

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

Yes [x] No []

13. State the aggregate market value of the voting stock held by non-affiliates of the Corporation.

As of 31 December 2025, the aggregate market value of the voting stock held by non-affiliates of the Corporation is P190,715,302.

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

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

Not applicable

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

- (a) Any annual report to security holders
- (b) Any information statement filed pursuant to SRC Rule 20
- (c) Any prospectus filed pursuant to SRC Rule 8.1

None of the above documents are incorporated by reference.

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development

(a) Form and Date of Organization of the Corporation

Philcomsat Holdings Corporation, formerly Liberty Mines, Inc., was incorporated on May 10, 1956. On January 10, 1997, the Corporation approved amendments of its Articles of Incorporation, changing its primary purpose from embarking in the discovery, exploitation, development and exploration of mineral oils, petroleum in its natural state, rock or carbon oils, natural oils and other volatile mineral substances to a holding company and changing its name and declassifying its shares. These changes were filed with the Securities and Exchange Commission (SEC) on April 14, 1997 and were approved by the SEC on July 23 and September 12, 1997, respectively. The authorized capital of the Corporation is One Billion Pesos (P1,000,000,000.00) divided into one billion (1,000,000,000) common shares with a par value of P1.00 per share. Of the total authorized capital stock, sixty million (60,000,000) shares are listed and currently trading at the Philippine Stock Exchange (PSE). The remaining nine hundred forty million (940,000,000) shares are subject of a listing application currently pending with the PSE.

In May 2006, the Corporation amended its articles of incorporation extending the life of the Corporation for another fifty (50) years or until 2056. This extension however has been

rendered moot by the Revised Corporation Code and the rules of the SEC that grant perpetual existence to corporations.

The Corporation is a subsidiary of the Philippine Communications Satellite Corporation (“Philcomsat”) which owns approximately seventy-nine percent (79%) of the outstanding capital stock of the Corporation.

The Corporation owns 100% of Philcomsat Management Enterprises, Inc. which in turn owns Professional Stock Transfer, Inc.

(b) Bankruptcy, Receivership or Similar Proceeding

The Corporation is not involved in any bankruptcy, receivership or similar proceeding.

(c) Material Reclassification, Merger, Consolidation, Purchase/
Sale of Assets not in the Ordinary Course of Business

The Corporation is not involved in any material reclassification, merger, consolidation, purchase or sale of assets not in the ordinary course of business.

(2) Business of the Corporation

(a) Description

(i) Products/Services/Facilities

The Corporation holds investments in money market placements and financial instruments. At the annual stockholders’ meeting held on 21 November 2022, the stockholders adopted a resolution authorizing the Corporation to engage in its secondary purpose of managing hotels and resorts. Currently, there is no product or service that contributes ten percent (10%) or more to sales or revenue.

(ii) Foreign Sales

The Corporation does not have any foreign sales or revenues.

(iii) Distribution of Products and Services

The Corporation does not distribute any facility, product and service.

(iv) Status of Publicly Announced New Product

The Corporation does not have a publicly announced new product.

(v) Competition

The Corporation does not have direct competitors for its money market operations.

(v) Raw Materials and Supplies

The Corporation’s facilities, services and products do not require the use of raw materials and supplies.

(vi) Major Customers

This disclosure is not applicable to the Corporation's business.

(vii) Dependency on single/few customers that account for 20% of sales.

This disclosure is not applicable to the Corporation's business.

(viii) Transactions with/Dependence on Related Parties

Among the transactions with related parties are receivables from the Montemar Beach Club, Inc. The Corporation likewise has a lease agreement with Philcomsat for the rent of its office space. As the Corporation does not have employees, Philcomsat provides accounting and management services to the Corporation. In addition, PSTI acts as the stock transfer agent of the Corporation. Details of these RPTs are found in Note 16 of the attached Audited Financial Statements.

In addition, at the annual stockholders' meeting held on 21 November 2022, the stockholders adopted a resolution authorizing the Corporation to engage in its secondary purpose of managing hotels and resorts, which the Corporation is currently pursuing with the Montemar Beach Club, Inc.

(ix) Patents, Trademarks, Licenses, etc.

The Corporation does not own any patent, trademark, license or franchise.

(x) Government Approval

This disclosure is not applicable to the Corporation's business as the Corporation has no principal product or service that requires government approval.

(xi) Effect of Governmental Regulations

The Corporation does not expect to be affected by any existing or probable governmental regulations aside from those issued by the PSE and the SEC.

(xii) Research and Development Activities

The Corporation has no expenditures for research and development for the last three (3) fiscal years.

(xiii) Environmental Laws

This disclosure is not applicable to the Corporation's business and concerns.

(xiv) Number of Employees

As of 31 December 2024, no new regular employee was hired by the Corporation. The Corporation's businesses and concerns are managed and handled by the executives, staff members and consultants of Philcomsat, the 79% owner of the Corporation.

The Corporation has no collective bargaining agreement and there had been no strikes or threats of strike within the past three (3) years.

The Corporation may consider employing full-time staff within the next twelve (12) months should the need arise. Management does not foresee granting any supplemental benefit or incentive arrangement with future employees.

(xv) Major risks

Being involved in money market operations, the major risks of the Corporation are the fluctuation of money market fund rates and inflation. Management carefully evaluates its placements to ensure that the Corporation's investments are typically safe and liquid and provide decent returns.

(b) Additional Requirements as to Certain Issues or Issuers

(i) Debt Issues

This disclosure is not applicable to the Corporation.

(ii) Investment company securities

This disclosure is not applicable to the Corporation.

(iii) Mining and Oil companies

This disclosure is not applicable to the Corporation

Item 2. Properties

The Corporation leases its office space at its current business address at the 12/F Telecoms Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City with a floor area of 160 sq. m. Rent expense amounted to P1.54 million in 2024, P1.46 million in 2023, and P1.39 million in 2022.

In addition, the Corporation owns nine parcels of land covering three hundred eighty-three thousand nine hundred ninety-nine (383,999) square meters located at Ibis, Bagac, Bataan. The land's title is currently being processed for transfer to the name of the Corporation.

The Corporation does not intend to acquire property in the next twelve (12) months.

Item 3. Legal Proceedings

The Corporation is a party to the following legal actions and proceedings which are not expected to have a material effect on its financial position.

• **Philippine Communications Satellite Corporation against Philcomsat Holdings Corp. (PHC and former directors), Luis Lokin Jr., Enrique Locsin and Philip Brodett (Locsin Group)**

PHC, through the valid and incumbent directors (Bildner Group) filed a Motion for Issuance of Writ of Execution with the Regional Trial Court (RTC) of Makati Branch 138 as court of origin, following the final resolution of SC declaring the election of Locsin Group as PHC's

officers and directors. Accordingly, the SC ordered the Locsin Group to render an accounting and return of funds allegedly received from the Company. An Order granting the Motion was issued on February 20, 2017, resulting to the issuance of the Writ of Execution on February 28, 2017. On January 9, 2018, PHC filed a manifestation for the implementation of the Writ of Execution. On February 9, 2018, an Order was issued directing PHC, within thirty (30) days from receipt, to submit its preferred accounting firm who will conduct the accounting of all funds and other assets received from POTC, PHC and Philcomsat since September 2004. On February 22, 2018, PHC filed its Ex-Parte Manifestation and Motion, in compliance with the said Order. On July 11, 2018, the Sheriff of the Office of the Clerk of Court of Makati served the Writ of Execution to Manuel Andal, Benito Araneta, Philip Brodett, Enrique Locsin, Concepcion Poblador and Johnny Tan. On June 6, 2019, PHC filed an Ex-Parte Motion to Resolve the pending motion to appoint Virgilio R. Santos as the auditing accounting firm for the execution of the SC Decision dated July 3, 2013 issued in GR Nos. 184622, 184712-14, 186066 and 186590. There was a status conference held in this case on December 13, 2019 where the Court required the defendants to provide a name of their selected accountant to move forward with the audit. The defendants failed or refused again to comply, so the Court is likely to appoint Philcomsat's proposed accountant, Virgilio R. Santos, to do the audit. On May 18, 2022, Philcomsat filed an Ex-Parte Motion to Resolve praying that an Order be issued allowing VRS to commence the (17) accounting of corporate funds received, utilized and disbursed by all the defendants and their assigns, which the Court granted in its Order of June 3, 2022. However, VRS has already retired. The issue of who would render the audit remains unsolved. On May 2, 2017, the Presidential Commission on Good Government (PCGG) and Locsin filed with the Court of Appeals (CA) a Petition for Certiorari and Prohibition with Very Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction assailing the Order dated February 20, 2017 issued by the RTC. On January 30, 2018, the CA issued a Decision dismissing the Petition. On February 22, 2018, PCGG and Locsin filed their Motion for Reconsideration with Motion to Exclude the PCGG from the instant Petition, which are both denied in a Resolution dated June 27, 2018. On August 8, 2018, PCGG filed its Motion for Reconsideration on the denial of its Motion for Exclusion. On October 29, 2018, Philcomsat filed its Opposition thereto. Meanwhile, PCGG and Locsin filed a Petition for Review with the Supreme Court (SC) questioning the Decision issued by the CA dated January 30, 2018, which dismissed their Appeal. Philcomsat filed its comment thereto on November 6, 2018. PCGG filed its Reply on February 17, 2020. Separately, Brodett filed his Petition for Certiorari under Rule 65 with the CA assailing the Order issued by the RTC, which denied his Motion for Clarification on the issue of rendering an accounting of the funds. The CA denied his Petition on the ground that clarification may only be allowed if the order involves a clerical error but not when it is an alleged erroneous judgment or dispositive portion of the decision. Since Brodett's Motion for Clarification was raised questioning the grant of a writ of execution, the CA held that it cannot be subject of a motion for clarification. On December 15, 2017, the CA's dismissal was issued and the case was considered terminated. Brodett still filed his Motion for Reconsideration, which was denied on May 10, 2018. Brodett elevated the matter to the SC via Petition for Review but the SC denied the same in a Resolution dated August 29, 2018. On December 7, 2022, the Court issued a Resolution requiring the parties to file their respective memoranda. Philcomsat filed its Memorandum on March 10, 2023. PCGG and Locsin filed their Memorandum on March 13, 2023.

- **Complaint for collection against Araneta and Lokin**

On May 26, 2010, a complaint for collection of sum of money and damages, with an application for a Writ of Preliminary Attachment dated May 24, 2010 was filed by the

Company against Benito Araneta and Luis Lokin Jr., former directors of the Company for an alleged personal back to back loans with Bankwise procured by Araneta using the Company's funds as collateral, with the help of Lokin, in the amount of P35.3 million. On February 2, 2017, a Decision was issued finding Araneta and Lokin liable to pay PHC; a) actual damages in the sum of P31.5 million plus legal interest of 6% computed from May 26, 2010, the time of judicial demand until fully paid; b) P200,000 as and by way of exemplary damages; and c) P200,000 as and by way of attorney's fees, plus costs of suit. Araneta and Lokin filed their Notices of Appeal on September 6 and September 8, 2017, respectively. On January 16, 2018, the Court of Appeals (CA) required defendants to file Appellant's Brief within 45 days from receipt thereof. On April 20, 2018 and May 7, 2018, PHC received Lokin and Araneta's Appellant's Briefs, respectively. On June 5, 2018, PHC filed its Appellee's Brief. On September 18, 2018, PHC filed a Compliance submitting proof of service of its Appellee's Brief to defendants in accordance with the CA's Resolution dated July 2, 2018. On April 25, 2019, the CA issued a Decision granting Araneta's appeal. On May 30, 2019, PHC filed its Motion for Reconsideration of the said Decision. On July 11, 2019, Araneta filed his Comment thereto, in accordance with the Resolution dated June 6, 2019 issued by the CA to file the same. On October 24, 2019, the Court of Appeal issued a Resolution denying PHC's Motion for Reconsideration. On November 26, 2019, PHC elevated the case to the Supreme Court via Petition for Review on Certiorari under Rule 45. On March 9, 2020, Araneta filed his Comment. On July 21, 2023, Araneta filed a Motion for Early Resolution.

• **Criminal complaint against Brodett and Bankwise Officers using spurious bank accounts for company's deposits**

On May 8, 2008, the Company filed a criminal complaint for estafa for misappropriation of corporate funds against Brodett, a former director of the Company, and certain officers of Bankwise. The complaint alleged that the unauthorized deposits, withdrawals and transfers of the Company's funds in the amount of P66.8 million was processed through spurious bank accounts and involved the co-mingling and transfer of funds between the Company's accounts and certain personal accounts. On June 14, 2016, an Order was issued allowing Brodett to present his defense only with respect to the P27.0 million and P9.3 million which allegedly came from PHC funds and not in the whole amount of P66.8 million. On July 1, 2016, a Motion for Reconsideration of the said Order was filed by the Private Prosecutor (Parent Company). On August 30, 2016, the Private Prosecutor (Parent Company) filed a Reply to Brodett's Comment/Opposition dated August 25, 2016. After the presentation of defense evidence has already been concluded on June 5, 2018, the accused filed their Formal Offer of Evidence, which was partially admitted by the Court on August 28, 2018. On February 21, 2020, the Court promulgated its judgment finding accused Brodett guilty for the crime of theft, sentencing him to the penalty of imprisonment for a minimum period of four (4) years, two (2) months, one (1) day, to a maximum period of sixteen (16) years and 4 months. He was also found civilly liable to pay PHC the amount of P14,235,700, with legal interest of 12% per annum from April 11, 2008 until June 30, 2013 and the total obligation plus 6% legal interest from July 1, 2013 until fully paid. On March 3, 2020, Brodett filed his Motion for Partial Reconsideration of the Decision. On July 1, 2020, PHC filed its Consolidated Comment/Opposition thereto. In ruling Brodett's Motion for Reconsideration, the Court again promulgated the case on December 2, 2020 and affirmed Brodett's conviction. He then filed an appeal on 3 December 2020.

- **Criminal complaint against Araneta for non-return of PHC deposits**

A criminal complaint for estafa was filed against Araneta for money market placements amounting to P65.0 million which allegedly were not returned to the Company. The case was dismissed on February 9, 2009 for lack of probable cause. The appeal filed on March 4, 2009 is still pending decision with the DOJ as at report date.

- **Criminal complaint against Concepcion A. Poblador**

A criminal complaint for estafa was filed against Ms. Poblador for allegedly receiving cash advances amounting to P14.5 million, which she failed to account for and return to the Company after formal demands. On February 9, 2009, the DOJ issued a Resolution directing the filing of an information against Ms. Poblador only for P0.2 million. On January 7, 2014, the Company filed a Petition for Certiorari praying that the DOJ file new information against Ms. Poblador for estafa for the total amount of P16.7 million. On January 10, 2014, the Company received a Petition for Certiorari filed by Ms. Poblador seeking the reversal of the Resolution directing the filing of an Information for estafa against her for P0.2 million. On August 29, 2014, the two petitions were consolidated. On April 26, 2017, subsequent to the filing of the parties' respective Memoranda, the CA issued a Resolution requiring Ms. Poblador to file a Rejoinder to the Company's Reply (to the Memorandum of Poblador). In the meantime, the case was returned to "Completion State" pending the filing of the Rejoinder. Poblador filed her Rejoinder on June 1, 2017 under a Motion to Admit Attached Rejoinder. On November 29, 2017, Poblador filed a Manifestation adopting her previous Memorandum dated December 22, 2014 as her compliance with the Resolution dated October 11, 2017. The Office of the Solicitor General filed a Manifestation and Motion on November 24, 2017 asking that the DOJ Secretary be excused from filing a Memorandum. Based on the Resolution of the Court requiring the parties anew to file their respective Memorandum, PHC's (2nd) Memorandum was filed on December 13, 2017, within the extended period prayed for. (19) On June 14, 2019, the CA issued a Decision denying both PHC's and Ms. Poblador's Petitions for Certiorari. On July 5 and 11, 2019, both parties filed their respective Motions for Reconsideration. On July 24, 2019, PHC filed its Comment to Ms. Poblador's Motion for Reconsideration. On August 10, 2020, the CA issued a Resolution denying PHC and Ms. Poblador's Motions for Reconsideration. PHC decided not to pursue the case with the Supreme Court considering that the amount involved is already covered by the advances to affiliates case. On November 3, 2020, Poblador filed her Petition for Review with the Supreme Court. On 4 April 2022, PHC filed its Comment thereto, thereby the case is submitted for resolution.

The Corporation is also involved in other litigations, claims and disputes which are normal to its business. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the consolidated financial position and consolidated financial performance of the Corporation.

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

Security holders are asked to vote on matters submitted during stockholders' meetings.

- (a) The 2025 Annual Stockholders' Meeting was held on 17 November 2025.
- (b) In the said Annual Stockholders' Meeting, the directors elected were Erlinda I. Bildner, Pablo L. Lobregat, Marietta K. Ilusorio, Santiago J. Ranada, Prudencio C. Somera, Victoria C. de los Reyes, Kara Ponce-Enrile Rhounimi, Juan Rodrigo Ponce-Enrile, Oliverio L. Laperal, Jr., Odilon T. Sta. Teresa and Demaree J. B. Raval. The last three (3)

enumerated above were elected as independent directors under Section 38 of the Code and SRC Rule 38.

- (c) The matters voted upon and unanimously approved by the stockholders include the approval of the minutes of the previous meeting, the notation and approval of the management report and the audited financial statements, the ratification of acts of management and the committees and the appointment of the external auditor. In addition, all the votes were cast in favor of the election of the above-enumerated directors.
- (d) No matter not in the ordinary course of business was submitted to the vote of security holders.
- (e) The Corporation filed SEC Form 17-C containing similar information with the Commission and the Philippine Stock Exchange.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

(1) *Market Information*

The authorized capital stock of the Corporation is one billion (1,000,000,000) shares, with a par value of P1.00 per share, of which sixty million (60,000,000) is listed and traded in the Philippine Stock Exchange. The remaining nine hundred forty million (940,000,000) shares are subject of a listing application with the PSE.

The principal market for the Corporation's common equity is the Philippine Stock Exchange. Trading of the Corporation's shares was suspended in May 2007 and resumed in October 2025. Thus, for the quarter October to December 2025, the highest sales price was P4.30 and the lowest was P1.59.

(2) *Holdings*

The Corporation has 1,196 stockholders and the following are the top 20 stockholders of the Corporation as of December 31, 2025:

Name	No. of Shares	Percentage
Philippine Communications Satellite Corp.	783,945,590	78.67%
Prudencio Somera Jr.	100,000,100	10.03%
Oliverio G. Laperal	49,556,500	4.97%
PCD Nominee Corporation	15,864,534	1.59%
RCBC T/A 236-235	4,802,413	0.48%
Prince Resources, Inc.	4,000,000	0.40%
Victoria C. de los Reyes	3,006,500	0.30%
Santiago J. Ranada	3,000,100	0.30%
Marino Olondriz y Cia	2,985,600	0.29%
Jose Ma. Ozamiz	2,700,000	0.27%
RCBC T/A 36-250	2,689,000	0.26%
Philippine Oil Development Corporation	1,500,000	0.15%
Bernadette Y. Blanco	1,000,000	0.10%
Imperial Resources, Inc.	800,000	0.08%
Oliverio Laperal	776,743	0.07%
Marietta K. Ilusorio	510,000	0.05%
Benjamin Co Ca & Co., Inc.	504,300	0.05%
Dennis R. Manzanal	501,000	0.05%
Abraham R. Abesamis	500,000	0.05%
Lawrence A. Pagal	500,000	0.05%

(3) Dividends

A cash dividend of P0.05 for every common share was declared in 2022. No dividends were declared in 2023, 2024 and 2025. As of the date of this report, another cash dividend of P0.05 for every common share was declared on March 5, 2026. There are no restrictions that limit the payment of dividends on common shares at present, or in the future.

(4) Recent sales of Unregistered Securities or Exempt Securities; Recent Issuance of Securities Constituting an Exempt Transaction

There has been no issuance of new securities, securities issued in exchange for property, services or other securities, and new securities resulting from the modification of outstanding securities.

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

(1) Management's Discussions and Analysis

Prior to 2007, the Corporation was under the control of the nominees of the Presidential Commission on Good Government (PCGG), namely Enrique L. Locsin, Manuel A. Andal, Julio Jalandoni, Guy de Leon and ex-nominee Benito Araneta. Together with Philip Brodett, Atty. Luis Lokin, and Concepcion Poblador, they spent, invested in and made advances to failed ventures, mismanaged and dissipated the Company's funds.

Under the management of the Brodett-Araneta-Poblador-Lokin-Locsin Group, the Corporation incurred more than P600M in losses and caused the erosion of shareholders' equity from P1,458 million in 2004 to P855.5 million. The book value per share plummeted from P1.46 to P0.85, below the par value per share of P1.00.

In addition, in May 2007, PHC shares were suspended from trading due to the failure of the Brodett-Araneta-Poblador-Lokin-Locsin Group to file Audited Financial Statements with the SEC and PSE.

Upon the present Management's taking control of PHC from the Brodett-Araneta-Poblador-Lokin-Locsin Group, SGV & Co., was commissioned to identify and inventory the accounting records and documents of the Company under the former management from 2005 to 2007. Thereafter, an independent audit was conducted beginning with the year 2005. Thus, for the years 2006, the independent external auditors engaged by present Management have issued clean, unqualified opinions on the Company's AFS.

Present Management will continue to seek justice for its stockholders by filing cases to recover the company funds from the Brodett-Araneta-Poblador-Lokin-Locsin Group.

Insofar as operations are concerned, the Articles of Incorporation limit the business of the Corporation to money market trading and holding of investments. Thus, the bulk of the Corporation's revenue comes from interest income. In order to diversify, the Corporation set up a 100% owned subsidiary, Philcomsat Management Enterprises, Inc. (PMEI) which provides management and consultancy services and whose initial venture was the acquisition of Professional Stock Transfer, Inc., a stock transfer agency.

The Corporation is identifying and studying other business opportunities that will continue to provide it with income.

Together with its money market operations and investments, present Management was able to grow shareholder value from below P1.00, when it took over operations from the Brodett Group, to P1.84 per share as of December 31, 2025.

Due to this limitation in the primary purpose of the Corporation, Management presented to the stockholders proposals to authorize the Corporation to engage in one of its secondary purposes which is to manage hotels and resorts and to enter into a management contract with the Montemar Beach Club, Inc. Both proposals were approved at the annual meeting held on 21 November 2022. The effects of this new business is expected to be reflected in the financial statements of the Corporation in the near future.

Trading of the Corporation's listed 60,000,000 shares resumed in October 2025 while the remaining 940,000,000 shares is subject of a listing application with the PSE.

Results of Operations (Consolidated)

Operations and Financial Condition for the last three (3) Fiscal Years

Revenues: In the fiscal year ended December 31, 2025, the Corporation generated revenue of P56.6 million, a slight increase from P5.65 million earned in 2024 and P55.9 million in 2023. Total comprehensive income in 2025 was at P22.6 million compared to P27.4 in 2024 and P8.8 million in 2023. The decrease in 2025 is attributable to losses on FX and sales and lower comprehensive income..

Expenses: Costs and expenses increased slightly in 2025 to P37.4 million compared to P37.2 million in 2024 and P36.1 million in 2023.

Operating and Net Income/Loss: Profit for the year 2025 was at P15 million compared to P17.8 million in 2024 and P17.9 million in 2023.

Income Statement (Consolidated) (P Million)

	2025	2024	2023
Revenue	56.6	56.5	55.9
Costs and Expenses	(37.4)	(37.2)	(36.0)
Gains or Losses on FX and Sales	(2.3)	1.3	(2.7)
Gross Profit	15.8	20.5	16.9
Provision for Tax	(0.8)	(2.7)	0.9
Net Income (Loss)	15.0	17.8	17.9
Other Comprehensive Income (Loss)	7.6	9.6	(9.1)
TOTAL COMPREHENSIVE INCOME	22.6	27.4	8.8

Financial Position

The company's comparative balance sheet is summarized below:

Balance Sheet Accounts (Consolidated)

Current Assets: Current assets of the Corporation as of December 31, 2025 was at P475.3 million compared to P358.3 million at end 2024 and P255.5 million at end 2023. Of these amounts, cash and cash equivalents totaled P210.2 million in 2025, P121.7 million in 2024 and P119.7 million in 2023. The Corporation has sufficient cash resources to meet any expected requirement during the next twelve (12) months. The Corporation's financial assets amounted to P707.5 million in 2025, P910.7 million in 2024, and P912.4 in 2023.

Liabilities :The Corporation is substantially debt-free and has no material commitments for capital expenditures. Total current liabilities in 2025 was only P14.1 million compared to P12.6 million in 2024 and P42.1 million in 2023 (which included P28.3 million due to a related party).

Deposit for Future Subscription : This represents the excess amount of the market value of the two properties which Philcomsat contributed in exchange for the number of the Corporation's shares received; as such, this amount is for the account of Philcomsat's future subscription to Corporation's common shares.

Stockholders' Equity : This is the residual balance sheet amount after subtracting Liabilities from Assets. Stockholders' equity increased to P1,508.1 million in 2025 compared to P1,485.9 million in 2024 and P1,458.4 million in 2023.

Balance Sheet (Consolidated) (P Million)

	2025	2024	2023
Current Assets	475.3	358.3	255.5
Available-for-sale financial assets	707.5	803.4	912.4
Receivables	0	0	0
Other Assets	358.6	355.9	351.8
Total Assets	1,541.4	1,517.6	1,519.7
Current Liabilities	14.1	12.6	42.1
Non-current Liabilities	19.2	19.2	19.1
Stockholders' Equity	1508.1	1,485.9	1,458.5

Key Performance Indicators ("KPI")

The Corporation's KPI for the years ended December 31, 2025, 2024, and 2023 are as follows:

Performance Indicator	Formula	2025	2024	2023
<i>Liquidity</i>				
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	33.65 : 1	28.55 : 1	6.07 : 1
<i>Leverage</i>				
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Stockholders' Equity}}$	0.02 : 1	0.02 : 1	0.04 : 1
Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	1.02 : 1	1.02 : 1	1.04 : 1
<i>Profitability</i>				
Return on Assets	$\frac{\text{Net Income}}{\text{Total Assets}}$	1%	1%	1.19%
Return on Equity	$\frac{\text{Net Income}}{\text{Total Equity}}$	1%	1%	1.23%

Liquidity

The Corporation's current ratio for 2025 is 33.65:1 compared to 28.55:1 in 2024 and 6.07:1 in 2023. The Company's liquidity position remains strong.

Leverage

Leverage is very low at 0.02:1 in both 2025 and 2024, compared to 0.04:1 in 2023.

Profitability

Return on Assets for 2025 and 2024 is 1%, compared to 1.19% in 2023 while Return on Equity for 2025 and 2024 is 1%, compared to 1.23% in 2023.

Notes to Financial Statements

Accounting Policies and Principles

The financial statements for the years 2025, 2024, and 2023 are presented in accordance with generally accepted accounting principles applied on a consistent basis.

Seasonality Aspects of the Business

The operations of PHC are not affected by seasonality or cyclicalities.

Past and Future Financial Condition and Results of Operations – For the years 2023 and 2024, please refer to the above discussion. For prior years, please refer to the Corporation's previous annual reports. Inasmuch as there are no known material events or commitments that are likely to affect the Corporation, it is expected that the future financial condition and results of operation would remain the same as the present.

Material Changes

(a) Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)

There is no known trend, event or uncertainty that would have a material impact on liquidity.

(b) Event that will trigger direct or contingent financial obligations that is material to the company, including any default or acceleration of an obligation

There is no known event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

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

There is no off-balance sheet transaction, arrangement, obligation or other relationship with unconsolidated entities or persons during the reporting period.

- (d) Material Commitments for capital expenditures and expected sources of funds for such expenditures.

The company has no material commitment for capital expenditures.

- (e) Any Known Trends, Events or Uncertainties (Material Impact on Sales)

There is no known trend, event or uncertainty that will have a material impact on sales.

- (f) Any Significant Elements of Income or Loss (from continuing operations)

There is no significant element of income from continuing operations.

- (g) Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%)

- a. Increase in cash and cash equivalents, receivables, due from related parties, assets held for sale and investment properties and other increases in total assets as a result of payment by debtors of the Corporation in cash and in kind.
- b. Increase in ROU assets as a result of the renewal of the contract of lease for the Corporation's office space.
- c. Decrease in due to a related party as a result of payment due and owing a related party.
- d. Increase in lease liabilities as a result of the lease contract between the Corporation and the lessor of its office space.
- e. Decrease in income tax expense as a result of an increase in income tax benefit.

- (h) Seasonal Aspects that have a Material Effect on the FS

None.

Item 7. Financial Statements

The report of independent accountants and the Consolidated and Separate Audited Financial Statements of the Corporation for the fiscal year ending 31 December 2025 are attached hereto as Annexes "A" and "A-1".

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

The Corporation reappointed Isla Lipana & Co. as its external auditor at the last Annual Stockholders' Meeting held on 17 November 2025.

