



## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders  
House of Investments, Inc.  
9th Floor, Grepalife Building  
221 Sen. Gil J. Puyat Avenue  
Makati City, Metro Manila

### Opinion

We have audited the parent company financial statements of House of Investments, Inc. (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2025 and 2024, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2025 and 2024, and its financial performance and its 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.

### Basis for Opinion

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

### Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

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

In preparing the parent company financial statements, management is responsible for assessing the 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.

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



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

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

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

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent 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 Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

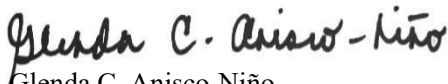


### Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of House of Investments, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Glenda C. Anisco-Niño

SYCIP GORRES VELAYO & CO.



Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

Tax Identification No. 225-158-629

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114462-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

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

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-196-2025, October 29, 2025, valid until October 28, 2028

PTR No. 10765006, January 2, 2026, Makati City

April 13, 2026



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR PARENT COMPANY  
FINANCIAL STATEMENTS**


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

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

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

SyCip, Gorres, Velayo & Co., the independent auditor appointed by the stockholders, has audited the 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.



**HELEN Y. DEE**  
Chairman of the Board



**LORENZO V. TAN**  
President and Chief Executive Officer

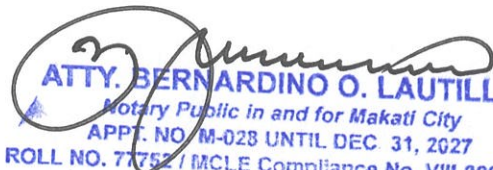


**GEMA O. CHENG**  
EVP - COO/Chief Financial Officer & Treasurer

SUBSCRIBED AND SWORN BEFORE ME  
THIS 04 MAY 2026 AT MAKATI CITY  
AFFIANT EXHIBITED TO ME HIS / HER.

Signed this 13<sup>th</sup> day of April 2026

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Page No. 16  
Book No. 26  
Series of 2020



**ATTY. BERNARDINO O. LAUTILLO**  
Notary Public in and for Makati City  
APPT. NO. M-028 UNTIL DEC. 31, 2027  
ROLL NO. 77752 / MCLE Compliance No. VIII-0002331  
UNTIL APR. 14, 2023  
IBP OR. NO. 583938 JAN. 2, 2026 / MAKATI CHAPTER  
PTR NO. 10765532 - JAN. 5, 2025  
UNIT 2-B2 TRANS-PHIL HOUSE, 1177 DON CHINO ROCES AVE., COR.  
BAGTIKAN ST., SAN ANTONIO, MAKATI

**HOUSE OF INVESTMENTS, INC.**  
**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2025	2024
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 6)	₱253,537,729	₱156,253,249
Receivables (Note 7)	873,287,544	244,623,747
Inventories (Note 8)	–	2,273,838
Prepaid expenses and other current assets (Note 9)	37,469,525	146,950,520
Dividends receivable (Notes 14 and 18)	50,600,000	50,500,147
Total Current Assets	1,214,894,798	600,601,501
<b>Noncurrent Assets</b>		
Investments in subsidiaries and associates (Note 10)	23,104,496,038	22,029,986,542
Financial assets at fair value through other comprehensive income (FVOCI) (Note 11)	666,335,973	1,836,513,801
Property and equipment (Note 12)	22,053,266	14,099,919
Investment properties (Note 13)	1,597,533,875	1,601,176,995
Computer software (Note 12)	5,071,421	7,567,098
Other noncurrent assets (Note 9)	314,407,519	244,933,157
Total Noncurrent Assets	25,709,898,092	25,734,277,512
<b>TOTAL ASSETS</b>	<b>₱26,924,792,890</b>	<b>₱26,334,879,013</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities (Note 17)	₱169,151,967	₱357,254,666
Loans payable (Note 15)	805,000,000	506,000,000
Total Current Liabilities	974,151,967	863,254,666
<b>Noncurrent Liabilities</b>		
Retirement liability - net (Note 25)	95,984,258	69,351,775
Deferred tax liabilities - net (Note 26)	278,255,146	282,114,842
Other noncurrent liabilities (Note 16)	9,053,335	12,803,330
Total Noncurrent Liabilities	383,292,739	364,269,947
Total Liabilities	1,357,444,706	1,227,524,613
<b>Equity</b>		
Capital stock (Note 27)		
Common stock	2,201,795,750	2,201,795,750
Additional paid-in capital	14,808,241,606	14,808,241,606
Reserve on equity investments at FVOCI (Note 11)	(17,765,913)	92,411,914
Reserve on revaluation increment on land - net (Note 12)	1,038,451,500	1,038,451,500
Remeasurement loss on retirement liability (Note 26)	(9,809,370)	366,427
Retained earnings (Note 31)		
Unappropriated	5,846,434,611	5,266,087,203
Appropriated	1,700,000,000	1,700,000,000
Total Equity	25,567,348,184	25,107,354,400
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱26,924,792,890</b>	<b>₱26,334,879,013</b>

*See accompanying Notes to Parent Company Financial Statements.*



**HOUSE OF INVESTMENTS, INC.****PRPARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2025	2024	2023
<b>REVENUE</b> (Note 18)			
Services	<b>₱212,504,942</b>	₱239,531,379	₱482,520,881
Management fees (Note 14)	<b>193,437,531</b>	165,667,935	134,940,913
Merchandise sales	—	2,170,940,219	3,697,237,244
Commission	—	126,833,744	131,866,683
Dealer's income	—	123,596,171	175,034,673
Others	—	6,326,509	11,936,981
	<b>405,942,473</b>	2,832,895,957	4,633,537,375
<b>DIVIDEND INCOME</b> (Note 18)	<b>806,231,984</b>	348,700,508	262,249,062
<b>COSTS</b> (Note 20)			
Merchandise sales	—	2,127,691,084	3,580,094,522
Services	—	162,897,976	313,845,914
	—	2,290,589,060	3,893,940,436
<b>GROSS PROFIT</b>	<b>1,212,174,457</b>	891,007,405	1,001,846,001
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b> (Note 21)	<b>(412,291,662)</b>	(669,772,206)	(673,784,389)
<b>INTEREST AND FINANCE CHARGES</b> (Note 22)	<b>(19,389,295)</b>	(58,399,595)	(73,692,240)
<b>OTHER INCOME</b> - (Note 19)	<b>100,263,832</b>	265,571,336	1,188,927,986
<b>INCOME BEFORE INCOME TAX</b>	<b>880,757,332</b>	428,406,940	1,443,297,358
<b>PROVISION FOR INCOME TAX</b> (Note 26)	<b>25,466,112</b>	13,699,159	16,392,080
<b>NET INCOME</b>	<b>855,291,220</b>	414,707,781	1,426,905,278
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Fair value reserve on equity investments at FVOCI (Note 11)	<b>(110,177,827)</b>	59,053,505	839,244
Revaluation increment on land (Note 12)	—	—	124,172,000
Income tax effect	—	—	(31,043,000)
Remeasurement loss on retirement (Note 25)	<b>(27,526,943)</b>	(10,351,933)	1,844,791
Income tax effect	<b>6,881,736</b>	2,587,983	(461,198)
	<b>(130,823,034)</b>	51,289,555	95,351,837
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱724,468,186</b>	₱465,997,336	₱1,522,257,115
<b>EARNINGS PER SHARE</b> (Note 33)			
Basic	<b>₱0.5821</b>	₱0.2822	₱0.9711
Diluted	<b>₱0.5821</b>	₱0.2822	₱0.9711

See accompanying Notes to Parent Company Financial Statements.



# HOUSE OF INVESTMENTS, INC.

## PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023

	Other Comprehensive Income						Retained Earnings		Total
	Capital Stocks (Note 27)	Equity Investments Additional Paid-in Capital	Fair value Reserve on Increment at FVOCI (Note 11)	Revaluation Retirement on Land (Note 12)	Remeasurement Gains (Losses) on Retirement Liability (Note 25)	Unappropriated (Note 31)	Appropriated (Note 31)		
<b>As at January 1, 2025</b>	<b>₱2,201,795,750</b>	<b>₱14,808,241,606</b>	<b>₱92,411,914</b>	<b>₱1,038,451,500</b>	<b>₱366,427</b>	<b>₱5,266,087,203</b>	<b>₱1,700,000,000</b>	<b>₱25,107,354,400</b>	
Net income	-	-	-	-	-	855,291,220	-	855,291,220	
Other comprehensive loss	-	-	(110,177,827)	-	(20,645,207)	-	-	(130,823,034)	
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>(110,177,827)</b>	<b>-</b>	<b>(20,645,207)</b>	<b>855,291,220</b>	<b>-</b>	<b>724,468,186</b>	
Dividends to common stockholders	-	-	-	-	-	(264,474,402)	-	(264,474,402)	
Remeasurement on retirement liabilities related to assets transferred (Notes 32 and 25)	-	-	-	-	10,469,410	(10,469,410)	-	-	
<b>As at December 31, 2025</b>	<b>₱2,201,795,750</b>	<b>₱14,808,241,606</b>	<b>(₱17,765,913)</b>	<b>₱1,038,451,500</b>	<b>(₱9,809,370)</b>	<b>₱5,846,434,611</b>	<b>₱1,700,000,000</b>	<b>₱25,567,348,184</b>	
<b>As at January 1, 2024</b>	<b>₱2,201,795,750</b>	<b>₱14,808,241,606</b>	<b>₱33,358,409</b>	<b>₱1,038,451,500</b>	<b>₱8,130,377</b>	<b>₱1,363,984,981</b>	<b>₱5,200,000,000</b>	<b>₱24,653,962,623</b>	
Net income	-	-	-	-	-	414,707,782	-	414,707,782	
Other comprehensive income	-	-	59,053,505	-	(7,763,950)	-	-	51,289,555	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>59,053,505</b>	<b>-</b>	<b>(7,763,950)</b>	<b>414,707,782</b>	<b>-</b>	<b>465,997,337</b>	
Dividends to common stockholders	-	-	-	-	-	(73,465,111)	-	(73,465,111)	
Sale of EEI shares after reclass to FVOCI	-	-	-	-	-	60,859,551	-	60,859,551	
Release of appropriations	-	-	-	-	-	3,500,000,000	(3,500,000,000)	-	
<b>As at December 31, 2024</b>	<b>₱2,201,795,750</b>	<b>₱14,808,241,606</b>	<b>₱92,411,914</b>	<b>₱1,038,451,500</b>	<b>₱366,427</b>	<b>₱5,266,087,203</b>	<b>₱1,700,000,000</b>	<b>₱25,107,354,400</b>	
<b>As at January 1, 2023</b>	<b>₱1,162,540,326</b>	<b>₱154,578,328</b>	<b>₱32,519,165</b>	<b>₱945,322,500</b>	<b>₱6,746,784</b>	<b>₱1,638,130,040</b>	<b>₱3,500,000,000</b>	<b>₱7,439,837,143</b>	
Net income	-	-	-	-	-	1,426,905,278	-	1,426,905,278	
Other comprehensive income	-	-	839,244	93,129,000	1,383,593	-	-	95,351,837	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>839,244</b>	<b>93,129,000</b>	<b>1,383,593</b>	<b>1,426,905,278</b>	<b>-</b>	<b>1,522,257,115</b>	
Dividends to common stockholders	-	-	-	-	-	(38,823,264)	-	(38,823,264)	
Issuance of shares	1,039,255,424	14,653,663,278	-	-	-	-	-	15,692,918,702	
Sale of FVOCI equity investments	-	-	-	-	-	37,772,927	-	37,772,927	
Appropriation of retained earnings	-	-	-	-	-	(1,700,000,000)	1,700,000,000	-	
<b>As at December 31, 2023</b>	<b>₱2,201,795,750</b>	<b>₱14,808,241,606</b>	<b>₱33,358,409</b>	<b>₱1,038,451,500</b>	<b>₱8,130,377</b>	<b>₱1,363,984,981</b>	<b>₱5,200,000,000</b>	<b>₱24,653,962,623</b>	

See accompanying Notes to Parent Company Financial Statements.



**HOUSE OF INVESTMENTS, INC.****PARENT COMPANY STATEMENTS OF CASH FLOWS**

	Years Ended December 31		
	2025	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	<b>₱880,757,332</b>	₱428,406,940	₱1,443,297,358
Adjustments for:			
Dividend income (Note 18)	<b>(806,231,984)</b>	(348,700,508)	(262,249,062)
Movements in net retirement liability	<b>26,632,483</b>	(8,650,318)	17,107,462
Interest and finance charges (Note 22)	<b>19,389,295</b>	58,399,595	73,692,240
Depreciation and amortization (Note 24)	<b>14,039,843</b>	45,065,203	62,352,864
Interest income (Note 19)	<b>(6,829,484)</b>	(6,934,743)	(5,787,233)
Unrealized foreign exchange loss (gain) - net	<b>1,982,300</b>	(3,252,722)	(3,495,990)
Provision (reversal of ) for expected credit losses and inventory obsolescence	<b>970,098</b>	(15,112,203)	651,221
Gain on sale of: (Note 19)			
Investment in subsidiaries and associates (Note 10)	–	–	(1,143,808,588)
Property and equipment (Note 12)	–	(768,602)	(2,964,666)
Investment properties	<b>(8,076,000)</b>	(13,450,000)	–
Recovery of impairment loss on investment in subsidiaries and associates (Note 10)	–	–	(21,682,883)
Operating income before working capital changes	<b>122,633,883</b>	135,002,643	157,112,723
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	<b>148,014,500</b>	443,302,551	(145,751,646)
Inventories	<b>2,273,838</b>	427,042,215	(93,116,957)
Prepaid expenses and other current assets	<b>109,480,995</b>	127,744,441	82,295,251
Increase (decrease) in accounts payable and other current liabilities	<b>(169,079,907)</b>	(715,202,506)	165,513,669
Net cash generated from operations	<b>213,323,309</b>	417,889,344	166,053,040
Interest received	<b>6,829,484</b>	6,934,743	5,787,233
Income tax paid, including applied creditable withholding taxes	<b>(25,893,670)</b>	(13,293,200)	(16,493,976)
Interest and finance charges paid	<b>(19,389,295)</b>	(52,932,128)	(66,359,483)
Net cash flows provided by operating activities	<b>174,869,828</b>	358,598,759	88,986,814
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received	<b>806,132,132</b>	348,700,508	231,034,980
Proceeds from sale of:			
Equity investments in FVOCI	–	–	38,029,303
Investment in subsidiaries and associates (Note 10)	–	–	2,325,555,630
Investment properties	<b>8,736,000</b>	14,550,000	–
Property and equipment	–	–	7,775,211
Net movement in subsidiaries and associates (Note 10)	–	–	–
Decrease (increase) in other noncurrent asset	<b>(70,729,408)</b>	153,552,817	(99,607,004)
Acquisition of:			
Equity investments at FVOCI	–	–	(1,155,400,000)
Investment in subsidiaries and associates	<b>(40,000,000)</b>	(393,442,352)	(882,177,459)
Computer software (Note 12)	<b>(850,413)</b>	(4,269,598)	(6,244,583)
Property and equipment (Note 12)	<b>(18,052,049)</b>	(8,627,042)	(51,391,583)
Net cash flows provided by investing activities	<b>685,236,262</b>	110,434,333	407,574,495

*(Forward)*

	<b>Years Ended December 31</b>		
	<b>2025</b>	2024	2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans payable (Note 15)	<b>₱1,109,000,000</b>	₱741,000,000	₱2,165,000,000
Payments of:			
Loans payable (Note 15)	<b>(810,000,000)</b>	(1,691,642,021)	(2,560,357,979)
Dividends	<b>(264,474,402)</b>	(72,453,495)	(37,866,867)
Leases (Note 29)	-	(132,117,299)	(43,029,890)
Receipts (disbursements) from related party transactions	<b>(798,581,642)</b>	663,768,095	166,035
Net cash flows used in financing activities	<b>(764,056,044)</b>	(491,444,720)	(476,088,701)
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
	<b>1,234,434</b>	190,057	3,495,990
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>97,284,480</b>	(22,221,571)	23,968,598
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>156,253,249</b>	178,474,820	154,506,222
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)</b>	<b>₱253,537,729</b>	₱156,253,249	₱178,474,820

*See accompanying Notes to Parent Company Financial Statements.*



# HOUSE OF INVESTMENTS, INC.

## NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

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### 1. Corporate Information and Authorization for Issuance of Parent Company Financial Statements

#### Corporate Information

House of Investments, Inc. (the Parent Company) is a stock corporation incorporated under the laws of the Republic of the Philippines on May 21, 1959. As per Section 11 of Revised Corporation Code (RCC) enacted in 2020, a corporation shall have perpetual existence unless its articles of incorporation provide otherwise. Further explained in Securities and Exchange Commission (SEC) Memorandum Circular No. 22 Series of 2020, “the corporate term of a corporation with certificate of incorporation issued prior to the effectivity of the RCC and which continue to exist, shall be deemed perpetual upon the effectivity of the RCC, without any action on the part of the corporation.” Thus, there is no need to amend or extend Parent Company’s corporate life as it already enjoys perpetual existence.

