success, together with the expansion of access through newly added schools, served as the primary driver of enrollment growth.

Strong enrollment performance resulted in consolidated revenues of ₱5.27 billion for the period. Coupled with cost management efforts, the network achieved consolidated net income of ₱1.42 billion, 26% higher than the same period last year.

Construction Materials Group

The PHINMA Construction Materials Group (PHINMA CMG) — composed of Union Galvasteel Corporation (UGC), Philcement Corporation (Philcement), Union Insulated Panels Corporation (UIPC), and PHINMA Solar Energy Corporation (PHINMA Solar) — supports both public and private infrastructure development through a comprehensive portfolio of galvanized iron and steel building products, cement, and rooftop solar power generation solutions.

During the period of January to September 2025, PHINMA CMG generated ₱9.47 billion in revenues, driven by a sustained sales push and strategic market expansion. However, the Group continued to face headwinds from intense market competition, subdued construction demand, and rising costs of inputs — partly due to safeguard duties on imported cement — resulting in a net loss of ₱122.09 million.

Despite these challenges, UIPC, PHINMA Solar, and Philcement posted higher sales volumes compared to the same period last year. UIPC secured several major projects totaling ₱920 million as it catered to key commercial and industrial segments, while being supported by energy efficiency synergies with PHINMA Solar. On the other hand, while sustaining its foothold in key markets with its wider presence from operating Big Boss Cement and Petra Cement, Philcement also began operating a cement terminal in Davao City to support its business development efforts in South Mindanao. In line with its approach to building key partnerships and to position itself for long-term growth, Philcement rekindled ties with PHINMA Corp.'s long-standing partner Sumitomo Osaka Cement Co., Ltd. (SOC), as the latter agreed to acquire a 15% equity stake in the Filipino cement company in September 2025.

Properties Group

PHINMA Property Holdings Corp. (PHINMA Properties) recognized ₱765.72 million in revenues as of the third quarter of the year and recorded a net loss of ₱299.85 million, primarily due to shortfall in percentage of construction completion and high financing costs. Despite these challenges, reservation levels remained stable, with resilient demand in regional developments offsetting the softer market sentiment in NCR that weighed on Metrotowne's performance. Financial performance is expected to improve as project construction advances and the company begins to recognize its unbooked reservations. With a robust pipeline and a continued focus on operational efficiencies, PHINMA Properties remains on track to deliver sustainable and profitable growth.

The Properties Group, through PHINMA Properties, continues to shape new urban communities that nurture Filipinos to become better citizens. The affordable housing segment continues to be the primary focus 2025, with the Maayo segment still dedicated to providing accessible and sustainable communities that empower middle-income Filipinos. To further extend its market reach, the company has re-entered the low-income market through PHINMA Community Housing (PHINMA CoHo), with its first 513-unit community scheduled to break ground in Davao this year. Through these projects, the Properties Group is positioned to be a key player in delivering affordable, sustainable, and scalable housing solutions across the nation.

Hospitality Group

PHINMA Hospitality Inc. (PHINMA Hospitality) remains committed to delivering clean, comfortable, and secure lodging to leisure and business travelers in the country through its Microtel by Wyndham and TRYP by Wyndham hotel properties. PHINMA Hospitality operates 14 Microtel by Wyndham hotels and one TRYP by Wyndham hotel in the Philippines.

Combined revenues of the Hospitality Group declined over the same period last year, primarily due to reduced occupancy in select properties. Strong domestic leisure and business travel—particularly from the meetings and conventions segment—helped sustain overall performance and offset the impact of softer inbound tourism.

Coral Way, which owns Microtel by Wyndham and TRYP by Wyndham Mall of Asia, posted lower results compared to the previous year, partly due to the anticipated decline in occupancy at Microtel Mall of Asia, attributable to temporary disruptions from ongoing construction works for the hotel's expansion. Leisure, corporate, and events-driven bookings remain the key demand drivers across both hotel properties.

Key Performance Indicators (KPI)

The top five (5) KPI's used to measure the financial performance of PHINMA and its subsidiaries as of the nine (9) month period ended September 30, 2025 compared to the same period in the previous year are shown in the following table:

Financial KPI	**Definition**	**Sep 2025**	**Sep 2024**
Profitability			
Return on Equity (ROE)	Net income attributable to equity holders of the parent / Average equity attributable to equity holders of the parent[1]	**-2.34%**	-0.78%
Gross Profit Margin	Gross profit[ii] / Total Revenues	**31.25%**	29.04%
Efficiency			
Cash Flow Margin	Cash flows from operating activities / Total Revenues	**3.46%**	-8.98%
Liquidity			
Current Ratio	Total Current Assets / Total Current Liabilities	**0.93 : 1:00**	0.81 : 1.00
Debt to Equity Ratio	Total Liabilities / Total Equity	**2.46 : 1:00**	4.59 : 1.00

iAverage Equity Attributable to Equity Holders of the Parent is derived by dividing in two (2) the sum of beginning Equity Attributable to Equity Holders of the Parent and ending Equity Attributable to Equity Holders of the Parent.
iiGross Profit is calculated by deducting cost of sales and cost of educational, installation, hospital and consultancy service from total revenues.

Profitability

The -2.34% return on equity is lower than last year's -0.78%, mainly due to a higher net loss and increased equity from KKR's investment in PEHI. Gross profit margin rose from 29.04% in 2024 to 31.25% in 2025, driven by PHINMA Insurance and Parent company revenues.

Efficiency

Net cash flow margin for the nine months ended September 30, 2025 was 3.46%, up from last year's -8.98%, mainly due to receivables collected by schools and PPHC.

Liquidity

The current ratio rose from 0.81 to 0.93 between 2024 and 2025, mainly due to higher receivables and inventories from CMG.

Debt-equity ratio of PHINMA and its subsidiaries as of end September 2025 was 2.46:1.00.

The accompanying interim condensed consolidated financial statements of PHINMA for the nine (9) months ended September 30, 2025 have been prepared in accordance with PAS 34, Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2024.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss and derivative investments that have been measured at fair value.

The consolidated financial statements are prepared in Philippine pesos, the company's functional and presentation currency.

Interim Disclosures on Financial Statements

Below are additional disclosures on the Company's operations:

a. On any known trend, demand, commitment, event and uncertainty that will result in or likely to decrease its liquidity in any material way:

PHN does not anticipate having any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing loans.

b. On any event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation:

None

c. On material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other person created during the reporting period:

None

d. On material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures:

None

e. On any known trend, event or uncertainty that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations:

None.

f. Any significant elements of income or loss that did not arise from the Issuer's continuing operations.

None.

g. On the causes for any material change from period to period which shall include vertical and horizontal analyses of any material item:

Increase or decrease of 5% or more in the financial statements are discussed below.

h. On any seasonal aspect that had a material effect on the financial condition or results of operations.

Like any company in the construction industry, the operations of UGC and Philcement are affected by seasonal demand. Demand for construction materials is greater during the dry months than during the rainy months. Hence, the demand for the first semester of the calendar year is normally higher than that of the second semester.

School year 2025-26 for PHINMA Education's schools was from June/July 2025 to March/April 2026. Cashflow outside these periods may be relatively lower.

For other subsidiaries, there is no significant seasonality that would materially affect their operations.

Material Changes in Statement of Financial Position Accounts

Cash and cash equivalents

The movement in cash and cash equivalents are shown in the cash flow statement

Short-term investments

This account increased primarily because PHINMA Insurance's short-term investments were acquired and consolidated into PHN in January 2025.

Investments held for trading

The decrease in the account is mainly attributable to redemption of UITFs by PEHI and the Parent company.

Trade and other receivables

The increase in the account is mainly attributable to increase in CMG receivables, partially offset by collection of receivables by PEHI and the schools and PPHC, amounting to ₱371.58 million and ₱290.92 million, respectively.