There have been no disagreements between the Corporation and the external auditor on accounting and financial disclosures in the last two (2) fiscal years.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Name, Age and Citizenship	Position	Period Served	Professional and Business Experience
Victoria C. de los Reyes, 74	Director/ President/ CEO	Director since November 2019; President/CEO since November 2023	Partner, Roxas de los Reyes Laurel & Rosario Law Offices. Engaged in the general practice of law - specializing in corporate law, foreign investments, establishment of corporations and other corporate vehicles, registration of securities, JVs, M&As, proxy contests, intra-corporate disputes and domestic relations.
Erlinda I. Bildner, 79, Filipino	Director/ Treasurer/ CFO	April 2007 to Present	President and CEO-Philippine Communications Satellite Corporation, Vice-Chair and Director- Philippine Overseas Telecommunications Corporation, Director-Montemar Beach Club, Inc., Director and Chair, Finance Committee – Baguio Country Club
Marietta K. Ilusorio, 74, Filipino	Director	May 2010 to Present	Director and Vice President, Philippine Overseas Telecommunications Corporation; Director and Vice-President, Philippine Communications Satellite Corporation; Director, Montemar Beach Club, Inc.
Pablo L. Lobregat, 71, Filipino	Director	April 2007 to Present	President-Crystal Sugar Co., Inc., President/Chairman-Oceanic Wireless Network, Inc., President-Aerocom Investors & Managers, Inc., Director – Philippine Communications Satellite Corporation, Director-Philippine Overseas Telecommunications Corporation
*Oliverio L. Laperal, Jr., 76, Filipino	Director	November 2017 to present	Co-President and Director of Imperial Resources; Co-President and Managing Director of Filipinas Golf & Country Club; President & Managing Director of R.S. Video & Film Productions
Prudencio C. Somera, Jr. 80, Filipino	Director	August 2004 to Present	Director – TKC Steel Corporation; Licensed Stockbroker; Columnist – Philippine Daily Inquirer
J. Santiago Ranada (ret), 88, Filipino	Director	December 2013 to Present	Partner, Ranada, Malaya Sanchez & Simpao, Specializes in the banking, insurance, maritime and real estate industries and in corporate rehabilitation proceedings, 28 years of service in the Philippine Judiciary as RTC Judge and CA Justice
Kara Ponce-Enrile Rhounimi, 47, Filipino	Director/ Vice- President	November 2023 to Present	Senior Executive Vice-President for Property, JIC and JSC of JAKA Investments Corporation, President of Waning Crescent Arts, Inc.
Juan Rodrigo Ponce-Enrile, 42, Filipino	Director	November 2025 to Present	Senior Executive Vice-President of Jaka Investments Corporation overseeing the Business Development Group
*Odilon T. Sta. Teresa, 66, Filipino	Director	November 2024 to Present	President/CEO, SmartInfo, Inc., Asian Pacific Dragon Realty Corporation, Brightbeam Corporation, Recruitment Cetner, Philippines, Inc. and Director, Baguio Country Club Corporation.
*Demaree J. B. Raval, 71, Filipino	Director	November 2024 to Present	Vice-President and Trustee, Transparency International (Philippines), Inc.

*Independent director.

**** Term of Office – The above directors were elected during the Annual Stockholders’ Meeting held on 17 November 2025.**

(2) Significant Employees

As the Corporation has no regular employee at present, the executives and consultants of Philcomsat (the owner of 79% of the Corporation) are expected to make a significant contribution in enhancing the business of the Corporation and efficiently managing its operations.

(3) Family Relationships

Of the above-named directors, only siblings Ms. Erlinda I. Bildner and Ms. Marietta K. Ilusorio, and siblings Ms. Kara Nicole Ponce-Enrile Rhounimi and Mr. Juan Rodrigo Ponce-Enrile are related to another within the fourth (4th) civil degree of consanguinity or affinity.

(4) Involvement in Certain Legal Proceedings

During the past five (5) years no incumbent director or executive officer was involved in any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; any conviction by final judgment in a criminal proceeding, domestic or foreign; any order, judgment, or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; or was found by a domestic or foreign court of competent jurisdiction in a civil action, the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation.

Item 10. Executive Compensation

(1) and (2) Executive Officers

Name	Position	Salary	Allowance	Bonus	Total
Victoria C. de los Reyes	President	27,222.22			27,222.22
Kara Ponce Enrile Rhounimi	Vice President	900,000.00			900,000.00
Erlinda I. Bildner	Treasurer	1,200,000.00		100,000.00	1,300,000.00
John Benedict L. Sioson	Corp. Secretary	510,000.00	133,333.32		643,333.32
Clariza A. Reyes	Asst. Secretary				
Total		2,637,222.22	133,333.33	100,000.00	2,870,555.54

(3) Compensation of Directors

Name	Position	Salary	Allowance	Bonus	Total
Victoria C. de los Reyes	Director	299,444.42		27,222.22	326,666.64
Kara Ponce Enrile Rhounimi	Director	300,000.00		25,000.00	325,000.00
Erlinda I. Bildner	Director	300,000.00		25,000.00	325,000.00
Juan Rodrigo Ponce Enrile	Director				
Pablo L. Lobregat	Director	300,000.00		25,000.00	325,000.00
Oliverio L. Laperal, Jr.	Ind. Director	300,000.00		25,000.00	325,000.00
Odilon T. Sta. Teresa	Ind. Director	300,000.00		25,000.00	325,000.00
Marietta K. Ilusorio	Director	300,000.00		25,000.00	325,000.00
Santiago J. Ranada	Director	300,000.00		25,000.00	325,000.00
Prudencio C. Somera, Jr.	Director	300,000.00		25,000.00	325,000.00
Demaree J. B. Raval	Ind. Director	300,000.00		25,000.00	325,000.00
Total		2,999,444.42		252,222.22	3,251,666.64

Aside from the foregoing, there are no other arrangements and contracts pursuant to which any director was or is to be compensated directly or indirectly during the last fiscal year and the ensuing year.

(4) *Employment Contracts/Termination of Employment/Change-in-Control Arrangements*

There are no employment contracts between the Corporation and any of its executive officers. There are likewise no compensatory plans or arrangements with respect to any executive officer which result or will result from his resignation, retirement or any other termination of his employment or from any change in control of the Corporation or a change in the executive officer's responsibilities following any change in control of the Corporation.

(5) *Warrants and Options Outstanding*

There are no outstanding warrants or options held by the Corporation's executive officers and directors. There is no action proposed to be taken with regard to any bonus, profit-sharing or other compensation plan, contract or arrangement in which any director, nominee for election as a director or executive officer of the Corporation will participate, any pension or retirement plan in which any such person will participate, and any granting or extension to any such person of any options, warrants or rights to purchase any securities.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(1) *Security Ownership of Certain Record and Beneficial Owners*

As of 31 December 2025, and based on the latest available information, only the following directly or indirectly appear as stockholder on record or beneficial owner of more than 5% of any class of voting shares of the Corporation.

Class	Name, Address of Record Owner and Relationship with Issuer	Name, Address of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	%
Common	Philippine Communications Satellite Corporation, 316 Sen. Gil Puyat Avenue, Makati, Stockholder	Philippine Communications Satellite Corporation, 316 Sen. Gil Puyat Avenue, Makati, same corporation	Filipino	783,945,590	78.67
Common	Prudencio C. Somera, 14 San Jose Street, Bgy. Kapitolyo, Pasig City, Stockholder/Director	Prudencio C. Somera, 14 San Jose Street, Bgy. Kapitolyo, Pasig City, same person	Filipino	100,000,100	10.03

(2) *Security Ownership of Management*

As of 31 December 2025, the security ownership of management is as follows:

Class	Name	Nature of Ownership	Citizenship	Percentage
Common	Prudencio C. Somera, Jr.	(R)	Filipino	10.03%
Common	Victoria C. de los Reyes	(R)	Filipino	0.30
Common	Santiago J. Ranada	(R)	Filipino	0.30
Common	Erlinda I. Bildner	(R)	Filipino	-negligible-
Common	Kara Ponce-Enrile Rhounimi	(R)	Filipino	-negligible-
Common	Directors and Officers as a Group Unnamed	(R)	Filipino	<11%

(3) *Voting Trust Holders*

There are no persons holding more than 5% of a class under a voting trust agreement.

(4) *Changes in Control*

There are no arrangements that may result in a change in control of the Corporation.

Item 12. Certain Relationships and Related Transactions

(1) and (2) There is no transaction during the last two years or proposed transaction to which the Corporation was or is to be a party in which any director, executive officer, nominee for election as a director, security holder owning five percent (5%) or more or member of their immediate family had or is to have a direct or indirect material interest.

(3) The Corporation is 79% owned by the Philippine Communications Satellite Corporation which in turn is wholly-owned by the Philippine Overseas Telecommunication Corporation. The remaining 21% is owned by Prudencio Somera, Jr. and the general public.

(4) There has been no transactions with promoters in the past five (5) years.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance



The details under this Item will be discussed in the Corporation's 2025 i-ACGR.

Item 14. Exhibits and Reports

- (a) Exhibits. Statement of Management's Responsibility for Financial Statements and Audited Financial Statements for the fiscal period ending 31 December 2025 as Annex "A" and "A-1".
- (b) Sustainability Report as required by the Securities and Exchange Commission as Annex "B".
- (c) Reports on SEC Form 17-C. During the last 6 months, the Corporation filed SEC Form 17-C detailing the matters taken up during the Annual Stockholders' Meeting and Organizational Meeting of the Board both held on 17 November 2025 and a declaration of dividends to be paid on April 20, 2026.


SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Makati City on April 14, 2026.

By: 

VICTORIA C. DE LOS REYES
Chief Executive Officer/President















ERLINDA I. BILDNER
Chief Operating and Financial Officer/Treasurer


MARIA CORAZON C. AQUINO
Comptroller and Principal Accounting Officer


JOHN BENEDICT L. SIOSON
Corporate Secretary


APR 14 2026

SUBSCRIBED AND SWORN to before me this _____ day of April 2026, affiants exhibiting to me their identification as follows:

Name	ID	Date of Issue	Place of Issue
Victoria C. de los Reyes			
Erlinda I. Bildner			
Maria Corazon C. Aquino			
John Benedict L. Sioson			

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Page No. 27 ;
Book No. 1 ;
Series of 2026.




ATTY. BERNADETTE S. YANZON
NOTARY PUBLIC - CITY OF MAKATI
UNTIL 31 DECEMBER 2026
COMMISSION NO. M-147





PHILCOMSAT HOLDINGS CORPORATION

12F Telecom Plaza 316 Sen. Gil Puyat Ave. 1200 City of Makati, Philippines
Tel.No.: 8815-8406; Fax No.: 8816-2517 www.phc.com.ph

Annex "A-1"

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


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

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Isla Lipana & Co., the independent auditor, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.


SANTIAGO J. KANADA
Chairman of the Board


VICTORIA DELOS REYES
President


ERLINDA I. BILDNER
Treasurer

Signed this 14th day of April 2026.

SUBSCRIBED AND SWORN to before me this 14th day of April, 2026 in Makati City,
affiants exhibiting to me the following:

<u>Name</u>	<u>Government ID No.</u>	<u>Place / Date of Issue</u>
Santiago J. Ranada	[REDACTED]	[REDACTED]
Victoria C. Delos Reyes	[REDACTED]	[REDACTED]
Erlinda I. Bildner	[REDACTED]	[REDACTED]

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Series of 2026



[REDACTED]
ATTY. BERNADETTE S. YANZON
NOTARY PUBLIC - CITY OF MAKATI
UNTIL 31 DECEMBER 2026
REGISTRATION COMMISSION NO. M-447

[REDACTED]

[REDACTED]



Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
Philcomsat Holdings Corporation
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

Our Opinion

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

What we have audited

The consolidated financial statements of the Group comprise:

- The consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2025;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2025;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the consolidated financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

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

We identified the following key audit matter:

Key Audit Matter	How our audit addressed the key audit matter
<p>Fair valuation of financial assets at fair value through other comprehensive income (FVOCI) and financial assets at fair value through profit or loss (FVTPL)</p> <p>Refer to Notes 6 and 22.2 to the consolidated financial statements.</p> <p>As at December 31, 2025, the Group has financial assets at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) amounting to P124.4 million and P707.6 million, respectively. Valuation of financial assets at FVTPL and FVOCI have been identified as a key audit matter primarily due to the significance of its amount, the volume of transactions, as well as the price volatility of the market. Any changes in market prices could expose the Group to significant market risk that may affect other comprehensive income, or profit or loss.</p>	<p>Our audit procedures to address the relevant assertion over valuation of financial assets at FVOCI and FVTPL included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Group's treasury and investment policies, processes and assumptions used in determining fair value. In accordance with PFRS 13 - Fair Value Measurement, the Group uses the market approach in determining valuation of each equity and debt financial instruments and identified mainly Level 1 inputs (i.e. quoted prices) and Level 2 inputs (i.e. net asset value per unit) as the relevant data input. • In order to test the valuation of financial assets at FVTPL and FVOCI as at December 31, 2025, we tested the inputs used by management in the valuation of the financial assets at FVTPL and FVOCI by agreeing data inputs against an independent source (i.e., Philippine Stock Exchange Index and PDS Group) and performing independent recalculation. • Performed sensitivity analysis of investment securities by using independent source (i.e., Philippine Stock Exchange Index and PDS Group) fluctuations to assess the extent to which changes in the levels of equity indices and the value of individual stocks impact the other comprehensive income, or profit or loss.

Other information

Management is responsible for the other information. The other information comprises the SEC Form 17-A, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement), which is expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the SEC Form 20-IS (Definitive Information Statement), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Carlos Federico C. de Guzman.

Isla Lipana & Co.



Carlos Federico C. de Guzman
Partner

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Makati City
April 15, 2026




Isla Lipana & Co.

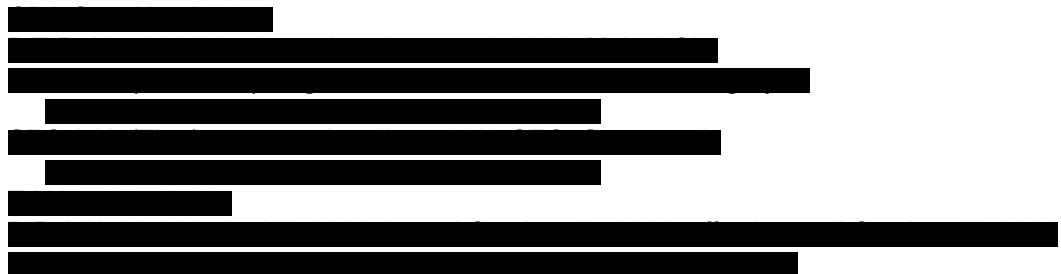
Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Philcomsat Holdings Corporation
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Philcomsat Holdings Corporation (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 15, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

Isla Lipana & Co.


Carlos Federico C. de Guzman
Partner



Makati City
April 15, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
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Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Philcomsat Holdings Corporation
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

We have audited the accompanying consolidated financial statements of Philcomsat Holdings Corporation (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, on which we have rendered the attached report dated April 15, 2026. The supplementary information shown in the Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration, Map Showing the Relationships between and among the Parent Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-Subsidiaries and Associates, and Schedules A, B, C, D, E, F, and G, as additional component required by Revised Rule 68 of the SRC, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised Rule 68 of the SRC.

Isla Lipana & Co.


Carlos Federico C. de Guzman
Partner



Makati City
April 15, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
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Philcomsat Holdings Corporation and Subsidiaries

Consolidated Statements of Financial Position

As at December 31, 2025 and 2024

(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	210,229,945	121,712,962
Receivables, net	3	119,082,256	114,872,989
Due from related parties	16	12,425,000	5,000,000
Financial assets at fair value through profit or loss (FVTPL)	6	124,377,686	107,298,599
Other current assets		2,345,869	387,128
		468,460,756	349,271,678
Assets held for sale	4	6,900,286	9,106,688
Total current assets		475,361,042	358,378,366
Non-current assets			
Financial assets at fair value through other comprehensive income (FVOCI)	6	707,579,862	803,483,539
Investment properties	7	343,475,799	343,475,799
Right-of-use (ROU) asset, net	10	2,236,162	256,558
Property and equipment, net	8	6,920	41,347
Other non-current assets	5	12,824,035	11,996,470
Total non-current assets		1,066,122,778	1,159,253,713
Total assets		1,541,483,820	1,517,632,079
Liabilities and Equity			
Current liabilities			
Trade and other payables	9	6,901,868	6,880,795
Dividends payable	11	5,184,637	5,184,637
Due to a related party	16	-	219,353
Lease liability	10	2,038,865	265,844
Total current liabilities		14,125,370	12,550,629
Non-current liabilities			
Deposit for future stock subscription	16	18,894,000	18,894,000
Lease liability, net of current portion	10	279,748	-
Deferred income tax liabilities, net	15	63,006	280,216
Total non-current liabilities		19,236,754	19,174,216
Total liabilities		33,362,124	31,724,845
Equity			
Share capital	11	996,391,254	996,391,254
Retained earnings		533,404,085	517,695,948
Other equity reserves	6	(21,673,643)	(28,179,968)
Total equity		1,508,121,696	1,485,907,234
Total liabilities and equity		1,541,483,820	1,517,632,079

The notes on pages 1 to 39 are integral part of these financial statements.

Philcomsat Holdings Corporation and Subsidiaries

Consolidated Statements of Total Comprehensive Income
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso, except earnings per share)

	Notes	2025	2024	2023
Income	12	55,611,782	56,474,267	55,948,553
Costs and expenses	13	(37,433,565)	(37,189,879)	(36,081,584)
Other (expense) income, net	14	(2,204,382)	1,312,919	(2,746,989)
Finance cost	10	(149,370)	(77,656)	(130,479)
Profit before income tax		15,824,465	20,519,651	16,989,501
Income tax (expense) benefit	15	(786,380)	(2,713,468)	901,530
Profit for the year		15,038,085	17,806,183	17,891,031
Other comprehensive income (loss)				
<i>Item that may subsequently be reclassified to profit or loss</i>				
Fair value gain on debt instruments at FVOCI	6	11,058,455	1,179,729	7,081,074
<i>Item that will not to be subsequently reclassified to profit or loss</i>				
Fair value (loss) gain on equity instruments at FVOCI	6	(3,454,025)	8,451,801	(16,137,490)
		7,604,430	9,631,530	(9,056,416)
Total comprehensive income for the year		22,642,515	27,437,713	8,834,615
Earnings per share (basic and diluted)	17	0.0151	0.0179	0.0180

The notes on pages 1 to 39 are integral part of these financial statements.

Philcomsat Holdings Corporation and Subsidiaries

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Share capital (Note 11)	Retained earnings	Other equity reserves (Note 6)	Total equity
Balances at January 1, 2023	996,391,254	481,982,037	(31,293,658)	1,447,079,633
Comprehensive income				
Profit for the year	-	17,891,031	-	17,891,031
Other comprehensive income for the year	-	-	(9,056,416)	(9,056,416)
Total comprehensive income for the year	-	17,891,031	(9,056,416)	8,834,615
Transactions with owners				
Transfer of gain on disposal of FVOCI equity instruments (Note 6)	-	(1,368,514)	1,368,514	-
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss (Note 6)	-	-	2,540,681	2,540,681
Balances at December 31, 2023	996,391,254	498,504,554	(36,440,879)	1,458,454,929
Comprehensive income				
Profit for the year	-	17,806,183	-	17,806,183
Other comprehensive income for the year	-	-	9,631,530	9,631,530
Total comprehensive income for the year	-	17,806,183	9,631,530	27,437,713
Transactions with owners				
Transfer of loss on disposal of FVOCI equity instruments (Note 6)	-	1,385,211	(1,385,211)	-
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss (Note 6)	-	-	14,592	14,592
Balances at December 31, 2024	996,391,254	517,695,948	(28,179,968)	1,485,907,234
Comprehensive income				
Profit for the year	-	15,038,085	-	15,038,085
Other comprehensive income for the year	-	-	7,604,430	7,604,430
Total comprehensive income for the year	-	15,038,085	7,604,430	22,642,515
Transactions with owners				
Transfer of loss on disposal of FVOCI equity instruments (Note 6)	-	670,051	(670,051)	-
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss (Note 6)	-	-	(428,054)	(428,054)
Balances at December 31, 2025	996,391,254	533,404,085	(21,673,643)	1,508,121,696

The notes on pages 1 to 39 are integral part of these financial statements.

Philcomsat Holdings Corporation and Subsidiaries

Consolidated Statements of Cash Flows
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Notes	2025	2024	2023
Cash flows from operating activities				
Profit before income tax		15,824,465	20,519,651	16,989,501
Adjustments for:				
Realized (gain) loss on sale of debt instruments	6,14	(428,054)	14,592	2,540,681
Realized (gain) loss on financial assets at FVTPL		(713,227)	-	-
Depreciation and amortization	8,10	1,985,392	1,825,445	1,828,553
Interest expense	10	149,370	77,656	130,479
Provision for impairment of receivables	3,13	1,275,347	341,205	2,028,920
Impairment of assets held for sale	4,13	1,169,251	1,125,882	1,150,790
Gain on extinguishment of debt	14,16	-	-	(36,971)
Unrealized foreign exchange (gain) loss	14	(552,063)	(1,327,511)	272,199
Unrealized loss (gain) on financial assets at fair value through profit or loss (FVTPL)	14	3,897,726	-	(28,920)
Interest income on cash in banks	2	(3,423,557)	(3,182,857)	(2,633,656)
Operating cash flows before changes in assets and liabilities		19,184,650	19,394,063	22,241,576
Decrease (increase) in:				
Receivables		(5,484,612)	4,157,298	11,501,419
Due from related parties		(7,425,000)	1,938,183	(13,567,479)
Other current assets		(1,958,741)	(66,110)	70,901
Assets held for sale		1,037,151	(1,232,860)	-
Other non-current assets		(1,540,678)	1,843,680	(5,436,689)
Increase (decrease) in:				
Trade and other payables		21,073	151,624	1,707,058
Due to related party		(219,353)	(28,125,261)	-
Cash generated from (used in) operations		3,614,490	(1,939,383)	19,150,442
Acquisitions of:				
Financial assets at FVOCI	6	(120,921,665)	(235,150,268)	(280,073,815)
Financial assets at FVTPL		(20,263,586)	-	-
Proceeds from redemption and maturity of:				
Financial assets at FVOCI	6	224,429,772	246,494,080	309,267,371
Interest received from cash in banks		3,423,557	3,182,857	2,633,656
Income taxes paid		(290,477)	(4,383,835)	-
Net cash from operating activities		89,992,091	8,203,451	48,343,998
Cash flows used in investing activities				
Additions to property and equipment	8	-	(13,839)	(21,864)
Additions to investment properties		-	(5,611,249)	-
Net cash used in investing activities		-	(5,625,088)	(21,864)
Cash flows from financing activities				
Payments of:				
Dividends	11	-	-	(3,787,870)
Lease liabilities	10	(1,877,800)	(1,865,928)	(1,727,031)
Interest expense on lease liabilities	10	(149,370)	(77,656)	(130,479)
Net cash used in financing activities		(2,027,170)	(1,943,584)	(5,645,380)
Net increase in cash		87,964,921	634,779	42,676,754
Cash and cash equivalents at beginning of year		121,712,962	119,750,672	77,346,117
Effect of foreign exchange rates changes		552,062	1,327,511	(272,199)
Cash and cash equivalents as at end of year	2	210,229,945	121,712,962	119,750,672

The notes on pages 1 to 39 are integral part of these financial statements.

Philcomsat Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements

As at December 31, 2025 and 2024 and for each of the three years

in the period ended December 31, 2025

(All amounts are shown in Philippine Peso, unless otherwise stated)

1 General Information

1.1 Corporate information

Philcomsat Holdings Corporation (formerly Liberty Mines, Inc.) (the "Parent Company") was incorporated and registered with the Securities and Exchange Commission (SEC) on May 10, 1956 with the primary purpose of embarking in the discovery, exploration, development and exploitation of mineral oils, petroleum in its natural state, rock or carbon oils and other volatile mineral substance and with the secondary purpose of engaging in the business of mining in general. The Parent Company ceased oil and mining operations in 1992.

On July 23, 1997, the SEC approved the amended Articles of Incorporation of the Parent Company consisting of: a) change in its primary purpose from an exploration and mining company to a holding company and revision of its secondary purpose clauses; and b) change of the corporate name from Liberty Mines, Inc. to Philcomsat Holdings Corporation.

The Parent Company started operations as a holding company on January 1, 2000. The Parent Company derives income from money market placements, bank deposits, financial assets at FVOCI and other investments.

On May 9, 2006, the SEC approved the extension of the Parent Company's corporate life for another fifty (50) years.

On May 23, 2016, the Parent Company's Board of Directors (BOD) confirmed and ratified its previous resolution increasing the authorized capital stock of the Parent Company from P1.0 billion, divided into 1,000,000,000 shares with par value of P1 per share, to P3.0 billion, divided into 3,000,000,000 shares with par value of P1 per share. As at report date, the resolution is awaiting ratification by the stockholders and pending application with SEC.

The Parent Company is 78.68% owned by Philippine Communications Satellite Corporation (Philcomsat), a company incorporated in the Philippines. The ultimate parent company is Philippine Overseas Telecommunications Corporation (POTC), a company also incorporated in the Philippines. Philcomsat and POTC are both engaged in the telecommunications business.

The Parent Company and all of its subsidiaries (collectively referred to as "the Group") were incorporated in the Philippines. The following are the Parent Company's subsidiaries and the respective percentages of ownership as at December 31:

Subsidiary	Principal business activity	Percentage of ownership					
		2025		2024		2023	
		Direct	Indirect	Direct	Indirect	Direct	Indirect
Philcomsat Management Enterprises Inc. (PMEI)	Management Services	100	-	100	-	100	-
Professional Stock Transfer Inc. (PSTI)	Stock Transfer Agency	-	100	-	100	-	100

*Parent Company's ownership in PSTI is indirect through PMEI.

The registered office address and principal place of business of the subsidiaries are as follows:

Philcomsat Management Enterprises Inc. (PMEI)	12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City
Professional Stock Transfer Inc. (PSTI)	12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City

The registered address, and principal place of business, of the Parent Company is at 12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City.

1.2 Listing of shares in Philippine Stock Exchange (PSE)

The Parent Company's original 60 million shares are listed and used to be traded in the PSE.

On May 3, 2007, the PSE suspended the trading of the Parent Company's shares due to pending compliance with certain structured reportorial requirements. On December 3, 2008, the SEC ordered the suspension of the Parent Company's registration of securities from the date of the receipt of the Order until the Parent Company is able to submit the reportorial requirements and fully pay the corresponding penalties.

On April 1, 2014, the Parent Company, through its legal counsel, submitted to the SEC three (3) letter request for the lifting of the order of suspension and for a compromise payment of the penalties. The SEC, on December 29, 2015, lifted the order of suspension and directed the Parent Company to file an updated Registration Statement.

On August 6, 2025, the Parent Company submitted the Final Amended Registration Statement, together with the summary of listed and non-listed shares, Affidavit of Publication, and proof of payment of the filing fee. Subsequently, on September 15, 2025, the SEC issued an Order lifting the suspension of the Parent Company's Registration Statement.

1.3 Approval of the consolidated financial statements

The consolidated financial statements of the Group were approved and authorized for issue by the Parent Company's BOD on April 14, 2026. There were no significant events that occurred from April 14, 2026 until April 15, 2026 requiring adjustment or disclosure in the consolidated financial statements.

2 Cash and cash equivalents

Cash and cash equivalents as at December 31 consist of:

	2025	2024
Cash on hand	9,186	6,243
Cash in banks	60,036,787	40,475,748
Cash equivalents - Short-term placements	150,183,972	81,230,971
	210,229,945	121,712,962

Cash in banks earn interest at prevailing bank deposit rates.

Cash equivalents pertain to special savings and time deposits, with terms of varying periods up to three (3) months and earn interest at prevailing special savings and time deposits rates.

Interest income earned from cash in banks and cash equivalents for the year ended December 31, 2025 amounted to P3,423,557 (2024 - P3,182,857; 2023 - P2,633,656) (Note 12).

3 Receivables, net

Receivables as at December 31 consist of:

	Note	2025	2024
Notes and loans receivable			
Corporate notes	16	63,999,551	69,154,553
Promissory notes issued by various financial institutions		52,233,651	39,944,922
Interest receivables		2,106,233	4,483,216
		118,339,435	113,582,691
Retainer fee receivable		3,139,325	2,757,500
Less: Allowance for ECL		(2,840,311)	(1,564,965)
		118,638,449	114,775,226
Dividend receivables		443,807	97,763
		119,082,256	114,872,989

As at each reporting period, all outstanding receivables are collectible in cash, interest bearing, unsecured and unguaranteed.

Movements in the allowance for ECL are summarized below:

	Note	2025	2024	2023
Balance at beginning of year		1,564,965	2,057,317	28,397
Provision for impairment of receivables	13	1,275,346	341,206	2,028,920
Write-off		-	(833,558)	-
Balance at end of year		2,840,311	1,564,965	2,057,317

Corporate notes

Unsecured corporate notes outstanding as at December 31, 2025 and 2024 pertain to short-term corporate promissory notes issued by various entities, with terms of thirty-five days up to one year and earn interest ranging from 5.5% to 11.0% per annum.