The Parent Company undertook a portfolio realignment with a bias for recurring income and growth in 2023. As a result, the core business focus of the Parent Company is organized into four segments, namely: Financial Services, Property and Property Services, Education and Automotive. The Parent Company’s portfolio investments are in, Energy, Healthcare, and Deathcare. Effective July 1, 2024, car dealership business was consolidated under Honda Cars Inc. which is 100% owned by the Parent Company.

The Parent Company’s common stock was listed with the Philippine Stock Exchange (PSE) on July 2, 1962, the Parent Company’s initial public offering. The Parent Company’s shares of stock are currently traded at the PSE. The ultimate parent company of the Group is Pan Malayan Management and Investment Corporation (PMMIC), a domestic corporation.

The registered office address and principal place of business of the Parent Company is at 9th Floor, Grepalife Building, 221 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila.

#### Authorization for Issuance of Parent Company Financial Statements

The parent company separate financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 13, 2026.

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### 2. Basis of Preparation and Statement of Compliance

The parent company financial statements have been prepared under the historical cost basis, except for financial asset at fair value through other comprehensive income (FVOCI) which have been measured at fair value. The parent company financial statements are presented in Philippine Peso (₱), which is also the Parent Company’s functional currency. Except as indicated, all amounts are rounded off to the nearest peso.

#### Statement of Compliance

The parent company financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.



The parent company financial statements are the Parent Company's separate financial statements prepared in compliance with PAS 27, *Separate Financial Statements*. These parent company financial statements are prepared for submission to the Philippine Bureau of Internal Revenue (BIR). The Parent Company also prepares and issues consolidated financial statements for the same period as the separate financial statements in accordance with PFRS Accounting Standards. These may be obtained at the SEC Head Office, PICC, Roxas Boulevard, Pasay City or at the Parent Company's registered office address.

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### 3. Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Parent Company.

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

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

#### Standards Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Parent Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Parent Company intends to adopt the following pronouncements when they become effective.

#### *Effective beginning on or after January 1, 2026*

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

#### *Effective beginning on or after January 1, 2027*

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*



*Deferred effectivity*

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

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#### 4. **Material Accounting Policy Information**

##### Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from date of placement and that are subject to an insignificant risk of changes in value.

##### Financial Assets

###### *Initial recognition and measurement*

The Parent Company recognizes a financial asset or a financial liability in the parent company statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost; fair value through other comprehensive income (FVOCI); and fair value through profit or loss (FVTPL).

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

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Parent Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

###### *Subsequent measurement*

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL



The Parent Company's financial assets as of December 31, 2025 and 2024 consists of financial assets at amortized cost and FVOCI. The Parent Company has no financial assets at FVTPL as of December 31, 2025 and 2024.

*Financial assets at amortized cost (debt instruments)*

This category is the most relevant to the Parent Company. The Parent Company measures financial assets at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of comprehensive income when the asset is derecognized, modified or impaired. As of December 31, 2025 and 2024, the Parent Company's financial assets at amortized cost include cash in bank and cash equivalent, receivables, dividends receivable and refundable deposit included under 'Other assets'.

*Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Parent Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as income in the parent company statement of income when the right of payment has been established, except when the Parent Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Parent Company elected to classify irrevocably all its equity investments under this category.

The Parent Company does not have any debt financial assets at FVOCI as of December 31, 2025 and 2024.

*Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Parent Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Parent Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Parent Company has transferred substantially all the risks and rewards of the asset, or (b) the Parent Company as neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of



the asset, nor transferred control of the asset, the Parent Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Parent Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Parent Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Parent Company could be required to repay.

*Impairment of financial assets*

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

ECLs are recognized in two stages. For credit exposures which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For cash and cash equivalents, the Parent Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Parent Company's policy to measure ECL on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. The Parent Company uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

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

The key inputs in the model include the Parent Company's definition of default and historical data of three years of the origination, maturity date and default date. The Parent Company considers receivables in default when contractual payments are 90 days past due. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal and external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company.

The other financial instruments such as dividends receivable and refundable deposits, the Parent Company applies the general approach. Therefore, the Parent Company track changes in credit risk at every reporting date.



The Parent Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### Financial Liabilities

#### *Initial recognition and measurement*

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

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

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

#### *Loans and borrowings*

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

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

This category applies primarily to loans payable, excluding government payables, and due to related parties.

#### *Derecognition of financial liabilities*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

#### *Other financial liabilities*

Other financial liabilities are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR. Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the amortization process. Any effects of restatement of foreign currency-denominated liabilities are recognized in profit or loss.

The Parent Company's other financial liabilities include "Accounts payable and other current liabilities", and "Other noncurrent liabilities".



#### Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Cost of inventories is generally determined primarily using the moving-average method, except for automotive units of the car dealerships, which are accounted for using the specific identification method. NRV is the selling price in the ordinary course of business, less the estimated costs of completion of inventories and the estimated costs necessary to sell.

Cost includes purchase price and other costs directly attributable to its acquisition such as non-refundable taxes, handling and transportation cost.

#### Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets pertain to other resources controlled by the Parent Company as a result of past events and from which future economic benefits are expected to flow to the Parent Company within the financial reporting date.

#### Investments in Subsidiaries and Associates

Investments in shares of stock of the subsidiaries and associates are carried at cost less accumulated impairment losses, if any.

Subsidiaries are entities controlled by the Parent Company. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

An associate is an entity over which the Parent Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Details of investment in subsidiaries and associates are disclosed further in Note 10.

#### Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value, except for land which is carried at revalued amount based on the latest appraisal conducted by an independent firm of appraisers. The appraisal increment resulting from the revaluation is treated as a separate component in the Parent Company's equity.

The initial cost of property and equipment consists of its purchase price, include import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected as part of current operations.



Depreciation and amortization are computed using the straight-line method over the estimated useful lives (EUL) of the related assets.

<u>Category</u>	<u>Number of Years</u>
Building and building improvements	10 - 50
Transportation equipment	5
Furniture, fixtures and other equipment	3 - 5

Amortization of leasehold improvements is computed over the EUL of the improvement or remaining term of the lease, whichever is shorter.

The useful life and depreciation and amortization method are reviewed periodically to ensure that the period of depreciation and amortization method are consistent with the expected patterns of economic benefit from items of property and equipment.

Land is carried at its revalued amount. The appraised values used for revaluation were determined by an independent appraiser accredited by the Philippine SEC.

The initial cost of land consists of its purchase price and directly attributable costs of bringing the asset to its working condition and location for its intended use.

The appraisal increment (net of deferred tax) resulting from the revaluation is credited to the "Revaluation Increment on Land" account under the equity section of the parent company statement of financial position.

Upon disposal of land, any revaluation increment relating to the particular asset being sold is transferred to retained earnings.

Minor repairs and maintenance costs are charged as part of current operations as incurred; significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, the cost or revalued amount, appraisal increase and related accumulated depreciation and amortization are removed from the accounts and any resulting gains or losses are reflected in the parent company statement of comprehensive income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the parent company statement of comprehensive income in the year the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation and amortization are reviewed, and adjusted if appropriate, at each financial year-end.

#### Investment Properties

Investment properties are stated at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the parent company statement of comprehensive income in the year of retirement or disposal.



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 carrying amount of the investment property transferred at the date of change in use. If owner-occupied property becomes an investment property, the Parent Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

For a transfer from owner-occupied property to investment property, the deemed cost for subsequent accounting is the fair value at the date of change in use. Upon transfer of an asset accounted for under revaluation model to asset accounted for under cost model, any revaluation reserve relating to such particular asset is transferred to retained earnings.

Depreciation is computed using the straight-line method, except land.

#### Computer Software

Computer software are stated at cost less accumulated amortization and any impairment in value. Costs related to software purchased by the Parent Company for use in the operations are amortized on a straight-line basis over a period of three (3) years.

Costs associated with developing and maintaining computer software programs are recognized as an expense when incurred. Costs that are directly associated with identifiable and unique software controlled by the Parent Company and will generate economic benefits exceeding costs beyond one year, are recognized as intangible assets to be measured at cost less accumulated amortization and provision for impairment losses, if any.

#### Right-of-use Asset and Lease Liability

The Parent Company recognizes right-of-use asset and lease liability on contracts that qualify as leases under PFRS 16. The Parent Company recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use asset includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Parent Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use asset is subject to impairment. Refer to the accounting policies on Impairment of Nonfinancial Assets.

Lease liability is measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Parent Company and payments of penalties for terminating a lease, if the lease term reflects the Parent Company exercising the option to terminate.



The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Parent Company uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Parent Company applies the short-term lease recognition exemption to its short-term leases of office space. It also applies the low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

#### Other Noncurrent Assets

Other noncurrent assets include creditable withholding taxes (CWTs), refundable deposits and other noncurrent assets. CWTs are amounts from income subject to expanded withholding tax which can be utilized as payments for income taxes provided that these are properly supported by certificates of creditable tax withheld at source.

#### Impairment of Nonfinancial Assets

For Investments in subsidiaries and associates, Property and equipment, Right-of-use asset, Investment properties and Computer software, the Parent Company assesses at the end of each financial reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Parent Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An assessment is made at each end of the financial reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement comprehensive of income.



Impairment losses are recognized in the parent company statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property and equipment previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

#### Capital Stock

Capital stock is measured at par value for all shares issued. When the Parent Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

#### Treasury Stock

When the Parent Company purchases its own shares of capital stock (treasury shares), the consideration paid, including any attributable incremental costs, is deducted from equity until the shares are cancelled or reissued of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects is included in equity.

#### Additional Paid-in Capital

Additional paid-in capital represents the portion of the paid in capital in excess over the par or stated value.

#### Retained Earnings

Retained Earnings represent accumulated earnings of the Parent Company and any adjustment arising from application of new accounting standards, policies or corrections of errors applied retroactively less dividends declared.

#### Revenue Recognition

The Parent Company primarily derives its revenue from sales of vehicles, parts and accessories and services. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customers at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods and services. The Parent Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

#### *Revenue from merchandise sales*

Revenue from sale of vehicles, parts and accessories is recognized at the point in time when the control of the asset is transferred to the customer. Revenue from sale of vehicles also includes revenue from the registration services and other free deliverables provided by the Parent Company.

The Parent Company has assessed that the registration services and other freebies included in the sale of vehicle are a separate performance obligation to which a portion of the transaction price needs to be allocated. The Parent Company allocates the transaction price of multiple performance obligation identified in one contract based on a relative stand-alone selling price of each of promised goods or services.

The Parent Company has generally concluded that it is principal in its revenue arrangements, except for its obligation to provide registration service and other freebies wherein the Parent Company's role is only to arrange for another entity to provide the services. In addition, Parent Company is also not primarily responsible for fulfilling the promised services and has no discretion in establishing the price.



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

*Revenue from sales of services*

Revenue from services and others include vehicle repairs, rust proofing and incentives from insurance. Revenue from sales of services is recognized overtime and payment is generally due upon completion of the units and acceptance of the customers.

*Revenue from management fees*

Revenue from management fees refers to income earned from providing management and administrative services to subsidiaries, or affiliated entities, recognized as services performed based on contractual agreements.

*Revenue from administrative fees*

Revenue from administrative fees refers to income earned for managing and facilitating procurement activities, or affiliated entities, recognized as the services are performed.

Other Revenue and Income Recognition

*Dividend income*

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

*Rent income*

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

*Interest income*

Interest income is recognized as interest accrues taking into account the effective yield of the asset.

Cost and Expenses

The Parent Company's costs and expenses are those that arise in the course of the ordinary operations of the Parent Company. The following specific recognition criteria must also be met before costs and expenses are recognized.

*Cost of merchandise and services*

This includes costs associated with specific sale of goods and services. Such costs are recognized when the related income have been recognized.

*General and administrative expenses*

The Parent Company's general and administrative expenses constitute costs of administering the business. General and administrative expenses are recognized as incurred.

Retirement Benefits

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

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



Pension expenses comprise the following:

- a) Service cost
- b) Net interest on the net pension liability or asset
- c) Remeasurements of net pension liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Parent Company recognizes related restructuring costs

These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net pension liability or asset is the change during the period in the net pension liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net pension liability or asset. Net interest on the net pension liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Parent Company, nor can they be paid directly to the Parent Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

### Income Taxes

#### *Current tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantially enacted by the end of the financial reporting date.

#### *Deferred tax*

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

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



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

The carrying amount of deferred tax assets is reviewed by the end of each financial reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be used. Unrecognized deferred tax assets are reassessed at the end of each financial reporting date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the financial reporting date.

Deferred tax relating to items directly recorded in the equity or other comprehensive income is recognized in other comprehensive income and not in the Parent Company statement of comprehensive income.

Deferred tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and deferred income taxes relate to the same entity and the same taxation authority.

#### Interest and Financing Charges

Interest and financing charges is recognized as expense in the period in which it is incurred.

#### Basic and Diluted Earnings Per Share (EPS)

Basic EPS is computed by dividing net income for the year attributable to equity holders of the Parent Company adjusted for the after-tax amounts of dividends on preferred stock by the weighted average number of common stock outstanding during the year, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits.

Diluted EPS is computed by adjusting the net income attributable to ordinary equity holders of the Parent Company to reflect any changes from dilutive potential shares divided by the weighted average number of common stock outstanding during the year after giving retroactive effect for any stock dividends, stock splits or reverse stock splits and adjusted for the effects of all dilutive potential common stock.

The calculation of diluted EPS does not assume conversion, redemption, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share. Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share. As there are no potential dilutive ordinary shares, basic and diluted EPS are stated at the same amount.

#### Segment Reporting

The Parent Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 32.



### Provisions

Provisions are recognized when: (a) the Parent Company has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### Contingencies

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

### Events After the Financial Reporting Date

Post year-end events that provide additional information about the Parent Company's situation at the end of the financial reporting date (adjusting events) are reflected in the parent company financial statements, if any. Any post year-end events that are non-adjusting events are disclosed on the parent company financial statements when material.