Contract assets

The decrease in the account is mainly due to significant collection from PPHC buyers and loan take-outs from HDMF and banks and cancellations of sales.

Input tax

The increase in this account is mainly attributable to purchases of CMG and PHINMA Properties.

Other current assets

The increase in the account is mainly due to increase in prepayments and creditable withholding tax from CMG and PPHC, partially offset by amortization of deferred charges relating to scholarship from the schools.

Long-term receivables

The increase in the account is mainly due to advances to minority shareholders of JEPP Property and increase in retention receivable from PPHC's ongoing projects, partially offset by collection of receivables by APHI.

Contract assets - noncurrent

The increase of ₱519.42 million is mainly due to new sales from PPHC.

Financial assets at fair value through OCI

The decrease in this account is attributable to the sale of the Parent's proprietary shares.

Property, plant and equipment

The increase in this account is attributable to acquisition of land and equipment and renovation of the schools as well as construction of Davao terminal and purchase of land and equipment by CMG.

Right-of-use of assets

The ₱38.36 million increase resulted from the additional leases for buildings and warehouses by CMG, net of depreciation.

Other noncurrent assets

The decrease in this account represents reclassification of advances made by the schools, to PPE.

LIABILITIES

Trade and other payables

The net increase of ₱672.35 million in Trade and other payables is mainly due to increase in payable to contractors of the schools and consolidation of payables of PIBI to the Parent.

Contract liabilities

The account fell by ₱1.14 billion, mainly because schools in the education group earned revenue from January to September 2025. (Tuition fees for the semester are accrued as receivable at the start of the semester and the corresponding liability is booked under Contract Liabilities). In addition, CMG fulfilled its contractual obligations to customers with advance payments, contributing to the decrease in the account.

Trust receipts payable

The increase of ₱917.43 million in the account is attributable to short-term import loans from banks for purchases of inventories from foreign suppliers of CMG.

Long-term debt – current portion

This account declined due to CMG's debt being paid and reclassified as noncurrent, with some offset from PPHC's debt moved to current.

Long-term debt – net of current portion

The increase in this account pertains to new loans obtained by CMG and the Parent company.

Deferred tax liabilities

The increase in the account amounting to P62.56 million represents deferred liability related to school facilities.

Lease liabilities – net of current portion

The increase in the account amounting to P37.18 million represents lease liability of CMG

Other non-current liabilities

The decrease in this account is mainly due to payments made for Accrued Land Liability by PPHC

EQUITY

Equity reserves

The movement in the account pertains to the excess of the purchase price of PIBI shares over the book value of the shares, when the parent acquired PIBI in January 2025 and from the additional investment of Rise Edu Pte. Ltd to PEHI.

Retained earnings

The decrease in the account represents net loss for the first nine months of 2025

Material Changes in Income Statement Accounts

Revenue

The revenue drop is primarily due to lower CMG sales and reduced income from PHINMA Properties' real estate and construction contracts. In addition, the revenue of hotel operations of the Hospitality group also declined. The decrease was partly balanced by revenue growth from PHINMA Education due to higher enrollment, as well as increased rental, investment, and interest income.

Cost of Sales

The net decrease is primarily due to reduced CMG volume, lower input costs improving efficiency, and decreased real estate and hotel operation expenses. This was partially offset by an increase in the variable cost of schools required to support the higher enrollment figures.

General and administrative expenses

General and administrative expenses increased from the previous year, mainly due to the following factors: 1.) increased operating expenses from CMG; 2.) higher manpower cost from PPHC; 3.) increased expenses in PHINMA Education for the addition of one (1) school; and 4.) consolidation of additional one (1) subsidiary, which is PIBI.

Selling expenses

The increase in the account is attributed to the increase in CMG's selling effort, which will eventually lead to the growth of sales.

Interest expense and other financing charges

Interest expense rose primarily because the group took out additional loans for operations.

Foreign exchange gains (losses) – net

The net forex loss is attributable to CMG's net forex loss. This was partially offset the forex gain of Parent and PEHI's USD holdings restated at the forex rate of ₱58.196: $1 compared to ₱57.845: $1 as of December 31, 2024.

Equity in net earnings (losses) of associates and joint ventures

The increase in equity in net earnings of associates and joint ventures is mainly attributable to the increase to PEHI's equity in IPM and offset by the decrease PHINMA Hospitality's equity in hotels.

Gain (loss) on change in fair value of financial assets at FVPL

The gain on change in fair value of financial assets pertain to the unrealized foreign exchange gain from the investment in Song Lam preferred shares.

Gain (loss) on derivatives

The gain on derivatives mainly resulted from the higher unrealized foreign exchange gain from the put option on the Song Lam preferred shares.

Gain (loss) on sale of property, plant and equipment

The gain arises mainly from the sale of furniture and transportation equipment by the Parent company and PPHC.

Others – net

The decrease is mainly due to the non-occurrence of a one-off other income item that APHI recorded in the previous year.

Provision for (benefit from) income tax

The provision resulted mainly from the schools, Parent and PIBI, partially offset by tax benefit from CMG and PPHC.

SIGNATURES

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

PHINMA CORPORATION

[redacted]

EDMUND ALAN A. QUA HIANSEN
Senior Vice President – CFO

[redacted]

ANNABELLE S. GUZMAN
Vice President - Controller

November 14, 2025

PHINMA CORPORATION AND SUBSIDIARIES

Consolidated Aging of AR-Trade and Contract assets

As of September 30, 2025

in thousands

	Amount
Current	6,597,702
1-30 days	780,697
31-60 days	336,526
61-90 days	285,868
0ver 90 days	3,067,430
TOTAL	11,068,223
Less: Allowance for expected credit losses (ECL)	1,427,708
Net Trade Receivable and contract assets	**9,640,515**

PHINMA CORPORATION AND SUBSIDIARIES

Consolidated Aging of AR-Nontrade

As of September 30, 2025

in thousands

	Amount
Current	4,694,149
1-30 days	97,363
31-60 days	39,101
61-90 days	42,667
0ver 90 days	1,250,703
TOTAL	6,123,984
Less: Allowance for expected credit losses (ECL)	178,537
Net Nontrade Receivable	**5,945,447**

ANNEX E

Sustainability Report





PHINMA
Making Lives Better

Transforming Lives

PHINMA CORPORATION
2025 Sustainability Report

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The PHINMA Corporation 2025 Sustainability Report is created in interactive PDF. This allows the viewer to navigate the publication. Click on the text hyperlinks on the navigation bar at the top of each page to go directly to subsections.

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Click here to view the PHINMA Corporation 2025 Annual Report

ABOUT THIS REPORT

This Sustainability Report presents the sustainability performance of PHINMA Corporation (PHINMA) measuring material economic, social and environmental impacts in its areas of operation.

The report covers the Company's operation for the calendar period January 1 to December 31, 2025 and was prepared in accordance with the Global Reporting Initiative (GRI Standards: Core option). This is the Company's 7th Sustainability Report.

A copy of this Report may be downloaded at https://phinma.com.ph/sustainability/.

Inquiries and concerns related to this report may be sent to the following:
PHINMA Investors Relations
investorrelations@phinma.com.ph
(+632) 8 870 0100

PHINMA

Making Lives Better

The PHINMA Group touches many aspects of Filipino lives. While business is what we do, it does not fully define who we are. Our purpose remains clear and unchanged, to uplift and improve the lives of underserved Filipinos. Anchored on our core values of Integrity, Competence, Professionalism and Love of Country, our purpose remains clear and unchanged: to uplift and improve the lives of underserved Filipinos.



