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MACROASIA CORPORATION

"STATEMENT OF MANAGEMENT'S RESPONSIBIILITY FOR FINANCIAL STATEMENTS"

The management of **MACROASIA CORPORATION**. is responsible for the preparation and fair presentation of the financial statements for the year (s) ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

Sycip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined the financial statements of the company in accordance the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Dr Lucio C. Tan
Chairman of the Board and Chief Executive Officer

Eduardo T. Luy
President and COO

Amador T. Sendin
Chief Financial Officer

7F Ricogen Building, 112 Aguirre St., Legazpi Village, Makati City, 1229 Philippines • Trunkline : (+632) 8840-2001

MacroAsia Corporation

MAR 3 1 2026 at MAKATI CITY

Subscribed and sworn to before me this_____day of_____________ Affiants exhibiting to me his/her Tax Identification Number as follows:

Names	TIN
DR LUCIO C TAN	101-914-722
EDUARDO LUIS T LUY	435-295-033
AMADOR T SENDIN	135-963-712

Doc No. 162
Page No. 34
Book No. CLXXVI
Series of 2026

Julie O. Cua
Notary Public for Makati City
Roll of Attorneys No. 35358
PTR No. 10765433 / 1-5-2026 / Makati City
IBP Lifetime Member No. 00104 / 5-5-1993
6/F 6754 Ayala Avenue, Makati City
MCLE Compliance No. VIII-13506 /9-17-2024
Commission No. M-064 until 31 December 2026

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

4 0 5 2 4

C O M P A N Y   N A M E

M A C R O A S I A   C O R P O R A T I O N

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

7th Floor, Ricogen Building, 112 Aguirre Street, Legazpi Village, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAPFS	MSRD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
info@macroasiacorp.com/ macroasia_sec@macroasiacorp.com	**(02) 8840-2001**	**N/A**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
852	**May 14**	**December 31**

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Amador T. Sendin	**atsendin@macroasiacorp.com**	**(02) 8840-2001**	**N/A**

CONTACT PERSON's ADDRESS

7th Floor, Ricogen Building, 112 Aguirre Street, Legazpi Village, Makati City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
MacroAsia Corporation
7th Floor, Ricogen Building
112 Aguirre Street
Legazpi Village, Makati City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of MacroAsia Corporation (the Company), which comprise the parent company balance sheets as at December 31, 2025 and 2024, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, 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 Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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 Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements in the Philippines, and we have 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 24 to the parent company 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 MacroAsia Corporation. 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.

SYCIP GORRES VELAYO & CO.

Kristopher S. Catalan
Partner
CPA Certificate No. 109712
Tax Identification No. 233-299-245
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 109712-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-109-2023, October 26, 2023, valid until October 25, 2026
PTR No. 10765025, January 2, 2026, Makati City

March 26, 2026

MACROASIA CORPORATION
PARENT COMPANY BALANCE SHEETS

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 13)	**₱287,688,449**	₱288,549,044
Receivables (Notes 6 and 13)	**450,142,912**	503,769,131
Advances to related parties (Note 13)	**1,317,686,503**	1,189,194,339
Other current assets (Note 7)	**19,010,556**	13,742,114
Total Current Assets	**2,074,528,420**	1,995,254,628
Noncurrent Assets		
Loan receivable (Note 13)	**166,105,084**	168,891,773
Equity investments designated at fair value through other comprehensive income (FVTOCI) (Note 10)	**185,138,300**	160,138,300
Investments in and advances to subsidiaries and associates (Note 8)	**4,491,113,599**	4,101,291,703
Property and equipment (Note 9)	**56,320,626**	125,257,480
Net investment in the lease (Note 22)	**56,668,659**	–
Pension asset (Note 14)	**7,254,757**	–
Other noncurrent assets (Notes 7 and 22)	**206,167,085**	180,573,756
Total Noncurrent Assets	**5,168,768,110**	4,736,153,012
TOTAL ASSETS	**₱7,243,296,530**	₱6,731,407,640
LIABILITIES AND EQUITY		
Current Liabilities		
Notes payable (Note 12)	**₱400,000,000**	₱50,000,000
Accounts payable and accrued liabilities (Note 11)	**149,268,314**	61,373,076
Current portion of lease liabilities (Note 22)	**3,809,833**	2,903,143
Dividends payable (Note 17)	**10,505,443**	10,106,243
Advances from subsidiaries (Note 13)	**–**	384,690
Total Current Liabilities	**563,583,590**	124,767,152
Noncurrent Liabilities		
Lease liabilities - net of current portion (Note 22)	**37,062,697**	40,874,777
Accrued retirement and other employee benefits payable (Note 14)	**4,433,046**	21,383,623
Deferred income tax liabilities (Note 15)	**38,755,263**	21,656,896
Total Noncurrent Liabilities	**80,251,006**	83,915,296
Total Liabilities	**643,834,596**	208,682,448
Equity		
Capital stock (Note 17)	**1,933,305,923**	1,933,305,923
Additional paid-in capital	**281,437,118**	281,437,118
Other comprehensive income (Notes 10 and 14)	**57,210,933**	37,492,115
Retained earnings (Note 17):		
Appropriated	**2,830,000,000**	850,000,000
Unappropriated	**1,956,926,172**	3,879,908,248
Treasury shares (Note 17)	**(459,418,212)**	(459,418,212)
Total Equity	**6,599,461,934**	6,522,725,192
TOTAL LIABILITIES AND EQUITY	**₱7,243,296,530**	₱6,731,407,640