Promissory notes issued by financial institutions

Unsecured promissory notes are issued by various financial institutions with terms ranging from 60 to 120 months and earn interest ranging from 4% to 7% per annum.

In 2025, interest income earned from corporate notes and promissory notes issued by various financial institutions amounted to P6.21 million (2024 - P5.07 million; 2023 - P8.16 million) (Note 12).

Critical accounting estimate and judgment: Provision for impairment of receivables

Provision for impairment of receivables is maintained at a level considered adequate to provide for uncollectible receivables. Expected credit losses (ECL) on receivables are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group has used relevant historical information and loss experience to determine the probability of default of the receivables and incorporated forward-looking information, including significant changes in external market indicators which involved significant estimates and judgements.

4 Assets held for sale

In 2024, the Group obtained equipment and furniture valued at P4,207,629 as form of repayment of its notes receivable from one of its debtors. These assets were obtained with the intention to sell to its affiliate companies and is expected to be completed within the next 12 months. As such, these were then classified as current assets held for sale in the statement of financial position. The assets were measured at the lower of carrying amount and fair value less cost to sell and as a result, an impairment loss of P1,125,882 was recognized (Note 13). For purposes of statements of cash flows reporting, the exchange of equipment and furniture, and notes receivable amounting to P4,207,629 is considered a non-cash operating and investing activity.

In 2025, the assets were measured at the lower of carrying amount and fair value less cost to sell and as a result, an impairment loss of P1,169,251 was recognized (Note 13).

As at December 31, 2025, the carrying amount of the assets held for sale is P6,900,286 (2024 - P9,106,688).

Management continues to actively market the assets and expects disposal within twelve (12) months from December 31, 2025.

5 Other non-current assets

Other non-current assets as at December 31 consist of:

	2025	2024
Creditable withholding tax (CWT)	7,033,172	7,746,286
Input value-added tax (VAT)	4,471,434	2,930,755
Goodwill	1,319,429	1,319,429
	12,824,035	11,996,470

Critical accounting estimate: Impairment of Goodwill

Goodwill pertains to the acquisition of PSTI by PMEI amounting to P1.3 million. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cashflows (DCF) model. The cash flows are derived from the budget for the next five years. Accordingly, the Group has also considered the impact of such transfers in the cash flow forecast of the CGU. Management assessed that the recoverable amount of PSTI, the CGU to which the goodwill is allocated, exceeds its carrying amount.

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

- Revenue - Revenue forecasts are management's best estimates considering factors such as industry CAGR, existing customer contracts and projections, historical experiences and other economic factors.
- Direct costs and administrative expenses - estimates are based on applicable inflation rate considering expected future cost efficiencies and forecasted employee headcount and rationalization.
- Pre-tax discount rates - Discount rates represent the current market assessment of the risk specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognized by the Group. A reasonably possible change in these key assumption would not cause the CGU's carrying amount to exceed its recoverable amount.

No impairment loss was recognized in goodwill in 2025 and 2024 as the Group's impairment testing yield headroom.

Critical accounting judgement: Recoverability of CWT and input VAT

The Group reviews at each reporting date whether there is any objective evidence that the Group's CWT and input VAT is impaired. In making this judgment, the Group evaluates its revenues and taxable income forecasts against which the CWT and input VAT can be applied. Management believes that the carrying amount of input VAT as at each reporting period will be utilized and can be applied against output VAT payable arising from other income.

CWT is recognized to the extent that it is probable that future tax liabilities will be available against which tax credits can be utilized. Determining the realizability of creditable withholding taxes requires the assessment of the availability of taxable profit expected to be generated from the operations which effectively drives the tax liabilities against which such creditable taxes can be applied.

Management believes that the carrying amount of CWT as at each reporting period is recoverable.

6 Financial assets at FVTPL; Financial assets at FVOCI

Financial assets at FVTPL and FVOCI as at December 31 consist of:

	2025	2024
FVTPL		
Investment in:		
Unit investment trust funds (UITF)	124,249,576	107,167,495
Quoted shares	128,110	131,104
	124,377,686	107,298,599
FVOCI		
Investments in:		
Quoted bonds	420,658,681	515,425,939
Quoted shares of stocks	247,621,181	248,757,600
Club memberships	9,300,000	9,300,000
Unquoted shares of stocks	30,000,000	30,000,000
	707,579,862	803,483,539
	831,957,548	910,782,138

Movements of financial assets at FVOCI for the years ended December 31 are as follows:

	Cost	Fair value reserve	Carrying value
At January 1, 2024	841,636,700	(36,440,879)	805,195,821
Acquisitions	235,150,268	-	235,150,268
Disposals	(245,123,461)	(1,370,619)	(246,494,080)
Unrealized gain charged to OCI	-	9,631,530	9,631,530
At December 31, 2024	831,663,507	(28,179,968)	803,483,539
Acquisitions	120,921,665	-	120,921,665
Disposals	(223,331,669)	(1,098,103)	(224,429,772)
Unrealized gain charged to OCI	-	7,604,430	7,604,430
At December 31, 2025	729,253,505	(21,673,641)	707,579,862

The movements in fair value reserve on FVOCI included in the statements of financial position in equity for the years ended December 31 are as follows:

	2025	2024
Beginning balance	(28,179,968)	(36,440,879)
Fair value changes recorded in OCI	7,604,430	9,631,530
Reclassification of cumulative fair value changes from OCI to profit or loss on disposal of debt instruments at FVOCI	(428,054)	14,592
Transfer from other reserves directly to retained earnings on disposal of equity instruments at FVOCI	(670,051)	(1,385,211)
Ending balance	(21,673,643)	(28,179,968)

Interest income earned from financial assets at FVOCI in 2025 amounted to P21.8 million (2024 - P27.6 million; 2023 - P25.3 million) (Note 12).

Dividend income earned from financial assets at FVOCI in 2025 amounted to P13.6 million (2024 - P9.3 million; 2023 - P10.0 million) (Note 12).

For the year ended December 31, 2025, realized gain on sale of debt instruments at FVOCI recognized directly to profit or loss amounted to P428,054 (2024 - P14,592 loss; 2023 - P2,540,681 loss).

For the year ended December 31, 2025, realized gain on sale of equity instruments at FVOCI recognized directly to retained earnings amounted to P670,051 (2024 - P1,385,211 gain; 2023 - P1,368,514 loss).

The fair values of these financial assets are determined based on quoted market bid prices at the close of business as at reporting date since most of these are actively traded in an organized financial market. The fair value measurement of the financial assets at FVOCI is classified as Level 1 (Quoted bonds, UITF and shares of stocks), Level 2 (club memberships) and Level 3 (unquoted shares of stock).

Critical accounting estimate: Fair value of financial instruments

Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models that primarily uses as inputs market based or independently sourced market parameters. The Group's financial assets at FVOCI as at each reporting period comprise primarily of equity and debt securities traded in the Philippine Stock Exchange (PSE) which has an active market, wherein securities are traded, or can be bought and sold.

The sensitivity analysis on the reasonable possible changes in market prices of the Group's securities is disclosed in Note 21.

7 Investment properties

As at December 31, 2025 and 2024, the Group's investment properties consist of the following:

- On December 29, 2023, the Group obtained nine parcels of land through dacion en pago with a related party amounting to P335,615,126 and covering three hundred eighty-three thousand nine hundred ninety-nine (383,999) square meters located at Ibis, Bagac, Bataan (Note 16). As at December 31, 2025, the land's title is currently being processed for transfer to the name of the Parent Company. In 2024, the Group capitalized transaction costs necessary to transfer the title of the land to the Parent Company amounting to P5,611,249. As at December 31, 2025 and 2024, the total cost of the aforementioned land amounted to P341,226,375.
- The Group has certain parcels of land amounting to P2,249,424 and covering one thousand two hundred (1,200) square meters located at Pasinay Bagac, Bataan. On January 16, 2019, the land's title was transferred to the name of PMEI.

The Group's investment properties are measured using the cost model.

As at each reporting period, Management determines the fair values of investment properties have been derived using the market approach (Level 2) which was estimated at P383,999,000. Management developed these fair value estimates on the basis of recent observable sale transactions and listing prices (or asking prices) of comparable properties registered within the vicinity of the respective land properties.

The investment properties are not pledged as security for liabilities as at each reporting period.

Critical accounting judgement: Recoverability of investment properties, and property and equipment

The Group's investment properties and property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. On a regular basis, management determines if there are triggering events or impairment indicators based on current circumstances. An impairment loss is recognized whenever evidence exists that the carrying value is not recoverable.

As at each reporting period, Management assessed that no indications of impairment exists, and there were changes in circumstances indicating that the carrying amount of its non-financial assets may be impaired.

8 Property and equipment, net

Property and equipment, net as at December 31 consist of:

	Transportation equipment	Furniture and fixtures	Office equipment	Office improvement	Total
At January 1, 2023					
Cost	5,011,638	3,528,775	1,277,810	39,325	9,857,548
Accumulated depreciation	(5,011,638)	(3,528,775)	(1,217,490)	(39,325)	(9,797,228)
Net carrying value	-	-	60,320	-	60,320
For the year ended December 31, 2023					
Opening carrying value	-	-	60,320	-	60,320
Addition	-	-	21,864	-	21,864
Depreciation expense (Note 13)	-	-	(30,028)	-	(30,028)
Closing net carrying value	-	-	52,156	-	52,156
At January 1, 2024					
Cost	5,011,638	3,528,775	1,299,674	39,325	9,879,412
Accumulated depreciation	(5,011,638)	(3,528,775)	(1,247,518)	(39,325)	(9,827,256)
Net carrying value	-	-	52,156	-	52,156
For the year ended December 31, 2024					
Opening carrying value	-	-	52,156	-	52,156
Addition	-	-	13,839	-	13,839
Depreciation expense (Note 13)	-	-	(24,648)	-	(24,648)
Closing net carrying value	-	-	41,347	-	41,347
At January 1, 2025					
Cost	-	-	1,305,714	-	1,305,714
Accumulated depreciation	-	-	(1,264,367)	-	(1,264,367)
Net carrying value	-	-	41,347	-	41,347
For the year ended December 31, 2025					
Opening carrying value	-	-	41,347	-	41,347
Depreciation expense (Note 13)	-	-	(34,427)	-	(34,427)
Closing net carrying value	-	-	6,920	-	6,920
At December 31, 2025					
Cost	5,011,638	3,528,775	1,305,714	39,325	9,885,452
Accumulated depreciation	(5,011,638)	(3,528,775)	(1,298,794)	(39,325)	(9,878,532)
Net carrying value	-	-	6,920	-	6,920

9 Trade and other payables

Trade and other payables as at December 31 consist of:

	2025	2024
Trade payables	5,723,361	5,926,993
Statutory payable	1,178,507	953,802
	6,901,868	6,880,795

Trade payables are non-interest bearing and are normally settled on a 30-day credit term.

Statutory payables pertain to expanded withholding taxes.

10 Lease commitments

The Group as a lessee

The Group has a lease agreement with Philcomsat for its office space for a term of two years subject to renewal under mutual agreement of both parties from January 1, 2019 to December 31, 2020.

On January 1, 2021, the lease contract was renewed for another 2 years until December 31, 2022. The annual rent is subject to escalation fee of 5%.

In 2023, the Group entered a new contract of lease with Philcomsat for its office space for a term of two years from January 1, 2023 to December 31, 2024 which is renewable for such period as both parties may agree after expiration of the contract. Based on the lease contract, the leased premises shall be used solely for commercial or business purposes only.

In 2025, the Group entered a new contract of lease with Philcomsat for its office space for a term of two years from January 1, 2025 to December 31, 2026 which is renewable for such period as both parties may agree after expiration of the contract.

Movements in the ROU asset as at December 31 are presented below:

	Note	2025	2024	2023
Net carrying amount, beginning		256,558	2,057,355	254,286
Additions		3,930,569	-	3,601,594
Depreciation	13	(1,950,965)	(1,800,797)	(1,798,525)
Net carrying amount, ending		2,236,162	256,558	2,057,355

Details of ROU asset as at December 31 are as follows:

	2025	2024
Cost	3,930,569	3,601,594
Accumulated depreciation	(1,694,407)	(3,345,036)
	2,236,162	256,558

Movements in the lease liability as at December 31 are presented below:

	2025	2024	2023
Beginning balance	265,844	2,131,772	257,209
Additions	3,930,569	-	3,601,594
Interest expense	149,370	77,656	130,479
Payments	(2,027,170)	(1,943,584)	(1,857,510)
Ending balance	2,318,613	265,844	2,131,772

Future minimum lease payments under lease liability and the net present value of the minimum lease payments as at December 31 follows:

	2025	2024
Not later than one year	2,121,377	272,070
More than one year but not later than five years	285,673	-
Total minimum lease obligation	2,407,050	272,070
Less: future finance charges on lease liability	88,437	6,226
	2,318,613	265,844

The following are the amounts recognized in the consolidated statements of total comprehensive income:

	2025	2024	2023
Depreciation on ROU asset	1,950,965	1,800,797	1,798,525
Interest on lease liability	149,370	77,656	130,479
	2,100,335	1,878,453	1,929,004

Depreciation expense from the ROU assets is allocated as follows:

	Note	2025	2024	2023
Cost of services	13	274,398	269,386	282,629
General and administrative expenses	13	1,676,567	1,531,411	1,515,896
		1,950,965	1,800,797	1,798,525

Total cash outflows for the payment of lease liabilities for the year ended December 31, 2025 amounted to P2,027,170 (2024 - P1,943,584; 2023 - P1,857,510).

Critical accounting estimate: Determining the incremental borrowing rate

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Where third party financing cannot be obtained, the Group uses the government bond yield, adjusted for the (1) credit spread specific to each entity under the Group and (2) security using the right-of-use asset.

Critical accounting judgment: Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

11 Equity

Share capital

Details of share capital as at December 31, 2025 and 2024 are as follows:

	Number of shares	Amount
Common shares at P1 par value per share		
Authorized shares	1,000,000,000	1,000,000,000
Subscribed, issued and outstanding shares	996,391,254	996,391,254

Of the total authorized capital stock, sixty million (60,000,000) shares are listed at the Philippine Stock Exchange (PSE).

Each common share confers upon a common shareholder: a) the right to vote at any shareholders' meeting or on any resolution of the shareholders; and b) the right to distribution of income under such terms and conditions as the BOD may approve. All holders of common shares shall have pre-emptive rights to acquire new shares to be issued by the Parent Company.

Dividends declaration

On March 15, 2026, the Parent Company's BOD approved the declaration and distribution of a special cash dividend of P0.05 per share to all stockholders of record as of March 23, 2026 (or a total of P49,819,563), to be paid not later than April 20, 2026.

Dividends payable as at December 31, 2025 and 2024 amounted to P5,184,637.

12 Income

Income for the years ended December 31 are as follows:

	Notes	2025	2024	2023
Interest income	2,3,6	31,471,392	35,823,292	36,068,922
Dividend income	6	13,597,394	9,279,396	10,001,334
Retainer fee		9,356,143	9,478,143	7,932,803
Stock transfer fee		261,075	264,570	219,762
Other service fee		670,962	502,796	620,488
Miscellaneous income		254,816	1,126,070	1,105,244
		55,611,782	56,474,267	55,948,553

Interest income included in revenue is earned from the following:

	Notes	2025	2024	2023
Cash and cash equivalents	2	3,423,557	3,182,857	2,633,656
Receivables	3	6,208,861	5,071,445	8,157,033
Financial assets at FVOCI	6	21,838,974	27,568,990	25,278,233
		31,471,392	35,823,292	36,068,922

Retainer fee pertains to monthly retainer fees earned by PSTI being a stock transfer agent.

13 Costs and expenses

Costs and expenses for the years ended December 31 are as follows:

	Notes	2025	2024	2023
Cost of services:				
Salaries and other benefits		1,645,460	1,556,697	1,471,720
Professional fees		833,733	883,567	1,213,459
Depreciation	8,10	291,659	280,794	282,629
Communication, light and water		166,299	118,036	226,874
Transportation and travel		130,281	15,596	49,191
Dues and subscription		56,692	56,692	56,692
Medical		-	-	19,846
		3,124,124	2,911,382	3,320,411
General and administrative expenses				
Professional fees		9,559,343	13,064,710	11,661,811
Outside services		5,474,522	3,538,788	3,137,717
Directors' fees	16	3,578,889	3,000,000	3,425,000
Representation and entertainment		2,471,749	4,082,685	3,009,953
Legal fees		2,124,161	150,898	814,196
Transportation and travel		1,963,011	2,201,341	2,439,129
Depreciation	8,10	1,693,733	1,544,651	1,545,924
Bank charges		1,347,024	1,980,566	1,711,073
Provision for impairment of receivables	3	1,275,346	341,205	2,028,920
Impairment of assets held for sale	4	1,169,251	1,125,882	1,150,790
Taxes and licenses		1,329,676	633,227	479,176
Office supplies		313,796	286,499	384,392
Communication, light and water		251,407	228,379	-
Dues and subscription		183,196	247,950	-
Advertising		363,066	126,968	296,339
Others		1,211,271	1,724,748	676,753
		34,309,441	34,278,497	32,761,173
Total costs and expenses		37,433,565	37,189,879	36,081,584

14 Other (expense) income, net

Other (expense) income, net for the years ended December 31 are as follows:

	Notes	2025	2024	2023
Realized gain (loss) on sale of FVOCI debt instruments	6	428,054	(14,592)	(2,540,681)
Realized gain (loss) on financial assets at FVTPL		713,227	1,327,511	(272,199)
Unrealized foreign exchange gain (loss)		552,063	1,327,511	(272,199)
Unrealized (loss) gain on financial assets at FVTPL		(3,897,726)	-	28,920
Gain from extinguishment of debt	16	-	-	36,971
		(2,204,382)	1,312,919	(2,746,989)

As discussed in Note 16, the extinguishment of debt in 2023 resulted from the assignment of certain parcels of land by the Parent Company in exchange for the settlement of the Notes receivable and Advances amounting to P35,356,250 and P272,046,695, respectively. The fair value of the parcels of land received by PHC amounted to P335,615,126 (Level 2). The extinguishment is considered a non-cash operating and investing activity for purposes of statements of cash flows reporting.

15 Income tax

Income tax expense (benefit)

The components of income tax benefit as shown in profit or loss for the years ended December 31 are as follows:

	2025	2024	2023
Current tax expense - current year	1,003,590	925,945	770,379
Current tax expense - prior periods	-	1,375,108	-
Deferred income tax (DIT) expense (benefit)	(217,210)	412,415	(1,671,909)
	786,380	2,713,468	(901,530)

The reconciliation of the income tax benefit computed at statutory tax rate to provision for income tax expense for the years ended December 31 are as follows:

	2025	2024	2023
Income tax at applicable statutory tax rate	3,935,843	7,688,149	4,120,637
Add (deduct) tax effects of:			
Interest income already subjected to final tax	(6,916,776)	(7,968,332)	(7,330,981)
Derecognition of NOLCO for the year	5,407,525	-	2,558,206
Income tax payment from prior periods	-	1,375,108	-
Change in unrecognized DIT assets	(254,046)	5,273,092	671,839
Dividend income subject to final tax	(3,399,349)	(5,419,479)	(2,500,334)
Nondeductible expenses	1,219,027	1,761,282	733,693
Tax expense from MCIT	105,195	-	210,240
Realized loss (gain) on sale of FVOCI debt instruments	(107,014)	3,648	635,170
Unrealized loss on financial assets at FVTPL	974,282	-	-
Realized gain from financial assets at FVTPL	(178,307)	-	-
	786,380	2,713,468	(901,530)

Deferred income tax

The components of the Group's deferred income tax (DIT) assets (liabilities), net as at December 31 are as follows:

	2025	2024
Lease liabilities, net	612	1,857
Allowance for doubtful accounts	8,080	5,679
Unrealized foreign exchange gain	(138,016)	(331,878)
NOLCO	18,441,436	18,343,652
MCIT	415,777	495,998
	18,727,889	18,515,308
Recognized DIT assets (liabilities), net	(63,006)	(280,216)
Unrecognized DIT asset	18,664,883	18,235,092

Net operating loss carryover (NOLCO)

The Republic Act No. 9337 (the "Act") provided the NOLCO privilege which can be carried over as a deduction for the three succeeding taxable years immediately following the year such loss was incurred.

In 2020, pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five consecutive taxable years following the year of such loss.

Details of NOLCO at December 31 are as follows:

Parent Company

Year incurred	Year of expiration	2025	2024
2020	2025	-	16,289,059
2021	2026	20,758,171	20,758,171
2022	2025	-	4,918,973
2023	2026	10,232,824	10,232,824
2024	2027	20,963,200	20,963,200
2025	2028	21,549,312	-
Subtotal		73,503,507	73,162,227
Tax rate		25%	25%
Unrecognized DIT asset on NOLCO		18,375,877	18,290,557

PMEI

Year incurred	Year of expiration	2025	2024
2023	2026	327,793	216,835
Tax rate		20%	20%
Recognized DIT asset on NOLCO		65,559	43,367

Minimum corporate income tax (MCIT)

As provided under the Act, the Group shall pay the minimum corporate income tax (MCIT) or regular corporate income tax (RCIT), whichever is higher. Any excess of MCIT over the RCIT shall be carried forward on an annual basis and credited against RCIT for the next three succeeding taxable years. MCIT shall be imposed beginning on the fourth taxable year immediately following the taxable year in which such corporation started its business operations.

On March 26, 2021, Republic Act No. 11534, was signed into law. Under this law, effective July 1, 2020, the MCIT rate was reduced from 2% to one percent (1%) until June 30, 2023.

Effective July 1, 2023, the MCIT rate reverted to its original 2% based on the taxpayers gross income. For taxable year 2023, a two-tiered MCIT rate applies: 1% for the period January 1 to June 30, 2023 and 2% for the period July 1 to December 31, 2023.

In March 2024, Revenue Memorandum Circular No. 36-2024 issued by the Bureau of Internal Revenue (BIR) provided a clarification in manner of computing the MCIT for taxable year 2023. For taxpayers with calendar year ends, the MCIT rate to be used is 1.50% in 2023.

Details of MCIT as at December 31 are as follows:

Year incurred	Year of expiration	2025	2024
2021	2024	-	113,892
2022	2025	184,157	184,157
2023	2026	211,064	211,064
2024	2027	100,777	100,777
2025	2028	105,195	-
Subtotal		601,193	609,890
Expired during the year		(184,157)	(113,892)
Unrecognized DIT asset on MCIT		417,036	495,998

Critical accounting judgment: Recoverability of DIT assets

Realization of future tax benefit related to DIT assets is dependent on the Group's ability to generate future taxable income during the periods in which these are expected to be recovered. The Group has considered these factors in reaching a conclusion as to the amount of DIT assets recognized as at each reporting period and regularly reviews the recoverability of the DIT assets to be recognized.

As at December 31, 2025, unrecognized DIT assets amount to P18,664,883 (2024 - P18,235,092).

16 Related party transactions

The table below summarizes the Group's transactions and balances with its related parties.

	Terms and conditions	Transactions			Balances Due from (due to)	
		2025	2024	2023	2025	2024
Notes receivable						
Entities under common control	Unsecured note, due on demand and bears interest of 5% to 7% per annum.					
<i>Principal</i>	Amounts are payable in cash on a gross basis. Interest bearing, unsecured, with no guarantee.	4,305,002	-	8,000,000	50,000,000	54,305,002
<i>Interest</i>		1,101,112	3,287,114	3,021,025	245,076	1,346,188
		(4,305,002)	(3,287,114)	11,021,025	50,245,076	55,651,190
Advances						
Entities under common control	These are advances made by the related party for various project related expenses.					
<i>Principal</i>		7,425,000	-	-	12,425,000	5,000,000
<i>Interest</i>	Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed interest bearing and due on demand.	684,064	302,653	347,085	60,901	744,965
					12,485,901	5,744,965
Due to related parties						
Ultimate Parent Company	These are advances made by the related party for various project related expenses.					
	Amounts are payable in cash on a gross basis. These are unsecured, non-interest bearing and due on demand.	219,353	-	28,344,614	-	(219,353)

	Terms and conditions	Transactions			Balances Due from (due to)	
		2025	2024	2023	2025	2024
Extinguishment of debt						
Notes receivable from Parent Company	On December 29, 2023, the Group and its Parent Company executed a deed of assignment of land by way of dacion en pago.	-	-	36,000,000	-	-
Advances from Parent Company	In the agreement, the Parent Company assigned nine parcels of land to the Group in satisfaction of P335,578,155 debt. The land is located in Bagac, Bataan with a total area of 383,999 sqm valued at P335,615,126. The agreement resulted in P36,971 gain (Note 14).	-	-	271,402,945	-	-
Future stock subscription						
Parent Company	As discussed in Note 1.1, the Parent Company's Board of Directors (BOD) confirmed and ratified its previous resolution increasing the authorized capital stock of the Parent Company. Consequently, the Parent Company received P18,894,000 as deposit for future stock subscription.	-	-	-	(18,894,000)	(18,894,000)
	As discussed in Note 1.1, as at each report date, the resolution to increase the Parent Company's authorized capital stock is awaiting ratification by the stockholders and pending application with SEC, hence recorded as non-current liabilities.					
Leases						
Parent Company	The Company has a lease agreement with the Parent Company for the rent of its office space located at the 12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City. The lease term is for two years and is renewable under mutual agreement of both parties. Transactions during the year pertains to the actual lease payments made during the year.	2,027,170	1,535,480	1,462,361	(2,318,613)	-
	Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, non-interest bearing and due on demand.					

		Transactions			Balances	
		2025	2024	2023	Due from (due to)	
Terms and conditions						
Expense recharges						
Entities under common control	These are recharges made by a related party for association dues and utilities taxes paid by the related party on behalf of the Group. These are billed at cost.	577,379	312,190	358,442	-	-
	Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, non-interest bearing and due on demand.					
Key management compensation						
Director's fees	Key management compensation of the Group consists of directors' fees. The Group does not have amounts receivables from/payables to key management personnel arising from the above agreement as at each reporting period. The Group does not have any regular employees. The accounting and management services are under the management of Philcomsat, its ultimate parent company.	3,578,889	3,000,000	3,425,000	-	-

The Group has an approved material related party transactions policy that sets forth the required thresholds for approval for related party transactions as part of the Group's corporate governance policy.

The following related party transactions and balances were eliminated for the purpose of preparing the consolidated financial statements:

	2025	2024	2023
As at December 31			
Investment in subsidiaries	29,305,002	29,305,002	29,305,002
Due from (to) related parties	-	-	(18,550,738)
For the years ended December 31			
Dividend income	6,000,000	13,000,000	-
Retainer fees	180,000	195,000	215,340

17 Earnings per share

Basic/diluted earnings per share for the years ended December 31 as follows:

	2025	2024	2023
Profit for the year	15,038,085	17,806,183	17,891,031
Weighted average number of shares outstanding	996,391,254	996,391,254	996,391,254
	0.0151	0.0179	0.0180

18 Civil cases

An action was filed in the Sandiganbayan by a group claiming to be directors and officers of POTC and Philcomsat seeking to enjoin the present directors and officers of POTC and Philcomsat from representing themselves as directors and officers and representatives of the Parent Company. The Parent Company sought the dismissal of the complaint against it on the ground that it is not a real party-in-interest since the injunction being sought is not directed against it. The Sandiganbayan issued a decision dismissing the case. The group alleging that they are the POTC and Philcomsat board of directors, however, appealed the case with the Supreme Court (SC) on November 10, 2008. The SC consolidated this case with three other cases.

On July 3, 2013, the SC in GR Nos. 184622, 184712-14, 186066 and 186590 ruled in favor of the Bildner Group and declared the Bildner Group as the legitimate board of directors of the Parent Company. The July 3, 2013 Decision attained finality on October 23, 2013 when the SC issued a Resolution denying the Motions for Reconsideration filed by the opposing parties. On March 27, 2014, the July 23, 2013 Decision has become final and executory.

The Parent Company also filed cases for the recovery of advances made by former directors and officers of the Parent Company. These cases are now pending resolution with the Department of Justice (DOJ).

Management believes that no provision is necessary to be recorded for these civil cases as at December 31, 2025 and 2024.

19 Litigation

The following cases were filed by the Parent Company to recover assets allegedly withdrawn or misappropriated by the former officers. Management, based on advice of legal counsel, believes that these matters will not result in a material financial impact on the Group. Accordingly, no provision has been recognized as at each reporting period.

- Philippine Communications Satellite Corporation against Philcomsat Holdings Corp. (PHC and former directors), Luis Lokin Jr., Enrique Locsin and Philip Brodett (Locsin Group)

PHC, through the valid and incumbent directors (Bildner Group) filed a Motion for Issuance of Writ of Execution with the Regional Trial Court (RTC) of Makati Branch 138 as court of origin, following the final resolution of SC declaring the election of Locsin Group as PHC's officers and directors. Accordingly, the SC ordered the Locsin Group to render an accounting and return of funds allegedly received from the Parent Company. An Order granting the Motion was issued on February 20, 2017, resulting to the issuance of the Writ of Execution on February 28, 2017. On January 9, 2018, PHC filed a manifestation for the implementation of the Writ of Execution.