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## 5. Significant Accounting Judgments and Estimates

The preparation of the parent company financial statements in compliance with PFRSs requires the Parent Company to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the parent company financial statements as they become reasonably determinable.

Judgments and estimates 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. Actual results could differ for such estimates.

### Judgment

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

*Determining control over an entity in which Parent Company holds less than majority of voting rights*  
The Parent Company holds 40% of interest in RCBC Trust Corporation (RTrust). The Parent Company exercise control over RTrust by virtue of its power to nominate executive positions such as President, and CEO, thereby, exercising control and supervision over RTrust operations as well as financing activities. As such, the Parent Company is able to exercise control even if ownership is less than 50%.

The Parent Company has determined that it is still the largest stockholder of IPO with 49.99% equity interest and continues to have control over IPO by virtue of its power to nominate majority of the members of the BOD of IPO thereby exercising control and supervision on IPO's operations as well as financing activities. Accordingly, the Parent Company assessed that IPO continues to be a subsidiary even though it owns less than 50% equity interest over IPO after the merger.



*Determination of significant influence on investment in an associate if ownership is less than 20%*

Holding of less than 20% of voting rights is presumed not to give rise to significant influence unless it can be clearly demonstrated that there is in fact significant influence. The Parent Company is able to exercise significant influence for ownership less than 20% because it has an active participation in the policy-making process including operating decisions of the investee.

As of December 31, 2025 and 2024, the Parent Company holds 10% of interest in RRC. The Parent Company exercises significant influence in RRC since the Parent Company's President is the concurrent president of RRC. The president is also a member of the BOD. As such, the president of the Parent Company effectively has a participation in the policy-making process of RRC. Hence, the Parent Company is able to exercise significant influence even if ownership is less than 20%.

*Determination of lease term of contracts with renewal option - Company as a lessee*

The Company has a lease contract that include renewal option. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Company included the renewal period as part of the lease term as it assessed that it is reasonably certain to exercise its option to renew the lease (see Note 29).

*Revenue from contracts with customers: Timing of satisfaction of customization of vehicle*

The Parent Company concluded that revenue for the sales of trucks undergoing customization is to be recognized at a point in time (i.e., delivery of the customized unit to the customer) since most of the customization done is not highly customized and therefore still has an alternative use for the Parent Company.

*Distinguishing investment property from owner-occupied property*

The Parent Company distinguishes between investment property, owner-occupied property and property held for sale in the ordinary course of business based on the actual use of the property (i.e. earn rentals or for capital appreciation, owner-occupation or commencement of development with a view to sale).

Estimates

*Leases - Estimating the Incremental Borrowing Rate (IBR)*

The Parent Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Parent Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Parent Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Parent Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the credit rating).

The Parent Company's lease liabilities amounted to nil as of December 31, 2025 and 2024 (see Note 29).



*Estimating allowance for expected credit losses*

Upon adoption of PFRS 9, allowance for expected credit losses is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on the Parent Company's historical credit loss experience and forward-looking factors specific to the debtors and the economic environment that may affect collectability. The Parent Company applies the simplified approach designed to identify potential charges to the allowance and is performed on a continuous basis throughout the period.

The collective assessment would require the Parent Company to group its receivables based on the credit risk characteristics of the customers. Impairment loss is then determined based on historical loss experience of the receivables grouped per credit risk profile.

The methods and assumptions used for the individual and collective assessments are based on management's judgment and estimate. Therefore, the amount and timing of recorded expense for any period would differ depending on the judgments and estimates made for the year.

As of December 31, 2025 and 2024, allowance for expected credit losses amounted to ₱31.11 million and ₱52.18 million, respectively. As of December 31, 2025 and 2024, the carrying values of receivables amounted to ₱873.29 million and ₱244.62 million, respectively (Note 7).

*Valuation of land under revaluation basis*

The Parent Company's parcel of land are carried at revalued amounts. The valuations of these parcels of land were performed by SEC accredited independent appraisers and were determined using the market approach. Significant adjustments to inputs used in determining the fair value of land such as location and utility could affect the appraised value of the assets.

Land carried under revaluation basis amounted to nil as of December 31, 2025 and 2024, respectively. The key assumptions used to determine the fair value of the parcels of land are disclosed in Note 12.

*Estimation of retirement liability*

The determination of cost of retirement is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions are discussed in Note 25, and include, among others, discount rates and salary increase rates.

As of December 31, 2025 and 2024, the retirement liability amounted to ₱95.98 million and ₱69.35 million, respectively (see Note 25).

*Realizability of deferred tax assets*

The Parent Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces their carrying amounts to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Details of recognized and unrecognized deferred tax assets are disclosed further in Note 26.



## 6. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	₱27,000	₱27,000
Cash in banks	9,481,400	18,581,434
Cash equivalents	244,029,329	137,644,815
	<b>₱253,537,729</b>	<b>₱156,253,249</b>

Cash in banks earns interest at the prevailing bank deposit rates. Cash equivalents consists of time deposits with varying periods of up to three (3) months depending on the immediate cash requirements of the Parent Company, and earns interest with annual rates ranging from 3.80% to 5.00%, 4.15% to 5.20%, and 5.00% to 5.50% in 2025, 2024, and 2023, respectively.

Interest income from cash in banks and cash equivalents amounted to ₱6.16 million, ₱6.32 million, and ₱4.84 million 2025, 2024, and 2023 respectively (see Note 19).

There is no restriction on the Parent Company's cash and cash equivalents as of December 31, 2025, and 2024.

## 7. Receivables

This account consists of:

	2025	2024
Due from related parties (Note 14)	₱841,838,262	₱43,256,620
Trade receivables	14,792,224	206,271,838
Loan to officers and employees	7,341,375	5,295,231
Accrued referral incentive	1,699,726	1,863,785
Advances to suppliers	20,000	264,756
Receivable from plant	19,519	3,376,602
Insurance receivable	14,480	1,269,718
Other receivables	38,673,786	35,210,688
	<b>904,399,372</b>	<b>296,809,238</b>
Less allowance for expected credit losses	31,111,828	52,185,491
	<b>₱873,287,544</b>	<b>₱244,623,747</b>

On December 26, 2025, a 91-day loan amounting to ₱805.00 million with 7% interest per annum was granted to Tarlac Terra Ventures, Inc. (TTVI).

Trade receivables are noninterest-bearing and are generally on a thirty (30)-day term.

Loan to officers and employees mainly pertain to interest-bearing advances and loans made by officers and employees. Annual interest is 6.00% and shall be liquidated on a monthly basis through salary deduction .

Accrued referral incentive pertains to income from accredited bank institutions earned by the Parent Company through referrals made to customers who obtained bank financing in the acquisition of vehicles.



Advances to suppliers pertain to the advances made to suppliers for the purchase of vehicles, parts, and accessories.

Receivables from plant pertain to noninterest-bearing receivables for promotional subsidy and fleet discounts. Receivables from plant are collectible within one (1) year in the normal course of business.

Insurance receivable pertains to receivable from customers for the advance payment of car insurance made by the Parent Company in behalf of the customer.

The movements in allowance for expected credit losses on receivables for the years ended December 31 follow:

	2025				
	Trade receivables			From plant	Total
	Service	Parts	Others		
Balance at beginning of year	₱24,155,910	₱1,763,779	₱26,717,915	(₱452,113)	₱52,185,491
Provision	-	-	970,098	471,632	1,441,730
Recovery	(12,461,645)	(1,761,319)	(8,292,429)	-	(22,515,393)
Balance at end of year	₱11,694,265	₱2,460	₱19,395,584	₱19,519	₱31,111,828

	2024				
	Trade receivables			from plant	Total
	Service	Parts	Others		
Balance at beginning of year	₱25,862,952	₱2,489,774	₱46,321,108	₱356,407	₱75,030,241
Provision	-	-	-	312,410	312,410
Recovery	(1,707,042)	(725,995)	(19,603,193)	(1,120,930)	(23,157,160)
Balance at end of year	₱24,155,910	₱1,763,779	₱26,717,915	(₱452,113)	₱52,185,491

No receivables were pledged as security to obligations as of December 31, 2025 and 2024.

## 8. Inventories

This account consists of:

	2025	2024
Parts, accessories and materials	₱3,990,615	₱3,990,615
Automotive units (Note 20)	-	-
	3,990,615	3,990,615
Less allowance for inventory obsolescence	3,990,615	1,716,777
	₱-	₱2,273,838

The cost of inventories sold for the years ended December 31, 2025, 2024 and 2023 amounted to nil, ₱2,290.59 million and ₱3,893.94 million, respectively (see Note 20).

The Parent Company provided additional provision for inventory obsolescence in 2025, 2024 and 2023 amounting to ₱2.27 million, ₱9.38 million, and ₱0.65 million, respectively.

The Parent Company has no items of inventories which were used as security to its obligations as of December 31, 2025 and 2024.



## 9. Prepaid Expenses and Other Current and Noncurrent Assets

### Prepaid Expenses and Other Current Assets

This account consists of:

	2025	2024
Prepaid expenses	₱17,206,769	₱23,569,466
Creditable withholding taxes (CWT)	11,513,097	96,457,733
Input value added taxes (VAT)	6,429,110	17,029,541
Others	2,320,549	9,893,780
	<b>₱37,469,525</b>	<b>₱146,950,520</b>

CWT pertains to the tax withheld at source by the Parent Company's customer and is creditable against the income tax liability of the Parent Company.

Input VAT will be used against future output VAT liabilities or will be claimed as tax credits.

### Other Noncurrent Assets

This account consists of:

	2025	2024
Creditable withholding taxes (CWT)	₱293,389,230	₱222,555,380
Refundable deposits	1,461,158	1,461,156
Other noncurrent assets	19,557,131	20,916,621
	<b>₱314,407,519</b>	<b>₱244,933,157</b>

Other noncurrent assets include the noncurrent portion of CWT and miscellaneous deposits.

## 10. Investments in Subsidiaries and Associates

This account consists of:

	2025	2024
Investments in subsidiaries	₱21,004,003,610	₱20,004,003,610
Investments in associates	2,100,492,428	2,025,982,932
	<b>₱23,104,496,038</b>	<b>₱22,029,986,542</b>

### Investments in Subsidiaries

The Parent Company's subsidiaries as of December 31, 2025 and 2024 are as follows:

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership			
				2025		2024	
				Direct	Indirect	Direct	Indirect
Investment Managers, Inc. (IMI)	Philippines	Insurance agent, financing, trading and real estate	Philippine Peso	100	—	100	—
Landev Corporation	Philippines	Property management	Philippine Peso	100	—	100	—
San Lorenzo Ruiz Investment Holdings and Services Inc. (SLRHSI)	Philippines	Holding company	Philippine Peso	60	—	60	—
RCBC Trust Corporation (RTrust) <sup>(a)</sup>	Philippines	Trust	Philippine Peso	40	—	40	—
Tarlac Terra Ventures, Inc. <sup>(b)</sup>	Philippines	Property leasing	Philippine Peso	100	—	100	—
MICO Equities Inc. (MEI) <sup>(c)</sup>	Philippines	Insurance	Philippine Peso	77.33	—	77.33	—
Malayan Securities Corporation <sup>(c)</sup>	Philippines	Investing	Philippine Peso	100	—	100	—



	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership			
				2025		2024	
				Direct	Indirect	Direct	Indirect
Malayan International Insurance Corporation Limited <sup>(c)</sup>	Bahamas	Investment	Philippine Peso	100	—	100	—
Malayan Insurance Company, Inc. <sup>(c)</sup>	Philippines	Insurance	Philippine Peso	100	—	100	—
Sun Life Grepa Financial Inc. (SLGFI) <sup>(c)</sup>	Philippines	Insurance	Philippine Peso	51	—	51	—
Grepa Realty Holdings Corp. (GRHC) <sup>(c)</sup>	Philippines	Property leasing	Philippine Peso	49.00	26.01	49.00	26.01
ATYC, Inc. (ATYC) <sup>(d)</sup>	Philippines	Property leasing	Philippine Peso	100	—	100	—
Xamdu Motors, Inc. (XMI)	Philippines	Car dealership	Philippine Peso	100	—	100	—
Greyhounds Security and Investigation Agency Corp.	Philippines	Security agency	Philippine Peso	—	100	—	100
Hexagon Lounge, Inc.	Philippines	Restaurant	Philippine Peso	—	100	—	100
Secon Professional Security Training Academy Inc.	Philippines	Training service provider	Philippine Peso	—	100	—	100
HI Cars, Inc. (HCI)	Philippines	Car dealership	Philippine Peso	100	—	100	—
La Funeraria Paz Sucat, Inc. (LFPSI)	Philippines	Memorial services	Philippine Peso	50	13	50	13
iPeople, inc. (IPO)	Philippines	Education and Information Technology	Philippine Peso	49.99	—	49.99	—
Malayan Education System, Inc. (MESI) (Operating Under the Name of Mapua University)	Philippines	Education and Information Technology	Philippine Peso	—	100	—	100
Malayan Colleges Laguna, Inc., A Mapua School (MCLI)	Philippines	Education and Information Technology	Philippine Peso	—	100	—	100
Malayan Colleges Mindanao (A Mapua School), Inc. (MCFMI)	Philippines	Education and Information Technology	Philippine Peso	—	100	—	100
Malayan High School of Science, Inc. (MHSSI)	Philippines	Education and Information Technology	Philippine Peso	—	100	—	100
Mapua Information Technology Center, Inc. (MITC)	Philippines	Education and Information Technology	Philippine Peso	—	100	—	100
Mapua Techserv, Inc. (MTI)	Philippines	Consultancy	Philippine Peso	—	100	—	100
Mapua Techpower Inc.	Philippines	Consultancy	Philippine Peso	—	75	—	75
People eServe Corporation	Philippines	Education and Information Technology	Philippine Peso	—	100	—	100
Pan Pacific Computer Center, Incorporated (PPCCI)	Philippines	Education and Information Technology	Philippine Peso	—	100	—	100
National Teachers College doing business under the name/s and style/s of The National Teachers College <sup>(e)</sup>	Philippines	Education and Information Technology	Philippine Peso	—	99.82	—	99.79
University of Nueva Caceres	Philippines	Education and Information Technology	Philippine Peso	—	83.01	—	83.01
AC College of Enterprise and Technology, Inc <sup>(f)</sup>	Philippines	Education and Information Technology	Philippine Peso	—	—	—	100
LINC Institute, Inc doing business under the Name and Style of LINC Academy	Philippines	Education and Information Technology	Philippine Peso	—	100	—	100

(a) On April 20, 2023, the Parent Company acquired 40% stake of RCBC Trust Corporation (RTrust).

(b) On December 28, 2023, the Parent Company acquired 8,000,000 common shares representing 100% ownership in TTVI.

(c) On December 29, 2023, the SEC approved the valuation of shares of stock in the amount of P10.74 billion to be applied as payment for the additional issuance of 472,836,249 common shares relative to the shares swap agreement with Pan Malayan Management & Investment Corporation (PMMIC) in exchange for the acquisition of 100% of PMMIC's outstanding shareholdings in MICO Equities, Inc.; and GPL Holdings, Inc. (GPLH) in exchange for 100% of GPLH's outstanding shareholdings in SunLife Grepa Financial, Inc.

(d) On September 1, 2022, the Parent Company acquired 5,000,000 common shares representing 100% ownership in ATYC.