EDUCATION
Making lives better by educating underserved youth



CONSTRUCTION MATERIALS
Making lives better by boosting construction and infrastructure



PROPERTY DEVELOPMENT
Making lives better by creating sustainable communities



COMMUNITY HOUSING
Making lives better by developing dignified, affordable homes



HOSPITALITY
Making lives better by providing safe and comfortable stays

Our Businesses

Our core businesses in education, construction materials, property development, hospitality, and community housing intentionally cater to the evolving needs of the communities we serve: affordable and quality education for first-generation college students, reliable and readily available construction materials for building and infrastructure projects, and secure and accessible shelter and accommodations for homeowners and travelers.

Mission and Vision

The PHINMA Group's Mission is to help build our Nation through competitive and well-managed business enterprises that enable Filipinos to attain a better quality of life. With professional and effective management as our distinctive edge, we aim to give communities not only in the Philippines but wherever else we might find the need, improved access to the essentials of a dignified life. In the pursuit of our Mission, we look to our tradition, our experience, our reputation, and above all, our people, as the principal factors that will enable us to achieve our lofty goals. The PHINMA Group will demonstrate that private business can mutually serve the needs of society and the aspirations of shareholders.

Sustainability Framework

FOCUSING ON A 3-TIER BOTTOM LINE

PHINMA Corporation focuses on a 3-tier bottom line, assessing our impact from the perspective of People, Planet, and Profit. PHINMA's sustainability strategy recognizes the Company as a good corporate citizen must focus on and measure its impact not just in terms of profits, but in other areas including the economy, society, and the environment, in order to sustainably continue its mission of making lives better today and for future generations. Guided by our triple bottom line commitment to a sustainable future, PHINMA hopes to prosper and pursue its mission for many more generations to come.

Making Lives Better for our PEOPLE. Our business operations directly impact our employees, stakeholders, and adjacent communities and also trickle down to society where we actively promote inclusive growth to maximize the potential of our people.

Making Lives Better for the PLANET. We recognize that, in order to sustainably continue our mission to benefit future generations, we must minimize any adverse environmental impact of our business operations.

Making Lives Better through PROGRESS. We recognize that integrity, empathy and good corporate governance are essential elements in employing business as an avenue for inclusive development. We allocate financial resources for appropriate sustainable investments to support the progress of our nation.



Materiality

IDENTIFYING RELEVANT TOPICS

PHINMA Corporation follows the process recommended by the GRI to identify areas affecting the economy, society and environment, which are relevant to our business and our stakeholders. In 2021, PHINMA conducted a materiality assessment through questionnaires and focus group discussions resulting in the identification of the following areas used in presenting the sustainability report and establishing Environmental, Social, and Governance (ESG) metrics for both the parent company and its subsidiaries. The materiality assessment is updated periodically when merited by changes in business scope or operations.



Identifying Material Aspects	Determining key material aspects critical to PHINMA's operations using GRI guidelines
Assessing Level of Criticality	The level of criticality was assessed based on the operational, regulatory and legal, environmental, and social impact.
Determining Current Performance	Monitoring of our current performance based on GRI-recommended measures for analysis.
Recognizing Stakeholder Needs	Assessing our stakeholder needs and identifying priorities that address their real needs and interests.
Setting Up Targets and Objectives	Realigning and setting up plans as needed and clearly articulating and cascading the targets and measurable objectives.

ECONOMIC	Economic Performance Anti-Corruption Indirect Economic Performance Procurement Practices
SOCIAL	Employment and Labor Relations Occupational Health and Safety Local Communities Training and Education Diversity and Equal Opportunity Customer Health and Safety
ENVIRONMENT	Water Energy Environmental Compliance Materials Effluents and Waste Biodiversity

Management Approach

EMBEDDING SUSTAINABILITY IN OUR BUSINESS

Our mission of Making Lives Better has guided us in providing products and services that are important to nation-building, and delivering long-term value to our stakeholders. Through inclusive growth, we ensure that our strategy is consistent with our core values of integrity, patriotism, competence and professionalism.

PHINMA Corporation is well-positioned for growth through our diverse portfolio.Our strategic business units play an important part in creating sustainable economic growth in the country. Here are the management approaches on how we embed sustainability at the core of our business processes.

SOCIAL

Employment and Labor Relations
PHINMA is committed to taking care of our own employees through competitive compensation and benefits, talent development programs and ensuring a deep management bench. The ability to attract and retain talent is essential in maintaining and further improving the performance and service standards that the Company has set for itself. The ability to retain quality employees has a direct impact on operations, and consequently on the bottom line. Among the top drivers of employee retention is the quality of relationship between the Company and its employees.



Occupational Health and Safety
The health and safety of our own employees are a priority of the Company. PHINMA manages the impacts of the company's operation by integrating safety and operational policies for all of its employees. Safety training sessions are done online and on-site, especially in areas where employees have to report physically to the operation site. It is our responsibility to provide a safe and healthy workplace as part of our commitment to our employees PHINMA also ensures that our employees have good medical benefits and access to support.

Pandemic Response
The safety of employees during time of pandemic is a top priority for the Company. Although the last pandemic-related public health emergency was lifted in July 2023, the Company remains ready to reactivate existing pandemic health and safety protocols as needed to limit transmissions and safeguard the health and safety of its employees and customers.

Mental Health
PHINMA provides mental well-being webinars and provides access to counseling for employees. Mental health hotlines are available for employees to call when needed.

Local Communities
In November 2025, PHINMA continued engaging local communities through its annual 1PHINMA Reaches Out event. Around 3,634 volunteers across 21 sites nationwide participated in community activities centered on environmental protection, disaster resilience, and support for underserved students and the elderly. This year's efforts resulted in 4,500 seedlings and mangrove propagules planted, 959 blood bags donated to the Philippine Red Cross, and 100 sacks of waste collected and turned over to partner organizations for sorting and processing.

At the Department of Education's annual Brigada Eskwela event, PHINMA Foundation Inc. and the PHINMA CSR Council mobilized 1,745 employee volunteers and guests, renovating classrooms and facilities at 53 public schools nationwide.

In 2025, in response to typhoon and fire-related emergencies, PHINMA Foundation, working with PHINMA business units and partner NGOs, donated ₱1,708,750 worth of relief and disaster assistance to 2,608 families at affected communities in Metro Manila, Pangasinan, Nueva Ecija, Laguna, Cebu, and Cagayan de Oro.

In 2025, total PHINMA Group consolidated donations decreased slightly to ₱29.0 million from ₱34.8 million the previous year.

Learning and Development
PHINMA believes in developing talents within the organization to deepen our pool of leaders and to prepare the business in anticipation of future growth. Our Company and its subsidiaries focus on the continuous learning program of its employees through leadership and competency-based training. With the Company's commitment to development of employees' potential, measures are continuously undertaken to provide our workforce with training programs and meaningful job interactions.





Education

PHINMA's commitment to Education is a core component of providing the essentials of a dignified life and building the nation. Through affordable education, the Company provides a better future for its students, their families, and the country.

The PHINMA Education schools provide affordable tertiary education to students from low income families in the Philippines and Southeast Asia. Enrollment at the various PHINMA Education schools for School year 2025/2026 was 177,851 students, majority of whom also receive some form of tuition subsidy from PHINMA Education.

Through the PHINMA Foundation, PHINMA provides scholarships to deserving students at other tertiary institutions. In 2025, PHINMA Foundation's flagship program, the PHINMA National Scholarship (PNS), provided financial support to 118 scholars at institutions including Philippine Normal University Manila, University of the Philippines Diliman, Polytechnic University of the Philippines Sta Mesa, Technological University of the Philippines Manila, as well as our own PHINMA University of Pangasinan.

In 2025, through the Science Education and Engineering Fund (SEEF), PHINMA Foundation also provided financial assistance to 140 students pursuing science and engineering tracks in 21 science high schools and universities across the Philippines.

Beyond financial assistance, the PNS program continued to integrate structured mentorship and leadership formation with academic support. The 2025 PHINMA Youth Leadership "Survivor Camp" responded to academic, social, and economic pressures facing scholars through modules developing resilience and adaptive problem-solving—competencies essential for employability and leadership.