On February 9, 2018, an Order was issued directing PHC, within thirty (30) days from receipt, to submit its preferred accounting firm who will conduct the accounting of all funds and other assets received from POTC, PHC and Philcomsat since September 2004. On February 22, 2018, PHC filed its Ex-Parte Manifestation and Motion, in compliance with the said Order.

On July 11, 2018, the Sheriff of the Office of the Clerk of Court of Makati served the Writ of Execution to Manuel Andal, Benito Araneta, Philip Brodett, Enrique Locsin, Concepcion Poblador and Johnny Tan. On June 6, 2019, PHC filed an Ex-Parte Motion to Resolve the pending motion to appoint Virgilio R. Santos as the auditing accounting firm for the execution of the SC Decision dated July 3, 2013 issued in GR Nos. 184622, 184712-14, 186066 and 186590. There was a status conference held in this case on December 13, 2019 where the Court required the defendants to provide a name of their selected accountant to move forward with the audit. The defendants failed or refused again to comply, so the Court is likely to appoint Philcomsat's proposed accountant, Virgilio R. Santos, to do the audit. On May 18, 2022, Philcomsat filed an Ex-Parte Motion to Resolve praying that an Order be issued allowing VRS to commence the accounting of corporate funds received, utilized and disbursed by all the defendants and their assigns, which the Court granted in its Order of June 3, 2022. However, VRS has already retired. The issue of who would render the audit remains unsolved.

On May 2, 2017, the Presidential Commission on Good Government (PCGG) and Locsin filed with the Court of Appeals (CA) a Petition for Certiorari and Prohibition with Very Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction assailing the Order dated February 20, 2017 issued by the RTC. On January 30, 2018, the CA issued a Decision dismissing the Petition. On February 22, 2018, PCGG and Locsin filed their Motion for Reconsideration with Motion to Exclude the PCGG from the instant Petition, which are both denied in a Resolution dated June 27, 2018.

On August 8, 2018, PCGG filed its Motion for Reconsideration on the denial of its Motion for Exclusion. On October 29, 2018, Philcomsat filed its Opposition thereto.

Meanwhile, PCGG and Locsin filed a Petition for Review with the Supreme Court (SC) questioning the Decision issued by the CA dated January 30, 2018, which dismissed their Appeal. Philcomsat filed its comment thereto on November 6, 2018. PCGG filed its Reply on February 17, 2020.

Separately, Brodett filed his Petition for Certiorari under Rule 65 with the CA assailing the Order issued by the RTC, which denied his Motion for Clarification on the issue of rendering an accounting of the funds. The CA denied his Petition on the ground that clarification may only be allowed if the order involves a clerical error but not when it is an alleged erroneous judgment or dispositive portion of the decision. Since Brodett's Motion for Clarification was raised questioning the grant of a writ of execution, the CA held that it cannot be subject of a motion for clarification.

On December 15, 2017, the CA's dismissal was issued and the case was considered terminated. Brodett still filed his Motion for Reconsideration, which was denied on May 10, 2018. Brodett elevated the matter to the SC via Petition for Review but the SC denied the same in a Resolution dated August 29, 2018.

On December 7, 2022, the Court issued a Resolution requiring the parties to file their respective memoranda. Philcomsat filed its Memorandum on March 10, 2023. On September 25, 2025 Philcomsat filed an omnibus Motion to proceed with the accounting and return of funds taken by the Locsin Group from Philcomsat Holdings Corporation, Philippine Communication Satellite Corporation and POTC. As at date of this report, the same is pending resolution.

- Complaint for collection against Araneta and Lokin

On May 26, 2010, a complaint for collection of sum of money and damages, with an application for a Writ of Preliminary Attachment dated May 24, 2010 was filed by the Parent Company against Benito Araneta and Luis Lokin Jr., former directors of the Parent Company for an alleged personal back to back loans with Bankwise procured by Araneta using the Parent Company's funds as collateral, with the help of Lokin, in the amount of P35.3 million.

On February 2, 2017, a Decision was issued finding Araneta and Lokin liable to pay PHC: a) actual damages in the sum of P31.5 million plus legal interest of 6% computed from May 26, 2010, the time of judicial demand until fully paid; b) P200,000 as and by way of exemplary damages; and c) P200,000 as and by way of attorney's fees, plus costs of suit.

Araneta and Lokin filed their Notices of Appeal on September 6 and September 8, 2017, respectively. On January 16, 2018, the Court of Appeals (CA) required defendants to file Appellant's Brief within 45 days from receipt thereof. On April 20, 2018 and May 7, 2018, PHC received Lokin and Araneta's Appellant's Briefs, respectively. On June 5, 2018, PHC filed its Appellee's Brief.

On September 18, 2018, PHC filed a Compliance submitting proof of service of its Appellee's Brief to defendants in accordance with the CA's Resolution dated July 2, 2018. On April 25, 2019, the CA issued a Decision granting Araneta's appeal.

On May 30, 2019, PHC filed its Motion for Reconsideration of the said Decision. On July 11, 2019, Araneta filed his Comment thereto, in accordance with the Resolution dated June 6, 2019 issued by the CA to file the same.

On October 24, 2019, the Court of Appeal issued a Resolution denying PHC's Motion for Reconsideration. On November 26, 2019, PHC elevated the case to the Supreme Court via Petition for Review on Certiorari under Rule 45. On March 9, 2020, Araneta filed his Comment. As at date of this report, the case is still pending resolution by the High Court.

- Criminal complaint against Brodett and Bankwise Officers using spurious bank accounts for Company's deposits

On May 8, 2008, the Parent Company filed a criminal complaint for estafa for misappropriation of corporate funds against Brodett, a former director of the Parent Company, and certain officers of Bankwise. The complaint alleged that the unauthorized deposits, withdrawals and transfers of the Parent Company's funds in the amount of P66.8 million was processed through spurious bank accounts and involved the comingling and transfer of funds between the Parent Company's accounts and certain personal accounts.

On June 14, 2016, an Order was issued allowing Brodett to present his defense only with respect to the P27.0 million and P9.3 million which allegedly came from PHC funds and not in the whole amount of P66.8 million. On July 1, 2016, a Motion for Reconsideration of the said Order was filed by the Private Prosecutor (Parent Company).

On August 30, 2016, the Private Prosecutor (Parent Company) filed a Reply to Brodett's Comment/Opposition dated August 25, 2016. After the presentation of defense evidence has already been concluded on June 5, 2018, the accused filed their Formal Offer of Evidence, which was partially admitted by the Court on August 28, 2018.

On February 21, 2020, the Court promulgated its judgment finding accused Brodett guilty for the crime of theft, sentencing him to the penalty of imprisonment for a minimum period of four (4) years, two (2) months, one (1) day, to a maximum period of sixteen (16) years and 4 months. He was also found civilly liable to pay PHC the amount of P14,235,700, with legal interest of 12% per annum from April 11, 2008 until June 30, 2013 and the total obligation plus 6% legal interest from July 1, 2013 until fully paid.

On March 3, 2020, Brodett filed his Motion for Partial Reconsideration of the Decision. On July 1, 2020, PHC filed its Consolidated Comment/Opposition thereto. In ruling Brodett's Motion for Reconsideration, the Court again promulgated the case on December 2, 2020 and affirmed Brodett's conviction. He then filed an appeal on December 3, 2020. In resolving the said Motion for Reconsideration, the RTC found him to be guilty of qualified theft. Brodett appealed to the Court of Appeals, where he obtained a reversal of the RTC Decision. The Office of the Solicitor General, as the prosecuting agency designated by the State to handle criminal cases on appeals, filed a Motion for Reconsideration. As at date of this report, the Motion for Reconsideration which is pending for resolution.

- Criminal complaint against Araneta for non-return of PHC deposits

A criminal complaint for estafa was filed against Araneta for money market placements amounting to P65.0 million which allegedly were not returned to the Parent Company. The case was dismissed on February 9, 2009 for lack of probable cause. The appeal filed on March 4, 2009 is still pending decision with the DOJ as at report date.

- Criminal complaint against Concepcion A. Poblador

A criminal complaint for estafa was filed against Ms. Poblador for allegedly receiving cash advances amounting to P14.5 million, which she failed to account for and return to the Parent Company after formal demands. On February 9, 2009, the DOJ issued a Resolution directing the filing of an information against Ms. Poblador only for P0.2 million.

On January 7, 2014, the Parent Company filed a Petition for Certiorari praying that the DOJ file new information against Ms. Poblador for estafa for the total amount of P16.7 million.

On January 10, 2014, the Parent Company received a Petition for Certiorari filed by Ms. Poblador seeking the reversal of the Resolution directing the filing of an Information for estafa against her for P0.2 million. On August 29, 2014, the two petitions were consolidated.

On April 26, 2017, subsequent to the filing of the parties' respective Memoranda, the CA issued a Resolution requiring Ms. Poblador to file a Rejoinder to the Parent Company's Reply (to the Memorandum of Poblador). In the meantime, the case was returned to "Completion State" pending the filing of the Rejoinder. Poblador filed her Rejoinder on June 1, 2017 under a Motion to Admit Attached Rejoinder.

On November 29, 2017, Poblador filed a Manifestation adopting her previous Memorandum dated December 22, 2014 as her compliance with the Resolution dated October 11, 2017. The Office of the Solicitor General filed a Manifestation and Motion on November 24, 2017 asking that the DOJ Secretary be excused from filing a Memorandum. Based on the Resolution of the Court requiring the parties anew to file their respective Memorandum, PHC's (2nd) Memorandum was filed on December 13, 2017, within the extended period prayed for.

On June 14, 2019, the CA issued a Decision denying both PHC's and Ms. Poblador's Petitions for Certiorari. On July 5 and 11, 2019, both parties filed their respective Motions for Reconsideration. On July 24, 2019, PHC filed its Comment to Ms. Poblador's Motion for Reconsideration. On August 10, 2020, the CA issued a Resolution denying PHC and Ms. Poblador's Motions for Reconsideration. PHC decided not to pursue the case with the Supreme Court considering that the amount involved is already covered by the advances to affiliates case.

On November 3, 2020, Poblador filed her Petition for Review with the Supreme Court. As at date of this report, the case remains pending for resolution with the Supreme Court.

The Group is also involved in other litigations, claims and disputes which are normal to its business. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the financial position and financial performance of the Group.

20 Critical accounting estimates, assumptions, and judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Critical accounting estimates and assumptions

- Provision of impairment of receivables and due from related parties (Notes 3 and 16)
- Fair value of financial instruments (Note 6)
- Determining the incremental borrowing rate for leases (Note 10)

(b) Critical accounting judgments in applying the Group's accounting policies

- Recoverability of due from related parties (Note 16)
- Recoverability of input VAT and tax credits (Notes 5)
- Recoverability of investment properties, and property and equipment (Note 7)
- Determining the lease term (Note 10)

21 Financial risk management and capital management

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Financial risk management is carried out by management under the direction of the Parent Company's BOD. Management identifies and evaluates financial risks in close cooperation with the Group's department heads. The Parent Company's BOD reviews and approves policies and procedures covering specific financial risk areas. These policies and procedures enable the Group's management to make strategic and informed decisions with regard to the operations of the Group.

The most important types of risk the Group manages are credit risk, market risk and liquidity risk. Market risk includes foreign exchange, interest and price risks. The Group has no significant financial assets and liabilities that are exposed to foreign exchange and interest risk.

Components of financial assets and liabilities

Details of the Group's financial assets as at December 31 are as follows:

	Notes	2025	2024
Financial assets measured at amortized cost			
Cash and cash equivalents	2	210,229,945	121,712,962
Receivables	3	119,082,256	114,872,989
Due from related parties	16	12,425,000	5,000,000
Financial assets at FVTPL	6	124,377,686	107,298,599
Financial assets at FVOCI	6	707,579,862	803,483,539
		1,173,694,749	1,152,368,089

Other current assets consist of advances subject for liquidation, hence not considered as financial assets. Other non-current assets consist of CWT and input VAT which not considered as financial assets since they do not arise from contractual arrangements.

Details of the Group's financial liabilities as at December 31 are as follows:

	Notes	2025	2024
Trade payables	9	5,723,361	5,926,993
Lease liability	10	2,318,613	265,844
Dividends payable	11	5,184,637	5,184,637
Due to a related party	16	-	219,353
Deposit for future stock subscription	16	18,894,000	18,894,000
		32,120,611	30,490,827

Other payables consisting of customer deposits and statutory payables not arising from contractual arrangements are not considered as financial liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation.

The Group enters into contracts only with recognized, credit-worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group obtains guarantees where appropriate to mitigate credit risk.

Credit risk arises from cash deposits with banks and financial institutions, as well as credit exposure on receivables and amounts due from a related party.

There is no significant concentration of credit risk, whether through exposure to individual counterparties or specific industry sectors.

The maximum exposure to credit risk for the Group's financial assets are as follows:

	Gross carrying amount	Net carrying amount	Internal credit rating	Basis for recognition of ECL
<u>December 31, 2025</u>				
Cash in banks and short-term placements	210,220,759	210,220,759	Performing	12-month ECL
Receivable				
Group 1	116,241,945	116,241,945	Performing	12-month ECL
Group 2	2,840,311	-	Impaired	Full provision
Due from related parties	12,425,000	12,425,000	Performing	12-month ECL
Financial assets at FVTPL	124,377,686	124,377,686	Performing	Not applicable
Financial assets at FVOCI	420,658,681	420,658,681	Performing	Not applicable
	886,764,382	883,924,071		
<u>December 31, 2024</u>				
Cash in banks and short-term placements	121,706,719	121,706,719	Performing	12-month ECL
Receivables				
Group 1	114,872,989	114,872,989	Performing	12-month ECL
Group 2	1,564,965	-	Impaired	Full provision
Due from related parties	5,000,000	5,000,000	Performing	12-month ECL
Financial assets at FVTPL	107,298,599	107,298,599	Performing	Not applicable
Financial assets at FVOCI	515,425,939	515,425,939	Performing	Not applicable
	865,869,211	865,869,211		

Generally, receivables are written-off if collection cannot be made despite exhausting all extrajudicial and legal means of collection. The maximum exposure to credit risk at reporting date is the carrying value of the financial assets. The Group does not hold collateral as security.

Cash and cash equivalents

The Group has policies that limit the amount of credit exposure with financial institutions. All of the Company's cash in bank is deposited with a well-capitalized financial institution and reputable universal bank with strong financial standing.

Nevertheless, a portion of the Group's cash balances exceeds the amount insured by the Philippine Deposit Insurance Corporation (PDIC). In March 2025, the PDIC increased the maximum deposit insurance coverage from ₱500,000 to ₱1,000,000 per depositor, per bank, pursuant to Republic Act No. 9576, as amended. While cash in bank is also subject to requirements of PFRS 9, management assesses that the credit risk arising from cash in banks is minimal, as deposits are placed only with banks that have strong credit ratings and no history of default.

Receivables

The Group's outstanding receivables from corporate notes and its related interest. The Group does not expect significant credit exposure on this receivable considering that these are short-term investments in promissory notes of reputable and listed institutions with good credit rating.

Credit quality of customers are classified as follows:

Group 1 - Customer and counterparty balances without history of default and assessed to be fully recoverable.

Group 2 - Individually assessed customer with defaults and which the Group no longer expects to recover the balance despite its collection efforts.

Due from related parties

Due from related parties arising from advances are collectible within 12 months. Expected credit losses are based on the assumption that repayment of balances outstanding will not be compromised considering these are receivables from entities under common control with no history of default.

Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, including but not limited to, availability of accessible highly liquid asset and internal and external funding of a related party, Group has assessed that the outstanding balances are exposed to low credit risk. Expected credit losses on these balances have therefore been assessed to be insignificant.

None of the fully performing financial assets have been renegotiated during each of the reporting periods.

Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash to meet the Group's operational commitment and finance its operation and working capital requirements.

Prudent liquidity risk management implies maintaining sufficient cash, timely collection of receivables and availability of funding through an adequate amount of facilities. The Group aims to maintain flexibility in funding by keeping track of its cash collections from dividends. The Group may also obtain funding from its shareholders, as well from third-party banking institutions, as necessary, to finance its operations and working capital requirements.

The table below summarizes the undiscounted profile of the Group's financial liabilities based on contractual payments:

	Less than 12 months	More than 1 year	Total
<i>At December 31, 2025</i>			
Trade and other payables	5,723,361	-	5,723,361
Lease liability, gross	2,038,865	279,748	2,318,613
Dividends payable	5,184,637	-	5,184,637
Deposit for future stock subscription	-	18,894,000	18,894,000
	12,946,563	19,173,748	32,120,611
<i>At December 31, 2024</i>			
Trade and other payables	5,926,993	-	5,926,993
Lease liability, gross	265,844	-	265,844
Dividends payable	5,184,637	-	5,184,637
Due to a related party	219,353	-	219,353
Deposit for future stock subscription	-	18,894,000	18,894,000
	11,596,827	18,894,000	30,490,827

Market risk

Price risk

Equity price risk is the risk that the fair values of equity instruments recognized under financial assets at FVOCI decrease as the result of changes in the levels of equity indices and the value of individual stocks. The Group is exposed to equity securities price risk because of the Group's investments in financial assets at FVTPL and financial assets at FVOCI which consist primarily of investment in listed and traded securities.

The Group measures the sensitivity of its investment securities and UITFs by using PSE index (PSEi). The table below sets forth the impact of changes in values in other comprehensive income for each of the periods ended December 31:

	Increase (decrease) in PSEi	Increase (decrease) in other comprehensive income
2025	12% (3%)	30,657,948 (6,450,702)
2024	16% (6%)	40,990,505 (14,109,418)
2023	11% (7%)	19,313,028 (13,377,391)

The sensitivity of the equity is the effect of the assumed changes in the PSEi on the net unrealized gain (loss) for the year, based on the adjusted beta rate of equity securities as at each reporting period. The reasonable possible changes in the market price of investments were determined based on Group's analysis of the movement in share prices for the next 30 days from the close of the financial year.

Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk arising from currency exposures, primarily with respect to the US Dollar. Foreign currency exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Parent Company's functional currency.

The Group's foreign-currency denominated financial instrument as at December 31, 2025 consists of cash in banks and cash equivalents totaling US\$350,337 (2024 - US\$25,720). The Group's exposure to foreign currency risk is insignificant.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. As at each reporting period, the Group has repricedable financial assets, specifically investments in quoted bonds classified as financial assets at FVOCI. Accordingly, the Group is subject to fair value interest rate risk.

The Group measures the sensitivity of its investment securities by using PHP BVAL reference rate fluctuations. The table below sets forth the impact of changes in PHP BVAL in the Group's other comprehensive income for each of the periods ended December 31:

	Increase (decrease) in PHP BVAL	Increase (decrease) in other comprehensive income
2025	6% (2%)	28,444,281 (8,674,316)
2024	11% (10%)	55,644,178 (51,306,812)
2023	14% (5%)	81,643,390 (28,957,310)

Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders and obtain borrowings from banks or to related party.

The capital that the Group manages is the total equity as shown in the statements of financial position.

The Group is not subject to any externally imposed capital requirements.

Fair value estimation

As at each reporting period, the carrying amounts of the Group's financial assets and liabilities, other than those already disclosed in the preceding paragraphs, reasonably approximate their fair values due to the short-term nature of these financial instruments.

The different levels in the fair value hierarchy have been defined in Note 22.5. There were no transfers between Levels 1, 2 and 3 during each of the reporting periods.

22 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

22.1 Basis of preparation

These consolidated financial statements of the Group have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- Philippine Accounting Standards (PAS) Accounting Standards, and
- Interpretations issued by 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 Securities and Exchange Commission (SEC).

These consolidated financial statements have been prepared under the historical cost convention, except for the measurement of financial assets at FVTPL and FVOCI, and assets held for sale.

The preparation of consolidated 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 Group's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are summarized in Note 20.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

There are no standards, amendments and interpretations which are effective for the financial year beginning January 1, 2025 that are relevant to and have a material impact on the Group's financial statements.

(b) New standards, amendments and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below:

- (a) Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026)

On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.

These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group does not expect these amendments to have a material impact on its operations or consolidated financial statements.

- (b) PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

22.2 Financial assets

Classification

The Group classifies its financial assets in the following categories: (a) financial assets at amortized cost, (b) financial assets at fair value through profit or loss (FVTPL), and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortized cost

The Group classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The Group's financial assets at amortized cost comprise of cash, receivables, and due from a related party.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months at the end of the reporting period.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition as at FVTPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Fair value gains or losses on investments held for trading net of interest income accrued on these assets, are recognized in profit or loss.

Financial assets may be designated by management on initial recognition as at FVTPL, if any of the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains and losses on them on a different basis; or
- The assets are part of group of financial assets, liabilities or both which are managed and their performance evaluated on fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative that would need to be separately recorded.

Financial assets at FVOCI

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity security which is not held for trading, and which the Group has irrevocably elected at initial recognition to recognize in this category. This is a strategic investment and the Group considers this classification to be more relevant. On disposal of this equity investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

As at each reporting period, investments in shares of stocks of various listed corporations, traded bonds and club memberships are designated as financial assets at FVOCI.

Recognition and measurement

The Group recognizes a financial asset in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

Derecognition

The basic premise for the derecognition model is to determine whether the asset under consideration for derecognition is:

- an asset in its entirety or
- specifically identified cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of the cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

Once the asset under consideration for derecognition has been determined, an assessment is made as to whether the asset has been transferred, and if so, whether the transfer of that asset is subsequently eligible for derecognition.

An asset is transferred if either the entity has transferred the contractual rights to receive the cash flows, or the entity has retained the contractual rights to receive the cash flows from the asset, but has assumed a contractual obligation to pass those cash flows on under an arrangement that meets the following conditions:

- the Group has no obligation to pay amounts to the eventual recipient unless it collects equivalent amounts on the original asset;
- the Group is prohibited from selling or pledging the original asset (other than as security to the eventual recipient); and
- the Group has an obligation to remit those cash flows without material delay.

Once the Group has determined that the asset has been transferred, it then determines whether or not it has transferred substantially all of the risks and rewards of ownership of the asset. If substantially all the risks and rewards have been transferred, the asset is derecognized. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

If the Group has neither retained nor transferred substantially all of the risks and rewards of the asset, then the Group must assess whether it has relinquished control of the asset or not. If the Group does not control the asset then derecognition is appropriate; however, if the Group has retained control of the asset, then the Group continues to recognize the asset to the extent to which it has a continuing involvement in the asset.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment losses are presented as part of cost and expenses in the statement of comprehensive income.

With the exception of purchased or originated credit impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

(i) Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

(ii) General approach

The Group applies the general approach to provide for ECLs on cash in banks, interest receivable, and due from a related party. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 360 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e., the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information as described above. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as actual default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognized directly in profit or loss.

Financial assets at FVOCI

In the case of equity investments classified as financial assets carried at FVOCI, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. When a decline in the fair value of a financial assets carried at FVOCI has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized in other comprehensive income is removed directly from equity with no option to recycle to profit or loss. Impairment losses recognized in profit or loss for an investment on equity instrument classified as financial assets at fair value through other comprehensive income are not reversed through profit or loss.

In the case of debt instruments classified as financial assets carried at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the profit or loss.

22.3 Consolidation

The consolidated financial statements comprise the consolidated financial statements of the Group as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025. For consolidation purposes, the subsidiaries' financial statements are prepared as at the same reporting year as that of the Parent Company. The Group uses uniform accounting policies. Details of principal subsidiaries are shown in Note 1.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Parent Company do not differ from the proportion of ordinary shares held.

(a) Subsidiaries

Subsidiaries are all entities over which the Parent Company has control. The Parent Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are deconsolidated from the date that control ceases.

The Parent Company applies the acquisition method to account for business combinations for acquired entities that are not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Parent Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Parent Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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

Any contingent consideration to be transferred by the Parent Company is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is deemed to be an equity instrument is not re-measured, and its subsequent settlement is not accounted for within equity.

Inter-Group transactions, balances and income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-Group transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Parent Company.

Business combinations under common control are accounted for using the predecessor cost method. Under this method, the Group does not restate the acquired businesses or assets and liabilities to their fair values. The net assets of the combining entities or businesses are combined using the carrying amounts of assets and liabilities of the acquired entity. No amount is recognized in consideration for goodwill or the excess of acquirer's interest in the net fair value of acquired identifiable assets, liabilities, and contingent liabilities over their cost at the time of the common control combination. The financial statements incorporated the net assets and results of operations of the combining entities or businesses as if they had always been combined or from the date when combining entities or business first became under common control, whichever period is shorter.

The difference between the consideration given and the aggregate book value of the assets and liabilities acquired as of the date of the transaction are included in "other equity charges" account within equity.

(b) Disposal of subsidiaries

When the Parent Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount 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 entity are accounted for as if the Parent 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.

The Parent Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Parent Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Parent Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Dilution gains and losses arising in investments in associates are recognized in profit or loss. Unrealized gains on transactions between the Parent Company and its associates are eliminated to the extent of the Parent Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Parent Company.

(c) Deposit for future stock subscription

Deposit for future stock subscription represents fund paid by the Parent Company with the intention to apply the same as payment for additional issuance of common share to increase its interest in the investee company. Deposit for future stock subscriptions is reported as a separate item in the equity section of the statement of financial position if and only if, all of the following elements are present as of end of the reporting period:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is Board of Directors' approval of the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

If any or all of the above elements are not present, the deposit for future stocks subscription is recognized as a liability in the statement of financial position. These are included in current liabilities, except when management expects to convert them to equity at least 12 months from the reporting date which are classified as non-current liabilities.

22.4 Financial liabilities

Classification and presentation

The Group classifies its financial liabilities in the following categories: (i) financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value) and (ii) financial liabilities at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

The Group did not hold financial liabilities at fair value through profit or loss during and at the end of each reporting period.

The Group's financial liabilities at amortized cost consist mainly of trade payables and other liabilities (excluding customer deposits and statutory payables) and lease liabilities.

Initial recognition and subsequent measurement

The Group's financial liabilities at amortized cost are initially measured at fair value plus transaction costs. Subsequently, these are measured at amortized cost using the effective interest method.

Interest expense on financial liabilities is recognized within finance cost, at gross amount, in the statements of total comprehensive income.

Derecognition

Financial liabilities are derecognized when extinguished, that is, when the obligation specified in a contract is discharged or cancelled or when the obligation expires.

22.5 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on Group specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

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

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

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

Details of the Group's fair value measurement for the financial assets at FVOCI and investment properties are disclosed in Note 6 and Note 7, respectively.

22.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

22.7 Cash and cash equivalents

Short-term placements are presented as cash equivalents if they have a maturity of three months or less and are carried in the statement of financial position at face amount or at nominal amount, which approximates its amortized cost using the effective interest method.

22.8 Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the noncurrent asset is recognized at the date of derecognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale.

22.9 Investment properties

Investment properties is defined as a property, mainly land, held for the purposes of earning rentals, for capital appreciation or both. This property is not held to be used in production or sale in the ordinary course of business. Investment property is initially measured at acquisition cost.

An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured, in which case, the investment property acquired is measured at the carrying amount of asset given up.

The Group has elected to measure investment properties at cost less any accumulated depreciation and any accumulated impairment, as applicable.

Land is not depreciated.

22.10 Property and equipment

Property and equipment is subsequently measured at cost less accumulated depreciation and accumulated impairment. Depreciation is calculated using the straight-line method to allocate the cost of each asset, net of their residual values, over their estimated useful lives as follows:

	Number of Years
Office equipment and office improvement	3
Transportation equipment	3-5
Furniture and fixtures	3

The useful lives of each of the property and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets. The property and equipment's useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

22.11 Impairment of non-financial assets

Non-financial assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment. Other non-financial assets, mainly property and equipment and investment in a subsidiary, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses, if any, are recognized in profit or loss. Non-financial assets that have been impaired are reviewed for possible reversal of impairment at each reporting period.

22.12 Revenue recognition

Dividend income

Dividend income from a subsidiary is recognized when the right to receive dividend is established usually upon declaration by the BOD.

Interest income

Interest income on bank deposits, which is presented net of final withholding tax, is recognized on a time proportion basis using the effective interest rate method.

Retainer income

Retainer pertains to monthly retainer fees earned by PSTI being a stock transfer agent, and is recognized overtime.

Other income

All other income is recognized when earned or when the right to receive payment is established.

22.13 Leases

The Group assesses whether the contracts are, or contain, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

- i. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- ii. the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

The Group as a lessee

At the commencement date, the Group recognizes ROU asset and lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

After the commencement date, the ROU asset is carried at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the lease term.

At the commencement date, the Group measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs. If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

22.14 Related party relationships and transactions

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

22.15 Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

22.16 Foreign currency transactions and translation

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the “functional currency”). These financial statements are prepared in Philippine Peso, which is the Parent Company’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

22.17 Subsequent events

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

23 Operating segment information

The Group is organized into operating segments based on the type of product or service. The Group's reportable operating segments relates to investing funds, management services and stock transfer agency.