(e) With NTC and ACCET merger, percentage of ownership has increased from 99.79% to 99.82%

(f) In October 2025, SEC approved the merger of ACCET and NTC, at which point the NTC legally absorbed the Company



The movements in ‘Investments in subsidiaries’ account follows:

	2025	2024
<b>Acquisition cost</b>		
Balance at beginning of year	₱20,009,350,089	₱19,790,340,089
Acquisition	–	219,010,000
Reclassification	1,000,000,000	–
Balance at end of year	21,009,350,089	20,009,350,089
<b>Accumulated impairment loss</b>		
Balance at beginning and end of year	(5,346,479)	(5,346,479)
	(5,346,479)	(5,346,479)
	<b>₱21,004,003,610</b>	<b>₱20,004,003,610</b>

In 2025, the Parent Company reclassified its investment in RCBC Realty Corporation (RRC) and ATYC, Inc. amounting to ₱60.00 million and ₱1.00 billion, respectively from FVOCI to Investments in subsidiaries and associates.

*Increase in ownership over IPO*

On December 13, 2024, the Parent Company acquired 19,000,000 shares of IPO amounting to ₱129.01 million.

*Acquisition of additional share of HCI*

On July 01, 2024, the Parent Company acquired 30,000,000 shares of Honda Cars Kalookan, Inc. amounting to ₱90.00 million.

*Deconsolidation of EEI*

On April 26, 2023, the Parent Company sold 207,256,297 common shares, representing 20% of the outstanding shares of EEI Corporation (EEI) for a consideration of ₱1.25 billion. The sale has reduced the holdings of the Parent Company in EEI from 55.34% to 35.34% resulting in loss of control over EEI. The Parent Company accounted for the retained interest over EEI as an investment in associate and resulted to gain on sale amounting to ₱0.56 billion.

On May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEI. Proceeds from the sale amounted to ₱1.08 billion. The sale which reduced the Parent Company’s holdings of EEI to 21% is accounted for as disposal of investment in an associate. The Parent Company recognized gain from sale amounting to ₱0.58 billion.

As at December 31, 2023, the Parent Company classified 4.5% interest in EEI amounting to ₱154.82 million as “Asset Held for Sale”. The transaction was accounted as noncash investing activity in the 2023 parent company statement of cash flows. The assets were subsequently sold on January 5, 2024 at a selling price of ₱337.38 million.

On January 5, 2024, the Parent Company sold 46,632,667 common shares, representing 4.5% of the outstanding shares of EEI Corporation (EEI), classified as “Non-current Asset held for sale”, for a consideration of ₱337 billion. Gain from sale amounted to ₱182 billion.

On February 23, 2024, the Parent Company has reclassified 15,546,021 EEI common shares, representing 1.5% of the outstanding common shares to FVOCI amounted to ₱51.61 billion (see Note 11).



*Acquisition of SLGFI, GRHC and MEI*

On December 29, 2023, the SEC approved the amendment of the Parent Company’s Articles of Incorporation for the increase in its authorized capital stock relative to the share swap agreement between the Parent Company and GPL Holdings, Inc. (GPLHI) and PMMIC. Under the share swap agreement with GPLHI, the Parent Company issued 221,716,590 common shares to GPLHI in exchange for the acquisition of GPLH's 51% ownership over SLGFI and 73,416,558 common shares in exchange for a 49% stake in GRHC. Under the share swap agreement with PMMIC, the Parent Company issued 397,703,801 common shares to PMMIC in exchange for the acquisition of PMMIC's 77.33% ownership over MICO Equities, Inc. (MEI). As a result of the share swap agreements, the Parent Company recorded an increase in “Common Stock” and “Additional Paid-in Capital” amounting to ₱1.04 billion and ₱14.70 billion, respectively. The share swaps were accounted as noncash investing activities in the 2023 parent company statement of cash flows.

*Acquisition of TTVI*

On December 28, 2023, the Parent Company acquired 8,000,000 common shares representing 100% ownership in TTVI at ₱0.80 billion accounted as investment in subsidiary.

*Acquisition of RCBC Trust*

On April 20, 2023, the Parent Company acquired 40% interest over RCBC Trust Corporation (RTrust) amounting to ₱40.0 million. The Parent Company, despite 40% ownership only shall have the management control over RCBC Trust.

Investments in Associates

The Parent Company’s associates as of December 31, 2025 and 2024 are as follows:

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership	
				2025	2024
<b>Associates:</b>					
Hi-Eisai Pharmaceutical, Inc. (HEPI)	Philippines	Pharmaceutical	Philippine peso	50.00	50.00
Petroenergy Resources Corporation (PERC)	Philippines	Renewable energy	Philippine peso	30.57	30.57
Manila Memorial Park Cemetery, Inc. (MMPC)	Philippines	Funeral service	Philippine peso	26.48	26.48
Sojitz G Auto Philippines Corporation (SGAPC)	Philippines	Automotive distributor	Philippine peso	20.00	20.00
RCBC Realty Corporation (RRC)	Philippines	Realty	Philippine peso	10.00	10.00

The movements in ‘Investments in associates’ follow:

	2025	2024
<b>Acquisition cost</b>		
Balance at beginning of year	₱2,025,982,932	₱2,609,374,643
Acquisition	40,000,000	174,432,352
Disposal	–	(51,612,790)
Reclassification	60,000,000	(516,126,280)
Write-off	25,490,504	(190,084,993)
	<b>₱2,100,492,428</b>	<b>₱2,025,982,932</b>



*Investment in PERC*

On September 25, 2024, the Parent Company acquired 3,540,670 shares of Petro Energy Resources Corporation amounting to ₱13.07 million.

On February 06, 2024 and March 06, 2024 the Parent Company acquired 3,276,200 shares and 1,580,000 shares of Petro Energy Resources Corporation amounting to ₱14.42 million and ₱6.95 million, respectively.

*Investment in SGAPC*

In 2025 and 2024, the Parent Company infused additional capital into SGAPC amounting to ₱40.00 million and ₱140.00 million, respectively.

In 2025 and 2026, the Parent Company recognized write-offs of its investment in SGAPC amounting to ₱25.49 million and ₱190.00 million, respectively.

Summarized financial information of PERC, RRC, MMPCI, and SGAPC, significant associates, are as follows:

	2025			
	PERC	RRC	MMPC	SGAPC
<b>Current assets</b>	<b>₱3,610,784,110</b>	<b>₱622,536,992</b>	<b>₱2,912,925,943</b>	<b>₱99,428,435</b>
<b>Noncurrent assets</b>	<b>22,072,901,814</b>	<b>5,914,313,215</b>	<b>2,798,066,788</b>	<b>—</b>
<b>Total assets</b>	<b>₱25,683,685,924</b>	<b>₱6,536,850,207</b>	<b>₱5,710,992,731</b>	<b>₱99,428,435</b>
<b>Current liabilities</b>	<b>₱2,974,729,093</b>	<b>₱1,346,454,303</b>	<b>₱1,294,545,178</b>	<b>₱26,880,956</b>
<b>Noncurrent liabilities</b>	<b>8,607,447,571</b>	<b>1,258,136,319</b>	<b>414,176,111</b>	<b>—</b>
<b>Total liabilities</b>	<b>₱11,582,176,664</b>	<b>₱2,604,590,622</b>	<b>₱1,708,721,289</b>	<b>₱26,880,956</b>
<b>Revenue</b>	<b>₱3,724,205,637</b>	<b>₱1,815,370,903</b>	<b>₱1,049,589,037</b>	<b>₱53,807,475</b>
<b>Cost</b>	<b>(2,156,425,570)</b>	<b>—</b>	<b>(126,615,217)</b>	<b>—</b>
<b>Gross margin</b>	<b>1,567,780,067</b>	<b>1,815,370,903</b>	<b>922,973,820</b>	<b>53,807,475</b>
<b>General and administrative, and other expenses/income</b>	<b>(885,159,105)</b>	<b>(993,575,367)</b>	<b>(273,436,870)</b>	<b>162,015,373</b>
<b>Pre-tax income</b>	<b>₱682,620,962</b>	<b>₱821,795,536</b>	<b>₱649,536,950</b>	<b>₱215,822,848</b>
	2024			
	PERC	RRC	MMPC	SGAPC
<b>Current assets</b>	<b>₱4,598,250,872</b>	<b>₱762,198,003</b>	<b>₱2,608,817,786</b>	<b>₱132,060,312</b>
<b>Noncurrent assets</b>	<b>18,762,389,863</b>	<b>5,862,514,497</b>	<b>2,636,226,150</b>	<b>35,468,769</b>
<b>Total assets</b>	<b>₱23,360,640,735</b>	<b>₱6,624,712,500</b>	<b>₱5,245,043,936</b>	<b>₱167,529,081</b>
<b>Current liabilities</b>	<b>₱2,233,380,557</b>	<b>₱1,267,129,854</b>	<b>₱1,180,321,609</b>	<b>₱506,481,960</b>
<b>Noncurrent liabilities</b>	<b>7,510,710,099</b>	<b>1,751,971,256</b>	<b>471,782,707</b>	<b>—</b>
<b>Total liabilities</b>	<b>₱9,744,090,656</b>	<b>₱3,019,101,110</b>	<b>₱1,652,104,316</b>	<b>₱506,481,960</b>
<b>Revenue</b>	<b>₱3,447,636,609</b>	<b>₱2,084,912,492</b>	<b>₱918,782,052</b>	<b>₱2,317,186,000</b>
<b>Cost</b>	<b>(1,808,648,852)</b>	<b>—</b>	<b>(104,111,192)</b>	<b>(2,358,698,827)</b>
<b>Gross margin</b>	<b>1,638,987,757</b>	<b>2,084,912,492</b>	<b>814,670,860</b>	<b>(41,512,827)</b>
<b>General and administrative, and other expenses/income</b>	<b>(645,157,280)</b>	<b>(1,030,831,890)</b>	<b>(330,427,111)</b>	<b>(540,241,910)</b>
<b>Pre-tax income</b>	<b>₱993,830,477</b>	<b>₱1,054,080,602</b>	<b>₱484,243,749</b>	<b>(₱581,754,737)</b>



## 11. Equity Investments at FVOCI

This account consists of:

	2025	2024
Quoted	₱637,245,571	₱768,423,399
Unquoted	29,090,402	1,068,090,402
	<b>₱666,335,973</b>	<b>₱1,836,513,801</b>

The roll forward of equity investment at FVOCI for the years ended December 31 follows:

	2025	2024
Balance at beginning of year	₱1,836,513,801	₱1,261,334,015
Reclassification	(1,060,000,000)	567,739,070
Fair value changes	(110,177,828)	68,300,279
Reclassification to retained earnings	-	(60,859,563)
Balance at end of year	<b>₱666,335,973</b>	<b>₱1,836,513,801</b>

Presented below are the movements in net accumulated unrealized gain on equity investment at FVOCI for the years ended December 31:

	2025	2024
Balance at beginning of year	₱92,411,914	₱33,358,409
Fair value changes taken to other comprehensive income	(110,177,827)	59,053,505
Balance at end of year	<b>(₱17,765,913)</b>	<b>₱92,411,914</b>

During the year, the Parent Company reclassified its investment in RCBC Realty Corporation and ATYC, Inc. amounting to ₱60.00 million and ₱1.00 billion, respectively from financial assets at FVOCI to investments in subsidiaries and associates.

In February 2024, the Parent Company has reclassified 15,546,021 EEI common shares, representing 1.5% of the outstanding common shares to FVOCI amounted to ₱51.6 billion.

In May 2023, the Parent Company subscribed ATYC's 10,000,000 preferred shares amounting to ₱1.0 billion.

In October 2023, the Parent Company sold 8,545,911 Benguet Corp "A" shares for a selling price of ₱38.0 million, resulting to gain of ₱37.8 million which was reclassified to retained earnings.

In December 2023, the Parent Company purchase additional 7,000,000 RCBC shares amounting to ₱155.4 million.

### Unquoted

The unquoted securities consist of non-listed shares amounting to ₱29.09 million and ₱1,068.01 million as of December 31, 2025 and 2024, respectively.

The Parent Company elected to present changes of all its equity investment in OCI because it does not intend to trade these investments.



## 12. Property and Equipment and Computer Software

### Property and Equipment

#### *Property and equipment at revalued amount*

The Parent Company owns a parcel of 7,304 sqm land located in Quezon Avenue, Quezon City wherein the car dealership showroom was erected.

Movements in land carried at revalued amounts for the years ended December 31, 2024 follows:

Land at cost:	
Balance at beginning and end of year	₱171,193,000
Revaluation increment on land:	
Balance at beginning of year	1,384,602,000
Additions	-
Transfer to Investment Property	(1,555,795,000)
Balance at end of the year	(171,193,000)
	₱-

In July 2024, the land and building improvements located in Quezon City, which was previously recognized under Property and Equipment, was reclassified to Investment Property account.

Movements in revaluation increment on land, net of deferred tax effect, for the years ended December 31 follow:

	2025	2024	2023
Balance at beginning of year	₱1,038,451,500	₱1,038,451,500	₱945,322,500
Revaluation increment	-	-	93,129,000
Balance at end of year	₱1,038,451,500	₱1,038,451,500	₱1,038,451,500

In 2024, assets and liabilities of the Parent Company in relation to cars business were transferred to its wholly owned subsidiary, HCI (see Note 32). As a result, the land located in Quezon Avenue, Quezon City wherein the car dealership showroom was erected and previously classified as property and equipment has been reclassified to investment property. HCI is leasing the property from the Parent Company.

#### *Property and equipment at cost*

The roll forward analysis of property and equipment carried at cost follows:

	2025					
	Building and Improvements	Leasehold Improvements	Transportation Equipment	Construction in Progress	Furniture, Fixtures and Other Equipment	Total
<b>Cost</b>						
Balances at beginning of year	₱-	₱21,881,636	₱33,407,534	₱-	₱ 67,067,738	₱122,356,908
Additions	-	-	16,915,829	-	1,136,220	18,052,049
Reclassification/adjustments	-	-	(823,203)	-	(1,122,455)	(1,945,658)
Balances at end of year	-	21,881,636	49,500,160	-	67,081,503	138,463,299

(Forward)



2025						
	Building and Improvements	Leasehold Improvements	Transportation Equipment	Construction in Progress	Furniture, Fixtures and Other Equipment	Total
<b>Accumulated Depreciation and Amortization</b>						
Balances at beginning of year	P-	P21,881,636	P25,496,933	P-	P60,878,420	P108,256,989
Depreciation and amortization (Note 24)	-	-	4,366,031	-	3,344,602	7,710,633
Reclassification/adjustments	-	-	(573,434)	-	1,015,845	442,411
Balances at end of year	-	21,881,636	29,289,530	-	65,238,867	116,410,033
<b>Net Book Value</b>	<b>P-</b>	<b>P-</b>	<b>P20,210,630</b>	<b>P-</b>	<b>P1,842,636</b>	<b>P22,053,266</b>
2024						
	Building and Improvements	Leasehold Improvements	Transportation Equipment	Construction in Progress	Furniture, Fixtures and Other Equipment	Total
<b>Cost</b>						
Balances at beginning of year	P597,048,239	P21,881,636	P215,625,410	P17,454,612	P182,192,075	P1,034,201,972
Additions	25,964,484	-	8,729,340	-	4,031,771	38,725,595
Disposals	(5,790,957)	-	(190,947,216)	-	(119,156,108)	(315,894,281)
Reclassification	(617,221,766)	-	-	(17,454,612)	-	(634,676,378)
Balances at end of year	-	21,881,636	33,407,534	-	67,067,738	122,356,908
<b>Accumulated Depreciation and Amortization</b>						
Balances at beginning of year	500,902,205	21,881,636	186,594,474	-	164,129,086	873,507,401
Depreciation and amortization (Note 24)	6,048,754	-	7,158,482	-	5,261,291	18,468,527
Disposals	-	-	-	-	(2,707,758)	(2,707,758)
Reclassification	(506,950,959)	-	(168,256,023)	-	(105,804,199)	(781,011,181)
Balances at end of year	-	21,881,636	25,496,933	-	60,878,420	108,256,989
<b>Net Book Value</b>	<b>P-</b>	<b>P-</b>	<b>P7,910,601</b>	<b>P-</b>	<b>P6,189,318</b>	<b>P14,099,919</b>

In 2025, 2024 and 2023, the Parent Company sold property and equipment with carrying values of nil, P3.3 million and P1.7 million which resulted to gain of nil, P0.8 million and P3.0 million, respectively (see Note 19).