See accompanying Notes to Parent Company Financial Statements.

MACROASIA CORPORATION
PARENT COMPANY STATEMENTS OF INCOME

	Years Ended December 31	
	2025	2024
INCOME		
Dividend income (Notes 8 and 13)	**₱509,329,000**	₱781,457,414
Service fee (Note 13)	**129,423,398**	193,790,223
Rent income (Note 13)	**10,638,000**	9,600,000
	649,390,398	984,847,637
COSTS AND EXPENSES		
Salaries and wages	**208,602,028**	160,595,751
Employee benefits (Note 14)	**18,919,650**	6,186,287
	227,521,678	166,782,038
Professional and consultancy fees	**43,871,881**	25,106,448
Depreciation and amortization (Notes 9 and 22)	**24,784,413**	19,960,913
Directors' fees	**12,755,555**	9,766,666
Consultancy fee	**10,671,192**	–
Taxes and licenses	**5,892,991**	3,390,215
Communication and utilities	**5,132,281**	4,008,233
Transportation and travel	**5,011,369**	4,473,446
Meetings, events, entertainment, and others	**4,769,846**	4,872,488
Security and janitorial services	**3,923,877**	1,493,021
Membership fees and dues	**2,609,857**	1,937,233
Insurance	**1,940,281**	3,169,785
Training and seminar	**1,732,999**	465,907
Repairs and maintenance	**1,722,710**	2,545,766
Advertising and promotion	**1,584,583**	219,355
Business development	**1,240,862**	1,324,632
Others	**12,700,047**	10,460,786
	367,866,422	259,976,932
OTHER INCOME - net		
Interest income (Notes 5 and 13)	**22,495,867**	21,811,572
Foreign exchange gains - net (Note 19)	**2,058,348**	4,034,695
Finance charges (Notes 12 and 22)	**(22,747,119)**	(6,865,284)
Others	**–**	25,998
	1,807,096	19,006,981
INCOME BEFORE INCOME TAX	**283,331,072**	743,877,686
PROVISION FOR INCOME TAX (Note 15)		
Current	**3,133,232**	4,229,302
Final	**1,826,132**	3,020,830
Deferred	**13,348,368**	18,601
	18,307,732	7,268,733
NET INCOME	**₱265,023,340**	₱736,608,953
Basic/Diluted Earnings Per Share (Note 16)	**₱0.14**	₱0.39

See accompanying Notes to Parent Company Financial Statements.

MACROASIA CORPORATION
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2025	
NET INCOME	**₱265,023,340**	₱736,608,953
OTHER COMPREHENSIVE INCOME		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments held at FVTOCI, net of tax (Note 10)	**21,250,000**	34,000,000
Remeasurement loss on defined benefit plan (Note 14)	**(1,531,182)**	(29,681,323)
	19,718,818	4,318,677
TOTAL COMPREHENSIVE INCOME	**₱284,742,158**	₱740,927,630

See accompanying Notes to Parent Company Financial Statements.