The disaggregated revenue, as disclosed in Note 12, was assigned to the operating segments as follows:

Revenue as disaggregated	Operating segment
Interest income	Investing funds
Dividend income	Investing funds
Rent income	Investing funds
Service fees	Management services
Retainer fee	Stock transfer agency
Stock transfer fee	Stock transfer agency
Other service fee	Stock transfer agency
Gain on sale of financial assets at FVOCI	Investing funds
Gain on sale of investment property	Investing funds

All of the assets relating to the Group's operating segments are located in the Philippines. Accordingly, reporting operating segments per geographical business operation is not required.

Segment assets, liabilities and revenue and expenses are measured in accordance with PFRS Accounting Standards. The presentation and classification of segment revenue and expenses are consistent with that presented in the consolidated statements of total comprehensive income.

Significant information of the Group's reportable segments is as follows:

2025	Segment			Total
	Investing funds	Management services	Stock transfer agency	
Segment revenue	45,323,602	-	10,288,180	55,611,782
Segment profit	10,831,913	522,047	3,684,125	15,038,085
Depreciation	1,568,737	-	416,655	1,985,392
Provision for income tax	(88,667)	(22,192)	897,239	786,380
Total assets	1,508,766,006	23,449,395	9,268,419	1,541,483,820
Total liabilities	31,640,020	80,982	1,641,122	33,362,124

2024	Segment			Total
	Investing funds	Management services	Stock transfer agency	
Segment revenue	46,228,758	-	10,245,509	56,474,267
Segment profit	11,752,578	118,087	5,935,518	17,806,183
Depreciation	1,427,106	-	398,339	1,825,445
Provision for income tax	1,807,328	(16,281)	922,421	2,713,468
Total assets	1,488,203,446	23,041,456	6,387,177	1,517,632,079
Total liabilities	30,834,065	217,282	673,498	31,724,845

2023	Segment			Total
	Investing funds	Management services	Stock transfer agency	
Segment revenue	47,175,500	-	8,773,053	55,948,553
Segment profit	12,769,298	(105,306)	5,227,039	17,891,031
Depreciation	1,424,800	-	403,753	1,828,553
Provision for income tax	(1,335,734)	(26,586)	460,790	(901,530)
Total assets	1,481,824,071	31,078,116	6,836,935	1,519,739,122
Total liabilities	60,095,073	78,682	1,110,438	61,284,193

Capital expenditures for the year ended December 31, 2025 attributable to the investing funds segment amounted to nil (2024 - P13,839; 2023 - P21,863).

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets
December 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
<i>Notes and loans receivable</i>				
<i>Promissory notes issued by various financial institutions</i>				
Philippine Commercial Capital, Inc.	52,233,651	52,233,651	52,233,651	2,268,252
<i>Corporate notes</i>				
Montemar Beach Club Inc.	50,000,000	50,000,000	50,000,000	3,214,236
HMR Philippines, Inc.	13,999,551	13,999,551	13,999,551	336,064
	116,233,202	116,233,202	116,233,202	6,208,552
<i>Financial assets at FVPL</i>				
AB Capital Balanced Funds		13,478,104	13,478,104	
Philam Strategic Growth Fund	66,408	29,855,045	29,855,045	
SB Asia Pacific EQ Feeder Fund Class F		1,384,563	1,384,563	
Sun Life Prosperity Balanced Fund	11,771,306	40,421,488	40,421,488	
Sun Life Prosperity GS Fund	6,038,647	11,378,623	11,378,623	
BDO Private Bank Managed Funds		13,853,566	13,853,566	
BDO - Trust & Investments Group Managed Funds	17,261	13,878,188	13,878,188	
Bank of Philippine Islands	1,205	128,110	128,110	
		124,377,686	124,377,686	
<i>Financial assets at FVOCI</i>				
<i>Investments in quoted bonds</i>				
Aboitiz Power Corporation		4,260,000	4,260,000	
Alsons Consolidated Commercial Paper		985,570	985,570	
Ayala Corporation		560,000	560,000	
Ayala Land, Inc.		12,486,179	12,486,179	
Bank of the Philippine Islands		1,000,338	1,000,338	
BDO - Trust & Investments Group Managed Bonds		117,636,940	117,636,940	
BDO Private Bank Managed Bonds		109,531,110	109,531,110	
Bank of Commerce		1,000,000	1,000,000	
BDO Asean Bonds.		2,000,000	2,000,000	
Philippine Savings Bank		1,000,000	1,000,000	
Retail Dollar Bonds		1,176,100	1,176,100	
San Miguel Global		98,013	98,013	
Toyota Financial Services Philippines		20,000,000	20,000,000	
Uixed Rate Treasury Note		3,396,694	3,396,694	

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets (continuation)
December 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
Energy Development Corporation		3,200,000	3,200,000	
EW Peso Intermediate Term Bond Fund	7,259	17,211,254	17,211,254	
Filinvest Land Inc.		2,000,000	2,000,000	
Fixed Rate Treasury Note		4,195,277	4,195,277	
Megawide Construction Corporation		2,000,000	2,000,000	
Metropolitan Bank & Trust Company		12,738,654	12,738,654	
Philam Bond Fund		1,999,434	1,999,434	
Phinma Corporation	2,307.782	10,634,721	10,634,721	
PNB Series Asean Sustainability Bonds		2,000,000	2,000,000	
Retail Treasury Bonds		37,344,195	37,344,195	
Robinsons Land Corp.		1,000,000	1,000,000	
San Miguel Corporation		3,005,354	3,005,354	
SM Prime Holdings, Inc.		24,500,141	24,500,141	
UnionBank of the Philippines		4,007,838	4,007,838	
<i>Investments in quoted shares of stock</i>				
A Brown Company	10,000	970,000	970,000	
AC Energy Corporation	150,000	2,428,000	2,428,000	
Areit, Inc.	183,300	8,060,550	8,060,550	
Axelum Resources Corp.	200,000	472,000	472,000	
Aixed Rate Treasury Note		24,271,149	24,271,149	

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets (continuation)
December 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
Ayala Land, Inc.	100,000	2,245,000	2,245,000	
Aixed Rate Treasury Note		24,271,149	4,271,149	
BDO - Trust & Investments Group Managed Equity		29,504,116	29,504,116	
BDO Private Bank Managed Bonds		29,205,181	29,205,181	
BDO Unibank, Inc.	16,869	2,749,609	2,749,609	
Cebu Landmasters, Inc.	150,000	786,075	786,075	
Chelsea Logistics Holdings Corp.	100,000	95,000	95,000	
Cirtek Holdings Phils. Corp.	150,000	441,038	441,038	
Bixed Rate Treasury Note		121,666	121,666	
Dixed Rate Treasury Note		463,760	463,760	
Converge ICT Solutions, Inc.	500,000	7,660,000	7,660,000	
D.M. Wenceslao and Associates, Inc.	1,500,000	7,500,000	7,500,000	
DDMP Reit, Inc.	500,000	510,000	510,000	
DMCI Holdings, Inc.	75,000	790,500	790,500	
Doubledragon Properties Corp.	31,000	3,007,000	3,007,000	
EEl Corporation	40,000	3,936,000	3,936,000	
Filinvest REIT Corp.	1,000,000	3,100,000	3,100,000	
Fixed Rate Treasury Note		2,525,000	2,525,000	
Gixed Rate Treasury Note		396,000	396,000	
Intl. Cont. Terminal Serv. Inc.	4,170	2,364,390	2,364,390	
JG Summit Holdings, Inc.	5,250	124,163	124,163	
Jollibee Foods Corp.	1,000	994,000	994,000	
Merry Mart Consumer Group		580,000	580,000	
Monde Nissin Corporation		580,000	580,000	
MREIT Inc		2,604,000	2,604,000	
Mixed Rate Treasury Note		6,153,840	6,153,840	

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets (continuation)
December 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
Mixed Rate Treasury Note		6,153,840	6,153,840	
Pixed Rate Treasury Note		2,994,000	2,994,000	
Rixed Rate Treasury Note		4,951,652	4,951,652	
Sixed Rate Treasury Note	130,000	12,149,645	12,149,645	
Tixed Rate Treasury Note		25,453,600	25,453,600	
Torre Lorenzo Development Corp.		40,000,000	40,000,000	
Phoenix Petroleum Phils.	2,000	355,800	355,800	
Pilipinas Shell Petroleum Corp.	150,000	1,039,500	1,039,500	
Raslag Corporation		205,000	205,000	
RL Commercial REIT, Inc.	780,000	6,255,600	6,255,600	
Robinsons Land Corp.	6,343	102,503	102,503	
San Miguel Corporation	13,300	1,032,745	1,032,745	
San Miguel Food and Beverage, Inc.	11,500	632,500	632,500	
SM Prime Holdings, Inc.	100,000	2,275,000	2,275,000	
Synergy Grid & Dev't Phils., Inc.	1,022,400	1,324,800	1,324,800	
Wilcon Depot, Inc.	605,000	4,210,800	4,210,800	
<i>Investments in unquoted shares of stock</i>				
Asian Breast Cancer	300,000	30,000,000	30,000,000	

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets (continuation)
December 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
<i>Investments in club memberships</i>				
Montemar Beach Club Inc.	10	8,000,000	8,000,000	
Makati Sports Club, Inc.	1	1,300,000	1,300,000	
		707,579,862	707,579,862	21,838,974

Philcomsat Holdings Corporation and Subsidiaries

Schedule B. Amounts receivable from directors, officers, employees, related parties, and principal stockholders (other than related parties)
December 31, 2025

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of period
<i>Included under receivables</i>							
Montemar Beach Club Inc.	54,305,002	-	(4,305,002)	-	50,000,000	-	50,000,000
<i>Presented under "Due from related parties"</i>							
Montemar Beach Club Inc.	5,000,000	7,425,000	-	-	12,425,000	-	12,425,000
	59,305,002	7,425,000	(4,305,002)	-	62,425,000	-	62,425,000

"Notes receivables from" and "cash advances to" Montemar beach Club Inc. bear interest of 5% to 7% with terms of 180 days to one year.

Philcomsat Holdings Corporation and Subsidiaries

Schedule C. Amounts receivable from related parties which are eliminated during the consolidation of financial statements
December 31, 2025

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of period
		Not applicable					

Philcomsat Holdings Corporation and Subsidiaries

Schedule D. Long term debt
December 31, 2025

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "current portion of long-term debt" in related statement of financial position	Amount shown in caption "long-term debt" in statement of financial position
Not applicable	Not applicable	-	-

Philcomsat Holdings Corporation and Subsidiaries

Schedule E. Indebtedness to related parties (long-term loans from related companies)
December 31, 2025

Name of related party	Balance at beginning of period	Balance at end of period
Not applicable		

Philcomsat Holdings Corporation and Subsidiaries

Schedule F. Guarantees of securities and other issues
December 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is files	Nature of guarantee
Not applicable				

Philcomsat Holdings Corporation and Subsidiaries

Schedule G. Capital stock
December 31, 2025

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related statement of financial position	Number of shares reserved for options, warrants, conversions, and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common shares	1,000,000,000	996,391,254	-	783,945,590	112,756,243	99,689,421

Philcomsat Holdings Corporation and Subsidiaries

12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2025
(All amounts in Philippine Peso)

Unappropriated Retained Earnings, beginning of the year/period	515,418,545
Add: Category A: Items that are directly credited to Unappropriated retained earnings	
Reversal of Retained earnings appropriation/s	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
Less: Category B: Items that are directly debited to Unappropriated retained earnings	
Dividend declaration during the reporting period	-
Retained earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
Transfer of loss on disposal of FVOCI equity instruments	670,051
Unappropriated Retained Earnings, as adjusted	514,748,494
Add/Less: Net Income (loss) for the current year/period	13,831,913
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Unrealized fair value gain of investment property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	428,054
Realized fair value gain of Investment property	-
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of investment property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-
Adjusted net income/loss	14,259,967
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others (describe nature)	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others (describe nature)	-
Total Retained Earnings, end of the year/period available for dividend declaration	529,008,461

Philcomsat Holdings Corporation and Subsidiaries

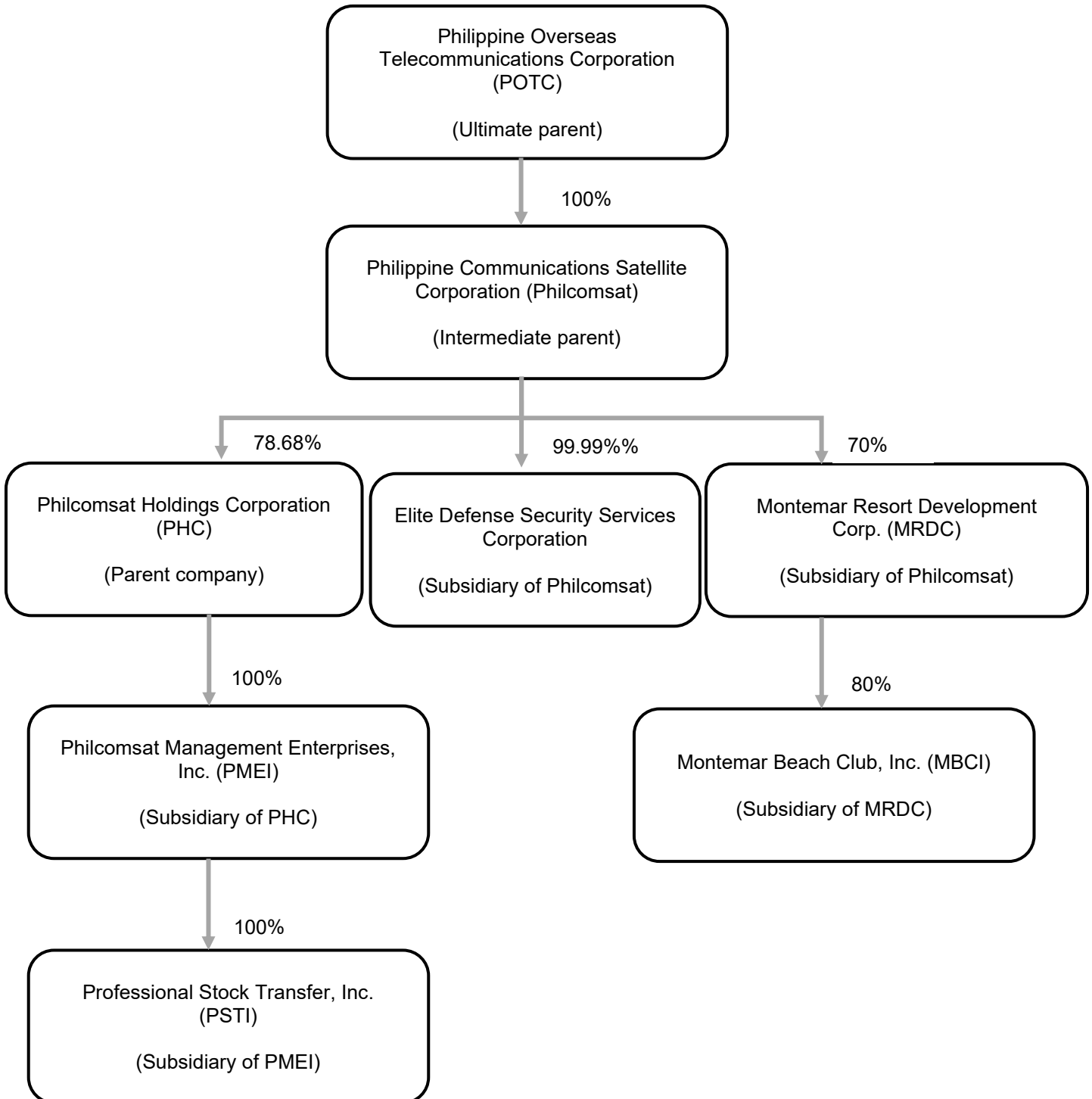
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

Schedule of Financial Soundness Indicators
December 31, 2025

Ratio	Formula	2025	2024
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	33.65:1 P475,361,042 P14,125,370	28.55:1 P358,378,366 P12,550,629
Acid test ratio	$\frac{\text{Current assets - inventory - prepayments}}{\text{Current liabilities}}$	33.00:1 P466,114,887 P14,125,370	27.80:1 P348,884,550 P12,550,629
Solvency Ratio	$\frac{\text{Net income before depreciation and amortization}}{\text{Total liabilities}}$	0.51:1 P17,023,477 P33,362,124	0.62:1 P19,631,630 P31,724,845
Debt-to-equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	0.02:1 P33,362,124 P1,508,121,696	0.02:1 P31,724,845 P1,485,907,234
Asset to equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	1.02:1 P1,541,483,820 P1,508,121,696	1.02:1 P1,507,632,079 P1,485,907.234
Interest rate coverage ratio	$\frac{\text{Operating EBITDA}}{\text{Net interest}}$		Not applicable
Return on equity	$\frac{\text{Net income}}{\text{Average total equity}}$	1% P15,038,085 P1,497,014,465	1% P17,806,183 P1,472,181,082
Return on asset	$\frac{\text{Net income}}{\text{Average total assets}}$	1% P15,038,085 P1,529,557,950	1% P17,806,183 P1,518,685,601
Net profit margin	$\frac{\text{Net income}}{\text{Total revenue}}$	27% P15,038,085 P55,651,782	32% P17,806,183 P56,474,267

Philcomsat Holdings Corporation and Subsidiaries

Map showing the relationships between and among the companies in the group,
its ultimate parent company and co-subsiaries
December 31, 2025



Philcomsat Holdings Corporation and Subsidiaries

Supplementary Schedule of External Auditor Fee-Related Information
For the year ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	2025	2024
Total Audit Fees	525,000	505,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit fees	-	-
Total Non-audit Fees	-	-
Total Audit and Non-audit Fees	525,000	505,000



Philcomsat Holdings Corporation <phc.birdocs@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>

Wed, Apr 15, 2026 at 2:49 PM

To: PHC.BIRDOCS@gmail.com

Cc: PHC.BIRDOCS@gmail.com

Hi PHILCOMSAT HOLDINGS CORPORATION,

Valid files

- EAFS000471497OTHTY122025.pdf
- EAFS000471497RPTTY122025.pdf
- EAFS000471497ITRTY122025.pdf
- EAFS000471497TCRTY122025-01.pdf
- EAFS000471497AFSTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-3TWRWMZ309EG98EHPXZMYMXQ0TVRQN2Q**Submission Date/Time: **Apr 15, 2026 02:49 PM**Company TIN: **000-471-497**

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

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

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



PHILCOMSAT HOLDINGS CORPORATION

12F Telecom Plaza 316 Sen. Gil Puyat Ave. 1200 City of Makati, Philippines
Tel.No.: 8815-8406; Fax No.: 8816-2517 www.phc.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


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

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

The Board of Directors is responsible for overseeing the Parent Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Isla Lipana & Co., the independent auditor, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.


SANTIAGO J. BANADA
Chairman of the Board


VICTORIA DELOS REYES
President


ERLINDA I. BILDNER
Treasurer

Signed this 14th day of April 2026.

SUBSCRIBED AND SWORN to before me this 14th day of April, 2026 in Makati City,
affiants exhibiting to me the following:

<u>Name</u>	<u>Government ID No.</u>	<u>Place / Date of Issue</u>
Santiago J. Ranada	[REDACTED]	[REDACTED]
Victoria C. Delos Reyes	[REDACTED]	[REDACTED]
Erlinda I. Bildner	[REDACTED]	[REDACTED]

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Page No. 24
Book No. 1
Series of 2026



[REDACTED]
ATTY. BERNADETTE S. YANZON
NOTARY PUBLIC - CITY OF MAKATI
UNTIL 31 DECEMBER 2026

[REDACTED]
[REDACTED]
[REDACTED]
TEL. 211-177748



Isla Lipana & Co.

Philcomsat Holdings
Corporation
(A subsidiary of
Philippine
Communications
Satellite Corporation)

Separate Financial Statements

As at and for the years ended December 31, 2025 and 2024





Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
Philcomsat Holdings Corporation
(A subsidiary of Philippine Communications Satellite Corporation)
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

Report on the Audits of the Separate Financial Statements

Our Opinion

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of Philcomsat Holdings Corporation (the "Company") as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The separate financial statements of the Company comprise:

- The separate statements of financial position as at December 31, 2025 and 2024;
- the separate statements of total comprehensive income for the years ended December 31, 2025 and 2024;
- the separate statements of changes in equity for the years ended December 31, 2025 and 2024;
- the separate statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the separate financial statements, comprising material accounting policy information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 23 to the separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

Isla Lipana & Co.



Carlos Federico C. de Guzman
Partner

[Redacted signature block]

Makati City
April 15, 2026

Philcomsat Holdings Corporation
(A subsidiary of Philippine Communications Satellite Corporation)

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	187,137,680	100,711,315
Receivables, net	3	115,962,235	112,659,909
Due from related parties	16	12,425,000	5,000,000
Financial assets at fair value through profit or loss (FVTPL)	6	124,249,576	107,167,495
Other current assets		2,325,869	377,129
		442,100,360	325,915,848
Assets held for sale	4	6,900,286	9,106,688
Total current assets		449,000,646	335,022,536
Non-current assets			
Financial assets at fair value through other comprehensive income (FVOCI)	6	707,579,862	803,483,538
Investment in a subsidiary	7	25,000,000	25,000,000
Investment property	8	341,226,375	341,226,375
Right-of-use (ROU) asset, net	11	1,558,969	-
Property and equipment, net	9	6,920	16,689
Other non-current assets	5	9,403,234	7,212,624
Total non-current assets		1,084,775,360	1,176,939,226
Total assets		1,533,776,006	1,511,961,762
Liabilities and Equity			
Current liabilities			
Trade and other payables	10	5,785,009	6,345,444
Due to related parties	16	-	78,106
Dividends payable	12	5,184,637	5,184,637
Lease liability	11	1,638,358	-
Total current liabilities		12,608,004	11,608,187
Non-current liabilities			
Deferred income tax liability	15	138,016	331,878
Deposit for future stock subscription	16	18,894,000	18,894,000
Total non-current liabilities		19,032,016	19,225,878
Total liabilities		31,640,020	30,834,065
Equity			
Share capital	12	996,391,254	996,391,254
Retained earnings		527,418,375	512,916,412
Other equity reserves	6	(21,673,643)	(28,179,969)
Total equity		1,502,135,986	1,481,127,697
Total liabilities and equity		1,533,776,006	1,511,961,762

The notes on pages 1 to 36 are integral part of these financial statements.

Philcomsat Holdings Corporation
(A subsidiary of Philippine Communications Satellite Corporation)

Statements of Total Comprehensive Income
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso, except earnings per share)

	Notes	2025	2024
Income	13	47,690,597	56,013,654
Operating expenses	14	(31,613,278)	(30,718,372)
Other (expense) income, net			
Unrealized loss on financial assets at FVTPL		(3,894,732)	-
Realized gain on financial assets at FVTPL		713,227	-
Realized gain (loss) on sale of debt instruments measured at FVOCI	6	428,054	(14,591)
Unrealized foreign exchange gain, net		552,063	1,327,511
Finance cost	11	(132,685)	(48,296)
Profit before income tax		13,743,246	26,559,906
Income tax benefit (expense)	15	88,667	(1,807,328)
Profit for the year		13,831,913	24,752,578
Other comprehensive income (loss)			
<i>Item that may subsequently be reclassified to profit or loss</i>			
Fair value gain on debt instruments at FVOCI		11,058,455	1,179,729
<i>Item that will not to be subsequently reclassified to profit or loss</i>			
Fair value (loss) gain on equity instruments at FVOCI	6	(3,454,025)	8,451,801
	6	7,604,430	9,631,530
Total comprehensive income for the year		21,436,343	34,384,108
Earnings per share (basic and diluted)	17	0.0139	0.0248

The notes on pages 1 to 36 are integral part of these financial statements.

Philcomsat Holdings Corporation
(A subsidiary of Philippine Communications Satellite Corporation)

Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Share capital (Note 12)	Retained earnings	Other equity reserves (Note 6)	Total equity
Balances at January 1, 2024	996,391,254	486,778,623	(36,440,879)	1,446,728,998
Comprehensive income				
Profit for the year	-	24,752,578		24,752,578
Other comprehensive income for the year	-	-		9,631,530
Total comprehensive income for the year	-	24,752,578	9,631,530	34,384,108
Transfer of loss on disposal of FVOCI equity instruments (Note 6)	-	1,385,211	(1,385,211))	-
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss (Note 6)	-	-	14,591	14,591
Balances at December 31, 2024	996,391,254	512,916,412	(28,179,969)	1,481,127,697
Comprehensive income				
Profit for the year	-	13,831,913	-	13,831,913
Other comprehensive income for the year	-	-	7,604,430	7,604,430
Total comprehensive income for the year	-	13,831,913	7,604,430	21,436,343
Transfer of loss on disposal of FVOCI equity instruments (Note 6)	-	670,051	(670,051)	-
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss (Note 6)	-	-	(428,054)	(428,054)
Balances at December 31, 2025	996,391,254	527,418,376	(21,673,644)	1,502,135,986

The notes on pages 1 to 36 are integral part of these financial statements.

Philcomsat Holdings Corporation
(A subsidiary of Philippine Communications Satellite Corporation)

Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Profit before income tax		13,743,246	26,559,906
Adjustments for:			
Depreciation of ROU asset	11,14	1,558,968	1,415,960
Depreciation of property and equipment	9,14	9,769	11,145
Provision for impairment of receivables	3,14	1,263,342	-
Impairment of assets held for sale	4,14	1,169,251	1,125,882
Interest expense	11	132,685	48,296
Unrealized foreign exchange gain		(552,063)	(1,327,511)
Unrealized loss on financial assets at FVTPL		3,894,732	-
Realized gain on financial assets at FVTPL		(713,227)	-
Realized (gain) loss on sale of debt instruments measured at FVOCI	6	(428,054)	14,591
Interest income on cash in banks	2	(3,423,209)	(2,996,890)
Operating cash flows before changes in working capital		16,655,440	24,851,379
(Increase) decrease in:			
Receivables	3	(4,565,667)	2,887,972
Due from related parties	16	(7,425,000)	1,938,183
Assets held for sale		1,037,151	(1,232,860)
Other current assets	5	(1,948,740)	(76,111)
Other non-current assets		(1,519,050)	1,731,108
(Decrease) increase in:			
Trade and other payables	10	(560,436)	160,806
Due to related parties		(78,106)	(46,817,246)
Net cash used in operations		1,595,593	(16,556,769)
Acquisitions of:			
Financial assets at FVOCI	6	(120,921,666)	(235,150,268)
Financial assets at FVTPL		(20,263,586)	-
Proceeds from redemption and maturity of:			
Financial assets at FVOCI and FVTPL	6	224,429,772	246,494,080
Interest received on cash in banks		3,423,209	2,996,890
Income taxes paid		(776,755)	(2,371,862)
Net cash from (used in) operating activities		87,486,565	(4,587,929)
Cash flows from investing activities			
Additions to investment property		-	(5,611,249)
Additions to property and equipment	9	-	(13,839)
Net cash used in investing activities		-	(5,625,088)
Cash flows from financing activities			
Payments of:			
Lease liability	11	(1,479,579)	(1,487,184)
Interest expense on lease liability	11	(132,685)	(48,296)
Net cash used in financing activities		(1,612,264)	(1,535,480)
Net increase (decrease) in cash		85,874,302	(11,748,497)
Cash and cash equivalents at beginning of year		100,711,315	111,132,301
Effect of foreign exchange rates changes		552,063	1,327,511
Cash and cash equivalents at end of year	2	187,137,680	100,711,315

The notes on pages 1 to 36 are integral part of these financial statements.

Philcomsat Holdings Corporation

(A subsidiary of Philippine Communications Satellite Corporation)

Notes to the Financial Statements

As at and for the years ended December 31, 2025 and 2024

(All amounts are shown in Philippine Peso, unless otherwise stated)

1 General information

1.1 Corporate information

Philcomsat Holdings Corporation (formerly Liberty Mines, Inc.) was incorporated and registered with the Securities and Exchange Commission (SEC) on May 10, 1956 with the primary purpose of embarking in the discovery, exploration, development and exploitation of mineral oils, petroleum in its natural state, rock or carbon oils and other volatile mineral substance and with the secondary purpose of engaging in the business of mining in general. The Company ceased oil and mining operations in 1992.

On July 23, 1997, the SEC approved the amended Articles of Incorporation of the Company consisting of: a) change in its primary purpose from an exploration and mining company to a holding company and revision of its secondary purpose clauses; and b) change of the corporate name from Liberty Mines, Inc. to Philcomsat Holdings Corporation.

The Company started operations as a holding company on January 1, 2000. The Company derives income from money market placements, bank deposits, financial assets at FVOCI and other investments.

On May 9, 2006, the SEC approved the extension of corporate life for another fifty (50) years.

On May 23, 2016, the Company's Board of Directors (BOD) confirmed and ratified its previous resolution increasing the authorized capital stock of the Company from P1.0 billion, divided into 1,000,000,000 shares with par value of P1 per share, to P30 billion, divided into 3,000,000,000 shares with par value of P1 per share. As at each report date, the resolution is awaiting ratification by the stockholders and pending application with SEC.