There are no property and equipment items that were pledged as security to liabilities as of December 31, 2025 and 2024.

#### Computer Software

This account consists of:

	2025	2024
<b>Cost</b>		
Balance at beginning of year	P28,590,931	P59,117,557
Additions	850,413	4,269,598
Transfers	-	(34,796,224)
Balance at end of year	29,441,344	28,590,931
<b>Accumulated Amortization</b>		
Balance at beginning of year	21,023,833	50,392,193
Amortization (Note 24)	3,346,090	5,427,864
Transfers	-	(34,796,224)
Balance at end of year	24,369,923	21,023,833
<b>Net Book Value</b>	<b>P5,071,421</b>	<b>P7,567,098</b>



Depreciation and Amortization

Depreciation and amortization are charged to “General and Administrative Expenses” amounting to ₱14.04 million, ₱24.39 million and ₱31.51 million for the years ended December 31, 2025, 2024 and 2023, respectively (Note 24).

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**13. Investment Properties**

This account consists of:

	<u>2025</u>	<u>2024</u>
<b>Cost</b>		
Balance at beginning of year	<b>₱1,601,176,995</b>	₱1,760,027
Reclassification	–	1,601,014,155
Disposals	<b>(660,000)</b>	(1,100,000)
Depreciation (Note 24)	<b>(2,983,120)</b>	(497,187)
<b>Net Book Value</b>	<b>₱1,597,533,875</b>	₱1,601,176,995

In 2025 and 2024, the Parent Company sold three (3) and four (4) heritage lots for a selling price of ₱2.91 million each resulting to a gain of ₱2.69 million, respectively.

As of December 31, 2025 and 2024, the carrying value of parcels of land held for capital appreciation and classified as investment properties amounted to ₱1.60 billion.

As of December 31, 2025 and 2024, the appraised value of the land and building made by an independent SEC-accredited appraiser was ₱1,658.05 million and ₱229.87 million; and ₱1,643.44 million and ₱241.78 million, respectively.

As of December 31, 2025, the fair value of parcels of land and building was determined based on valuation performed by an independent SEC accredited appraiser in 2025. The fair value of the investment properties was determined using the market approach which is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets and adjusted to reflect differences in economic characteristics of the properties (Level 3 - Significant unobservable inputs).

Allowance for impairment losses was ₱1.8 million for the years 2025 and 2024. No provision for impairment loss has been recognized in 2025 and 2024.



#### 14. Related Party Transactions

The transactions and outstanding balances with related parties in 2025 and 2024 consist of the following:

Category	2025		Terms	Conditions
	Amount/ Transactions	Outstanding Receivable (Payable)		
<b>Parent Company – PMMIC</b>				
Accounts payable	(₱2,901,636)	(₱692,640)	Noninterest-bearing	Unsecured
Miscellaneous expense	400,191	–		
Dividends payable	(124,643,406)	–	Noninterest-bearing	Unsecured
<b>Subsidiaries</b>				
Due from related parties	1,058,071,497	837,303,092	Noninterest-bearing	Unsecured, unimpaired
Management Fee	161,307,532	–		
Audit Fees	18,757,716	–		
Dividends receivable	714,663,976	38,000,000	Noninterest-bearing	Unsecured, unimpaired
Due to related parties	(20,265,913)	(1,096,841)	Noninterest-bearing	Unsecured
Accounts payable	(21,485,016)	(2,189,830)	Noninterest-bearing	Unsecured
Subscriptions payable	–	–	Noninterest-bearing	Unsecured
<b>Associates</b>				
Due from/to related parties	10,429,845	3,178,298	Noninterest-bearing	Unsecured, with impairment
Management and audit fees (Due from)	13,042,282	–		
Dividends receivable	86,494,444	12,600,000	Noninterest-bearing	Unsecured, unimpaired
<b>Entities under common control of PMMIC</b>				
Cash and cash equivalents		251,873,588	Interest at prevailing bank deposit rate	Unrestricted, unimpaired
Interest income	4,925,245	–		Unsecured, unimpaired
Loan payables	–	–	Interest at 7% principal payable at maturity	Unsecured, Unimpaired
Interest expense	–	–		Unsecured
Vehicle sales (Receivables)	–	–		Unsecured, no impairment
Due from related parties	2,934,485	1,356,872	Noninterest-bearing	Unsecured, no impairment
Management and audit fee income (Due from)	90,000	–	Noninterest-bearing	
Dividend receivable	5,005,812	–	Noninterest-bearing	Unsecured, unimpaired



Category	2024			
	Amount/ Transactions	Outstanding Receivable (Payable)	Terms	Conditions
<b>Parent Company – PMMIC</b>				
Accounts payable	(₱3,201,369)	(₱2,212,101)	Noninterest-bearing	Unsecured
Miscellaneous expense	1,027,860	–		
Dividends payable	(34,623,168)	–	Noninterest-bearing	Unsecured
<b>Subsidiaries</b>				
Due from related parties	347,806,295	40,399,217	Noninterest-bearing	Unsecured, unimpaired
Management Fee	145,795,492	–		
Audit Fees	19,207,662	–		
Dividends receivable	181,438,762	38,000,152	Noninterest-bearing	Unsecured, unimpaired
Due to related parties	65,204,812	(22,692,595)	Noninterest-bearing	Unsecured
Subscriptions payable	–	(3,750,000)	Noninterest-bearing	Unsecured
<b>Associates</b>				
Due from related parties	3,092,454	1,926,191	Noninterest-bearing	Unsecured, with impairment
Management and audit fees (Due from)	3,754,780	–		
Dividends receivable	88,326,467	12,500,000	Noninterest-bearing	Unsecured, unimpaired
<b>Entities under common control of PMMIC</b>				
Cash and cash equivalents		154,278,828	Interest at prevailing bank deposit rate	Unrestricted, unimpaired
Interest income	5,054,969	–		Unsecured, unimpaired
Loan payables	–	–	Interest at 7% principal payable at maturity	Unsecured, Unimpaired
Interest expense	7,259,170	–		Unsecured
Vehicle sales (Receivables)	359,657,090	117,666,900		Unsecured, no impairment
Due from related parties	3,439,320	931,213	Noninterest-bearing	Unsecured, no impairment
Management and audit fee income (Due from)	90,000	–	Noninterest-bearing	
Dividend receivable	7,163,896	–	Noninterest-bearing	Unsecured, unimpaired

The Parent Company statements of financial position as of December 31, 2025 and 2024 include the following amounts resulting from transactions with related parties:

	2025	2024
<b>Assets:</b>		
Cash and cash equivalents	<b>₱251,873,588</b>	₱154,278,828
Trade receivable	–	117,666,900
Dividends receivable	<b>50,600,000</b>	50,500,147
Due from related parties	<b>841,838,262</b>	43,256,620
<b>Liabilities:</b>		
Accounts payable	<b>2,882,470</b>	2,212,101
Due to related parties (Note 17)	<b>1,096,841</b>	22,692,595
Subscription payable (Note 16)	–	3,750,000



Amounts due from subsidiaries, associates and other related parties represent mainly interest-bearing advances for working capital requirements and share in common overhead expenses. The Parent Company receives management fees from subsidiaries and associates, primarily for the latter's share in the costs of the internal audit, treasury and accounting departments. Due from related parties are collectible within one (1) year in the normal course of Parent Company's business.

The remuneration of the members of key management is as follows:

	2025	2024	2023
Salaries, wages and allowances	<b>₱184,177,230</b>	₱129,819,038	₱117,655,722
Short-term employee benefits	<b>1,720,000</b>	2,240,000	1,900,000
	<b>₱185,897,230</b>	₱132,059,038	₱119,555,722

The Retirement fund (Fund) of the Parent Company is being maintained and managed, in trust, by an affiliate financial institution, RCBC. Trust fee expenses incurred by the Fund in 2025, 2024 and 2023 amounted to ₱0.49 million, ₱0.73 million and ₱0.74 million, respectively (Note 26).

*Terms and conditions of transactions with related parties*

Outstanding balances at year-end are unsecured, interest-free if paid when due, otherwise, interest bearing, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Parent Company has not recognized any expected credit losses on amounts due from related parties for the years ended December 31, 2025 and 2024. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

*Identification, review and approval of related party transactions*

Material related party transactions (MRPT) refers to any related party transactions, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the Parent Company's total assets based on its latest audited financial statements.

All material related party transactions shall be reviewed by the Parent Company's Corporate Governance Committee and approved by the BOD with at least 2/3 votes of BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

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## 15. Loans Payable

As of December 31, 2025 and 2024, the Parent Company has unsecured bank loans with terms of up to three (3) months bearing annual interest rates ranging from 6.05% to 6.50% and 6.15% to 7.00% in 2025 and 2024, respectively.

Rollforward analysis of loans payable as follows:

	2025	2024
Beginning of year	<b>₱506,000,000</b>	₱1,456,642,021
Availments	<b>1,109,000,000</b>	741,000,000
Payments	<b>(810,000,000)</b>	(1,691,642,021)
End of year	<b>₱805,000,000</b>	₱506,000,000



Interest expense incurred on these loans amounted to ₱16.64 million, ₱47.66 million and ₱66.54 million in 2025, 2024 and 2023, respectively (See Note 22).

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## 16. Other Noncurrent Liabilities

This account consists of:

	2025	2024
Subscriptions payable (Note 14)	₱-	₱3,750,000
Others	9,053,335	9,053,330
	<b>₱9,053,335</b>	<b>₱12,803,330</b>

Subscription payable consists of unpaid subscriptions to shares of stock of Zambowood Realty and Development Corporation (ZRDC) (See Note 14).

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## 17. Accounts Payable and Other Current Liabilities

This account consists of:

	2025	2024
Trade payable	₱139,612,545	₱262,279,853
Accrued expenses	19,382,611	66,085,819
Withholding tax and other payables to government agencies	9,059,970	6,196,399
Due to related parties (Note 14)	1,096,841	22,692,595
	<b>₱169,151,967</b>	<b>₱357,254,666</b>

Trade payables are non-interest bearing and are generally settled on 30-60 days' term.

Accrued expenses consist of:

	2025	2024
Accrued salaries and wages	₱763,825	₱-
Accrued interest	657,416	744,214
Others	17,961,370	65,341,605
	<b>₱19,382,611</b>	<b>₱66,085,819</b>

Other accrued expenses comprise of accruals for Social Security System premium, Home Development Mutual Fund, Philippine Health Insurance Corporation payables, among others.

Both accounts payable and other current liabilities are expected to be settled in the next twelve (12) months.



## 18. Revenue and Dividend Income

### *Disaggregated revenue information*

Set out below is the disaggregation of the Company's revenue:

	2025	2024	2023
Timing of revenue recognition			
Point in time	<b>₱193,437,530</b>	₱2,572,009,636	₱4,151,016,494
Overtime	<b>212,504,943</b>	260,886,321	482,520,881
	<b>₱405,942,473</b>	₱2,832,895,957	₱4,633,537,375

In 2024, assets and liabilities of the Parent Company in relation to cars business were transferred to its wholly owned subsidiary, HCI (see Note 32). The cars/automotive business of the Group have been centralized to HCI.

### *Dividend Income*

Dividends were earned from the following during the years ended December 31:

	2025	2024	2023
Subsidiaries and associates	<b>₱801,158,419</b>	₱270,397,539	₱260,019,725
Others	<b>5,073,565</b>	78,302,969	2,229,337
	<b>₱806,231,984</b>	₱348,700,508	₱262,249,062

Dividends receivable amounted to ₱50.60 million and ₱50.50 million as of December 31, 2025 and 2024, respectively.

## 19. Other Income

This account consists of:

	2025	2024	2023
Cost recovery from related parties	<b>₱42,923,832</b>	₱32,110,718	₱26,571,174
Rent income	<b>34,516,269</b>	21,310,632	8,772,557
Gain on sale of:			
Investments (Notes 10 and 13)	<b>8,076,000</b>	196,005,564	1,143,808,588
Property and equipment (Note 12)	-	768,602	2,964,666
Interest income	<b>6,829,484</b>	6,934,743	5,787,233
Director's fees	<b>4,701,513</b>	5,133,105	4,516,527
Foreign exchange gain (loss)	<b>3,216,734</b>	3,307,972	(3,492,759)
	<b>₱100,263,832</b>	₱265,571,336	₱1,188,927,986



Interest income consists of interest on:

	2025	2024	2023
Cash in banks and cash equivalents (Note 6)	<b>₱6,158,055</b>	₱6,319,945	₱4,842,520
Advances to officers and employees	<b>358,374</b>	303,836	384,248
Advances to subsidiaries and affiliates	<b>313,055</b>	310,962	560,465
	<b>₱6,829,484</b>	₱6,934,743	₱5,787,233

## 20. Costs

In 2024 and 2023, this account consists of:

	2024	2023
Cost of merchandise sales		
Vehicles	₱1,945,422,025	₱3,349,729,819
Parts and accessories	182,269,059	230,364,703
	2,127,691,084	3,580,094,522
Cost of services (Note 23)		
Mechanical (general repair)	42,649,427	192,319,172
Body and paint	100,079,542	85,908,534
Labor	20,169,007	35,618,208
	162,897,976	313,845,914
	₱2,290,589,060	₱3,893,940,436

In 2024 and 2023, the rollforward of cost of vehicle sales follow:

	2024	2023
Inventory, beginning (Note 8)	₱365,825,126	₱269,063,360
Purchases	1,581,870,737	3,446,491,585
Total goods available for sale	1,947,695,863	3,715,554,945
Less inventory end (Note 8)	2,273,838	365,825,126
	₱1,945,422,025	₱3,349,729,819

## 21. General and Administrative Expenses

General and administrative expenses consist of the following:

	2025	2024	2023
Personnel (Note 23)	<b>₱259,889,400</b>	₱247,292,873	₱270,097,471
IT expense	<b>32,546,059</b>	10,541,345	17,643,035
Provision for (write-off):			
Investment in subsidiaries and associates	<b>25,490,504</b>	142,400,101	(21,682,883)
Receivables	<b>970,098</b>	(17,859,289)	(2,958,784)
Inventory obsolescence	-	9,380,580	651,221

(Forward)



	2025	2024	2023
Communication, light and water	<b>₱19,526,818</b>	₱17,886,827	₱22,901,599
Taxes and licenses	<b>17,288,109</b>	49,248,049	76,940,847
Depreciation and amortization (Note 24)	<b>14,039,843</b>	45,065,203	62,352,864
Professional and consultancy fees	<b>12,746,426</b>	20,068,144	20,029,924
Insurance	<b>5,598,625</b>	7,103,323	8,288,152
Entertainment, amusement and recreation	<b>4,794,202</b>	22,658,240	19,559,844
Rent	<b>4,673,689</b>	5,754,509	5,354,837
Transportation and travel	<b>4,294,346</b>	10,169,104	11,259,195
Security services	<b>2,826,555</b>	17,521,754	30,954,783
Commissions	<b>1,404,000</b>	18,936,573	38,093,042
Repairs and maintenance	<b>725,577</b>	2,588,248	3,624,598
Supplies	<b>598,951</b>	2,494,579	4,021,318
Seminars	<b>595,632</b>	6,723,720	517,209
Advertising and promotions	–	43,856,470	70,539,014
Selling expenses	–	–	7,624,774
Miscellaneous	<b>4,282,828</b>	7,941,852	27,972,329
	<b>₱412,291,662</b>	₱669,772,206	₱673,784,389

Miscellaneous expenses include association dues and subscriptions, accrued rent expenses, and bank charges, among others.