PHINMA Foundation also launched the first Big Brother, Big Sister Mentorship Camp in 2025. This one-day competency-building program trained mentors on feedback models and scholar support tools, providing mentors with more tools to guide and support their scholars.

PHINMA also enriches its scholars' learning experiences through internships. Scholars typically complete their service program within the PHINMA Group and its expanded network, in some cases going on to employment within the group.

In collaboration with HONOR Philippines, PHINMA Foundation facilitated the distribution of tablets to selected senior high and college scholars, to enhance access to digital learning tools to improve participation in technology-enabled learning environments.

Diversity and Equal Opportunity

We provide equal opportunities to all stakeholders regardless of gender, cultural background, religion, political affiliation and ethnicity. We value the diversity of our workforce and there is no preferential treatment on wages and benefits.

Customer Health and Safety

PHINMA continues to maintain a safe environment for its community and other stakeholders.

- When required, PHINMA Hospitality implements strict precautionary measures to prevent the spread of infectious disease. Our Microtel and TRYP by Wyndham hotels have received Safety Seal certification from the Department of Tourism as proof of their compliance to the public health standards. As needed, our hotels follow guidelines established by the World Health Organization, Department of Health, Department of Tourism and local government units.
- PHINMA Education remains ready to implement Remote and Distant (RAD) learning for students who cannot attend school because of public health and safety restrictions. Through the constant guidance of teachers through regular phone calls, students can continue with the coursework even at home.



ENVIRONMENT

Water

PHINMA ensures that the Company together with its subsidiaries are in conformance with the Philippine Clean Water Act of 2004, and ensures that it shall pass all requirements set by the Department of Environment and Natural Resources with its water effluent standards.

In 2025, total water consumption of 1,795,169 cubic meters was an 18% increase over the previous year due to increased water consumption at PHINMA Properties. Domestic water use in the common areas of communities managed by PHINMA Properties accounts for the majority (85%) of total water consumption of the PHINMA group.

Each subsidiary continues to improve internal business practices to aid reduction in water consumption. Following are various water conservation measures employed by the group:

- Daily water monitoring, leak detection and repair and systems monitoring to ensure efficient operations of water systems within our operation sites
- Rainwater catchment facility installed in some properties and schools intended for back-up water supply.
- Installation of Recuperative Thermal Oxidizer at UGC Calamba plant, greatly reducing the water consumption of Color Coating Line by up to 40%
- Waste water from Sewage Treatment Plants recycled and used to water plants.

Energy

In 2025, total grid electricity consumption of PHINMA and its subsidiaries was 38,293,467 kWh. The majority of grid electricity was used at Philcement's energy intensive business which accounted for 59% of total grid energy used by the group. The 2025 total grid energy consumption is 20% higher than the previous year due to increased energy use by Philcement at its new facilities in Dipolog, Zamboanga del Norte and Tibungco, Davao City. In addition to energy from the grid, the PHINMA Group generated 3,505,632 kWh from renewable sources, an increase of 67% over the previous year, due to an increase in solar panels deployed at PHINMA Education schools. Total renewable energy as a percent of total energy increased to 8.4% in 2025 from 6.2% in 2024. The PHINMA group generates renewable energy from solar panels installed at its schools, manufacturing facilities, and hotels.

PHINMA aims to promote the efficient use of electricity through its energy conservation programs. PHINMA and its subsidiaries established processes to improve their energy efficiency to contribute to sustainability. Here are some of the program highlights:

- Efficient use of lights in common areas especially during daytime and use of LED lights.
- Implementing the use of electronic equipment that are more energy efficient such as inverter-type appliances
- Monitoring of utility consumption and regular preventive maintenance.
- Optimization of the usage of Solar PV systems in several properties of PHINMA Education, UGC, Philcement, and PHINMA Hospitality.



Environmental Compliance
As part of environmental compliance, PHINMA and its subsidiaries abide by the regulations from existing laws such as Clean Water Act of 2004 and Clean Air Act of 1999. Continuous coordination and dialogues with local government agencies such as the Department of Environment and Natural Resources and Laguna Lake Development Authority ensure environmental compliance.

Effluents and Waste
Operation sites of PHINMA are well equipped to handle solid and hazardous wastes generated from the operations.

Solid wastes are being collected by local government agencies while hazardous wastes are hauled off-site by DENR-accredited transporters and treaters. A material recovery facility is also being maintained to manage its solid wastes and identify wastes that can still be recycled.

PHINMA subsidiaries also maintain their water quality effluent standards aligned with the Philippine Clean Water Act of 2004, and ensure that it shall pass all requirements set by the Department of Environment and Natural Resources.

Here are the highlights of PHINMA operations particularly with respect to the circular economy.

- Materials Recovery Facilities are utilized for segregating of wastes in all of our properties. For Philcement, all wood pallets are being re-used by production and recycled as shelves for storage. Tonner bags as packaging materials were also recycled and reused.
- PHINMA schools still continue their advocacy against the use of single-use plastics. The school promotes proper solid waste disposal and a zero-plastic policy.

Biodiversity
In 2025, PHINMA Foundation partnered with the PHINMA Construction Materials companies and the Masungi Georeserve Foundation Inc. to adopt two hectares of the 2,700-hectare Masungi Geopark Project located in Baras, Rizal. This partnership supports reforestation efforts in the mountainous areas of the southern Sierra Madre, a critical watershed that protects against floods and landslides and secures fresh water supply.

In November 2025, the Company's annual 1PHINMA Reaches Out event engaged 3,634 volunteers across 21 sites nationwide. The volunteers planted 4,500 seedlings and mangrove propagules and collected 100 sacks of waste turned over to partner organizations for sorting and processing.

Aside from reforestation efforts, PHINMA protects biodiversity within its areas through the responsible operation of our businesses. We continue to assess risk operations critical to the environment and create proper measures to improve our environmental performance. Moving forward, PHINMA will continue its environment programs and explore new opportunities to contribute to biodiversity protection.

ECONOMIC

Economic Performance
PHINMA contributes to nation-building through our diversified portfolio in education, construction materials, housing and hospitality. In 2025, PHINMA Corporation generated a direct economic value of ₱22.8 billion, a decrease of 4% over the previous year. The Company distributed 103% or ₱23.6 billion to our stakeholders and communities.

Integrity and Good Governance
Integrity and good governance are integral to PHINMA's way of doing business. We are committed to uphold the law and we conduct our business in an ethical manner. Launched in 2014, the PHINMA Group's Integrity Assurance Program institutionalizes the adoption of policies, programs and practices that foster and sustain an ethical business environment, and affirm PHINMA's steadfast commitment to integrity by going beyond compliance to regulatory requirements and adopting best practices on transparency, good governance and ethical business practices.