The Company is 78.68% owned by Philippine Communications Satellite Corporation (Philcomsat), a company incorporated in the Philippines. The ultimate parent company is Philippine Overseas Telecommunications Corporation (POTC), a company also incorporated in the Philippines. Philcomsat and POTC are both engaged in the telecommunications business.

The registered address, and principal place of business, of the Company is at 12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City.

1.2 Listing of shares in Philippine Stock Exchange (PSE)

The Company's original 60 million shares are listed and used to be traded in the PSE.

On May 3, 2007, the PSE suspended the trading of the Company's shares due to pending compliance with certain structured reportorial requirements. On December 3, 2008, the SEC ordered the suspension of the Company's registration of securities from the date of the receipt of the Order until the Company is able to submit the reportorial requirements and fully pay the corresponding penalties.

On April 1, 2014, the Company, through its legal counsel, submitted to the SEC three (3) letter request for the lifting of the order of suspension and for a compromise payment of the penalties. The SEC, on December 29, 2015, lifted the order of suspension and directed the Company to file an updated Registration Statement.

On August 6, 2025, the Company, submitted the Final Amended Registration Statement, together with the summary/accounting of listed and non-listed shares, Affidavit of Publication, and proof of payment of the filing fee. Subsequently, on September 15, 2025, the SEC issued an Order lifting the suspension of the Company's Registration Statement.

1.3 Approval of the separate financial statements

The separate financial statements of the Company were approved and authorized for issue by the BOD on April 14, 2026. There were no significant events that occurred from April 14, 2026 until April 15, 2026 requiring adjustment or disclosure in the separate financial statements.

2 Cash and cash equivalents

Cash and cash equivalents as at December 31 consist of:

	2025	2024
Cash on hand	4,186	5,711
Cash in banks	51,744,035	33,474,633
Short-term placements	135,389,459	67,230,971
	187,137,680	100,711,315

Cash in banks earn interest at prevailing bank deposit rates.

Cash equivalents pertain to special savings and time deposits, with terms of varying periods up to three (3) months and earn interest at prevailing special savings and time deposits rates.

Interest income earned from cash and cash equivalents for the year ended December 31, 2025 amounted to P3,423,209 (2024 - P2,996,890) (Note 13).

3 Receivables

Receivables as at December 31 consist of:

	Note	2025	2024
Notes and loans receivable			
Corporate notes	16	63,999,551	68,654,553
Promissory notes issued by various financial institutions		52,233,651	39,944,922
		116,233,202	108,599,475
Less: Allowance for ECL		(2,799,910)	(1,536,568)
		113,433,292	107,062,907
Interest receivables		2,083,425	4,297,941
Dividend receivables		443,807	97,763
Other receivable		1,711	1,201,298
		115,962,235	112,659,909

As at December 31, 2025 and 2024, all outstanding amount of receivables are collectible in cash, interest bearing and unguaranteed.

Movements in the allowance for ECL are summarized below:

	Note	2025	2024
Beginning balance		1,536,568	1,536,568
Provision for impairment of receivables	14	1,263,342	-
Balance at end of year		2,799,910	1,536,568

Corporate notes

Unsecured corporate notes outstanding as at December 31, 2025 and 2024 pertain to short-term corporate promissory notes issued by various entities, with terms of thirty-five days up to one year and earn interest ranging from 5.5% to 11.0% per annum.

Promissory notes issued by financial institutions

Unsecured promissory notes issued by various financial institutions with terms ranging from 60 to 120 months and earn interest ranging from 4% to 7% per annum.

Interest income earned from corporate notes and promissory notes issued by various financial institutions for the year ended December 31, 2025 amounted to P6,208,552 (2024 - P5,049,713) (Note 13).

Critical accounting estimate: Provision for impairment of receivables

Provision for impairment of receivables is maintained at a level considered adequate to provide for uncollectible receivables. Expected credit losses (ECL) on receivables are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Company has used relevant historical information and loss experience to determine the probability of default of the receivables and incorporated forward-looking information, including significant changes in external market indicators which involved significant estimates and judgements.

4 Assets held for sale

In 2024, the Company obtained equipment and furniture valued at P4,207,629 as form of repayment of its notes receivable from one of its debtors. As at December 31, 2025, these assets were obtained with the intention to sell to its affiliate companies and is expected to be completed within the next 12 months. As such, these were then classified as current assets held for sale in the statement of financial position. The assets were measured at the lower of carrying amount and fair value less cost to sell and as a result, an impairment loss of P1,125,882 was recognized (Note 14). For purposes of statements of cash flows reporting, the exchange of equipment and furniture, and notes receivable amounting to P4,207,629 is considered a non-cash operating and investing activity.

In 2025, the assets were measured at the lower of carrying amount and fair value less cost to sell and as a result, an impairment loss of P1,169,251 was recognized (Note 14).

As at December 31, 2025, the carrying amount of the assets held for sale is P6,900,286 (2024 - P9,106,688).

5 Other non-current assets

Other non-current assets as at December 31 consist of:

	2025	2024
Creditable withholding tax (CWT)	5,699,247	5,027,687
Input value-added tax (VAT)	3,703,987	2,184,937
	9,403,234	7,212,624

Critical accounting judgement: Recoverability of CWT and input VAT

The Company reviews at each reporting date whether there is any objective evidence that the Company's CWT and input VAT is impaired. In making this judgment, the Company evaluates its revenues and taxable income forecasts against which the CWT and input VAT can be applied. Management believes that the carrying amount of input VAT as at each reporting period will be utilized and can be applied against output VAT payable arising from other income.

CWT is recognized to the extent that it is probable that future tax liabilities will be available against which tax credits can be utilized. Determining the realizability of creditable withholding taxes requires the assessment of the availability of taxable profit expected to be generated from the operations which effectively drives the tax liabilities against which such creditable taxes can be applied.

Management believes that the carrying amount of CWT as at each reporting date is recoverable.

6 Financial assets at FVTPL; Financial assets at FVOCI

Financial assets at FVTPL and FVOCI as at December 31 consist of:

	2025	2024
FVTPL		
Investment in UITF	124,249,576	107,167,495
FVOCI		
Investments in:		
Quoted bonds	420,658,681	515,425,938
Quoted shares of stocks	247,621,181	248,757,600
Club memberships	9,300,000	9,300,000
Unquoted shares of stocks	30,000,000	30,000,000
	707,579,862	803,483,538
	831,829,438	910,651,033

Movements of financial assets at FVOCI for the years ended December 31 are as follows:

	Cost	Fair value reserve	Carrying value
At January 1, 2024	948,804,195	(36,440,879)	912,363,316
Acquisitions	235,150,268	-	235,150,268
Disposals	(245,123,461)	(1,370,620)	(246,494,081)
Unrealized gain charged to OCI	-	9,631,530	9,631,530
Reclassification	(107,167,495)	-	(107,167,495)
At December 31, 2024	831,663,507	(28,179,969)	803,483,538
Acquisitions	120,921,666	-	120,921,666
Disposals	(223,331,669)	(1,098,103)	(224,429,772)
Unrealized gain charged to OCI	-	7,604,430	7,604,430
At December 31, 2025	729,253,504	(21,673,642)	707,579,862

The movements in fair value reserve on FVOCI included in the statements of financial position in equity for the years ended December 31 are as follows:

	2025	2024
Beginning balance	(28,179,968)	(36,440,879)
Fair value changes recorded in OCI	7,604,430	9,631,530
Reclassification of cumulative fair value changes from OCI to profit or loss on disposal of debt instruments at FVOCI	(428,054)	14,591
Transfer from other reserves directly to retained earnings on disposal of equity instruments at FVOCI	(670,051)	(1,385,211)
Ending balance	(21,673,643)	(28,179,969)

Interest income earned from financial assets at FVOCI in 2025 amounted to P21,206,626 (2024 - P27,568,990) (Note 13).

Dividend income earned from financial assets at FVOCI in 2025 amounted to P16,597,394 (2024 - P19,271,991) (Note 13).

For the year ended December 31, 2025, realized gain on sale of debt instruments at FVOCI recognized directly to profit or loss amounted to P428,054 (2024 - P14,591 loss).

For the year ended December 31, 2025, realized gain on sale of equity instruments at FVOCI recognized directly to retained earnings amounted to P670,051 (2024 - P1,385,211 gain).

The fair values of these financial assets are determined based on quoted market bid prices at the close of business as at reporting date since most of these are actively traded in an organized financial market. The fair value measurement of the financial assets at FVOCI is classified as Level 1 (Quoted bonds, UITF and shares of stocks), Level 2 (club memberships) and Level 3 (unquoted shares of stock).

Critical accounting estimate: Fair value of financial instruments

Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models that primarily uses as inputs market based or independently sourced market parameters. The Company's financial assets at FVOCI as at December 31, 2025 and 2024 comprise primarily of equity and debt securities traded in the Philippine Stock Exchange (PSE) which has an active market, wherein securities are traded or can be bought and sold.

The sensitivity analysis on the reasonable possible changes in market prices of the Company's securities is disclosed in Note 21.

7 Investment in a subsidiary

Investment in a subsidiary as at December 31, 2025 and 2024 represent 100% equity shares in Philcomsat Management Enterprises, Inc. (PMEI) with a total investment cost of P25,000,000.

PMEI is engaged in providing business management services, business conceptualization, and allied services, including acquiring, holding and operating businesses.

There are no guarantees extended by the Company to the subsidiary.

Critical accounting judgement: Recoverability of investment in a subsidiary

The Company's investment in subsidiary is carried at cost. The carrying value is reviewed and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Changes in those assessment and judgment could have a significant effect on the carrying value of investment in a subsidiary and the amount and timing of recorded provision for any period.

Management believes that there are no other events or changes in circumstances indicating that the carrying amounts of the investments in a subsidiary as at each reporting dates may not be recoverable.

8 Investment property

On December 29, 2023, the Company obtained nine parcels of land through dacion en pago with a related party amounting to P335,615,126 and covering three hundred eighty-three thousand nine hundred ninety-nine (383,999) square meters located at Ibis, Bagac, Bataan (Note 16). The land's title is currently being processed for transfer to the name of the Company. As at December 31, 2023, the land's title is currently being processed for transfer to the name of PHC. In 2024, the Company capitalized transaction costs necessary to transfer the title of the land to the Company amounting to P5,611,249. As at December 31, 2024 and 2025, the total cost of the aforementioned land amounted to P341,226,375.

Level 2 fair values of investment properties have been derived using the market approach. In using the market approach, the value of the investment property as at December 31, 2025 was based on recorded sales and listings (or asking prices) of comparable property registered within the vicinity amounted to P383,999,000 (2024 - P383,999,000). Management developed these estimates on the basis of recorded sales and listing (or asking prices) of comparable properties registered within the vicinity of the respective land properties.

The investment property was not pledged as security for any liabilities as at each reporting period.

Critical accounting judgement: Recoverability of investment property

The Company's investment property is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. On a regular basis, management determines if there are triggering events or impairment indicators based on current circumstances. An impairment loss is recognized whenever evidence exists that the carrying value is not recoverable.

As at each reporting period, Management believes, based on its assessment and judgment, that there are no indications of impairment or changes in circumstances indicating that the carrying amount of its investment property may be impaired.

9 Property and equipment, net

Property and equipment, net as at December 31 consist of:

	Transportation equipment	Furniture and fixtures	Office equipment	Total
At January 1, 2024				
Cost	5,011,638	3,486,626	534,548	9,032,812
Accumulated depreciation	(5,011,638)	(3,486,626)	(520,553)	(9,018,817)
Net carrying value	-	-	13,995	13,995
For the year ended December 31, 2024				
Opening carrying value	-	-	13,995	13,995
Additions	-	-	13,839	13,839
Depreciation expense (Note 14)	-	-	(11,145)	(11,145)
Closing net carrying value	-	-	16,689	16,689
At January 1, 2025				
Cost	5,011,638	3,486,626	548,387	9,046,651
Accumulated depreciation	(5,011,638)	(3,486,626)	(531,698)	(9,029,962)
Net carrying value	-	-	16,689	16,689
For the year ended December 31, 2025				
Opening carrying value	-	-	16,689	16,689
Depreciation expense (Note 14)	-	-	(9,769)	(9,769)
Closing net carrying value	-	-	6,920	6,920
At December 31, 2025				
Cost	5,011,638	3,486,626	548,387	9,046,651
Accumulated depreciation	(5,011,638)	(3,486,626)	(541,467)	(9,039,731)
Net carrying value	-	-	6,920	6,920

10 Trade and other payables

Trade and other payables as at December 31 consist of:

	2025	2024
Trade payables	5,564,675	5,842,214
Payables to government agencies	220,334	503,230
	5,785,009	6,345,444

Trade payables are non-interest bearing and are normally settled on a 30-day credit term.

11 Lease commitments

The Company as a lessee

The Company has a lease agreement with Philcomsat for its office space for a term of two years subject to renewal under mutual agreement of both parties from January 1, 2023 to December 31, 2024.

In 2025, the Company entered a new contract of lease with Philcomsat for its office space for a term of two years from January 1, 2025 to December 31, 2026 which is renewable for such period as both parties may agree after expiration of the contract.

(i) *Amounts recognized in the statements of financial position*

Movements in the ROU asset as at December 31 are presented below:

	Note	2025	2024
Net carrying amount, beginning		-	1,415,960
Additions		3,117,937	-
Depreciation	14	(1,558,968)	(1,415,960)
Net carrying amount, ending		1,558,969	-

Details of ROU asset as at December 31 are as follows:

	2025	2024
Cost	3,117,937	2,831,920
Accumulated depreciation	(1,558,968)	(2,831,920)
	1,558,969	-

Movements in the lease liability as at December 31 are presented below:

	2025	2024
Beginning balance	-	1,487,184
Additions	3,117,937	-
Interest expense	132,685	48,296
Payments	(1,612,264)	(1,535,480)
Ending balance	1,638,358	-

Total cash outflows for the payment of lease liability for the year ended December 31, 2025 amounted to P1,612,264 (2024 - P1,535,480).

Future minimum lease payments under lease liability and the net present value of the minimum lease payments as at December 31 follows:

	2025	2024
Not later than one year	1,638,358	-
Less: future finance charges on lease liability	-	-
	1,638,358	-

(ii) *Amounts recognized in the statements of total comprehensive income*

The statements of total comprehensive income for the years ended December 31 show the following amounts relating to leases:

	Note	2025	2024
Depreciation on ROU asset	14	1,558,968	1,415,960
Interest on lease liability		132,685	48,296
		1,691,653	1,464,256

Critical accounting estimate: Determining the incremental borrowing rate

To determine the incremental borrowing rate, the Company uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Where third party financing cannot be obtained, the Company uses the government bond yield, adjusted for the (1) credit spread specific to each entity under the Company and (2) security using the ROU asset.

Critical accounting judgment: Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

12 Equity

Share capital

Details of share capital as at December 31, 2025 and 2024 are as follows:

	Number of shares	Amount
Common shares at P1 par value per share		
Authorized shares	1,000,000,000	1,000,000,000
Subscribed, issued and outstanding shares	996,391,254	996,391,254

Of the total authorized share capital, sixty million (60,000,000) shares are listed at the Philippine Stock Exchange (PSE).

Each common share confers upon a common shareholder: a) the right to vote at any shareholders' meeting or on any resolution of the shareholders; and b) the right to distribution of income under such terms and conditions as the Board of Directors (BOD) may approve. All holders of common shares shall have preemptive rights to acquire new shares to be issued by the Company.

As at December 31, 2025 and 2024, the increase in authorized capital stock remains pending stockholders' ratification and SEC approval (Note 1.1).

Dividends declaration

On March 15, 2026, the Company's BOD approved the declaration and distribution of a special cash dividend of P0.05 per share to all stockholders of record as of March 23, 2026 (or a total of P49,819,563), to be paid not later than April 20, 2026.

Dividends payable as at December 31, 2025 and 2024 amounted to P5,184,637.

13 Income

Income for the years ended December 31 are as follows:

	Notes	2025	2024
Interest income	2,3,6	30,838,387	35,615,593
Dividend income	6	16,597,394	19,271,991
Miscellaneous income		254,816	1,126,070
		47,690,597	56,013,654

Interest income included in revenue is earned from the following:

	Notes	2025	2024
Cash and cash equivalents	2	3,423,209	2,996,890
Receivables	3	6,208,552	5,049,713
Financial assets at FVOCI	6	21,206,626	27,568,990
		30,838,387	35,615,593

14 Operating expenses

Operating expenses for the years ended December 31 are as follows:

	Notes	2025	2024
Professional fees		7,598,140	10,960,627
Outside services		5,474,522	3,538,788
Directors' fees	16	3,578,889	3,000,000
Representation and entertainment		2,424,899	3,570,316
Legal fees		2,124,161	150,898
Transportation and travel		1,949,879	2,201,341
Depreciation of ROU asset	11	1,558,968	1,415,960
Bank charges		1,343,499	1,980,131
Provision for impairment of receivables	3	1,263,342	-
Taxes and licenses		1,219,303	520,022
Impairment of assets held for sale	4	1,169,251	1,125,882
Advertising		363,066	126,968
Depreciation of property and equipment	9	9,769	11,145
Others		1,535,590	2,116,294
		31,613,278	30,718,372

15 Income tax

Income tax expense

The components of income tax expense (benefit) for the years ended December 31 are as follows:

	2025	2024
Current tax expense - current year	105,195	100,342
Current tax expense - prior periods	-	1,375,108
Deferred	(193,862)	331,878
	(88,667)	1,807,328

The reconciliation of the income tax expense (benefit) computed at statutory tax rate to provision for income tax for the year ended December 31 are as follows:

	2025	2024
Income tax at statutory tax rate of 25%	3,435,812	6,639,977
Add (Deduct) tax effects of:		
Interest income already subjected to final tax	(6,790,236)	(7,931,139)
Dividend income subject to final tax	(4,149,349)	(4,817,998)
Change in unrecognized deferred income tax assets	-	(68,050)
Income tax payment from prior periods	-	1,375,108
Realized gain on financial assets at FVTPL	(178,307)	-
Unrealized loss on financial assets at FVTPL	973,683	-
Non-deductible expenses	1,234,221	1,264,640
Tax expense from NOLCO	5,387,328	5,240,800
Tax expense from minimum corporate income tax (MCIT)	105,195	100,342
Realized (gain) loss on sale of debt instruments at FVOCI	(107,014)	3,648
	(88,667)	1,807,328

Deferred income tax

Unrecognized DIT assets as at December 31 represent the following:

	2025	2024
NOLCO	18,375,877	18,290,557
MCIT	415,777	494,739
Leases	19,847	-
Provision for impairment of receivables	699,978	384,142
Unrealized loss on financial assets at FVTPL	795,376	-
Provision of inventory	711,302	418,989
Provision for impairment of assets held for sale	292,313	569,158
	21,310,470	20,157,585

Deferred tax liability as at December 31, 2025 amounting to P138,016 pertains to unrealized foreign exchange gain (2024 - P331,878).

Net operating loss carryover (NOLCO)

The Republic Act No. 9337 (the "Act") provided the NOLCO privilege which can be carried over as a deduction for the three succeeding taxable years immediately following the year such loss was incurred.

In 2020, pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five consecutive taxable years following the year of such loss.

Details of unrecognized NOLCO and the related unrecognized DIT assets at December 31 are as follows:

Year incurred	Year of expiration	2025	2024
2020	2025	-	16,289,059
2021	2026	20,758,171	20,758,171
2022	2025	-	4,918,973
2023	2026	10,232,824	10,232,824
2024	2027	20,963,200	20,963,200
2025	2028	21,549,312	-
Subtotal		73,503,507	73,162,227
Tax rate		25%	25%
		18,375,877	18,290,557

Minimum corporate income tax (MCIT)

As provided under the Act, the Company shall pay the minimum corporate income tax (MCIT) or regular corporate income tax (RCIT), whichever is higher. Any excess of MCIT over the RCIT shall be carried forward on an annual basis and credited against RCIT for the next three succeeding taxable years. MCIT shall be imposed beginning on the fourth taxable year immediately following the taxable year in which such corporation started its business operations.

On March 26, 2021, Republic Act No. 11534, was signed into law. Under this law, effective July 1, 2020, the MCIT rate was reduced from two percent (2%) to one percent (1%) until June 30, 2023.

Effective July 1, 2023, the MCIT rate reverted to its original 2% based on the taxpayers gross income. For taxable year 2023, a two-tiered MCIT rate applies: 1% for the period January 1 to June 30, 2023 and 2% for the period July 1 to December 31, 2023.

In March 2024, Revenue Memorandum Circular No. 36-2024 issued by the Bureau of Internal Revenue (BIR) provided a clarification in manner of computing the MCIT for taxable year 2023. For taxpayers with calendar year ends, the MCIT rate to be used is 1.50% in 2023.

Details of unrecognized MCIT as at December 31 are as follows:

Year incurred	Year of expiration	2024	2023
2021	2024	-	113,892
2022	2025	184,157	184,157
2023	2026	210,240	210,240
2024	2027	100,342	100,342
2025	2028	105,195	-
		599,934	608,631
Expired MCIT		(184,157)	(113,892)
		415,777	494,739

Realization of future tax benefit related to DIT assets is dependent on the Company's ability to generate future taxable income during the periods in which these are expected to be recovered. The Company has considered these factors in reaching a conclusion as to the amount of DIT assets recognized as at each reporting period and regularly reviews the recoverability of the DIT assets to be recognized.

16 Related party transactions

The table below summarizes the Company's transactions and balances with its related parties.

		Transactions		Balances Due from (due to)	
		2025	2024	2025	2024
		Terms and conditions			
Notes receivable (Note 3)					
Entities under common control	Unsecured note, due on demand and bears interest of 5% to				
<i>Principal</i>	7% per annum. Amounts are payable in cash on a gross	4,305,002	-	50,000,000	54,305,002
<i>Interest</i>	basis. Interest bearing, unsecured, with no guarantee.	1,101,112	3,287,114	245,076	1,346,188
				50,245,076	55,651,190
Advances					
Entities under common control	These are advances made by the related party for various				
<i>Principal</i>	project related expenses.	7,425,000	-	12,425,000	5,000,000
<i>Interest</i>	Amounts are payable in cash on a gross basis. These are	684,064	302,653	60,901	744,965
				12,485,901	5,744,965
Due to related parties					
Ultimate Parent Company	These are advances made by the related party for various	78,106	28,344,614	-	(78,106)
	project related expenses.				
	Amounts are payable in cash on a gross basis. These are				
	unsecured, non-interest bearing and due on demand.				

		Transactions		Balances Due from (due to)	
Terms and conditions		2025	2024	2025	2024
Future stock subscription					
Parent Company	<p>As discussed in Note 1.1, the Company's Board of Directors (BOD) confirmed and ratified its previous resolution increasing the authorized capital stock of the Company. Consequently, the Company received P18,894,000 as deposit for future stock subscription.</p> <p>As discussed in Note 1.1, as at each report date, the resolution to increase the Company's authorized capital stock is awaiting ratification by the stockholders and pending application with SEC, hence recorded as deposit for future stock subscription and is presented within non-current liabilities.</p>	-	-	18,894,000	18,894,000
Leases					
Parent Company	<p>The Company has a lease agreement with the Parent Company for the rent of its office space located at the 12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City. The lease term is for two years and is renewable under mutual agreement of both parties. Transactions during the year pertains to the total lease payments made during the year.</p> <p>Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, non-interest bearing and due on demand.</p>	1,612,274	1,535,480	1,638,358	-
Expense recharges					
Entities under common control	<p>These are recharges made by a related party for association dues and utilities taxes paid by the related party on behalf of the Company. These are billed at cost.</p> <p>Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, non-interest bearing and due on demand.</p>	577,379	312,190	-	-

		Transactions		Balances Due from (due to)	
		2025	2024	2025	2024
Professional fees					
Entity under common control	<p>The Company entered into an agreement with PSTI to avail of their services as stock transfer agent.</p> <p>Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, non-interest bearing and due on demand.</p>	180,000	180,000	-	-
Key management compensation					
Director's fees (Note 14)	<p>Key management compensation of the Company consists only of directors' fees.</p> <p>The Company does not have amounts receivables from/payables to key management personnel arising from the above agreement as at December 31, 2025 and 2024.</p> <p>The Company does not have any regular employees. The accounting and management services are under the management of Philcomsat, its ultimate parent company.</p>	3,578,889	4,821,111	-	-

There are no provisions for impairment recognized against due from related parties.

As at December 31, 2025 and 2024, there were no amounts offset within due from and due to related parties as presented in the statements of financial position.

17 Earnings per share

Basic/diluted earnings per share for the years ended December 31 as follows:

	2025	2024
Profit for the year	13,831,913	24,752,578
Weighted average number of shares outstanding	996,391,254	996,391,254
	0.0139	0.0248

18 Civil cases

An action was filed in the Sandiganbayan by a group claiming to be directors and officers of POTC and Philcomsat seeking to enjoin the present directors and officers of POTC and Philcomsat from representing themselves as directors and officers and representatives of the Parent Company. The Parent Company sought the dismissal of the complaint against it on the ground that it is not a real party-in-interest since the injunction being sought is not directed against it. The Sandiganbayan issued a decision dismissing the case. The group alleging that they are the POTC and Philcomsat board of directors, however, appealed the case with the Supreme Court (SC) on November 10, 2008. The SC consolidated this case with three other cases.

On July 3, 2013, the SC in GR Nos. 184622, 184712-14, 186066 and 186590 ruled in favor of the Bildner Group and declared the Bildner Group as the legitimate board of directors of the Parent Company. The July 3, 2013 Decision attained finality on October 23, 2013 when the SC issued a Resolution denying the Motions for Reconsideration filed by the opposing parties. On March 27, 2014, the July 23, 2013 Decision has become final and executory.

The Parent Company also filed cases for the recovery of advances made by former directors and officers of the Parent Company. These cases are now pending resolution with the Department of Justice (DOJ).

Management believes that no provision is necessary to be recorded for these civil cases as at December 31, 2025 and 2024.

19 Litigation

- Philippine Communications Satellite Corporation against Philcomsat Holdings Corp. (PHC and former directors), Luis Lokin Jr., Enrique Locsin and Philip Brodett (Locsin Group)

PHC, through the valid and incumbent directors (Bildner Group) filed a Motion for Issuance of Writ of Execution with the Regional Trial Court (RTC) of Makati Branch 138 as court of origin, following the final resolution of SC declaring the election of Locsin Group as PHC's officers and directors. Accordingly, the SC ordered the Locsin Group to render an accounting and return of funds allegedly received from the Parent Company. An Order granting the Motion was issued on February 20, 2017, resulting to the issuance of the Writ of Execution on February 28, 2017. On January 9, 2018, PHC filed a manifestation for the implementation of the Writ of Execution.

On February 9, 2018, an Order was issued directing PHC, within thirty (30) days from receipt, to submit its preferred accounting firm who will conduct the accounting of all funds and other assets received from POTC, PHC and Philcomsat since September 2004. On February 22, 2018, PHC filed its Ex-Parte Manifestation and Motion, in compliance with the said Order.

On July 11, 2018, the Sheriff of the Office of the Clerk of Court of Makati served the Writ of Execution to Manuel Andal, Benito Araneta, Philip Brodett, Enrique Locsin, Concepcion Poblador and Johnny Tan. On June 6, 2019, PHC filed an Ex-Parte Motion to Resolve the pending motion to appoint Virgilio R. Santos as the auditing accounting firm for the execution of the SC Decision dated July 3, 2013 issued in GR Nos. 184622, 184712-14, 186066 and 186590. There was a status conference held in this case on December 13, 2019 where the Court required the defendants to provide a name of their selected accountant to move forward with the audit. The defendants failed or refused again to comply, so the Court is likely to appoint Philcomsat's proposed accountant, Virgilio R. Santos, to do the audit. On May 18, 2022, Philcomsat filed an Ex-Parte Motion

to Resolve praying that an Order be issued allowing VRS to commence the accounting of corporate funds received, utilized and disbursed by all the defendants and their assigns, which the Court granted in its Order of June 3, 2022. However, VRS has already retired. The issue of who would render the audit remains unsolved.

On May 2, 2017, the Presidential Commission on Good Government (PCGG) and Locsin filed with the Court of Appeals (CA) a Petition for Certiorari and Prohibition with Very Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction assailing the Order dated February 20, 2017 issued by the RTC. On January 30, 2018, the CA issued a Decision dismissing the Petition. On February 22, 2018, PCGG and Locsin filed their Motion for Reconsideration with Motion to Exclude the PCGG from the instant Petition, which are both denied in a Resolution dated June 27, 2018.

On August 8, 2018, PCGG filed its Motion for Reconsideration on the denial of its Motion for Exclusion. On October 29, 2018, Philcomsat filed its Opposition thereto.

Meanwhile, PCGG and Locsin filed a Petition for Review with the Supreme Court (SC) questioning the Decision issued by the CA dated January 30, 2018, which dismissed their Appeal. Philcomsat filed its comment thereto on November 6, 2018. PCGG filed its Reply on February 17, 2020.