MACROASIA CORPORATION

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

			Other Comprehensive Income						
			Reserve for Fair Value Changes of Financial Assets	Remeasurements on Defined Benefit Plan		Retained Earnings (Note 17)		Treasury Shares	
	Capital Stock (Note 17)	Additional Paid-in Capital	(Note 10)	(Note 14)	Subtotal	Appropriated	Unappropriated	(Note 17)	Total
BALANCES AT DECEMBER 31, 2023	**₱1,933,305,923**	**₱281,437,118**	**₱82,469,999**	**(₱49,296,561)**	**₱33,173,438**	**₱850,000,000**	**₱3,332,395,127**	**(₱459,418,212)**	**₱5,970,893,394**
Net income	–	–	–	–	–	–	736,608,953	–	736,608,953
Other comprehensive income (loss)	–	–	34,000,000	(29,681,323)	4,318,677	–	–	–	4,318,677
Total comprehensive income (loss)	–	–	34,000,000	(29,681,323)	4,318,677	–	736,608,953	–	740,927,630
Dividend declaration	–	–	–	–	–	–	(189,095,832)	–	(189,095,832)
BALANCES AT DECEMBER 31, 2024	**1,933,305,923**	**281,437,118**	**116,469,999**	**(78,977,884)**	**37,492,115**	**850,000,000**	**3,879,908,248**	**(459,418,212)**	**6,522,725,192**
Net income	–	–	–	–	–	–	265,023,340	–	265,023,340
Other comprehensive income (loss)	–	–	21,250,000	(1,531,182)	19,718,818	–	–	–	19,718,818
Total comprehensive income (loss)	–	–	21,250,000	(1,531,182)	19,718,818	–	265,023,340	–	284,742,157
Additional appropriation	–	–	–	–	–	2,830,000,000	(2,830,000,000)	–	–
Reversal of appropriation	–	–	–	–	–	(850,000,000)	850,000,000	–	–
Dividend declaration	–	–	–	–	–	–	(208,005,416)	–	(208,005,416)
BALANCES AT DECEMBER 31, 2025	**₱1,933,305,923**	**₱281,437,118**	**₱137,719,999**	**(₱80,509,066)**	**₱57,210,933**	**₱2,830,000,000**	**₱1,956,926,172**	**(₱459,418,212)**	**₱6,599,461,934**

See accompanying Notes to Parent Company Financial Statements.

MACROASIA CORPORATION
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱283,331,072**	₱743,877,686
Adjustments for:		
Depreciation and amortization (Notes 9 and 22)	**24,784,413**	19,960,913
Finance charges (Notes 12 and 22)	**22,747,119**	6,865,284
Interest income (Notes 5 and 13)	**(22,495,867)**	(21,811,572)
Unrealized foreign exchange gain - net	**(3,552,212)**	(4,411,438)
Retirement benefits and other employee benefits costs (Note 14)	**5,783,911**	5,419,886
Dividend income (Notes 8 and 13)	**(509,329,000)**	(781,457,414)
Operating loss before working capital changes	**(198,730,564)**	(31,556,655)
Decrease (increase) in:		
Receivables	**(97,643,372)**	148,622,857
Other assets	**(27,694,370)**	6,229,208
Increase (decrease) in accounts payable and accrued liabilities	**86,995,752**	(16,342,799)
Cash generated from (used in) operations	**(237,072,554)**	106,952,611
Contributions to retirement fund (Note 14)	**(50,000,000)**	(41,255,671)
Interest received (Notes 5 and 13)	**17,037,217**	27,117,827
Income taxes paid, including creditable withholding and final taxes	**(7,380,360)**	(32,214,693)
Net cash generated from (used in) operating activities	**(277,415,697)**	60,600,074
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received (Note 13)	**509,329,000**	608,949,600
Acquisition of subsidiaries (Note 8)	**(185,000,000)**	–
Advances made to subsidiaries (Note 13)	**(158,106,245)**	(308,073,392)
Acquisitions of property and equipment (Note 9)	**(13,475,906)**	(107,502,379)
Payment to subsidiaries (Note 13)	**(384,690)**	–
Collection of loan receivable (Note 13)	**2,786,689**	5,006,531
Cash received from lessees (Note 22)	**1,643,328**	–
Proceeds from (addition to) other noncurrent assets	**(41,175)**	8,175,394
Net cash generated from investing activities	**156,751,001**	206,555,754
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan availment (Notes 12 and 21)	**400,000,000**	50,000,000
Dividends paid (Note 21)	**(207,606,216)**	(188,714,797)
Payments of principal and interest on:		
Notes payable (Notes 12 and 21)	**(70,044,514)**	(104,468,751)
Lease liabilities (Notes 21 and 22)	**(5,607,995)**	(7,749,190)
Net cash generated from (used in) financing activities	**116,741,275**	(250,932,738)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**3,062,826**	4,411,438
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	**(860,595)**	20,634,528
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**288,549,044**	267,914,516
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	**₱287,688,449**	₱288,549,044

See accompanying Notes to Parent Company Financial Statements.