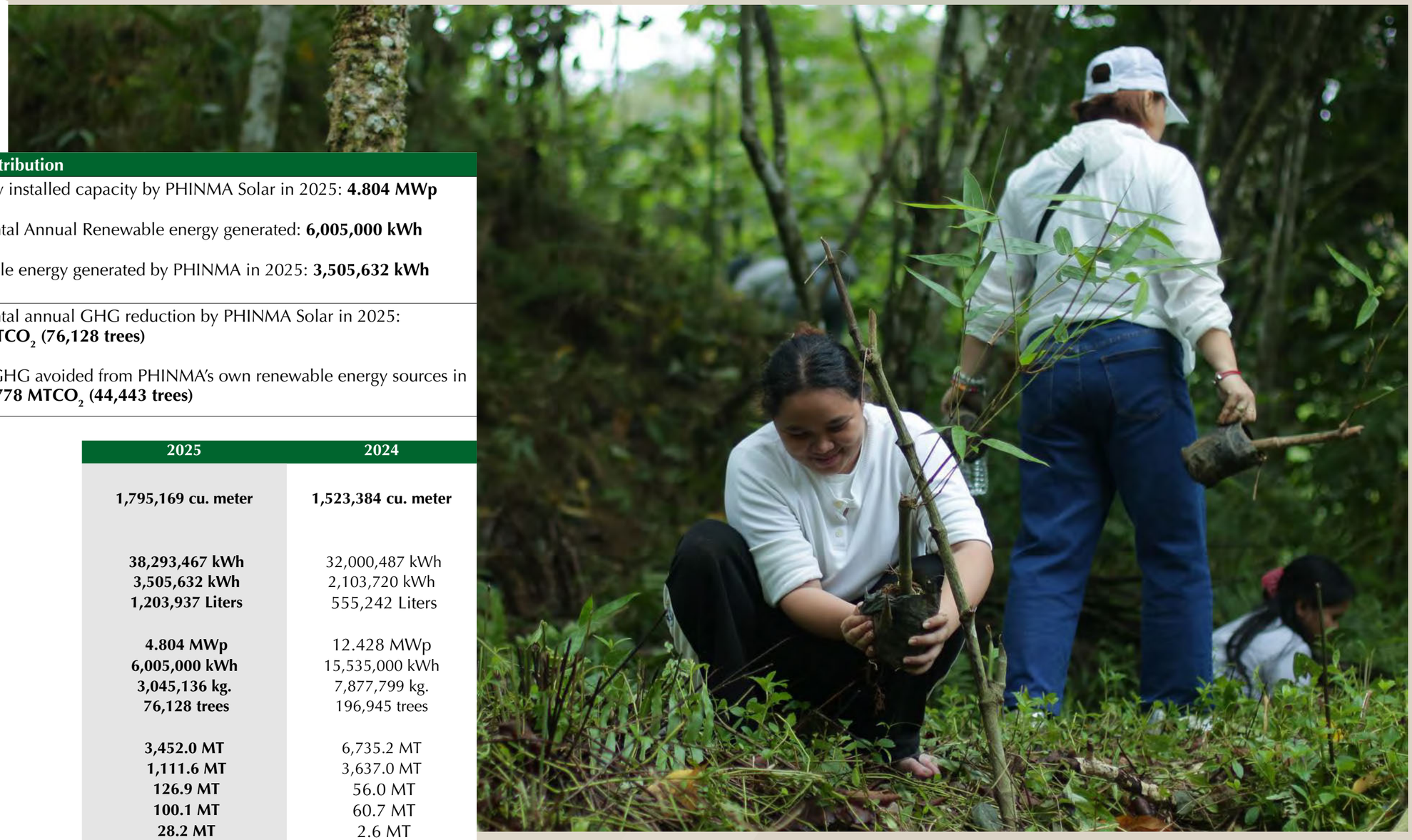
Indirect Economic Impact
Through our business portfolio, PHINMA is committed to invest in infrastructure and services that will trickle down to our local communities through local hiring and spending on local suppliers and service providers.

Aside from our core business operations, PHINMA also has advocacies in place to uplift the economic status of our immediate stakeholders. All graduates of the PHINMA National Scholarship program of PHINMA Foundation have passed their relevant professional board examination.

Procurement Practices: Vendor integrity
This program aims at raising compliance standards and creating awareness among all vendors about the Integrity Assurance Program and the Code of Business Conduct. It sets out to guide employees and vendors in creating an ethical and sustainable business partnership with the organization.

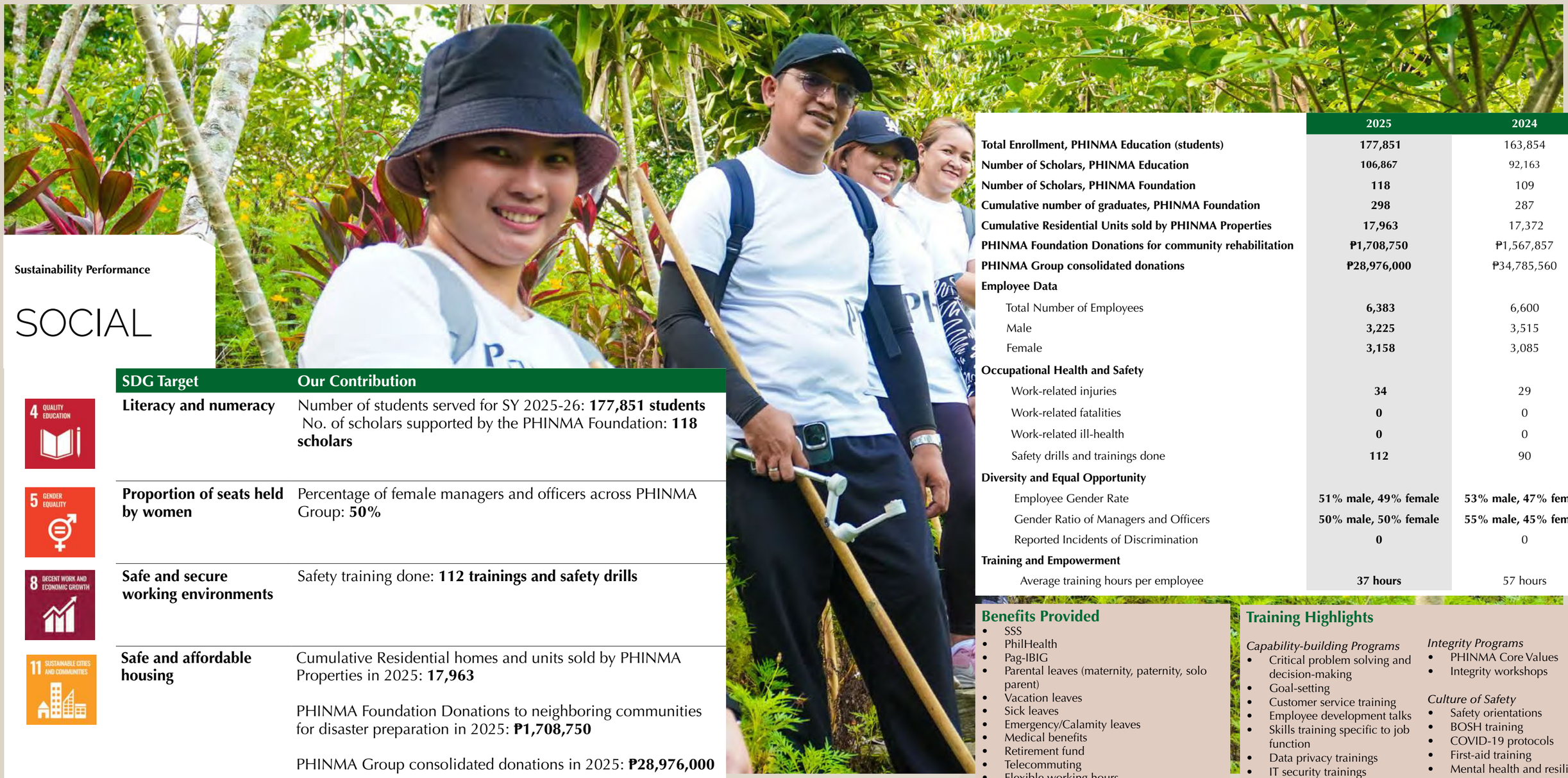
Sustainability Performance

ENVIRONMENT



SDG Target	Our Contribution
Universal access to modern energy	Total new installed capacity by PHINMA Solar in 2025: **4.804 MWp**
Increase global percentage of renewable energy	Incremental Annual Renewable energy generated: **6,005,000 kWh** Renewable energy generated by PHINMA in 2025: **3,505,632 kWh**
GHG Emissions	Incremental annual GHG reduction by PHINMA Solar in 2025: **3,045 MTCO$_2$ (76,128 trees)** Annual GHG avoided from PHINMA's own renewable energy sources in 2025: **1,778 MTCO$_2$ (44,443 trees)**