Separately, Brodett filed his Petition for Certiorari under Rule 65 with the CA assailing the Order issued by the RTC, which denied his Motion for Clarification on the issue of rendering an accounting of the funds. The CA denied his Petition on the ground that clarification may only be allowed if the order involves a clerical error but not when it is an alleged erroneous judgment or dispositive portion of the decision. Since Brodett's Motion for Clarification was raised questioning the grant of a writ of execution, the CA held that it cannot be subject of a motion for clarification.

On December 15, 2017, the CA's dismissal was issued and the case was considered terminated. Brodett still filed his Motion for Reconsideration, which was denied on May 10, 2018. Brodett elevated the matter to the SC via Petition for Review but the SC denied the same in a Resolution dated August 29, 2018.

On December 7, 2022, the Court issued a Resolution requiring the parties to file their respective memoranda. Philcomsat filed its Memorandum on March 10, 2023. On September 25, 2025 Philcomsat filed an omnibus Motion to proceed with the accounting and return of funds taken by the Locsin Group from Philcomsat Holdings Corporation, Philippine Communication Satellite Corporation and POTC. As at date of this report, the same is pending resolution.

- Complaint for collection against Araneta and Lokin

On May 26, 2010, a complaint for collection of sum of money and damages, with an application for a Writ of Preliminary Attachment dated May 24, 2010 was filed by the Parent Company against Benito Araneta and Luis Lokin Jr., former directors of the Parent Company for an alleged personal back to back loans with Bankwise procured by Araneta using the Parent Company's funds as collateral, with the help of Lokin, in the amount of P35.3 million.

On February 2, 2017, a Decision was issued finding Araneta and Lokin liable to pay PHC: a) actual damages in the sum of P31.5 million plus legal interest of 6% computed from May 26, 2010, the time of judicial demand until fully paid; b) P200,000 as and by way of exemplary damages; and c) P200,000 as and by way of attorney's fees, plus costs of suit.

Araneta and Lokin filed their Notices of Appeal on September 6 and September 8, 2017, respectively. On January 16, 2018, the Court of Appeals (CA) required defendants to file Appellant's Brief within 45 days from receipt thereof. On April 20, 2018 and May 7, 2018, PHC received Lokin and Araneta's Appellant's Briefs, respectively. On June 5, 2018, PHC filed its Appellee's Brief.

On September 18, 2018, PHC filed a Compliance submitting proof of service of its Appellee's Brief to defendants in accordance with the CA's Resolution dated July 2, 2018. On April 25, 2019, the CA issued a Decision granting Araneta's appeal.

On May 30, 2019, PHC filed its Motion for Reconsideration of the said Decision. On July 11, 2019, Araneta filed his Comment thereto, in accordance with the Resolution dated June 6, 2019 issued by the CA to file the same.

On October 24, 2019, the Court of Appeal issued a Resolution denying PHC's Motion for Reconsideration. On November 26, 2019, PHC elevated the case to the Supreme Court via Petition for Review on Certiorari under Rule 45. On March 9, 2020, Araneta filed his Comment. As at date of this report, the case is still pending resolution by the High Court.

- Criminal complaint against Brodett and Bankwise Officers using spurious bank accounts for Company's deposits

On May 8, 2008, the Parent Company filed a criminal complaint for estafa for misappropriation of corporate funds against Brodett, a former director of the Parent Company, and certain officers of Bankwise. The complaint alleged that the unauthorized deposits, withdrawals and transfers of the Parent Company's funds in the amount of P66.8 million was processed through spurious bank accounts and involved the comingling and transfer of funds between the Parent Company's accounts and certain personal accounts.

On June 14, 2016, an Order was issued allowing Brodett to present his defense only with respect to the P27.0 million and P9.3 million which allegedly came from PHC funds and not in the whole amount of P66.8 million. On July 1, 2016, a Motion for Reconsideration of the said Order was filed by the Private Prosecutor (Parent Company).

On August 30, 2016, the Private Prosecutor (Parent Company) filed a Reply to Brodett's Comment/Opposition dated August 25, 2016. After the presentation of defense evidence has already been concluded on June 5, 2018, the accused filed their Formal Offer of Evidence, which was partially admitted by the Court on August 28, 2018.

On February 21, 2020, the Court promulgated its judgment finding accused Brodett guilty for the crime of theft, sentencing him to the penalty of imprisonment for a minimum period of four (4) years, two (2) months, one (1) day, to a maximum period of sixteen (16) years and 4 months. He was also found civilly liable to pay PHC the amount of P14,235,700, with legal interest of 12% per annum from April 11, 2008 until June 30, 2013 and the total obligation plus 6% legal interest from July 1, 2013 until fully paid.

On March 3, 2020, Brodett filed his Motion for Partial Reconsideration of the Decision. On July 1, 2020, PHC filed its Consolidated Comment/Opposition thereto. In ruling Brodett's Motion for Reconsideration, the Court again promulgated the case on December 2, 2020 and affirmed Brodett's conviction. He then filed an appeal on December 3, 2020. In resolving the said Motion for Reconsideration, the RTC found him to be guilty of qualified theft. Brodett appealed to the Court of Appeals, where he obtained a reversal of the RTC Decision. The Office of the Solicitor General, as the prosecuting agency designated by the State to handle criminal cases on appeals, filed a Motion for Reconsideration. As at date of this report, the Motion for Reconsideration which is pending for resolution.

- Criminal complaint against Araneta for non-return of PHC deposits

A criminal complaint for estafa was filed against Araneta for money market placements amounting to P65.0 million which allegedly were not returned to the Parent Company. The case was dismissed on February 9, 2009 for lack of probable cause. The appeal filed on March 4, 2009 is still pending decision with the DOJ as at report date.

- Criminal complaint against Concepcion A. Poblador

A criminal complaint for estafa was filed against Ms. Poblador for allegedly receiving cash advances amounting to P14.5 million, which she failed to account for and return to the Parent Company after formal demands. On February 9, 2009, the DOJ issued a Resolution directing the filing of an information against Ms. Poblador only for P0.2 million.

On January 7, 2014, the Parent Company filed a Petition for Certiorari praying that the DOJ file new information against Ms. Poblador for estafa for the total amount of P16.7 million.

On January 10, 2014, the Parent Company received a Petition for Certiorari filed by Ms. Poblador seeking the reversal of the Resolution directing the filing of an Information for estafa against her for P0.2 million. On August 29, 2014, the two petitions were consolidated.

On April 26, 2017, subsequent to the filing of the parties' respective Memoranda, the CA issued a Resolution requiring Ms. Poblador to file a Rejoinder to the Parent Company's Reply (to the Memorandum of Poblador). In the meantime, the case was returned to "Completion State" pending the filing of the Rejoinder. Poblador filed her Rejoinder on June 1, 2017 under a Motion to Admit Attached Rejoinder.

On November 29, 2017, Poblador filed a Manifestation adopting her previous Memorandum dated December 22, 2014 as her compliance with the Resolution dated October 11, 2017. The Office of the Solicitor General filed a Manifestation and Motion on November 24, 2017 asking that the DOJ Secretary be excused from filing a Memorandum. Based on the Resolution of the Court requiring the parties anew to file their respective Memorandum, PHC's (2nd) Memorandum was filed on December 13, 2017, within the extended period prayed for.

On June 14, 2019, the CA issued a Decision denying both PHC's and Ms. Poblador's Petitions for Certiorari. On July 5 and 11, 2019, both parties filed their respective Motions for Reconsideration. On July 24, 2019, PHC filed its Comment to Ms. Poblador's Motion for Reconsideration. On August 10, 2020, the CA issued a Resolution denying PHC and Ms. Poblador's Motions for Reconsideration. PHC decided not to pursue the case with the Supreme Court considering that the amount involved is already covered by the advances to affiliates case.

On November 3, 2020, Poblador filed her Petition for Review with the Supreme Court. As at date of this report, the case remains pending for resolution with the Supreme Court.

The Company is also involved in other litigations, claims and disputes which are normal to its business. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the financial position and financial performance of the Company.

20 Critical accounting estimates, assumptions, and judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Critical accounting estimates and assumptions

- Provision of impairment of receivables and due from related parties (Notes 3 and 16)
- Fair value of financial instruments (Note 6)
- Determining the incremental borrowing rate for leases (Note 11)

(b) Critical accounting judgments in applying the Company's accounting policies

- Recoverability of due from related parties (Note 16)
- Recoverability of input VAT and tax credits (Notes 5)
- Recoverability of investment in a subsidiary (Note 8)
- Recoverability of investment property (Note 8)
- Determining the lease term (Note 11)

21 Financial risk management and capital management

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Financial risk management is carried out by management under the direction of the BOD. Management identifies and evaluates financial risks in close cooperation with the Company's department heads. The BOD reviews and approves policies and procedures covering specific financial risk areas. These policies and procedures enable the Company's management to make strategic and informed decisions with regard to the operations of the Company.

The most important types of risk the Company manages are credit risk, market risk and liquidity risk. Market risk includes foreign exchange, interest and price risks. The Company has no significant financial assets and liabilities that are exposed to foreign exchange and interest risk.

Components of financial assets and liabilities

Details of the Company's financial assets as at December 31 are as follows:

	Notes	2025	2024
Financial assets measured at amortized cost			
Cash and cash equivalents	2	187,137,680	100,711,315
Receivables, gross of allowance for ECL	3	118,762,145	114,196,477
Due from related parties	16	12,425,000	5,000,000
Financial assets measured at fair value through profit or loss (FVTPL)	6	124,249,576	107,167,495
Financial assets measured at fair value through other comprehensive income (FVOCI)	6	707,579,862	803,483,538
		1,150,154,263	1,130,558,825

Other current assets consist of advances subject for liquidation, hence not considered as financial assets.

Other non-current assets consist of CWT and input VAT which are not considered as financial assets since they do not arise from contractual arrangements.

Details of the Company's financial liabilities as at December 31 are as follows:

	Notes	2025	2024
Trade payables	10	5,564,675	5,842,214
Lease liability	11	1,638,358	-
Dividends payable	12	5,184,637	5,184,637
Due to related parties	16	-	78,106
Deposit for future stock subscription	16	18,894,000	18,894,000
		31,281,670	29,998,957

Other payables consisting of customer deposits and payables to government agencies not arising from contractual arrangements are not considered as financial liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss to the Company by failing to discharge an obligation. Significant changes in the economy that may represent a concentration in the Company's business, could result to losses that are different from those provided for at reporting date. The Company enters into contracts only with recognized, credit-worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Company obtains guarantees where appropriate to mitigate credit risk.

Credit risk arises from cash deposits with banks and financial institutions, as well as credit exposure on receivables and amounts due from a related party.

There is no significant concentration of credit risk, whether through exposure to individual counterparties or specific industry sectors.

The maximum exposure to credit risk for the Company's financial assets are as follows:

	Gross carrying amount	Net carrying amount	Internal credit rating	Basis for recognition of ECL
<i>December 31, 2025</i>				
Cash in banks and short-term placements	187,133,494	187,133,494	Performing	12-month ECL
Receivables				
Group 1	115,962,235	115,962,235	Performing	12-month ECL
Group 2	2,799,910	-	Credit-impaired	12-month ECL
Due from related parties	12,425,000	12,425,000	Performing	12-month ECL
Financial assets at FVTPL	124,249,576	124,249,576	Performing	Not applicable
Financial assets at FVOCI	420,658,681	420,658,681	Performing	Not applicable
	863,228,896	860,428,986		
<i>December 31, 2024</i>				
Cash in banks and short-term placements	100,705,604	100,705,604	Performing	12-month ECL
Receivables				
Group 1	112,659,909	112,659,909	Performing	12-month ECL
Group 2	1,536,568	-	Credit-impaired	12-month ECL
Due from related parties	5,000,000	5,000,000	Performing	12-month ECL
Financial assets at FVTPL	107,167,495	107,167,495	Performing	Not applicable
Financial assets at FVOCI	515,425,939	515,425,939	Performing	Not applicable
	842,495,515	840,958,947		

Generally, receivables are written-off if collection cannot be made despite exhausting all extrajudicial and legal means of collection. The maximum exposure to credit risk at reporting date is the carrying value of the financial assets. The Company does not hold collateral as security.

Cash and cash equivalents

The Company has policies that limit the amount of credit exposure with financial institutions. All of the Company's cash in bank is deposited with a well-capitalized financial institution and reputable universal bank with strong financial standing.

Nevertheless, a portion of the Group's cash balances exceeds the amount insured by the Philippine Deposit Insurance Corporation (PDIC). In March 2025, the PDIC increased the maximum deposit insurance coverage from ₱500,000 to ₱1,000,000 per depositor, per bank, pursuant to Republic Act No. 9576, as amended. While cash in bank is also subject to requirements of PFRS 9, management assesses that the credit risk arising from cash in banks is minimal, as deposits are placed only with banks that have strong credit ratings and no history of default.

Receivables

The Company has outstanding receivables from corporate notes and its related interest. The Company does not expect significant credit exposure on this receivable considering that these are short-term investments in promissory notes of reputable and listed institutions with good credit rating.

Credit quality of customers are classified as follows:

Group 1 - Customer and counterparty balances without history of default and assessed to be fully recoverable.
 Group 2 - Individually assessed customer with defaults and which the Company no longer expects to recover the balance despite its collection efforts.

Due from related parties

Due from related parties arising from advances are collectible after 12 months. Expected credit losses are based on the assumption that repayment of balances outstanding will not be compromised considering these are receivables from entities under common control or parent company with no history of default.

Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, including but not limited to, availability of accessible highly liquid asset and internal and external funding of a related party, Company has assessed that the outstanding balances are exposed to low credit risk. Expected credit losses on these balances have therefore been assessed to be insignificant.

None of the fully performing financial assets have been renegotiated during 2025 and 2024.

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to meet the Company's operational commitment and finance its operation and working capital requirements.

Prudent liquidity risk management implies maintaining sufficient cash, timely collection of receivables and availability of funding through an adequate amount of facilities. The Company aims to maintain flexibility in funding by keeping track of its cash collections from dividends. The Company may also obtain funding from its shareholders, as well from third-party banking institutions, as necessary, to finance its operations and working capital requirements.

The table below summarizes the undiscounted profile of the Company's financial liabilities based on contractual payments:

	Less than 12 months	More than 1 year	Total
<i>At December 31, 2025</i>			
Trade payables	5,564,675	-	5,564,675
Lease liability, gross	1,638,358	-	1,638,358
Dividends payable	5,184,637	-	5,184,637
Due to related parties	-	-	-
Deposit for future stock subscription	-	18,894,000	18,894,000
	12,387,670	18,894,000	31,281,670
<i>At December 31, 2024</i>			
Trade payables	5,842,214	-	5,842,214
Lease liability, gross	-	-	-
Dividends payable	5,184,637	-	5,184,637
Due to related parties	78,106	-	78,106
Deposit for future stock subscription	-	18,894,000	18,894,000
	11,104,957	18,894,000	29,998,957

Market risk

Price risk

The Company is exposed to equity securities price risk because of the Company's investments in financial assets at FVTPL and financial assets at FVOCI which consist primarily of investment in listed and traded securities.

Equity price risk is the risk that the fair values of equity instruments recognized under financial assets at FVOCI decrease as the result of changes in the levels of equity indices and the value of individual stocks.

The Company measures the sensitivity of its investment securities and UITFs by using PSE index (PSEi) fluctuations. The table below sets forth the impact of changes in PSEi in other comprehensive income in 2025 and 2024.

	Increase (decrease) in PSEi	Increase (decrease) in other comprehensive income
2025	10% (6%)	24,995,681 (19,256,879)
2024	16% (6%)	40,990,505 (14,109,418)

The sensitivity of the equity is the effect of the assumed changes in the PSEi on the net unrealized gain (loss) for the year, based on the adjusted beta rate of equity securities as at December 31, 2025 and 2024.

The reasonable possible changes in the market price of investments were determined based on Company's analysis of the movement in share prices for the next 30 days from the close of the financial year.

Foreign currency exchange risk

The Company is exposed to foreign currency exchange risk arising from currency exposures, primarily with respect to the US Dollar. Foreign currency exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency.

The Company's foreign-currency denominated financial instrument consists of cash in banks and cash equivalents as at December 31, 2025 totaling US\$350,337 (2024 - US\$25,720). The Company's exposure to foreign currency risk is insignificant.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. As at December 31, 2025 and 2024, the Company has repricable financial assets, specifically investments in quoted bonds classified as financial assets at FVOCI. Accordingly, the Company is subject to fair value interest rate risk.

The Company measures the sensitivity of its investment securities by using PHP BVAL reference rate fluctuations. The table below sets forth the impact of changes in PHP BVAL in the Company's other comprehensive income in 2025 and 2024.

	Increase (decrease) in PHP BVAL	Increase (decrease) in other comprehensive income
2025	7% (10%)	36,698,462 (24,979,177)
2024	11% (10%)	54,172,738 (49,950,068)

Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders and obtain borrowings from banks or to related party. There were no changes in the Company's credit risk management policy during and as at each reporting period.

The capital that the Company manages is the total equity as shown in the statements of financial position. The Company monitors its capital structure using debt-to-equity ratio which is debt divided by equity as follows:

	2025	2024
Total debt	31,640,020	30,834,065
Total equity	1,502,135,986	1,481,127,697
Debt-to-equity ratio	0.02:1	0.02:1

The Company is not subject to any externally imposed capital requirements.

Fair value estimation

As at December 31, 2025 and 2024, the carrying amounts of cash and cash equivalents, receivables, due from related parties and due to related parties reasonably approximate their fair values due to the short-term nature of these financial instruments.

The different levels in the fair value hierarchy have been defined in Note 22.4. There were no transfers between Levels 1, 2 and 3 during each reporting period.

22 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

22.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- Philippine Accounting Standards (PAS) Accounting Standards, and
- Interpretations issued by 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 Securities and Exchange Commission (SEC).

The Parent Company has also prepared consolidated financial statements in accordance with PFRS for itself and its subsidiaries (collectively, the "Group"). In the consolidated financial statements, subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over the operations have been fully consolidated. The consolidated financial statements can be obtained from the SEC.

The users of these separate financial statements should read them together with the Group's consolidated financial statements as at and for the years ended December 31, 2025 and 2024 in order to obtain full information on the financial position, financial performance and cash flows of the Group as a whole.

These financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income.

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 higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are summarized in Note 20.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Company

There are no standards, amendments and interpretations which are effective for the financial year beginning January 1, 2025 that are relevant to and have a material impact on Company's financial statements.

(b) New standards, amendments and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and amendments is set out below:

(a) Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026)

On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.

These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Company does not expect these amendments to have a material impact on its operations or consolidated financial statements.

(b) PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

The Company will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

22.2 Financial assets

Classification

The Company classifies its financial assets in the following categories: (a) financial assets at amortized cost, (b) financial assets at fair value through profit or loss (FVTPL), and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortized cost

The Company classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The Company's financial assets at amortized cost comprise of cash, receivables, and due from a related party.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months at the end of the reporting period.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition as at FVTPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Fair value gains or losses on investments held for trading net of interest income accrued on these assets, are recognized in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as financial assets at FVTPL, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited. Financial assets may be designated by management on initial recognition as at FVTPL, if any of the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains and losses on them on a different basis; or
- The assets are part of group of financial assets, liabilities or both which are managed and their performance evaluated on fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative that would need to be separately recorded.

Financial assets at FVOCI

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity security which is not held for trading, and which the Company has irrevocably elected at initial recognition to recognize in this category. This is a strategic investment and the Company considers this classification to be more relevant. On disposal of this equity investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

As at each reporting period, investments in shares of stocks of various listed corporations, traded bonds and club memberships are designated as financial assets at FVOCI.

Recognition and measurement

The Company recognizes a financial asset in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

Derecognition

The basic premise for the derecognition model is to determine whether the asset under consideration for derecognition is:

- an asset in its entirety or
- specifically identified cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of the cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

Once the asset under consideration for derecognition has been determined, an assessment is made as to whether the asset has been transferred, and if so, whether the transfer of that asset is subsequently eligible for derecognition.

An asset is transferred if either the entity has transferred the contractual rights to receive the cash flows, or the entity has retained the contractual rights to receive the cash flows from the asset, but has assumed a contractual obligation to pass those cash flows on under an arrangement that meets the following conditions:

- the Company has no obligation to pay amounts to the eventual recipient unless it collects equivalent amounts on the original asset;
- the Company is prohibited from selling or pledging the original asset (other than as security to the eventual recipient); and
- the Company has an obligation to remit those cash flows without material delay.

Once the Company has determined that the asset has been transferred, it then determines whether or not it has transferred substantially all of the risks and rewards of ownership of the asset. If substantially all the risks and rewards have been transferred, the asset is derecognized. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

If the Company has neither retained nor transferred substantially all of the risks and rewards of the asset, then the Company must assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate; however, if the Company has retained control of the asset, then the Company continues to recognize the asset to the extent to which it has a continuing involvement in the asset.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment losses are presented as part of cost and expenses in the statement of comprehensive income.

With the exception of purchased or originated credit impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

(i) Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

(ii) General approach

The Company applies the general approach to provide for ECLs on cash in banks, interest receivable, and due from a related party. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 360 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e., the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information as described above. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as actual default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognized directly in profit or loss.

Financial assets at FVOCI

In the case of equity investments classified as financial assets carried at FVOCI, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. When a decline in the fair value of a financial assets carried at FVOCI has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized in other comprehensive income is removed directly from equity with no option to recycle to profit or loss. Impairment losses recognized in profit or loss for an investment on equity instrument classified as financial assets at fair value through other comprehensive income are not reversed through profit or loss.

In the case of debt instruments classified as financial assets carried at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the profit or loss.

22.3 Financial liabilities

Classification and presentation

The Company classifies its financial liabilities in the following categories: (i) financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value) and (ii) financial liabilities at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

The Company did not hold financial liabilities at fair value through profit or loss during and at the end of each reporting period.

The Company's financial liabilities at amortized cost consist mainly of trade payables and other liabilities (excluding customer deposits and payables to government agencies) and lease liabilities.

Initial recognition and subsequent measurement

The Company's financial liabilities at amortized cost are initially measured at fair value plus transaction costs. Subsequently, these are measured at amortized cost using the effective interest method.

Interest expense on financial liabilities is recognized within finance cost, at gross amount, in the statements of total comprehensive income.

Derecognition

Financial liabilities are derecognized when extinguished, that is, when the obligation specified in a contract is discharged or cancelled or when the obligation expires.

22.4 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on Company specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

For assets that are recognized on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

Details of the Company's fair value measurement for the financial assets at FVOCI and investment properties are disclosed in Note 6 and Note 8, respectively.

22.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

The Company has no offsetting arrangements as at each reporting period.

22.6 Cash and cash equivalents

Short-term placements are presented as cash equivalents if they have a maturity of three months or less and are carried in the statement of financial position at face amount or at nominal amount, which approximates its amortized cost using the effective interest method.

22.7 Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the noncurrent asset is recognized at the date of derecognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale.

22.8 Other assets

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

Other current assets mainly pertain to input value-added tax (VAT). Input VAT represent taxes imposed on the Company for the acquisition of goods and services. These are stated at face value less any provision for impairment and are utilized when there is a legally enforceable right to offset the recognized amounts against output VAT obligations and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. Input VAT are included in current assets, except when utilization and claims against output VAT are expected to be more than 12 months after the reporting date, in which these are classified as non-current assets.

22.9 Investment in a subsidiary

Subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in a subsidiary is accounted for at cost less any impairment in the separate financial statements. Dividend income from investment is recognized in profit or loss within other income when the right to receive payment is established.

The carrying amount of investment in subsidiary is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

When the Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount 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 entity 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.

22.10 Investment property

Investment property is defined as a property, mainly land, held for the purposes of earning rentals, for capital appreciation or both. This property is not held to be used in production or sale in the ordinary course of business. Investment property is initially measured at acquisition cost. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured, in which case, the investment property acquired is measured at the carrying amount of asset given up. Investment properties are subsequently carried at cost less accumulated depreciation and any accumulated impairment.

Land is not depreciated.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

22.11 Property and equipment

Property and equipment is subsequently measured at cost. Depreciation is calculated using the straight-line method to allocate the cost of each asset, net of their residual values, over their estimated useful lives as follows:

	Number of Years
Office equipment and office improvement	3
Transportation equipment	3-5
Furniture and fixtures	3

The useful lives of each of the property and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets. The property and equipment's useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

22.12 Impairment of non-financial assets

Non-financial assets, mainly property and equipment and investment in a subsidiary, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses, if any, are recognized in profit or loss. Non-financial assets that have been impaired are reviewed for possible reversal of impairment at each reporting period.

22.13 Deposit for future stock subscription

Deposit for future stock subscription represents advance collection for stocks subscriptions. Deposit for future stock subscriptions is reported as a separate item in the equity section of the statement of financial position if and only if, all of the following elements are present as of end of the reporting period:

- The unissued authorized capital stock of the Company is insufficient to cover the amount of shares indicated in the contract;
- Board of Directors approval of the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- Stockholders approval of said proposed increase; and
- The application for the approval of the proposed increase has been filed with the SEC.

If any or all of the above elements are not present, the deposit for future stocks subscription is recognized as a liability in the statement of financial position. These are included in current liabilities, except when management expects to convert them to equity at least 12 months from the reporting date which are classified as non-current liabilities.

22.14 Equity

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Retained earnings

Retained earnings pertains to the accumulated profit from operations of the Company which are available for dividend declaration.

Earnings per share

Basic earnings per share is computed by dividing net income over the weighted average number of issued and outstanding common shares during the year.

Diluted earnings per share is computed as if the potential common share or instrument that may entitle the holder to common share were exercised as of the beginning of the year.

Other equity reserves

Other equity reserves pertain to accumulated fair value changes in financial assets through other comprehensive income, net of any realized gains from sale of disposals of debt instruments.

22.15 Income

Dividend income

Dividend income from a subsidiary is recognized when the right to receive dividend is established usually upon declaration by the BOD.

Interest income

Interest income on bank deposits, which is presented net of final withholding tax, is recognized on a time proportion basis using the effective interest rate method.

Other income

All other income is recognized when earned or when the right to receive payment is established.

22.16 Leases

The Company assesses whether the contracts are, or contain, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

- i. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- ii. the right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company also assesses whether a contract contains a lease for each potential separate lease component.

The Company as a lessee

At the commencement date, the Company recognizes ROU asset and lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

After the commencement date, the ROU asset is carried at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the lease term.

At the commencement date, the Company measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

22.17 Related party relationships and transactions

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

22.18 Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

22.19 Foreign currency transactions and translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). These financial statements are prepared in Philippine Peso, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

23 Supplementary information required by the Bureau of Internal Revenue (BIR)

The following Revenue Regulations 15-2010 information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

Output value-added tax (VAT)

The amount of output VAT declared for the year ended December 31, 2025 amounted to P722,962 based on receipts amounting to P6,024,683.

The gross revenues on sale of services are based on gross receipts of the Company while gross revenues amounting to P47,690,597 presented in the statement of total comprehensive income are measured in accordance with the Company's accounting policy.

Input VAT

Movements in VAT for the year ended December 31, 2025 are as follows:

	Gross amount	Input VAT
Beginning balance		2,184,937
Add: Current year's domestic purchases/payments for:		
Goods other than resale of manufacture	2,296,647	275,598
Services lodged under other accounts	16,386,783	1,966,414
Total available input VAT		4,426,949
Less: Applied against output VAT		722,962
Ending balance		3,703,987

Importations

The Company did not have any purchases of imported goods subject to custom duties and tariff fees for the year ended December 31, 2025.

Excise tax

The Company is not engaged in the manufacture or production of certain specified goods or articles subject to excise tax for domestic sale or consumption or for any other disposition for the year ended December 31, 2025.

Documentary stamp tax

The Company has no transactions for the year ended December 31, 2025 requiring payment of documentary stamp tax.

All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2025 consist of:

	Amount
PSE annual listing	250,000
Business permit	26,386
Others	942,917
	1,219,303

Withholding taxes

Withholding taxes accrued and paid as at and for the year ended December 31, 2025 consists of:

	Paid	Accrued	Total
Expanded withholding tax	1,176,352	269,025	1,445,377

Tax assessments

The Company has not received any Final Assessment Notice from the BIR for the year ended December 31, 2025.

Tax cases

The Company does not have any outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside of the BIR as at and for the year ended December 31, 2025.

SUSTAINABILITY REPORT

Contextual Information

Company Details	
Name of Organization	PHILCOMSAT HOLDINGS CORPORATION
Location of Headquarters	Makati City
Location of Operations	Makati City
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Philcomsat Management Enterprises Inc., Professional Stock Transfer, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	Philcomsat Holdings Corporation (Money Market and Resort Management); Philcomsat Management Enterprises, Inc. (Management Consultancy); Professional Stock Transfer, Inc. (Stock Transfer Services)
Reporting Period	January to December 2025
Highest Ranking Person responsible for this report	Erlinda I. Bildner, Chairman, Philcomsat Management Enterprises, Inc., and CFO, Philcomsat Holdings Corporation.