## 22. Interest and Finance Charges

This account consists of interest expense on loans and finance lease:

	2025	2024	2023
Loans payable (Note 15)	<b>₱16,641,597</b>	₱52,932,129	₱66,532,933
Lease liabilities (Note 29)	–	5,467,466	7,148,677
Others	<b>2,747,698</b>	–	10,630
	<b>₱19,389,295</b>	₱58,399,595	₱73,692,240

Others pertains to interest expense related to settlement to BIR tax audit.

## 23. Personnel Expenses

This account consists of (Notes 20 and 21):

	2025	2024	2023
Salaries and wages	<b>₱237,932,250</b>	₱177,641,066	₱238,664,901
Employee benefits	<b>21,957,150</b>	89,820,814	67,050,778
	<b>₱259,889,400</b>	₱267,461,880	₱305,715,679



The distribution of the personnel costs follows:

	2025	2024	2023
Cost of services (Note 20)	P–	P20,169,007	P35,618,208
General and administrative expenses (Note 21)	<b>259,889,400</b>	247,292,873	270,097,471
	<b>P259,889,400</b>	P267,461,880	P305,715,679

#### 24. Depreciation and Amortization

This account consists of depreciation and amortization of property and equipment, right-of-use assets and computer software:

	2025	2024	2023
Property and equipment (Note 12)	<b>P7,710,633</b>	P18,468,527	P26,915,457
Computer software (Note 12)	<b>3,346,090</b>	5,427,864	4,599,101
Investment properties (Note 13)	<b>2,983,120</b>	497,187	–
Right-of-use assets (Note 29)	–	20,671,625	30,838,306
	<b>P14,039,843</b>	P45,065,203	P62,352,864

Depreciation and amortization is charged to “General and Administrative Expenses” in the parent company’s statement of comprehensive income.

#### 25. Retirement Plan

The Parent Company has a funded, noncontributory retirement plan (the Plan) for all of its regular employees. The Plan provides for normal, early retirement, death and disability benefits.

The most recent actuarial valuation was carried out on January 9, 2026 for the retirement plan of the Parent Company as of December 31, 2025.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee’s retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The following tables summarize the components of the retirement expense recognized in the parent company statements of comprehensive income and amounts recognized in the parent company statements of financial position for the retirement plan.

Based on the actuarial valuation as of December 31, 2025 and 2024 computed using the PUC method, the Parent Company’s retirement liability and expenses are summarized as follows:

	2025	2024
Retirement liability	<b>P95,984,258</b>	P69,351,775
Retirement expense	<b>19,157,250</b>	16,665,018



The retirement expense recognized by the Parent Company under general and administrative expense in 2025 and 2024 are as follows:

	2025	2024
Current service cost	<b>₱14,905,987</b>	₱12,787,065
Net interest expense	<b>4,251,263</b>	3,877,953
<b>Retirement expense</b>	<b>₱19,157,250</b>	<b>₱16,665,018</b>

The net retirement liability recognized in the parent company statements of financial position follow:

	2025	2024
Present value of defined benefit obligation	<b>₱197,785,131</b>	₱150,838,490
Fair value of plan assets	<b>(101,800,873)</b>	(81,486,715)
	<b>₱95,984,258</b>	<b>₱69,351,775</b>

The movements in the net retirement liability follow:

	2025	2024
Balance at beginning of year	<b>₱69,351,775</b>	₱78,002,093
Contributions	<b>(20,051,710)</b>	(18,629,295)
Retirement expense	<b>19,157,250</b>	16,665,018
Transfers	-	(13,657,374)
Remeasurement gain	<b>27,526,943</b>	6,971,333
<b>Balance at end of year</b>	<b>₱95,984,258</b>	<b>₱69,351,775</b>

Following the transfer of the Parent Company's asset and liabilities to HCI (see Note 32), Remeasurement losses amounting to ₱10.47 million was transferred directly to retained earnings.

The movements in the present value of defined obligation follow:

	2025	2024
Balance at beginning of year	<b>₱150,838,490</b>	₱186,664,656
Current service cost	<b>14,905,987</b>	12,787,065
Interest cost	<b>9,246,399</b>	7,994,001
Transfers	-	(51,101,656)
Benefits paid	-	(6,665,697)
Remeasurement losses (gains) on:		
Experience adjustments	<b>23,416,090</b>	2,072,311
Changes in financial assumptions	<b>(621,835)</b>	(912,190)
<b>Balance at end of year</b>	<b>₱197,785,131</b>	<b>₱150,838,490</b>



The movements in the fair value of the plan asset follow:

	2025	2024
Balance at beginning of year	<b>₱81,486,715</b>	₱108,662,563
Contributions	<b>20,051,710</b>	18,629,295
Benefits paid	-	(6,665,697)
Asset return in net interest cost	<b>4,995,136</b>	4,116,048
Transfers	-	(37,444,282)
Remeasurement loss on plan assets	<b>(4,732,688)</b>	(5,811,212)
Balance at end of year	<b>₱101,800,873</b>	₱81,486,715

The major categories and fair value of the plan assets are as follows:

	2025	2024
Investments in:		
Equity securities	<b>₱75,644,526</b>	₱46,579,714
Government securities	<b>25,876,911</b>	19,819,776
Cash and cash equivalents	<b>12,987</b>	12,047,442
Transfer from affiliate	-	2,958,786
Receivables	<b>410,043</b>	190,282
Accrued trust fees	<b>(143,594)</b>	(109,285)
	<b>₱101,800,873</b>	₱81,486,715

The Parent Company expects to contribute ₱20.93 million to its defined benefit retirement plans in 2026.

The Retirement fund (Fund) of the Parent Company is being maintained and managed, in trust, by RCBC Trust and Investment Group (TIG), an affiliate financial institution. The voting rights of the above securities are assigned to RCBC TIG, being the investment manager who manages and administers the investments and reinvestments of the Fund.

Trust fee expenses incurred in relation to the trust role of RCBC in the Fund amounted to ₱494,304, ₱406,957 and ₱636,936 for the years ended December 31, 2025, 2024 and 2023, respectively.

*Cash and cash equivalents* - includes savings and time deposit with affiliated bank and special deposit account with Bangko Sentral ng Pilipinas (BSP SDA).

*Equity investments* - include investment in common shares traded in the Philippine Stock Exchange.

*Investments in government securities* - includes investment in Philippine Retail Treasury Bonds (RTBs) and Fixed Rate Treasury Notes (FXTNs).

*Investments in other securities and debt instruments* - includes investment in retail bonds from an affiliate financial institution.

*Receivables* - includes interest receivable from BSP SDA, time deposit, government securities and investments in other securities and debt instruments, and dividends receivable from equity investments



As of December 31, the Parent Company's retirement plan assets include investments in equity securities of the following related parties:

	2025	2024
IPO	<b>₱38,834,166</b>	₱43,947,331
Seafront Resources Corporation	<b>197,648</b>	159,123
Others	<b>3,329,291</b>	2,467,654
	<b>₱42,361,105</b>	₱46,574,108

The Parent Company recognized ₱4.22 million and ₱3.53 million loss in 2025 and 2024 and ₱3.6 million gain in 2023, arising from investments in the shares of stocks of the aforementioned companies.

Based on the actuarial valuation report, the retirement plan trustee has no specific matching strategy between the plan assets and the plan liabilities.

Mortality table used for actuarial assumptions was derived from 1994 US Group Annuity Mortality (GAM) Table. Disability table used for actuarial assumptions was derived from 1952 Disability Table.

The principal actuarial assumptions used in determining net retirement asset are as follows:

	2025	2024
Discount rate at end of the year		
Beginning	<b>6.13%</b>	6.03%
End	<b>6.19%</b>	6.13%
Salary increase rate at end of the year		
Beginning	<b>6.00%</b>	6.00%
End	<b>6.00%</b>	6.00%

The sensitivity analysis that follows has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of the end of financial reporting date, assuming all other assumptions were held constant.

	2025		2024	
	Increase (decrease)	Effect on defined benefit obligation (in millions)	Increase (decrease)	Effect on defined benefit obligation (in millions)
Discount rates	<b>+50bps</b>	<b>(4,966,460)</b>	+50bps	(4,353,831)
	<b>-50bps</b>	<b>5,510,165</b>	-50bps	4,847,725
Salary increase rates	<b>+100bps</b>	<b>11,373,972</b>	+100bps	9,727,485
	<b>-100bps</b>	<b>(9,652,553)</b>	-100bps	(8,153,444)

The average duration of the defined benefit obligation as of December 31, 2025 is 16 years.



The maturity analysis of the undiscounted benefit payments as of December 31, 2025 and 2024 follow:

	2025	2024
Within one (1) year	<b>₱99,826,499</b>	₱39,419,800
After one (1) year but not more than five (5) years	<b>59,078,815</b>	87,184,413
More than five (5) years	<b>789,716,299</b>	741,587,927
	<b>₱948,621,613</b>	₱868,192,140

## 26. Income Taxes

Provision for income tax consists of:

	2025	2024	2023
Current	<b>₱24,662,059</b>	₱12,029,211	₱15,525,472
Final	<b>1,231,611</b>	1,263,989	968,504
Deferred	<b>(427,558)</b>	405,959	(101,896)
	<b>₱25,466,112</b>	₱13,699,159	₱16,392,080

The provision for current income tax represents regular corporate income tax in 2025 to 2024 and minimum corporate income tax in 2023.

The components of the Parent Company's net deferred tax liabilities are as follows:

	2025	2024
Deferred tax assets (liabilities) recognized in profit or loss:		
Allowance for expected credit losses and inventory obsolescence	<b>₱21,495,083</b>	₱24,944,681
Retirement	<b>28,575,886</b>	27,363,053
Lease	<b>9,735,024</b>	9,735,024
Unamortized portion of past service cost	<b>865,906</b>	1,155,607
Unrealized foreign exchange losses	<b>(435,565)</b>	60,010
Others	<b>3,487,409</b>	3,487,408
	<b>63,723,743</b>	66,745,783
Deferred tax assets (liabilities) recognized in other comprehensive income:		
Remeasurement gain on defined benefit plan	<b>4,171,611</b>	(2,710,125)
Revaluation increments on land	<b>(346,150,500)</b>	(346,150,500)
	<b>(341,978,889)</b>	(348,860,625)
	<b>(₱278,255,146)</b>	(₱282,114,842)
	<b>2025</b>	2024
Reconciliation of net deferred tax liabilities:		
Balance at beginning of year	<b>(₱282,114,842)</b>	(₱284,296,866)
Other adjustments	<b>(3,449,598)</b>	-
Tax income (expense) recognized in:		
Profit and loss	<b>427,558</b>	(405,959)
Other comprehensive income	<b>6,881,736</b>	2,587,983
Balance at end of year	<b>(₱278,255,146)</b>	(₱282,114,842)



As of December 31, the Parent Company's MCIT and the years in which it can be claimed as deduction from future taxable income are as follows.

Period of Recognition	Availment Period	Amount	Applied	Expired	Balance
2024	2025-2027	₱3,445,697	₱3,445,697	₱-	₱-

The temporary differences to which no deferred tax assets were recognized in 2022 were recognized in 2023.

The reconciliation between the statutory and effective income tax rates follows:

	2025	2024	2023
Income tax at statutory rate	25.00%	25.00%	25.00%
Adjustments for:			
Movement in unrecognized DTA	—	—	(2.18)
Gain on sale of investment in subjected to capital gains tax	(0.23)	(11.30)	(3.57)
Dividend income exempted from income tax	(22.83)	(11.48)	(18.11)
Nondeductible expense and others	0.95	0.98	—
Effective income tax rate	2.89%	3.20%	1.14%

## 27. Capital Stock

### *Preferred stock*

The authorized preferred stock is 2,500,000,000 shares at ₱0.40 par value. There are no preferred shares outstanding as at December 31, 2025, 2024 and 2023 follows:

### *Common stock*

Details of the Parent Company's authorized common stock. as at December 31, 2025, 2024 and 2023 follows:

	2025	2024	2023
Authorized common stock - ₱1.50 par value	1,470,000,000	1,470,000,000	1,470,000,000

A reconciliation of the number of common shares outstanding as at December 31, 2025, 2024 and 2023 follows:

	2025		2024		2023	
	Amount	Shares	Amount	Shares	Amount	Shares
Balance at beginning and end of year	₱1,165,147,926	776,765,281	₱1,165,147,926	776,765,281	₱1,165,147,926	776,765,281
Issuance	1,039,255,424	692,836,949	1,039,255,424	692,836,949	1,039,255,424	692,836,949
Treasury stock	(2,607,600)	(300,000)	(2,607,600)	(300,000)	(2,607,600)	(300,000)
	₱2,201,795,750	1,469,302,230	₱2,201,795,750	1,469,302,230	₱2,201,795,750	1,469,302,230

On November 22, 2024, the Parent Company approved the reversal of the appropriation for the planned investment and business expansion amounted to ₱3.50 billion.

On August 8, 2025 and August 9, 2024, the Parent Company approved the dividend declaration to common stockholders, 1.47 billion shares at ₱0.18 and ₱0.05 per share, respectively.



On April 25, 2023, the BOD of the Parent Company approved the resolution to increase the authorized capital stock of the Parent Company from ₱2,875 million divided into 1,250,000,000 common shares with par value of ₱1.50 per share and 2,500,000,000 preferred shares with par value of ₱0.40 per share to ₱3,205 million divided into 1,470,000,000 common shares with par value of ₱1.50 per share and 2,500,000,000 preferred shares with par value of ₱0.40 per share.

As disclosed in Note 10, the SEC approved the application for increase in authorized capital stock and the valuation of 619,420,391 common shares issued by the Parent Company in relation to the share swap agreement between the Parent Company and GPLHI and PMMIC. As a result of the share swap agreements, the Parent Company recorded an increase in “Common Stock” and “Additional Paid-in Capital” amounting to ₱1.04 billion and ₱14.70 billion, respectively.

On May 24, 2013, the Parent Company repurchased 300,000 shares held as treasury stock at ₱8.69 per share for ₱2.61 million.

In 2025 and prior years, the Parent Company’s preferred shares have the following features:

- a) Entitled to dividends at the rate of average 91-day T-Bill plus two percent;
- b) Fully participating as to distribution of dividends;
  - Convertible into common shares at the option of the holders thereof from the date of issue at the conversion rate of 3 and 3/4 preferred shares to 1 common share for a price of ₱1.50 per common share subject to adjustments;
- c) Redeemable at any one time or from time to time, at the option of the BOD of the Parent Company, subject to availability of funds; and
- d) With voting rights and preferences as to assets upon dissolution of the Parent Company over common shareholders.