	2025	2024
Water		
Total Water Consumption	**1,795,169 cu. meter**	**1,523,384 cu. meter**
Energy		
Direct by PHINMA Group		
Total Grid Energy Consumption	**38,293,467 kWh**	32,000,487 kWh
Total Energy Used from Renewable Resources	**3,505,632 kWh**	2,103,720 kWh
Total Energy Used from Fuels	**1,203,937 Liters**	555,242 Liters
Indirect for PHINMA Solar Clients		
New Solar capacity Installed	**4.804 MWp**	12.428 MWp
Incremental Renewable Energy Generated	**6,005,000 kWh**	15,535,000 kWh
Incremental CO_2 Avoided	**3,045,136 kg.**	7,877,799 kg.
Equivalent Trees Planted	**76,128 trees**	196,945 trees
Effluents and Waste		
Solid Waste Generated	**3,452.0 MT**	6,735.2 MT
Solid Waste Reused/Recycled	**1,111.6 MT**	3,637.0 MT
Hazardous Waste Generated	**126.9 MT**	56.0 MT
Hazardous Waste Transported	**100.1 MT**	60.7 MT
Hazardous Waste Stored	**28.2 MT**	2.6 MT



Sustainability Performance

SOCIAL

SDG Target	Our Contribution
Literacy and numeracy	Number of students served for SY 2025-26: **177,851 students** No. of scholars supported by the PHINMA Foundation: **118 scholars**
Proportion of seats held by women	Percentage of female managers and officers across PHINMA Group: **50%**
Safe and secure working environments	Safety training done: **112 trainings and safety drills**
Safe and affordable housing	Cumulative Residential homes and units sold by PHINMA Properties in 2025: **17,963** PHINMA Foundation Donations to neighboring communities for disaster preparation in 2025: **₱1,708,750** PHINMA Group consolidated donations in 2025: **₱28,976,000**

	2025	2024
Total Enrollment, PHINMA Education (students)	**177,851**	163,854
Number of Scholars, PHINMA Education	**106,867**	92,163
Number of Scholars, PHINMA Foundation	**118**	109
Cumulative number of graduates, PHINMA Foundation	**298**	287
Cumulative Residential Units sold by PHINMA Properties	**17,963**	17,372
PHINMA Foundation Donations for community rehabilitation	**₱1,708,750**	₱1,567,857
PHINMA Group consolidated donations	**₱28,976,000**	₱34,785,560
Employee Data		
Total Number of Employees	**6,383**	6,600
Male	**3,225**	3,515
Female	**3,158**	3,085
Occupational Health and Safety		
Work-related injuries	**34**	29
Work-related fatalities	**0**	0
Work-related ill-health	**0**	0
Safety drills and trainings done	**112**	90
Diversity and Equal Opportunity		
Employee Gender Rate	**51% male, 49% female**	**53% male, 47% female**
Gender Ratio of Managers and Officers	**50% male, 50% female**	**55% male, 45% female**
Reported Incidents of Discrimination	**0**	0
Training and Empowerment		
Average training hours per employee	**37 hours**	57 hours

Benefits Provided

- SSS
- PhilHealth
- Pag-IBIG
- Parental leaves (maternity, paternity, solo parent)
- Vacation leaves
- Sick leaves
- Emergency/Calamity leaves
- Medical benefits
- Retirement fund
- Telecommuting
- Flexible working hours
- Rice, laundry and clothing allowance

Training Highlights

Capability-building Programs

- Critical problem solving and decision-making
- Goal-setting
- Customer service training
- Employee development talks
- Skills training specific to job function
- Data privacy trainings
- IT security trainings
- Social media ethics

Integrity Programs

- PHINMA Core Values
- Integrity workshops

Culture of Safety

- Safety orientations
- BOSH training
- COVID-19 protocols
- First-aid training
- Mental health and resilience



Sustainability Performance

ECONOMIC

SDG Target	Our Contribution
Full employment and decent work	Direct Jobs Generated: **6,383**
Sustainable economic growth	Economic Value Distribution: **103%** Economic Value Retention: **-3%**
Reduce corruption and bribery	Incidents of Corruption: **0**
Develop effective, accountable and transparent institutions	Anti-competitive behavior, antitrust, and monopoly practices: **0**

	2025	2024
Economic Value Generated	**₱22,840,846**	₱23,759,158
Economic Value Distributed	**23,610,642**	23,823,317
Operating Costs	**17,115,879**	17,550,321
Employee Wages and Benefits	**3,602,812**	3,469,836
Dividends given to stockholders and interest payment to loan providers	**2,218,550**	2,194,663
Taxes given to government	**644,425**	573,711
Investment to community	**28,976**	34,786
Economic Value Retained	**₱-769,796**	₱-64,159

**amounts in thousand pesos*



PHINMA **upholds its commitment to build the nation** through its businesses while remaining **steadfast in finding new solutions to improve its sustainability practices** for its people, for the planet and for economic development.

COMMITMENT TO SUSTAINABILITY

PHINMA is aware of the impact of its operations on a shared global environment.

We affirm that our people are our greatest asset and that they are fundamental in ensuring the sustainability of our Company. We take pride in the passion, innovation and commitment to our core values of our employees, and we will continue to provide opportunities for growth and career development while ensuring their safety and well-being. PHINMA will also continue to look into promoting inclusive growth for our partners through our business and our corporate social responsibility programs.

PHINMA and its subsidiaries have also established programs and protocols to reduce the impact of the operations of its businesses on the environment. Your Company will continue to pursue new avenues to go beyond compliance and advance where possible businesses in the circular economy.

Moreover, PHINMA understands that our sustainability strategy is crucial in ensuring that we are able to protect key resource systems and continue providing for future generations.

PHINMA upholds its commitment to build the nation through its businesses while remaining steadfast in finding new solutions to improve its sustainability practices for its people, for the planet and for economic development. The Sustainability Report also serves as a motivation to explore new opportunities, and to move forward in improving our policies and internal business practices as we continue to make lives better.

Annex

PHINMA Group Sustainability Metrics

	2025	2024
Direct by PHINMA Group		
Total Direct Employment	**6,383**	6,600
Total Student Enrollment, PHINMA Education	**177,851**	163,854
Number of Scholars, PHINMA Education schools	**106,867**	92,163
Number of Scholars, PHINMA Foundation	**118**	109
Cumulative Graduates, PHINMA Foundation	**298**	287
Cumulative Homes and Residential Units Built, PPHC	**17,963**	17,372
Donations for Community Rehabilitation, PHINMA Foundation	**₱1,708,750**	₱1,567,857
PHINMA Group Consolidated Donations	**₱28,976,000**	₱34,785,560
Energy Used from Renewable Sources	**3,505,632 kWh**	2,103,720 kWh
Annual CO_2 Avoided	**1,777,706 kg.**	1,066,796 kg.
Equivalent Trees Planted	**44,443**	26,670
Indirect for PHINMA Solar Clients	**4.804 MWp**	12.428 MWp
New Solar Installed Capacity	**6,005,000 kWh**	15,535,000 kWh
Annual Incremental Renewable Energy Generated	**3,045,136 kg.**	7,877,799 kg.
Equivalent Trees Planted	**76,128 trees**	196,945 trees