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.¹

The organization evaluated all topics to determine if they are still significant or have become less important over time, based on the organization's economic, environmental, and social impacts, and how much these topics influence stakeholders' assessments and decisions. Topics that were found to be less important were still kept as they are considered essential to the development of the organization's sustainability management system. The materiality of all topics is periodically reassessed to determine their significance and the degree of that significance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	55,611,782	PhP
Direct economic value distributed:		
a. Operating costs	18,590,651	PhP
b. Employee wages and benefits	1,645,640	PhP
c. Payments to suppliers, other operating costs	15,867,598	PhP
d. Dividends given to stockholders and interest payments to loan providers	0	PhP
e. Taxes given to government	1,329,676	PhP
f. Investments to community (e.g. donations, CSR)	0	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

¹ See [GRI 102-46](#) (2016) for more guidance.

<i>Due to its reliance on consultants and part-time workers rather than full-time employees, the Corporation spends only a small portion of the revenue generated, specifically 5%, on employee wages and benefits.</i>	Employees	<i>Every year, management evaluates whether it is necessary to hire full-time employees for the Corporation's operations. At present, they have concluded that there is no such requirement. However, when the business grows to a particular level, it is anticipated that full-time employees will be brought on board.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Management has recognized that the lack of a succession plan is a risk related to this matter because the Corporation relies on consultants and part-time workers instead of full-time employees. While these workers can effectively perform their duties, they may not be motivated to stay with the Corporation due to the absence of job security. In the absence of tenured employees who are familiar with the work done by these consultants and part-time workers, it could be challenging to have incoming workers take over such tasks in the event of incapacity.</i>	Employees	<i>Once the business reaches a certain level, it is expected that full-time employees will be engaged.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Management has recognized that the automation of certain business processes is a potential opportunity related to this matter.</i>	Employees	<i>Management is exploring the possibility of automating certain tasks, such as stock transfer services, where clients can access necessary reports securely through a digital platform. By automating this process, the Corporation can reduce the need for manual labor and working hours.</i>

Climate-related risks and opportunities²

Governance	Strategy	Risk Management	Metrics and Targets
<i>Ms. Erlinda I. Bildner, the CFO, is responsible for managing the day-to-day operations of the Corporation and PMEI. On the other hand, Mr. Crescencio P. Montemayor is accountable for the day-to-day management of</i>	<i>When flooding occurs in the Metro Manila area during the monsoon season, employees who are not affected are incentivized to come to work with hazard pay. Meanwhile, those who may be affected have the option to either work</i>	<i>The Corporation mainly relies on weather reports by the national weather agency.</i>	<i>The Corporation classifies employees' work as either crucial or non-crucial, depending on the urgency of the task. The Corporation prioritizes crucial work over non-crucial work in the event of a sudden work stoppage, with the level</i>

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

PSTI. The Board is updated on the day-to-day operations of the Corporation at its subsequent meeting.	<i>from home or be transported by the Corporation's vehicles. These employees are expected to submit accomplishment reports.</i>		<i>of priority determined by each employee's accomplishment report. The Corporation always strives to provide essential work for its clients.</i>
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Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>The Corporation procures materials as needed, and therefore relies heavily on locally-based suppliers. The selection of suppliers is primarily based on their availability, delivery speed, and cost.</i>	<i>Suppliers</i>	<i>Management mandates the procurement officer to order materials that are regularly utilized in advance, allowing ample time to procure such materials at a reduced cost. Management evaluates which materials are frequently required.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Obtaining materials as needed may not be the most cost-effective approach to procurement. Additionally, relying on material availability often leads to working with various suppliers, which can have negative impacts on the stability and duration of supplier relationships.</i>	<i>Suppliers</i>	<i>Management mandates the procurement officer to order materials that are regularly utilized in advance, allowing ample time to procure such materials at a reduced cost. Management evaluates which materials are frequently required.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>The opportunity identified from this topic is that there is no surplus of materials.</i>	<i>Suppliers</i>	<i>Management mandates the procurement officer to order materials that are regularly utilized in advance, allowing ample time to procure such materials at a reduced cost. Management evaluates which materials are frequently required.</i>

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	0	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>The Corporation's anti-corruption policy is part of the Philcomsat Group of Companies' Code of Conduct and is disseminated to all employees of the Corporation and its subsidiaries. In the Corporation's money market and financial instruments operations, various brokers and agents approach them, offering different financial instruments with different terms and rates. These brokers and agents may attempt to influence Management's decision on whether to invest in a particular financial instrument by offering valuable gifts, but fortunately, no such attempts have been made.</i>	<i>Stockholders and Suppliers</i>	<i>All investments are determined by a committee and then approved by the Board, which eliminates the possibility of any broker or agent exerting influence on any member of Management. Additionally, the Board has a strict policy that requires its members to disclose any association they may have with an investment recommended to it. If any Board member has such an association, they are required to abstain from any discussions or decisions related to such an investment.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>One potential risk associated with this topic is that the Corporation may not be able to achieve maximum returns on its investments. This is due to the possibility that, instead of taking advantage of investment opportunities that offer higher returns, the Corporation may opt to invest in preferred financial instruments that offer lower returns, influenced by the brokers or agents representing those instruments.</i>	<i>Stockholders and Suppliers</i>	<i>The Corporation has implemented a multi-layered approval process to reduce or eliminate any potential influence that brokers or agents may have on its investment decisions. Furthermore, the Board strictly enforces a policy that requires members to disclose any association with recommended investments, and if so, to abstain from any discussions or decisions concerning them.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>The Corporation's ability to spread its investments across multiple institutions through money market placements and financial instruments helps to mitigate the risk of loss.</i>	<i>Stockholders and Suppliers</i>	<i>By strictly enforcing the policies mentioned earlier and ensuring compliance with the different levels of approval required prior to placing any investment, Management is able to maintain diversification in the Corporation's portfolio and avoid the possibility of financial loss due to ill-advised investments.</i>

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#

Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>There has been no incident of corruption involving directors, employees, or business partners as everyone in the Corporation is fully aware of the policy against corruption.</i>	<i>Directors, Employees and Business Partners.</i>	<i>Management emphasizes the importance of strict compliance with the aforementioned policies and the need to observe the different levels of approval before making any investment decisions. By doing so, the Corporation is able to diversify its portfolio and mitigate the risk of financial losses that may arise from poorly placed investments.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>One risk related to corruption in this area is that the Corporation might miss out on opportunities to invest in high-yielding financial instruments and instead choose to invest in preferred instruments due to the influence of brokers or agents, resulting in suboptimal returns on investments.</i>	<i>Directors, Employees and Business Partners.</i>	<i>Management emphasizes the importance of strict compliance with the aforementioned policies and the need to observe the different levels of approval before making any investment decisions. By doing so, the Corporation is able to diversify its portfolio and mitigate the risk of financial losses that may arise from poorly placed investments.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>The Corporation's ability to spread its investments across multiple institutions through money market placements and financial instruments helps to mitigate the risk of loss.</i>	<i>Directors, Employees and Business Partners.</i>	<i>Management emphasizes the importance of strict compliance with the aforementioned policies and the need to observe the different levels of approval before making any investment decisions. By doing so, the Corporation is able to diversify its portfolio and mitigate the risk of financial losses that may arise from poorly placed investments.</i>

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	≈45,000	l
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	≈28,800	kWh

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p><i>The Corporation and its subsidiaries primarily consume electricity and gasoline as sources of energy. The centralized air-conditioning system in the building where they operate is responsible for over half of the electricity consumption. The building administrator allocates the total electricity bill to each occupant based on their occupied area. On the other hand, the gasoline consumption and expense mostly come from attending meetings with potential clients and suppliers as the corporation and its subsidiaries are engaged in the sale of services.</i></p>	<p><i>Community, Directors, Employees, Clients, and Suppliers.</i></p>	<p><i>To minimize electricity consumption, Management implements measures such as discouraging overtime work and reducing the number of lights used during specific hours. Since the centralized air conditioning system in the building cannot be changed, Management has to work with this limitation. To reduce gasoline consumption and expenses, the Corporation conducts meetings via teleconferencing or arranges them in the office instead of travelling to meet with clients and suppliers.</i></p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p><i>Insofar as electricity is concerned, the Corporation and its subsidiaries are unable to install their own air conditioning system which could have provided a solution to lowering electricity consumption. Insofar as gasoline is concerned, lessening the number of leads may result in lost opportunities.</i></p>	<p><i>Community, Directors, Employees, Clients, and Suppliers.</i></p>	<p><i>To minimize electricity consumption, Management implements measures such as discouraging overtime work and reducing the number of lights used during specific hours. Since the centralized air conditioning system in the building cannot be changed, Management has to work with this limitation. To reduce gasoline consumption and expenses, the Corporation conducts meetings via teleconferencing or arranges them in the office instead of travelling to meet with clients and suppliers.</i></p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p><i>The opportunity presented by this impact is that the Corporation and its subsidiaries may try to utilize other means of communicating with potential clients and suppliers, rather than face-to-face meetings. More meetings have been conducted using various teleconferencing applications such as zoom.</i></p>	<p><i>Community, Directors, Employees, Clients, and Suppliers.</i></p>	<p><i>To minimize electricity consumption, Management implements measures such as discouraging overtime work and reducing the number of lights used during specific hours. Since the centralized air conditioning system in the building cannot be changed, Management has to work with this limitation. To reduce gasoline consumption and expenses, the Corporation conducts meetings via teleconferencing or arranges them in the office instead of travelling to meet with clients and suppliers.</i></p>

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	100	Cubic meters
Water recycled and reused	0	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>The primary reason for water consumption is toilet usage.</i>	<i>Employees</i>	<i>Management has installed equipment to lessen the number of flushes in the toilets in an effort to reduce water consumption. Regular inspection and maintenance of water pipes are also conducted to ensure that there are no leaks that may contribute to unnecessary water consumption/wastage.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Management has not identified any risk/s associated with this topic.</i>	<i>None</i>	<i>None</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Management has not identified any opportunity/ies associated with this topic.</i>	<i>None</i>	<i>None</i>

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
<ul style="list-style-type: none"> ● renewable 	0	kg/liters
<ul style="list-style-type: none"> ● non-renewable 	0	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%
What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Management has not identified any impact associated with this topic.</i>	<i>None</i>	<i>None</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Management has not identified any risk/s associated with this topic.</i>	<i>None</i>	<i>None</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

<i>Management has not identified any opportunity/ies associated with this topic.</i>	<i>None</i>	<i>None</i>
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Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
Habitats protected or restored	None	ha
IUCN ³ Red List species and national conservation list species with habitats in areas affected by operations	None	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>The Corporation and its subsidiaries only operate from Makati City which is not a protected area or an area with high biodiversity value.</i>	<i>None</i>	<i>Currently, the Corporation and its subsidiaries are not operating in a protected area or an area with high biodiversity value, thus, there are no existing policies related to this topic. However, if the Corporation decides to move its operations to a protected area or acquires a subsidiary that operates in such an area, management is committed to establishing and implementing policies and programs to protect the environment.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Management has not identified any risk/s associated with this topic.</i>	<i>None</i>	<i>Currently, the Corporation and its subsidiaries are not operating in a protected area or an area with high biodiversity value, thus, there are no existing policies related to this topic. However, if the Corporation decides to move its operations to a protected area or acquires a subsidiary that operates in such an area, management is committed to establishing and implementing policies and programs to protect the environment.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Management has not identified any opportunity/ies associated with this topic.</i>	<i>None</i>	<i>Currently, the Corporation and its subsidiaries are not operating in a protected area or an area with high biodiversity value, thus, there are no existing policies related to this topic. However, if the Corporation decides to move its operations to a protected area or acquires a subsidiary that operates in such an area, management is committed to establishing</i>

³ International Union for Conservation of Nature

		<i>and implementing policies and programs to protect the environment.</i>
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Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>The operations of the Corporation and its subsidiaries do not involve any emission of substances into the air.</i>	<i>None</i>	<i>If the Corporation or its subsidiaries engage in activities that involve emitting substances into the air, Management will establish policies and programs to protect the environment.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Management has not identified any risk/s associated with this topic.</i>	<i>None</i>	<i>If the Corporation or its subsidiaries engage in activities that involve emitting substances into the air, Management will establish policies and programs to protect the environment.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Management has not identified any opportunity/ies associated with this topic.</i>	<i>None</i>	<i>If the Corporation or its subsidiaries engage in activities that involve emitting substances into the air, Management will establish policies and programs to protect the environment.</i>

Air pollutants

Disclosure	Quantity	Units
NO _x	0	kg
SO _x	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>The business operations of the Corporation and its subsidiaries do not require it to emit substances into the air.</i>	<i>None</i>	<i>If the Corporation or its subsidiaries engage in activities that involve emitting substances into the air, Management will establish policies and programs to protect the environment.</i>

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>The business operations of the Corporation and its subsidiaries do not require it to emit substances into the air, thus Management has not identified any risk associated with this topic.</i>	<i>Nine</i>	<i>If the Corporation or its subsidiaries engage in activities that involve emitting substances into the air, Management will establish policies and programs to protect the environment.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>The business operations of the Corporation and its subsidiaries do not require it to emit substances into the air, thus Management has not identified any risk associated with this topic.</i>		<i>If the Corporation or its subsidiaries engage in activities that involve emitting substances into the air, Management will establish policies and programs to protect the environment.</i>

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated		kg
Reusable	0	kg
Recyclable	100	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Paper is the only solid waste generated by the operations of the Corporation and its subsidiaries.</i>	<i>Community</i>	<i>To minimize paper waste, Management mandates the use of double-sided printing for all documents except for final reports. Paper waste is segregated from other types of waste to enable more efficient recycling.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Management has not identified any risk/s associated with this topic.</i>	<i>Community</i>	<i>If the Corporation or any of its subsidiaries engage in activities that generate solid and hazardous waste, Management will create policies and programs to ensure the proper disposal of such waste.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

<i>Management has not identified any opportunity/ies associated with this topic.</i>	<i>Community</i>	<i>If the Corporation or any of its subsidiaries engage in activities that generate solid and hazardous waste, Management will create policies and programs to ensure the proper disposal of such waste.</i>
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Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>The Corporation and its subsidiaries are not engaged in activities or provide services that result in the production of any hazardous waste.</i>	<i>None</i>	<i>If the Corporation or any of its subsidiaries participate in activities that generate hazardous waste or obtain a subsidiary that offers products or services that may pose a risk to health and safety, Management will establish policies and programs for the appropriate disposal of hazardous waste.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>The Corporation and its subsidiaries are not engaged in activities or provide services that result in the production of any hazardous waste; thus, Management has not identified any risk/s associated with this topic.</i>	<i>None</i>	<i>If the Corporation or any of its subsidiaries participate in activities that generate hazardous waste or obtain a subsidiary that offers products or services that may pose a risk to health and safety, Management will establish policies and programs for the appropriate disposal of hazardous waste.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>The Corporation and its subsidiaries are not engaged in activities or provide services that result in the production of any hazardous waste; thus, Management has not identified any opportunity/ies associated with this topic.</i>	<i>None</i>	<i>If the Corporation or any of its subsidiaries participate in activities that generate hazardous waste or obtain a subsidiary that offers products or services that may pose a risk to health and safety, Management will establish policies and programs for the appropriate disposal of hazardous waste.</i>

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	60	Cubic meters
Percent of wastewater recycled	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Recycling wastewater in the building where the Corporation and its subsidiaries are located would necessitate the cooperation of all building occupants to buy and install the necessary equipment, as the building is shared with other organizations.</i>	<i>Other building occupants.</i>	<i>Management urges its staff to recycle water, even if it's just a small amount, by using the surplus to water plants. This is because the other occupants of the building, who share it with the Corporation and its subsidiaries, have not yet cooperated to purchase and install equipment that enables the recycling of wastewater.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>The sole risk is the cost of equipment for recycling wastewater.</i>	<i>Other building occupants.</i>	<i>Management urges its staff to recycle water, even if it's just a small amount, by using the surplus to water plants. This is because the other occupants of the building, who share it with the Corporation and its subsidiaries, have not yet cooperated to purchase and install equipment that enables the recycling of wastewater.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>The only probable usage for recycled wastewater at the moment is the watering of plants within the building.</i>	<i>Other building occupants.</i>	<i>Management urges its staff to recycle water, even if it's just a small amount, by using the surplus to water plants. This is because the other occupants of the building, who share it with the Corporation and its subsidiaries, have not yet cooperated to purchase and install equipment that enables the recycling of wastewater.</i>

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0
No. of cases resolved through dispute resolution mechanism	0	0

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>The Corporation and its subsidiaries are not engaged in any activities or offer services that may affect the environment, thus, there has been no</i>	<i>Community</i>	<i>In line with its Management of the Montemar Beach Club, the Corporation ensures that the Club is fully compliant with all environmental laws and regulations and closely coordinates</i>

<i>environmental law and/or regulation that could be violated.</i>		<i>with the regional office of the Department of Environment and Natural Resources and the local government units. No such law or regulation has been or could be violated.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Management has identified waste water and solid waste as the only risks to the environment that affects the Montemar Beach Club.</i>	<i>Community</i>	<i>Management ensures the proper disposal of solid waste and is considering the construction of a wastewater treatment plant and</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Management is studying whether other resorts would be interested in availing of waste disposal facilities should the Club decide to construct such.</i>	<i>Community</i>	<i>Before embarking on construction of waste treatment facilities, Management would like to ensure that the community would benefit from the same in order to maximize the use thereof.</i>

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁴	12	
a. Number of female employees	8	#
b. Number of male employees	4	#
Attrition rate ⁵	-28%	rate
Ratio of lowest paid employee against minimum wage	1.3:1	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	50	100
PhilHealth	Y	50	100
Pag-ibig	Y	50	100
Parental leaves	Y	0	0
Vacation leaves	Y	100	100
Sick leaves	Y	100	100
Medical benefits (aside from PhilHealth))	Y	80	100
Housing assistance (aside from Pag-ibig)	N	0	0
Retirement fund (aside from SSS)	N	0	0
Further education support	N	0	0

⁴ The Corporation does not employ regular employees thus this section includes consultants who do work for the Corporation.

⁵ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Company stock options	N	0	0
Telecommuting	N	0	0
Flexible-working Hours	N	0	0
(Others)	N	0	0

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Unfortunately, additional benefits to employees are intricately tied with the number of clients that the Corporation and its subsidiaries can engage. However, with tight competition, it proves challenging to get more clients.</i>	<i>Currently, only the onboarding of new clients is incentivized through commissions and referral fees given to the employees. In the event that the revenue stream of the Corporation and its subsidiaries improve, additional benefits may be granted to the employees in addition to those mandated by law.</i>
What are the Risk/s Identified?	Management Approach
<i>High cost of attrition poses a risk due to lack of additional benefits.</i>	<i>Only the onboarding of new clients is incentivized through commissions and referral fees.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Management has not identified any opportunity/s associated with this topic.</i>	<i>None</i>

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	4	hours
b. Male employees	4	hours
Average training hours provided to employees		
a. Female employees	4	hours/employee
b. Male employees	4	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Since there have been no law or regulation issued by the relevant agencies that would affect the operations of the Corporation or its subsidiaries, no seminars or training was provided to the employees.</i>	<i>Directors, officers, and employees are expected and required to apprise themselves of all laws, rules, and regulations affecting their work. Management sponsors seminars or training for its directors, officers, and employees if it deems that such will enhance their ability to perform their duties.</i>
What are the Risk/s Identified?	Management Approach
<i>Each individual engaged by the Corporation performs a unique function in the organization, thus, such individuals may not be able to afford to be absent from work to attend such seminars or training. Another risk is that an employee</i>	<i>Management expects that the directors, officers, and employees who attend seminars or training ensure that the schedule thereof will not hamper the performance of their duties. Management tries to be understanding of such a schedule for so long as the</i>

<i>cannot engage in self-improvement as seminars or training should only be limited to their actual work.</i>	<i>tasks for the day are not crucial to the Corporation's operations.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Management has not identified any opportunity/s associated with this topic.</i>	<i>None</i>

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Management sets and implements policies that impact employees without prior consultation.</i>	<i>Universal policies established by Management and the HR manager are disseminated to all affected employees. Immediate compliance is expected and employees' concerns or grievances regarding said policies must be raised with the HR manager.</i>
What are the Risk/s Identified?	Management Approach
<i>Individual needs and concerns of employees may not be addressed resulting in disappointment, frustration and consequently attrition.</i>	<i>Management and the HR manager tries to take into consideration the specific circumstances of each employee affected.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Management has not identified any opportunity associated with this topic.</i>	<i>None</i>

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	60	%
% of male workers in the workforce	40	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Management has not identified any impact associated with this topic.</i>	<i>None</i>
What are the Risk/s Identified?	Management Approach
<i>Management has not identified any risk/s associated with this topic.</i>	<i>None</i>
What are the Opportunity/ies Identified?	Management Approach

<i>Management has not identified any opportunity/ies associated with this topic.</i>	<i>None</i>
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Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	8	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	2	Man-hours

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Management has not identified any impact associated with this topic.</i>	<i>None</i>
What are the Risk/s Identified?	Management Approach
<i>Management has not identified any risk/s associated with this topic.</i>	<i>None</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Management has not identified any opportunity/ies associated with this topic.</i>	<i>None</i>

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Considering the small number of employees employed by the Corporation and its subsidiaries, there is no need to formalize a policy that disallows violations of labor laws such as forced, child labor, and human rights.</i>	<i>The HR manager for the Philcomsat Group of Companies is well versed in labor laws and protection of human rights and who is known to all employees, thus any incident that violates labor laws and human rights can easily be addressed.</i>
What are the Risk/s Identified?	Management Approach
<i>Management has not identified any risk/s associated with this topic.</i>	<i>None</i>

What are the Opportunity/ies Identified?	Management Approach
<i>Management has not identified any opportunity/ies associated with this topic.</i>	<i>None</i>

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

No

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>The Corporation and its subsidiaries' main suppliers are limited to utility providers, professional staffing, and office supplies retailers, none of which require environmental performance background checks or policies on forced labor, child labor, human rights, bribery, and corruption.</i>	<i>If the Corporation or its subsidiaries engage in activities that have an impact on the environment, labor, human rights, or are susceptible to bribery and corruption, Management will establish policies and implement programs to consider these factors when accrediting suppliers.</i>
What are the Risk/s Identified?	Management Approach
<i>Management has not identified any risk/s associated with doing business with the main suppliers of the Corporation and its subsidiaries which consist only of utility providers, professional staffing, and office supplies retailers.</i>	<i>If the Corporation or its subsidiaries engage in activities that have an impact on the environment, labor, human rights, or are susceptible to bribery and corruption, Management will establish policies and implement programs to consider these factors when accrediting suppliers.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Management has not identified any opportunity/ies associated with doing business with the main suppliers of the Corporation and its subsidiaries which consist only of utility providers, professional staffing, and office supplies retailers.</i>	<i>If the Corporation or its subsidiaries engage in activities that have an impact on the environment, labor, human rights, or are susceptible to bribery and corruption, Management will establish policies and implement programs to consider these factors when accrediting suppliers.</i>

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous	Collective or individual rights that have been identified that or particular	Mitigating measures (if negative) or enhancement measures (if positive)

(exclude CSR projects; this has to be business operations)			people (Y/N)?	concern for the community	
None	None	None	N	None	None

*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: None

Certificates	Quantity	Units
FPIC process is still undergoing	0	#
CP secured	0	#

What are the Risk/s Identified?	Management Approach
<i>The operations of the Corporation and its subsidiaries do not affect IPs; thus, Management has not identified any risk/s associated with this topic.</i>	<i>In the event that the Corporation and its subsidiaries become engaged in activities that offer products or services that affect IPs, Management shall establish policies and implement programs for the protection of IPs.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>The operations of the Corporation and its subsidiaries do not affect IPs; thus, Management has not identified any opportunity/ies associated with this topic.</i>	<i>In the event that the Corporation and its subsidiaries become engaged in activities that offer products or services that affect IPs, Management shall establish policies and implement programs for the protection of IPs.</i>

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	100	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>For its stock transfer services, customer satisfaction as to accuracy of the reports, the processing time for transfers, and the reliability of data is of paramount importance. Thus, PSTI has to ensure that the service always meets its clients' expectations.</i>	<i>Management ensures that all data is accurate and complete, and the work performed by its staff is satisfactory before releasing any report or information to the clients. Any concern of a client has to be resolved in a reasonable amount of time.</i>
What are the Risk/s Identified?	Management Approach
<i>In order to meet client's demands and regulatory deadlines, the client at times may not give PSTI sufficient time to properly review and check its generated reports.</i>	<i>Management regularly meets with the client to request for feedback and an assessment of its performance so that any shortcomings can be addressed immediately.</i>
What are the Opportunity/ies Identified?	Management Approach

<i>Constant need to keep PSTI updated regarding software for data entry and network security is the opportunity associated with this topic identified by Management.</i>	<i>Automation of much of its processes is one of the approaches that Management intends to pursue in order to reduce man-power hours/requirements and ensure consistent/uniform quality of services provided to its clients.</i>
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Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>The services rendered by the Corporation and its subsidiaries do not compromise the health and safety of its clients.</i>	<i>In the event that the Corporation or its subsidiaries become engaged in or provide services that may pose a health and safety risk, Management shall establish policies and implement programs to protect the health and safety of its clients.</i>
What are the Risk/s Identified?	Management Approach
<i>Management has not identified any risk/s associated with this topic.</i>	<i>In the event that the Corporation or its subsidiaries become engaged in or provide services that may pose a health and safety risk, Management shall establish policies and implement programs to protect the health and safety of its clients.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Management has not identified any opportunity/ies associated with this topic.</i>	<i>In the event that the Corporation or its subsidiaries become engaged in or provide services that may pose a health and safety risk, Management shall establish policies and implement programs to protect the health and safety of its clients.</i>

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>The Corporation and its subsidiaries are not engaged in activities that require it to market and label products.</i>	<i>In the event that the Corporation or its subsidiaries become engaged in activities that require marketing or labelling of products, Management shall establish policies and implement programs for protection of the consumer.</i>
What are the Risk/s Identified?	Management Approach

<i>Management has not identified any risk/s associated with this topic.</i>	<i>In the event that the Corporation or its subsidiaries become engaged in activities that require marketing or labelling of products, Management shall establish policies and implement programs for protection of the consumer.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Management has not identified any opportunity/ies associated with this topic.</i>	<i>In the event that the Corporation or its subsidiaries become engaged in activities that require marketing or labelling of products, Management shall establish policies and implement programs for protection of the consumer.</i>

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>The Corporation's subsidiary, Professional Stock and Transfer, Inc. (PSTI), collects information from its clients such as names, addresses, contact details, and shareholdings.</i>	<i>PSTI obtains the consent of each client before their personal information is collected and is transparent in how the data is used and secured. The use of customer data is limited to the purpose agreed upon with the client and/or in compliance with the regulatory requirements of the clients of PSTI.</i>
What are the Risk/s Identified?	Management Approach
<i>The risks identified with this topic are the unauthorized disclosure of the clients' personal information, unauthorized use of such data, and/or breach of data security measures that may be committed by rogue employees or individuals external to the Corporation or its subsidiaries.</i>	<i>Management requires that personal information of clients is only stored on its secure network. Management ensures that applicants for employment at PSTI are properly screened. PSTI's employees are apprised/oriented with the applicable data protection laws, rules, and regulations and are mandated to ensure compliance therewith.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>The only opportunity identified by PSTI in regards to this topic is that it continually educates itself on and invests in network security.</i>	<i>Management's approach is to prevent any incident of data breach or violation of its data protection measures since the loss of confidence that may be brought about by such a breach would be irreparable.</i>

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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<i>The Corporation's subsidiary, Professional Stock and Transfer, Inc. (PSTI), collects information from its clients such as names, addresses, contact details, and shareholdings.</i>	<i>PSTI obtains the consent of each client before their personal information is collected and is transparent in how the data is used and secured. The use of customer data is limited to the purpose agreed upon with the client and/or in compliance with the regulatory requirements of the clients of PSTI.</i>
What are the Risk/s Identified?	Management Approach
<i>The risks identified with this topic are the unauthorized disclosure of the clients' personal information, unauthorized use of such data, and/or breach of data security measures by individuals or rogue employees.</i>	<i>Management requires that personal information of clients is only stored on its secure network. Management ensures that applicants for employment at PSTI are properly screened. PSTI's employees are apprised/oriented with the applicable data protection laws, rules, and regulations and are mandated to ensure compliance therewith.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>The only opportunity identified by PSTI in regards to this topic is that it continually educates itself on and invests in network security.</i>	<i>Management's approach is to prevent any incident of data breach or violation of its data protection measures since the loss of confidence that may be brought about by such a breach would be irreparable.</i>

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Stock transfer services	Goal No. 8 - Decent Work and Economic Growth	Unlikely to provide more employment unless the client base increases.	Aggressive marketing of its services to other PLCs and registered companies is required to be able to achieve its UN SDG.
Money Market Operations	Goal No. 8 - Decent Work and Economic Growth	Unlikely to provide more employment due to the nature of business.	Investment in subsidiaries that are labor intensive is required to be able to achieve its UN SDG.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*