1. Corporate Information and Authorization for Release of the Parent Company Financial Statements

Corporate Information

MacroAsia Corporation (the Company), a publicly listed corporation, was incorporated in the Philippines on February 16, 1970 under the name Infanta Mineral & Industrial Corporation to engage in the business of geological exploration and development. On January 26, 1994, its Articles of Incorporation was amended to change its primary purpose from exploration and development to that of engaging in the business of a holding company and changed its corporate name to Cobertson Holdings Corporation. On November 6, 1995, the Company's Articles of Incorporation was again amended to change its corporate name to its present name. On August 7, 2018, the Company's Articles of Incorporation was further amended for the extension of the Company's corporate life for another 50 years, from and after February 15, 2020. However, under the Revised Corporation Code of the Philippines, MAC shall have a perpetual corporate life. Its registered office address is at the 7th Floor, Ricogen Building, 112 Aguirre Street, Legazpi Village, Makati City

Business Operations

The Company, through its subsidiaries and associates (the Group, see Note 8), is presently engaged in aviation-support businesses at the Ninoy Aquino International Airport (NAIA), Manila Domestic Airport (MDA), Mactan-Cebu International Airport (MCIA), Kalibo International Airport (KIA), Davao International Airport, Tuguegarao Airport and the General Aviation Area. It provides in-flight catering services, ground handling services for passenger and cargo aircraft, and helicopter charter flight services. It also operates/develops the sole economic zone within the NAIA.

Geopolitical Risk – Middle East Conflict

The Group continues to monitor developments relating to the ongoing conflict in the Middle East and assess its potential impact on its operations and financial position. As of March 26, 2026, management has determined that there is limited direct exposure to the Group. However, indirect impacts on the certain business segments in the aviation industry may arise from rising fuel prices, which could lead to reduced flight activity and lower demand for aviation support services, including ground handling and airline catering.

Given the evolving nature of the situation, the Group will continue to closely monitor developments and implement appropriate measures, consistent with its risk management policies, to mitigate any potential significant adverse effects.

Authorization for Release of the Parent Company Financial Statements

The parent company financial statements of the Company as of December 31, 2025 and 2024 and for the years then ended were authorized for issuance by the Board of Directors (BOD) on March 26, 2026.

2. Summary of Material Accounting Policies

Basis of Preparation

The parent company financial statements have been prepared on a historical cost basis, except for equity investments held at fair value through other comprehensive income (FVTOCI), which are carried at fair value. The parent company financial statements are presented in Philippine peso (Peso), which is the Company's functional and presentation currency. Amounts are rounded to the nearest Peso, except when otherwise indicated.

The parent company financial statements are the Company's separate financial statements prepared in compliance with Philippine Accounting Standards (PAS) 27, *Separate Financial Statements*. The financial statements are prepared for submission to the Philippine Securities and Exchange Commission (SEC) and Bureau of Internal Revenue (BIR).

The Company also prepares and issues consolidated financial statements for the same period as the parent company financial statements, which are presented in conformity with PFRS Accounting Standards and may be obtained from Philippine SEC or from the Company's website.

Statement of Compliance
The parent company financial statements have been prepared in compliance with PFRS Accounting Standards.

The financial reporting framework includes all applicable PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Interpretations Committee and International Financial Reporting Interpretations Committee (IFRIC) including the SEC pronouncements.

Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the parent company financial statements of the 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. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the parent company financial statements.

Effective beginning on or after January 1, 2026
- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 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*

The material accounting policy information adopted in the preparation of the parent company financial statements are summarized below:

Investments in Associates

Associates are entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. Investment in an associate is accounted for under the cost method less any impairment in value. Under the cost method, the investment is recognized at cost and rights for dividend payments from the investment are recognized as "Dividend income" in the parent company statements of income.

In 2025 and 2024, investments in associates pertain to the Company's investments in shares of stock of LTP, 49%-owned, Cebu Pacific Catering Services, Inc. (CPCS), 40%-owned, and Japan Airport Service Co., Ltd. (JASCO), 30%-owned (see Note 8).