ENVIRONMENT

67%

Increase in renewable energy used from 2,104 MWh in 2024 to 3,506 MWh in 2025

SOCIAL

177,851

Students enrolled in 2025 from 163,854 in 2024

ECONOMIC

6,383

Jobs generated in 2025, a decrease from 6,600 in 2024

Social Indicators per Company

CY 2025	PHINMA CORP.	PIBI	CoHo	PCC	UGC	PHINMA Solar	UIPC	PEHI	PPHC	Hospitality	TOTAL
Employee Data											
Total Number of Employees	**32**	**8**	**18**	**309**	**704**	**17**	**87**	**4,272**	**833**	**103**	**6,383**
Male	**11**	**1**	**7**	**242**	**476**	**13**	**68**	**1,775**	**585**	**47**	**3,225**
Female	**21**	**7**	**11**	**67**	**228**	**4**	**19**	**2,497**	**248**	**56**	**3,158**
Male Managers and Officers	**5**	**1**	**3**	**56**	**49**	**4**	**9**	**540**	**38**	**25**	**730**
Female Managers and Officers	**4**	**2**	**2**	**15**	**42**	**1**	**3**	**615**	**32**	**22**	**738**
Occupational Health and Safety											
Work-related injuries	**0**	**0**	**0**	**2**	**17**	**0**	**0**	**0**	**14**	**1**	**34**
Work-related fatalities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Work-related ill-health	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Safety drills and trainings done	**2**	**2**	**2**	**9**	**47**	**0**	**0**	**15**	**15**	**20**	**112**
Diversity and Equal Opportunity											
Employee Gender Ratio											
- male	**34%**	**13%**	**39%**	**78%**	**68%**	**76%**	**78%**	**42%**	**70%**	**46%**	**51%**
- female	**66%**	**88%**	**61%**	**22%**	**32%**	**24%**	**22%**	**58%**	**30%**	**54%**	**49%**
Gender Ratio of Managers and Officers											
- male	**56%**	**33%**	**60%**	**79%**	**54%**	**80%**	**75%**	**47%**	**54%**	**53%**	**50%**
- female	**44%**	**67%**	**40%**	**21%**	**46%**	**20%**	**25%**	**53%**	**46%**	**47%**	**50%**
Reported Incidents of Discrimination	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Training and Empowerment											
Accounted Training Hours	**238**	**18**	**0**	**5,810**	**3,654**	**550**	**949**	**213,600**	**5,259**	**8,544**	**238,621**

CY 2024	PHINMA CORP.	PCC	UGC	PHINMA Solar	PEHI	PPHC	Hospitality	TOTAL
Employee Data								
Total Number of Employees	34	318	822	22	4,084	1,224	96	**6,600**
Male	12	249	573	16	1,658	961	46	**3,515**
Female	22	69	249	6	2,426	263	50	**3,085**
Male Managers and Officers	6	58	59	7	86	33	21	**270**
Female Managers and Officers	3	12	49	1	102	33	21	**221**
Occupational Health and Safety								
Work-related injuries	0	4	21	0	0	0	4	**29**
Work-related fatalities	0	0	0	0	0	0	0	**0**
Work-related ill-health	0	0	0	0	0	0	0	**0**
Safety drills and trainings done	3	23	31	2	4	9	19	**90**
Diversity and Equal Opportunity								
Employee Gender Ratio								
- male	35%	78%	70%	73%	41%	79%	48%	**53%**
- female	65%	22%	30%	27%	59%	21%	52%	**47%**
Gender Ratio of Managers and Officers								
- male	67%	83%	55%	88%	46%	50%	50%	**55%**
- female	33%	17%	45%	12%	54%	50%	50%	**45%**
Reported Incidents of Discrimination	0	0	0	0	0	0	0	**0**
Training and Empowerment								
Accounted Training Hours	86	5,858	24,732	432	334,888	2,751	8,544	**377,291**

Employees of PHINMA Corporation and its subsidiaries are not subject to a Collective Bargaining Agreement (CBA) except for the following subsidiaries:

UPANG –50 employees. CBA will expire in June 10 2027

UGC – 16 employees. CBA expired on June 30 2025; currently pending renewal

LEGEND:

CoHo:	PHINMA Community Housing
Hospitality:	PHINMA Hospitality, Inc. and subsidiaries
PCC:	Philcement Corporation
PEHI:	PHINMA Education Holdings, Inc. and Philippine subsidiaries
PHINMA Solar:	PHINMA Solar Energy Corporation
PIBI:	PHINMA Insurance Brokers, Inc.
PPHC:	PHINMA Property Holdings Corporation and subsidiaries
UGC:	Union Galvasteel Corporation
UIPC:	Union Insulated Panel Corporation

Environmental Indicators per Location

CY 2025	PHINMA Plaza	PCC	UGC	PEHI	PPHC	Hospitality	Total
Water							
Total Water Consumption (in cubic meter)	**9,564**	**17,129**	**71,685**	**117,266**	**1,526,211**	**53,314**	**1,795,169**
Energy							
Grid Energy Consumption (in kWh)	**1,270,330**	**22,723,077**	**2,077,917**	**6,836,986**	**2,247,515**	**3,137,643**	**38,293,467**
Total Energy Used from Renewable resources	**-**	**140,602**	**433,084**	**2,890,277**	**-**	**41,669**	**3,505,632**
Total Energy Used from Fuels (Liter)	**2,800**	**926,349**	**173,964**	**35,482**	**59,804**	**5,538**	**1,203,937**
Effluents and Waste							
Solid Waste Generated (MT)	**1.20**	**714.24**	**1,022.51**	**259.58**	**1,454.50**	**na**	**3,452.03**
Solid Waste Reused/Recycled	**-**	**37.44**	**936.10**	**49.88**	**88.20**	**na**	**1,111.62**
Hazardous Waste Generated	**0.01**	**19.75**	**76.28**	**0.23**	**0.92**	**29.71**	**126.90**
Hazardous Waste Transported	**-**	**0.06**	**74.48**	**0.23**	**0.75**	**24.59**	**100.11**
Hazardous Waste Stored	**1.40**	**19.69**	**1.80**	**-**	**0.18**	**5.12**	**28.18**
GHG Emissions							
Direct (Fuels) $MTCO_2$	**6.65**	**2,200.17**	**413.18**	**84.27**	**142.04**	**13.15**	**2,859.47**
Indirect (Energy) $MTCO_2$	**644.18**	**11,522.87**	**1,053.71**	**3,467.04**	**1,139.71**	**1,591.10**	**19,418.62**

CY 2024	PHINMA Plaza	PCC	UGC	PEHI	PPHC	Hospitality	Total
Water							
Total Water Consumption (in cubic meter)	10,397	21,150	70,475	129,627	1,233,448	58,287	**1,523,384**
Energy							
Grid Energy Consumption (in kWh)	1,235,639	16,640,739	1,772,038	6,749,764	2,151,431	3,450,876	**32,000,487**
Total Energy Used from Renewable resources	-	0	489,906	1,567,414	-	46,400	**2,103,720**
Total Energy Used from Fuels (Liter)	3,200	309,098	198,680	32,845	11,419	-	**555,242**
Effluents and Waste							
Solid Waste Generated (MT)	1.20	1,589.12	3,550.36	341.95	1,252.60	na	**6,735.23**
Solid Waste Reused/Recycled	-	4.12	3,448.59	35.94	148.30	na	**3,636.95**
Hazardous Waste Generated	0.10	4.53	31.09	-	2.21	18.05	**55.97**
Hazardous Waste Transported	-	7.31	34.37	-	1.00	18.05	**60.72**
Hazardous Waste Stored	1.39	-	-	-	1.21	-	**2.60**
GHG Emissions							
Direct (Fuels) $MTCO_2$	7.60	734.14	471.88	78.01	27.12	-	**1,318.76**
Indirect (Energy) $MTCO_2$	626.59	8,438.52	898.60	3,422.81	1,090.99	1,749.94	**16,227.45**

LEGEND:

CoHo:	PHINMA Community Housing
Hospitality:	PHINMA Hospitality, Inc. and subsidiaries
PCC:	Philcement Corporation
PEHI:	PHINMA Education Holdings, Inc. and Philippine subsidiaries
PHINMA Solar:	PHINMA Solar Energy Corporation
PIBI:	PHINMA Insurance Brokers, Inc.
PPHC:	PHINMA Property Holdings Corporation and subsidiaries
UGC:	Union Galvasteel Corporation
UIPC:	Union Insulated Panel Corporation