Below is the summary of the outstanding number of shares and holders of security as at December 31, 2025:

<b>Common Shares:</b>		
January 1, 2023	1,469,302,230	372
Movement	–	–
December 31, 2023	1,469,302,230	372
Movement	–	(5)
December 31, 2024	1,469,302,230	367
Movement	–	(4)
<b>December 31, 2025</b>	<b>1,469,302,230</b>	<b>363</b>

SEC approved the registration of the Parent Company’s authorized capital stock before its listing date with the PSE, which was on July 2, 1962. The actual number of shares initially listed were 584,085 at an offer price of ₱10.0 per share. Total number common shareholders is 363 and 367 as of December 31, 2025 and 2024, respectively



## 28. Fair Value of Financial Instruments and Financial Risk Management Objectives and Policies

### Fair Value of Financial Instruments

The carrying values of the Parent Company's financial instruments approximate their fair values due to short-term maturities and demand feature except for equity investments at FVOCI as discussed below:

#### *Equity investments at FVOCI*

Fair values of investments in equity shares listed with Philippine Stock Exchange amounting to ₱616.25 million and ₱745 million as of December 31, 2025 and 2024, respectively, were determined by reference to the quoted price in the stock exchange at the end of the reporting period (Level 1 - Quoted prices in active market).

Fair values of investments in club/golf shares amounting to ₱21.0 million and ₱23.0 million as of December 31, 2025 and 2024, respectively, were determined by reference to the price of the most recent transaction at the end of the reporting period (Level 2 - Significant observable inputs). There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

### Financial Risk Management Objectives and Policies

The Parent Company manages and maintains its own portfolio of financial instruments in order to fund its operations and capital expenditures. Inherent in using these financial instruments are the following risks on liquidity, equity price, foreign currency and credit.

The Parent Company's risk management policies are summarized below:

#### a. *Liquidity risk*

The Parent Company seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and service maturing debts. As an inherent part of its liquidity risk management, the Parent Company regularly evaluates its projected and actual cash flows. To cover its short-term and long-term funding requirements, the Parent Company intends to use internally generated funds and available short-term and long-term credit facilities. Credit lines are obtained from BOD-designated banks at amounts based on financial forecasts approved by BOD. As at December 31, 2025 and 2024, the Parent Company has available credit facilities with banks aggregating ₱9.70 billion and ₱10.99 billion, respectively.

The tables below summarize the maturity profile of the Parent Company's financial liabilities as of December 31 based on contractual undiscounted payments.

	2025				Total
	On demand	Less than 6 months	6 months to 1 year	More than 1 year	
<b>Financial Liabilities</b>					
Accounts payable and other current liabilities*	₱160,091,997	₱-	₱-	₱-	₱160,091,997
Loans payable**	-	809,058,542	-	-	809,058,542
Other noncurrent liabilities	-	-	-	9,053,335	9,053,335
	<b>₱160,091,997</b>	<b>₱809,058,542</b>	<b>₱-</b>	<b>₱9,053,335</b>	<b>₱978,203,874</b>

\*Excludes statutory liabilities

\*\*Including future interest



	2024				Total
	On demand	Less than 6 months	6 months to 1 year	More than 1 year	
<b>Financial Liabilities</b>					
Accounts payable and other current liabilities*	₱346,866,642	₱-	₱-	₱-	₱346,866,642
Loans payable**	-	538,735,000	-	-	538,735,000
Other noncurrent liabilities	-	-	-	12,803,330	12,803,330
	<b>₱346,866,642</b>	<b>₱538,735,000</b>	<b>₱-</b>	<b>₱12,803,330</b>	<b>₱898,404,972</b>

\*Excludes statutory liabilities

\*\*Including future interest

b. *Market risk*

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in foreign currency exchanges rates, commodity prices, equity prices and other market changes.

*Equity price risk*

The Parent Company's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity investments at FVOCI.

Equity investments at FVOCI are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

The analysis below is performed for reasonably possible movements in the market index with all other variables held constant, showing the impact on equity.

Market Index	2025		2024	
	Change in variable	Effect on equity	Change in variable	Effect on equity
PSE	<b>11.56%</b> <b>(11.56%)</b>	<b>73,675,239</b> <b>(73,675,239)</b>	9.96% (9.96%)	74,248,708 (74,248,708)
Others	<b>16.65%</b> <b>(16.65%)</b>	<b>3,495,484</b> <b>(3,495,484)</b>	15.31% (15.31%)	3,520,191 (3,520,191)

The percentage of increase and decrease in market price is based on the movement in the PSE Index and other market index from beginning to end of the year.

*Foreign currency risk*

The Parent Company's foreign exchange risk results primarily from movements in the prevailing exchange rate between the Philippine Peso (PHP) and the United States Dollar (USD). The revenues and the operating expenses of the Parent Company are denominated in PHP. However, the Parent Company maintains certain deposits with banks which are denominated in USD.



The Parent Company's foreign currency denominated financial instruments (translated in Philippine Peso) as of December 31 is as follows:

	2025		2024	
	Original Currency	Peso Equivalent	Original Currency	Peso Equivalent
<b>Cash and cash equivalents</b>	<b>\$2,407,949</b>	<b>₱141,370,668</b>	\$1,424,406	₱79,140,027

The prevailing exchange rates used as of December 31, 2025 and 2024 were ₱58.71 to \$1 and ₱57.86 to \$1, respectively.

The Parent Company closely monitors the daily movements in the USD/PHP exchange rate and makes regular assessments of future foreign exchange movements, based also, in part, on its analysis of other macroeconomic indicators. The Parent Company then manages the balance of its USD-denominated deposits based on this assessment.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar rate, with all variables held constant, of the Parent Company's profit before tax (due to changes in the fair value of the foreign currency denominated monetary assets) as of December 31, 2025 and 2024.

<b>Effect on profit before tax</b>	<b>2025</b>
USD strengthens by 5.50%	<b>₱7,890,773</b>
USD weakens by 5.50%	<b>(7,890,773)</b>
<b>Effect on profit before tax</b>	<b>2024</b>
USD strengthens by 5.22%	₱4,302,947
USD weakens by 5.22%	(4,302,947)

*Interest rate risk*

The Parent Company's exposure to market risk for changes in interest rates relates primarily to the Parent Company's short-term and long-term obligations.

In order to effectively manage its interest rate risk and its financing costs, the Parent Company closely monitors the movements of interest rates, as well as, economic factors affecting the trends of these movements. In certain cases, depending on its assessment of future movements of interest rates, the Parent Company would pre-terminate its debt and obtain a new loan facility which provides for either floating or fixed interest rates. This is intended to minimize its financing costs.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Parent Company's profit before tax (through the impact on floating rate borrowings):

	2025		2024	
	Increase/decrease in basis points	Effect on profit before tax	Increase/decrease in basis points	Effect on profit before tax
Peso floating rate borrowing	+767	<b>17,581,684</b>	+506	3,641,906
	-767	<b>(17,581,684)</b>	-506	(3,641,06)



The sensitivity analyses shown above for peso floating borrowings are based on the assumption that interest rate movements will be more likely be limited to a seven hundred sixty seven (767) and five hundred six (506) basis points upward or downward fluctuation in 2025 and 2024, respectively. The forecasted movements in percentages of interest rates used were sourced by management from an affiliated bank. These are forecasted movements in the next twelve (12) months. The effect on the Parent Company's income statement before tax is computed on the carrying value of the Parent Company's floating rate payables as at December 31, 2025 and 2024.

c. *Credit risk*

The Parent Company's exposure to credit risk on its receivables relates primarily to the inability of the debtors to pay and fully settle the unpaid balance of receivables owed to the Parent Company. The Parent Company manages its credit risk in accordance with its credit risk policies which requires the evaluation of the creditworthiness of the debtors. The Parent Company's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Parent Company does not have any significant exposure to any individual customer or counterparty. With respect to credit risk arising from receivables, the Parent Company's exposure to credit risk arises from default of the counterparty, with a gross maximum exposure equal to the carrying amount of this financial asset.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for various customer segments. With similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The table below shows the credit quality of the Parent Company's financial assets as of December 31:

	<b>2025</b>		
	<b>Neither past due nor impaired</b>		
	<b>High Grade</b>	<b>Standard Grade</b>	<b>Total</b>
Cash and cash equivalents			
Cash in banks	<b>₱9,481,400</b>	<b>₱-</b>	<b>₱9,481,400</b>
Short-term investments	<b>244,029,329</b>	<b>-</b>	<b>244,029,329</b>
Accounts receivable:			
Receivables from:			
Trade	<b>14,792,224</b>	<b>-</b>	<b>14,792,224</b>
Due from related parties	<b>841,838,262</b>	<b>-</b>	<b>841,838,262</b>
Advances to officers and employees	<b>7,341,375</b>	<b>-</b>	<b>7,341,375</b>
Receivable from plant	<b>19,519</b>	<b>-</b>	<b>19,519</b>
Accrued referral incentives	<b>1,699,726</b>	<b>-</b>	<b>1,699,726</b>
Other receivables:	<b>38,708,266</b>	<b>-</b>	<b>38,708,266</b>
Dividend receivable	<b>50,600,000</b>	<b>-</b>	<b>50,600,000</b>
	<b>₱1,208,510,101</b>	<b>₱-</b>	<b>₱1,208,510,101</b>



	2024		
	Neither past due nor impaired		
	High Grade	Standard Grade	Total
Cash and cash equivalents			
Cash in banks	P18,581,434	P-	P18,581,434
Short-term investments	137,644,815	-	137,644,815
Accounts receivable:			
Receivables from:			
Trade	206,271,838	-	206,271,838
Due from related parties	43,256,620	-	43,256,620
Advances to officers and employees	5,295,231	-	5,295,231
Advances to suppliers	264,756	-	264,756
Insurance receivable	1,269,718	-	1,269,718
Other receivables:	37,125,889	-	37,125,889
Dividend receivable	50,500,147	-	50,500,147
	<u>P500,210,448</u>	<u>P-</u>	<u>P500,210,448</u>

The Company sets financial assets as ‘high grade’ based on the Company’s positive collection experience. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. On the other hand, ‘standard grade’ are those which have credit history of default in payments.

#### *Credit Quality*

##### *Cash in banks and cash equivalents*

Cash and cash equivalents - are composed of bank deposits and money market placements made with reputable financial institutions duly approved by the BOD and hence, graded as “high grade”.

Credit risk from balances with banks and financial institutions is managed by the Parent Company’s treasury department in accordance with the Parent Company’s policy. No expected credit losses were recognized in 2025 and 2024.

##### *Receivables*

Due from related parties and dividends receivables - pertain to receivables from profitable related parties with good payment record with the Parent Company and hence, graded as “high grade”. the credit risk is minimal since these are recoverable from related parties. The Company assessed that the risk of default is low and there is no significant increase in credit risk.

Trade - high grade pertains to receivables from fleet customers and financing companies and standard grade pertains to receivables from individuals and other small and medium-sized entities.

Receivables, other than trade - high grade pertains to receivables with no default on payment while standard grade pertains to receivables with more than one (1) default on payment.

The Parent Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECL on receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.



Capital management

The main thrust of the Parent Company's capital management policy is to ensure that the Parent Company maintains a good credit standing and a sound capital ratio to be able to support its business and maximize the value of its shareholders equity.

The Parent Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Parent Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2025 and 2024.

The Parent Company monitors its use of capital and capital adequacy by using leverage ratios, specifically, debt ratio (total debt/total equity and total debt), debt-to-equity ratio (total debt/total equity) and net debt-to-equity (net debt/total equity). Included as debt are the Parent Company's total liabilities while equity pertains to total equity as shown in the parent company statement of financial position.

The table below shows the leverage ratios of the Parent Company as of December 31:

	2025	2024
Loans payable	₱805,000,000	₱506,000,000
Other noncurrent liabilities	9,053,335	12,803,335
Total debt	814,053,335	518,803,335
Less cash and cash equivalents	253,537,729	156,253,249
Net debt	560,515,606	362,550,086
Total Equity	₱25,567,348,184	₱25,107,354,400
<b>Debt to equity</b>	<b>0.03:1</b>	<b>0.02:1</b>
<b>Net debt to equity</b>	<b>0.02:1</b>	<b>0.01:1</b>

There were no changes made in the Parent Company's capital management, objectives, policies or processes in 2025 and 2024.

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**29. Leases**

The Parent Company's car divisions lease parcels of land where their respective sales office, administrative and warehouse buildings were constructed and are currently located. The leases are non-cancellable which have terms cover lease periods of between three (3) to ten (10) years with escalation rates ranging from 3.0% to 10%. During 2024, this parcel of land was reclassified to Investment Property.

Future minimum lease payments of lease agreements as of December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Within one year	₱-	₱-	₱40,443,048
After one year but not more than five years	-	-	82,341,276
More than five years	-	-	-
	₱-	₱-	₱122,784,324



Set out below are the carrying amounts of right-of-use assets recognized and the movements during the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Balance at beginning of year	P-	P62,665,714	P116,949,347
Amortization of right-of-use asset (Note 24)	-	(20,671,625)	(30,838,306)
Effect of lease modification	-	(5,044,149)	(23,445,327)
Addition (derecognition)	-	(36,949,940)	-
	<b>P-</b>	<b>P-</b>	<b>P62,665,714</b>

The following are the amounts recognized in the parent company statement of comprehensive income for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Amortization of right-of-use asset (Note 24)	P-	P20,671,625	P30,838,306
Interest expense on lease liabilities (Note 24)	-	5,467,466	7,148,677
	<b>P-</b>	<b>P26,139,091</b>	<b>P37,986,983</b>

Amortization in 2025 and 2024 is charged to the following accounts (Note 24):

	2025	2024
Cost of sales and services	P-	P-
Selling and administrative expenses	-	20,671,625
	<b>P-</b>	<b>P20,671,625</b>

The rollforward analysis of lease liabilities follows:

	2025	2024
Balance at beginning of year	P-	P72,060,463
Interest expense	-	5,467,466
Payments	-	(21,766,692)
Effect of lease modification	-	1,001,630
Addition (derecognition)	-	(56,762,867)
Total lease liability	-	-
Less current portion of lease liability	-	-
Lease liability - net of current portion	<b>P-</b>	<b>P-</b>

The Parent Company's lease contract includes renewal option. Management exercises significant judgement in determining whether the renewal option is reasonably certain to be exercised (Note 5).

In 2024, the lease contracts of the Parent Company were assigned to HCI (see Note 32).



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### 30. Contingent Liabilities

The Parent Company has no contingent liabilities arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable. The information required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed until final settlement, on the ground that it might prejudice the Parent Company's position.

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### 31. Retained Earnings

The BOD declared cash dividends in 2025 and 2024 as follows:

Date of BOD Approval	Amount	Amount per share		Record Date	Payment Date
		Preferred Shares	Common Shares		
August 8, 2025	₱264,474,402	₱-	₱0.18	August 27, 2025	September 4, 2025
August 9, 2024	₱73,465,111	₱-	₱0.05	August 27, 2024	September 6, 2024

On November 22, 2024, the Parent Company approved the reversal of the appropriation for the planned investment and business expansion amounted to ₱3.50 billion.

On November 24, 2023, the Parent Company's BOD approved additional appropriation of retained earnings amounting to ₱1.20 billion, for planned investments and business expansion that the Parent Company intends to carry out for the next three years.

On April 12, 2023, the Parent Company's BOD approved additional appropriation of retained earnings amounting to ₱0.50 billion, for planned investments and business expansion that the Parent Company intends to carry out for the next three years.

The retained earnings of the Parent Company that are available for dividend declaration amounted to ₱5.77 million and ₱5.27 million as of December 31, 2025 and 2024, respectively.

Under the Tax Code, publicly held Corporations are allowed to accumulate retained earnings in excess of capital stock.

