COVER SHEET

12397
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)

ANNABELLE GUZMAN	88700100
Contact Person	Company Telephone Number

12 31	SEC 17-Q	08 14 25
Month Day	FORM TYPE	Month Day Year
Calendar 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 [redacted]

NOTARY PUBLIC

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

Doc. No. 387
Page No. 79
Book No. 199
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 ***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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PART I - FINANCIAL INFORMATION

Item 1 Financial Statement

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	December 31, 2024
	(Unaudited)	(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)	**2025 (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											
								Retained Earnings				
	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	Appropriated	Unappropriated	Subtotal	Non-controlling 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											
	Capital Stock	Additional Paid-in Capital	Treasury Shares	Exchange Differences on Translation of Foreign Operations	Equity Reserves	Other Comprehensive Income (Loss)	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 (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											
	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)

	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.

PHINMA CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED 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

<u>New standards, amendments and interpretations adopted by the Company</u>
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:

		Date of Loan		Terms					Amount	Outstanding Amounts	
Debtor	Loan Amount	Agreement	Lender	Installments	Final Installment	Interest Rate	Purpose	Dates Drawn	Drawn	**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

				Terms						Outstanding Amounts	
Debtor	Loan Amount	Date of Loan Agreement	Lender	Installments	Final Installment	Interest Rate	Purpose	Dates Drawn	Amount Drawn	**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: Installments	Terms: Final Installment	Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts 2025	Outstanding Amounts 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: Installments	Terms: Final Installment	Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts 2025	Outstanding Amounts 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: Installments	Terms: Final Installment	Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts 2025	Outstanding Amounts 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: Installments	Terms: Final Installment	Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts **2025**	Outstanding Amounts 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: Installments	Terms: Final Installment	Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts 2025	Outstanding Amounts 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: Installments	Terms: Final Installment	Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts **2025**	Outstanding Amounts 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: Installments	Terms: Final Installment	Interest Rate	Purpose	Dates Drawn	Amount Drawn	Outstanding Amounts 2025	Outstanding Amounts 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; and to be settled in cash. at gross amounts.	Unsecured, no impairment
	Rent (Inphin8)	**5,349**	**-**	**-**	**-**		
			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; 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 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.

<u>Derivative Instruments</u>

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[i]	**-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**