GRI Content Index

GRI 102-55 (In Accordance – Core Option)

GRI 101: Foundation 2016
General Disclosures
GRI 102: General Disclosures 2016

	ORGANIZATIONAL PROFILE	PAGE NUMBER/ REFERENCE	NOTE
102-1	Name of the organization	1	PHINMA Corporation
102-2	Activities, brands, products and services	1	
102-3	Location of headquarters		12F PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1200
102-4	Location of operations	17A Business and General Information	
102-5	Ownership and legal form		PHINMA Corp. is registered with the Philippine Securities and Exchange Commission. As of December 31, 2025, PHINMA Corp. is 79.53% owned by PHINMA, Inc., directors and officers.
102-6	Markets served	17A Business and General Information	
102-7	Scale of the organization	10	
102-8	Information on employees and other workers	10	
102-9	Supply chain	17A Financial Statements, Note on Financial Assets at FVPL, major supplier	
102-10	Significant changes to the organization and its supply chain	17A Management's Discussion and Analysis	
102-11	Precautionary Principle or approach	17A Corporate Governance	
102-12	External initiatives		ASEAN Corporate Governance Scorecard
102-13	Membership of associations		Philippine Stock Exchange
STRATEGY			
102-14	Statement from senior decision-maker	17A Management's Discussion and Analysis	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behavior	1	
GOVERNANCE			
102-18	Governance structure	17A Corporate Governance	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	17AR Management's Discussion and Analysis, Corporate Governance	
102-41	Collective bargaining agreements	14	
102-42	Identifying and selecting stakeholders	3	
102-43	Approach to stakeholder engagement	4-8	
102-44	Key topics and concerns raised	3	
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	17A Financial Statements, Note 1	
102-46	Defining report content and topic boundaries	1	
102-47	List of material topics	3	
102-48	Restatements of information		Energy used from renewable Sources in 2024 was corrected
102-49	Changes in reporting		There were no significant changes in the reporting framework from Sustainability Report CY 2024
102-50	Reporting period		January 2025 to December 2025
102-51	Date of most recent report		April 2025
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report		PHINMA Investors Relations investorrelations@phinma.com.ph (+632) 8 870 0100
102-54	Claims of reporting in accordance with the GRI Standards		This report is in accordance with GRI Standards: Core Option
102-55	GRI content index	17-19	
102-56	External assurance		This report has not been externally assured

ECONOMIC DISCLOSURES			PAGE NUMBER/ REFERENCE	NOTE
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	11	
	201-3	Defined benefit plan obligations and other retirement plans	10	
	201-4	Financial assistance received from government		None in 2025
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 203: Indirect Economic Impact	203-1	Infrastructure investments and services supported	1	
	203-2	Significant indirect economic impacts	8	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	11	
	205-2	Communication and training about anti-corruption policies and procedures	8	
	205-3	Confirmed incidents of corruption and actions taken	11	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No substantiated incidents of anti-competitive behaviour, anti-trust, or monopoly practices

ENVIRONMENTAL DISCLOSURES			PAGE NUMBER/ REFERENCE	NOTE
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 301: Materials	301-2	Recycled input materials used	8	
	301-3	Reclaimed products and their packaging materials	8	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 302: Energy	302-1	Energy consumption within the organization	7	
	302-2	Energy consumption outside of the organization		Company does not track energy used in its value chain
	302-4	Reduction of energy consumption	7	
	302-5	Reductions in energy requirements of products and services	7	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	7-8	
	303-2	Management of water discharge-related impacts	7-8	
	303-4	Water discharge	7-8	
	303-5	Water consumption	7-8	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Operation sites are outside high biodiversity and critically-protected areas
	304-2	Significant impacts of activities, products, and services on biodiversity	8	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		No national conservation and IUCN red list species affected by operations

ENVIRONMENTAL DISCLOSURES			PAGE NUMBER/ REFERENCE	NOTE
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	15	
	305-2	Energy indirect (Scope 2) GHG emissions	15	
	305-3	Other indirect (Scope 3) GHG emissions		Not monitored during reporting period
	305-5	Reduction of GHG emissions	9	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Air emission results done by DENR-accredited laboratories are way below Philippine Clean Air Act on 1999 limits and pose insignificant risks
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 306: Waste	306-1	Waste generation and significant-waste related impact	15	
	306-2	Management of significant waste-related impact	8	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations		In 2025 PPHC incurred total fines amounting to ₱20.8 M majority for noncompliant water discharge at San Benisa Garden Villas. Araullo University incurred a penalty of ₱25k relating to water discharge permit application for AU South's STP. The STP permit was subsequently granted.
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 308: Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken		No suppliers or service providers within the value chain posed any severe negative environmental impact

SOCIAL DISCLOSURES			PAGE NUMBER/ REFERENCE	NOTE
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 401: Employment	401-1	New employee hires and employee turnover	10	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	10	
	401-3	Parental leave	10	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 403: Occupational Health and Safety	403-1	Workers' representation in formal joint management–worker health and safety committees	5	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	10	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	10	
	404-2	Programs for upgrading employee skills and transition assistance programs	10	
	404-3	Percentage of employees receiving regular performance and career development reviews		All employees receive regular performance reviews
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	10	
	405-2	Ratio of basic salary and remuneration of women to men		Salary is based on competency and performance, regardless of gender

SOCIAL DISCLOSURES			PAGE NUMBER/ REFERENCE	NOTE
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	10	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor		No reported incidents of child labor
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 409: Forced and Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		No reported incidents of forced or compulsory labor
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples		No reported violations involving rights of indigenous peoples
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	5	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 414: Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken		No suppliers and service providers within the value chain were assessed to pose negative social impact.

SOCIAL DISCLOSURES			PAGE NUMBER/ REFERENCE	NOTE
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	5	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No reported incidents of non-compliance
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No substantiated complaints concerning breach of customer privacy or loss of customer data
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3	
	103-2	The management approach and its components	4-8	
	103-3	Evaluation of the management approach	4-8	
GRI 419: Socio-economic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area		No reported incidents of non-compliance

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ANNEX F

Supplementary Schedule of External Auditor Fee-Related Information

PHINMA CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
DECEMBER 31, 2025

	2025	2024
Total Audit Fees (*Section 2.1a)* [1]	**2,515,000**	**2,224,000**
Non-audit service fees:		
Tax services	965,250	
Other assurance services	518,960	5,480,624
All other services	-	233,000
Total Non-audit Fees *(Section 2.1b)* [2]	**1,484,210**	**5,713,624**
Total Audit and Non-audit Fees	**3,999,210**	**7,937,624**

Audit and Non-audit fees of other related entities *(Section 2.1c)* [3]

	2025	2024
Audit fees	12,089,000	10,748,270
Non-audit service fees:		
Tax services	1,000,000	1,025,000
Other assurance services	30,000	16,995,529
All other services	-	279,600
Total Audit and Non-audit Fees of other related entities	**13,119,000**	**29,048,399**

Notes:

1) Section 2.1a: Agreed fees (excluding out of pocket expenses and VAT) with the external auditor for the audit of PHINMA Corporation's stand-alone and consolidated financial statements and the subsidiaries' financial statements on which the external auditor expresses an opinion. These do not include fees for special purpose audit or review of financial statements.

2) Section 2.1b: Fees (excluding out of pocket expenses and VAT) for non-audit services to PHINMA Corporation and its related entities. In 2025, other assurance services and other services included agreed-upon procedures for the use of stock-rights offering (SRO) proceeds, transfer pricing study and tax consultation. In 2024, other assurance service included valuation study, transfer pricing study and review of SRO prospectus.

3) Section 2.1c: Fees for services (excluding out of pocket expenses and VAT) charged to any related entities of PHINMA Corporation. In 2025, other assurance services and all other services included agreed-upon procedures for the increase in authorized capital stock. In 2024, other assurance services included valuation study while all other services include transfer pricing and tax study.