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### 32. Operating Segment Information

For management purposes, the Parent Company is organized into business units based on the products and services it provides, which comprise of two main groups as follows:

Cars Division - consists of revenues mainly from Honda Cars Quezon City, Honda Cars Manila, Honda Cars Tandang Sora, Isuzu Manila, Isuzu Commonwealth, and Isuzu Tacloban. In 2024, assets and liabilities of the Parent Company in relation to cars business were transferred to its wholly owned subsidiary, HCI (see Note 32). The cars/automotive business of the Group have been centralized to HCI.

Head Office - represents operations of the Parent Company.



Segment assets and liabilities exclude deferred income tax assets and liabilities. Inter-segment income arises from transactions that were made on terms equivalent to those that prevail in arms-length transactions.

Segment reporting is consistent in all periods presented as there are no changes in the structure of the Parent Company's internal organization that will cause the composition of its reportable segment to change.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The Parent Company has no significant external customer which contributes 10.0% or more to the revenue of the Parent Company.

(Amounts in Millions)

	Cars Division			Head Office			Elimination			Combined		
	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023
Revenue												
Income from external customers	P-	P2,540	P4,366	P406	P293	P267	P-	P-	P-	P406	P2,833	P4,633
Intersegment sales	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>P-</b>	<b>P2,540</b>	<b>P4,366</b>	<b>P406</b>	<b>P293</b>	<b>P267</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P406</b>	<b>P2,833</b>	<b>P4,633</b>
Provision for income tax	(P-)	(P6)	(P19)	(24)	(P6)	P4	(P-)	(P-)	(P-)	(24)	(P12)	(P15)
<b>Net Income (Loss)</b>	<b>P-</b>	<b>P67</b>	<b>P37</b>	<b>P-</b>	<b>P338</b>	<b>P1,370</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P405</b>	<b>P1,407</b>
<b>Other Information</b>												
Segment assets	P-	P1,952	P3,065	P26,925	P24,382	P24,277	P-	P-	P-	P26,925	P26,334	P27,342
Segment liabilities	-	195	412	1079	751	1,708	-	-	-	1079	946	2,120
Deferred tax liabilities	-	-	341	278	282	(57)	-	-	-	278	282	284
Cash flows arising from:												
Operating activities	-	91	(119)	52	224	103	-	-	-	52	332	(16)
Investing activities	-	25	(703)	685	85	520	-	-	-	685	110	(183)
Financing activities	-	(145)	814	(764)	(320)	(477)	-	-	-	(764)	(465)	337
Interest expense	-	13	36	19	53	67	-	(13)	(29)	19	53	74
Capital expenditures	-	-	-	21	1,589	1,995	-	-	-	21	1,589	1,995
Depreciation and amortization	-	15	53	14	9	9	-	-	-	14	24	62

\*Segment liabilities exclude deferred tax liabilities

### Transfer of Cars Division

On June 30, 2024, the following assets and liabilities were transferred from the Parent Company to HCI, a wholly owned subsidiary:

Account	Mode of assignment	Transferred to HCI
Receivables	Deed of assignment	P51,673,110
Inventories	Invoicing	286,724,164
Prepayments, excluding taxes related	Deed of assignment	25,056,965
Property and equipment, including software	Invoicing	109,011,236
Right-of-use-assets	Deed of assignment	116,429,648
<b>Total assets</b>		<b>P588,895,123</b>



Account	Mode of assignment	Transferred to HCI
Accounts payable and other current liabilities	Deed of assignment	₱63,282,663
Due to (from) related parties	Deed of assignment	–
Lease liabilities	Deed of assignment	164,114,540
Retirement liability	Deed of assignment	21,024,287
<b>Total liabilities</b>		<b>₱248,421,490</b>
Total net assets transferred		₱340,473,633
Consideration payable of HCI		(388,158,525)
Excess of consideration payable over the net assets		(₱47,684,892)

### 33. Earnings Per Share

#### *Basic earnings per share*

	2025	2024	2023
Net income	<b>₱855,291,220</b>	₱414,707,781	₱1,426,905,278
Less dividends attributable to preferred shares	–	–	–
Net income applicable to common shares	<b>855,291,220</b>	414,707,781	1,426,905,278
Divided by the weighted average number of common shares (Note 28)	<b>1,469,302,230</b>	1,469,302,230	1,469,302,230
<b>Basic earnings per share</b>	<b>₱0.5821</b>	₱0.2822	₱0.9711

#### *Diluted earnings per share*

	2025	2024	2023
Net income applicable to common stockholders for basic earnings per share	<b>₱855,291,220</b>	₱414,707,781	₱1,426,905,278
Net income applicable to common stockholders for diluted earnings per share	<b>₱855,291,220</b>	₱414,707,781	1,426,905,278
Weighted average number of shares of common stock	<b>1,469,302,230</b>	1,469,302,230	1,469,302,230
Weighted average number of shares of common stock for diluted earnings per share	<b>1,469,302,230</b>	1,469,302,230	1,469,302,230
<b>Diluted earnings per share</b>	<b>₱0.5821</b>	₱0.2822	₱0.9711

There are no outstanding convertible preference shares as at December 31, 2025, 2024 and 2023, thus, basic and diluted EPS are stated at the same amount.



The weighted average number of shares of common stock is computed as follows:

	2025	2024	2023
Number of shares of common stock issued	1,469,602,230	1,469,602,230	1,469,602,230
Less treasury shares	300,000	300,000	300,000
	<b>1,469,302,230</b>	<b>1,469,302,230</b>	<b>1,469,302,230</b>

### 34. Other Matters

#### *Changes in Liabilities Arising from Financing Activities*

	2025			
	January 1, 2025	Net cash flows	Non-cash movement	December 31, 2025
Loans payable (Note 15)	<b>₱506,000,000</b>	<b>₱299,000,000</b>	<b>₱-</b>	<b>₱805,000,000</b>

	2024			
	January 1, 2024	Net cash flows	Non-cash movement	December 31, 2024
Loans payable (Note 15)	₱1,456,642,021	(₱950,642,021)	₱-	₱506,000,000
Lease liabilities (Note 29)	105,978,208	-	105,978,208	-
	<b>₱2,353,336,187</b>	<b>₱(1,741,357,979)</b>	<b>₱105,978,208</b>	<b>₱506,000,000</b>

### 35. Supplementary Information Required Under Revenue Regulations 15-2010

The Parent Company reported and paid the following types of taxes for the year ended December 31, 2025.

#### Value-Added Tax (VAT)

##### a. Output VAT

The Parent Company is a VAT-registered company with VAT output tax declaration of ₱58,429,457 for the year based on taxable sales of ₱486,912,144.

The amount of Input VAT claimed during the year is broken down into:

	Amount
Balance at January 1	₱348,173
Current year's domestic purchases/payments for:	
Goods for resale and other than for resale or manufacture	-
Services lodged under cost of goods sold and under other accounts	8,542,214
Capital goods subject to amortization	-
Capital goods not subject to amortization	3,522,755
	<b>12,413,142</b>
Application against output VAT	12,307,072
Balance at December 31	<b>₱106,070</b>



Taxes and Licenses

	<u>Amount</u>
BIR tax assessment	₱7,184,383
Documentary stamp tax	2,652,669
Local business tax	2,437,728
Real property tax	1,919,833
Others taxes and licenses	615,749
<b>Total</b>	<b>₱14,810,362</b>

Withholding Taxes

The amount of withholding taxes paid/accrued for the year amounted to:

	<u>Amount</u>
Withholding taxes on compensation and benefits	₱51,782,397
Final tax	5,903,307
Expanded withholding taxes	2,889,001
Fringe benefit tax	2,477,748
Withholding taxes on VAT	1,040,895
<b>Total</b>	<b>₱64,093,348</b>

Tax Assessments and Cases

A tax case involving the Parent Company's 2016 assessment of ₱158.57 million is still pending before the Court of Tax Appeals (CTA). On March 1, 2024, the Parent Company submitted its evidence and completed its presentation.

On May 14, 2024, the CTA ordered the lifting of the Warrant of Distrainment and/or Levy issued against the Parent Company. The BIR then filed a Motion for Reconsideration on May 29, 2024, however, this was denied by the CTA on July 29, 2025. Thereafter, on October 10, 2025, the BIR filed a Petition for Certiorari under Rule 65 of the Rules Court with the Supreme Court questioning the denial of their Motion for Reconsideration.

As to the main case, both parties have filed their respective Memoranda and the CTA has issued a Resolution on September 18, 2025, submitting the case for decision.

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On May 14, 2025, the Parent Company received the Preliminary Assessment Notice dated May 14, 2025 for various taxes for the taxable year 2021, amounting to ₱10,052,081, including penalties and interest. The Parent Company paid the full amount. On June 17, 2025, the BIR issued a Termination Letter confirming that the tax audit for 2021 is now officially closed.



**Reconciliation of Retained Earnings Available for Dividend Declaration**

For the reporting period ended December 31, 2025

**HOUSE OF INVESTMENTS, INC.**

9th Floor, Grepalife Building, 221 Sen. Gil J. Puyat Avenue Makati City, Metro Manila

<b>Unappropriated Retained Earnings, beginning of reporting period</b>		<b>₱5,436,240,622</b>
<b>Add: <u>Category A</u>: Items that are directly credited to Unappropriated Retained Earnings</b>		
Reversal of Retained Earnings Appropriation/s	—	
Effect of restatements or prior-period adjustments	—	
Others (describe nature)	—	—
		<hr/>
<b>Less: <u>Category B</u>: Items that are directly debited to Unappropriated Retained Earnings</b>		
Dividend declaration during the reporting period	264,474,402	
Retained earnings appropriated during the period	—	
Effect of restatements or prior-period adjustments	—	
Others (describe nature)	—	264,474,402
		<hr/>
<b>Unappropriated Retained Earnings, as adjusted</b>		<b>5,171,766,220</b>
<b>Add/Less: Net Income (Loss) for the current year</b>		<b>855,291,220</b>
<b>Less: <u>Category C.1</u>: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
Equity in net income of associate/joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributed 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 on Investment Property	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—	
Sub-total		<hr/>
<b>Add: <u>Category C.2</u>: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—	
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Realized fair value gain on Investment Property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—	
		<hr/>

Sub-total	—
<b>Add: <u>Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)</u></b>	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—
Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Reversal of previously recorded fair value gain on Investment Property	—
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—
Sub-total	—
<b>Adjusted Net Income/Loss</b>	<b>855,291,220</b>
<b>Add: <u>Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</u></b>	
Depreciation on revaluation increment (after tax)	—
Sub-total	—
<b>Add: <u>Category E: Adjustments related to relief granted by SEC and BSP (see Footnote 3)</u></b>	
Amortization of effect of reporting relief	—
Total amount of reporting relief granted during the year	—
Others (describe nature)	—
Sub-total	—
<b>Add (Less): <u>Category F: Other items that should be excluded from the determination of the amount available for dividends distribution</u></b>	
Net movement of treasury shares (except for reacquisition of redeemable shares)	—
Net movement of deferred tax asset not considered in the reconciling items in the previous categories	(4,295,261)
Net movement of 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	—
Remeasurement losses - PAS 19 related to discontinued operations	(10,469,410)
Others (correction of gross deferred tax asset)	(239,506,802)
Sub-total	<b>(254,271,473)</b>
<b>Total Retained Earnings, end of the reporting period available for dividend</b>	<b>₱5,772,785,967</b>

**House of Investments, Inc. and Subsidiaries**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR**  
**FEE-RELATED INFORMATION**  
**December 31, 2025**

**Supplementary Schedule of External Auditor Fee-Related Information**

	<b>2025</b>	<b>2024</b>
<b>Total Audit Fees (Section 2.1a)<sup>1</sup></b>	<b>₱1,800,000</b>	<b>₱1,200,000</b>
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	–
All other services	–	–
<b>Total Non-audit Fees (Section 2.1b)<sup>2</sup></b>	<b>–</b>	<b>–</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱1,800,000</b>	<b>₱1,200,000</b>
<b>Audit and Non-audit fees of other related entities (Section 2.1c)<sup>3</sup></b>		
Audit Fees	<b>₱15,570,627</b>	<b>₱16,739,041</b>
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	1,690,000
All other services	<b>180,000</b>	–
<b>Total Audit and Non-audit fees of other related entities</b>	<b>₱15,750,627</b>	<b>₱18,429,041</b>

*\*Includes one time fee for deconsolidation and acquisition of new subsidiaries*

**Fwd: Your BIR AFS eSubmission uploads were received**

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**From** Sharon Fabi <hisofabi@gmail.com>

**Date** Mon 5/4/2026 7:43 PM

**To** Katrina Shanen Pentinio <klpentinio@hoi.com.ph>; Sharon Fabi <sofabi@hoi.com.ph>

----- Forwarded message -----

**From:** <[eafs@bir.gov.ph](mailto:eafs@bir.gov.ph)>

**Date:** Mon, May 4, 2026 at 7:40 PM

**Subject:** Your BIR AFS eSubmission uploads were received

**To:** <[HISOFABI@gmail.com](mailto:HISOFABI@gmail.com)>

**Cc:** <[HISOFABI@gmail.com](mailto:HISOFABI@gmail.com)>

Hi HOUSE OF INVESTMENTS INC,

**Valid files**

- EAFS000463069TCRTY122025-02.pdf
- EAFS000463069OTHTY122025.pdf
- EAFS000463069TCRTY122025-03.pdf
- EAFS000463069TCRTY122025-01.pdf
- EAFS000463069AFSTY122025.pdf
- EAFS000463069ITRTY122025.pdf
- EAFS000463069RPTTY122025.pdf

**Invalid file**

- <None>

Transaction Code: **AFS-0-3T14RZWN0HB999ECQRWWMY2N0FJ9JJH5**

Submission Date/Time: **May 04, 2026 07:40 PM**

Company TIN: **000-463-069**

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.

**Fwd: SEC eFast Initial Acceptance**

---

**From** Sharon Fabi <hisofabi@gmail.com>

**Date** Mon 5/4/2026 8:02 PM

**To** Katrina Shanen Pentinio <klpentinio@hoi.com.ph>; Sharon Fabi <sofabi@hoi.com.ph>

----- Forwarded message -----

**From:** <[noreply-cifssost@sec.gov.ph](mailto:noreply-cifssost@sec.gov.ph)>

**Date:** Mon, May 4, 2026 at 7:58 PM

**Subject:** SEC eFast Initial Acceptance

**To:**

Dear **HOUSE OF INVESTMENTS, INC.**,

Greetings!

This serves as a temporary receipt of your submission, subject to verification of the form and the quality of the image of the submitted report.

**SEC Registration No:** 0000015393

**Company Name:** HOUSE OF INVESTMENTS, INC.

**Document Code:** AFS

A separate email will be sent as proof of review and/or final acceptance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION  
SEC Headquarters, 7907 Makati Avenue,  
Salcedo Village, Barangay Bel-Air, Makati City,  
1209, Metro Manila, Philippines

**REMINDER:**

TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instructions stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer: 1. General Information Sheet (GIS-Stock); 2. General Information Sheet (GIS-Non-stock); 3. General Information Sheet (GIS- Foreign stock & non-stock); 4. Broker Dealer Financial Statements (BDFS); 5. Financing Company Financial Statements (FCFS); 6. Investment Houses Financial Statements (IHFS); 7. Publicly – Held Company Financial Statement; 8. General Form for Financial Statements; 9. Financing Companies Interim Financial Statements (FCIF;) 10. Lending Companies Interim Financial Statements (LCIF).

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFAST, if the filed report is compliant with the existing requirements. A

report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the report's rejection in the remarks box.

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