Foreign Currency-denominated Transactions and Translations

Transactions in foreign currencies are initially recorded in the foreign currency rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency rate of exchange at end of reporting period. All differences are taken to the parent company statement of income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Financial Assets and Financial Liabilities

Financial assets at amortized cost (debt instruments)

This category is most relevant to the Company. The 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 closely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the parent company statements of income when the asset is derecognized, modified or impaired.

As of December 31, 2025 and 2024, the Company's financial assets at amortized cost includes cash and cash equivalents, receivables, advances to related parties, loans receivable and refundable deposits.

Financial assets designated at FVTOCI (equity instruments)
Upon initial recognition, the Company can elect to classify irrevocably its equity instruments as equity instruments designated at FVTOCI 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 other income in parent company statement of income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its equity instruments under this category.

Impairment of financial assets
The 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 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 for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 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 trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information (e.g., financial difficulty or insolvency) indicates that the Company is unlikely to receive the outstanding contractual cash flows in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Property and Equipment
Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost, less any impairment in value, if any.

The initial cost of property and equipment comprises its purchase price, including import duties, taxes, borrowing costs, and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance costs, are normally charged to profit or loss in the period when 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.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	No. of years
Transportation equipment	5
Drilling equipment	5
Office furniture and equipment	3 to 7

Leasehold improvements are amortized over the term of the lease or the life of the asset (which ranges from two to five years), whichever is shorter.

Depreciation and amortization of an item of property and equipment begins when the asset becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation and amortization cease at the earlier of the date that an item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

The useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss is credited or charged to current operations.

Fully depreciated property and equipment are retained in the accounts until these are no longer in use.

Leases

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

Right-of-use assets

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

	In Years
Land	35
Office space	5 to 10

Right-of-use assets are subject to impairment. Refer to the accounting policies in section impairment of nonfinancial assets

Lease liabilities
At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases of machinery, equipment, office space and staff house (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment 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.

Net Investment in the Lease
Leases where the Company does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases where the Company retains legal title to assets but passes substantially all the risks and rewards of ownership to the lessee in return for a stream of rentals are classified as finance leases. The Company recognizes assets held under a finance lease as an amount equal to the net investment in the lease as "Finance lease receivables." The net investment in the lease is the gross investment discounted at the interest rate implicit in the lease. The gross investment in the lease is the aggregate of the minimum lease payments receivable by the Company, and any guaranteed and unguaranteed residual value. Initial direct costs are in the measurement of the net investment in the lease at inception. The lease payments received from the lessee are treated as repayments of principal and finance income.

Deferred Mine Exploration Costs
Expenditures for mine exploration works on mining properties (i.e., acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource) are deferred as incurred, carried at cost less any impairment in value and presented as "Deferred mine exploration costs" in the parent company balance sheet. When, as a result of the exploration work, recoverable reserves are determined to be present in quantities that can be commercially produced, exploration expenditures and subsequent development costs are capitalized as mine and mining properties and classified as part of property and equipment. A valuation allowance is provided for estimated unrecoverable deferred mine exploration costs based on the technical assessment by the Company of the future prospects of each mining property. Full provision is made for the impairment unless it is probable that such costs are expected to be recouped through successful exploration and development of the area of interest, or alternatively, by its sale. If the project does not prove to be viable or when the project is abandoned, the deferred mine exploration costs associated with the project and the related impairment provisions are written off. Exploration areas are considered permanently abandoned if the related permits of the exploration have expired and/or there are no definite plans for further exploration and/or development.

Mining expenses, which are not related to establishing the technical feasibility and commercial viability of mineral resource extractions, are expensed outright.

Impairment of Nonfinancial Assets
The Company assesses at each reporting date whether there is an indication that investments in subsidiaries and associates, property and equipment, right-of-use assets, and deferred mine exploration costs may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. The recoverable amount 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 a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the parent company statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed and recognized in the parent company statement of income 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 or amortization, had no impairment loss been recognized for the asset in prior years. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Employee Benefits

Retirement benefits costs

Retirement benefits cost is actuarially determined using the projected unit credit method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each separately to build up the final obligation.

Retirement benefit costs comprise the following:

- Service cost;
- Net interest on the net defined benefit liability or asset; and
- Re-measurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the parent company statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

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

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

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Company's right to be reimbursed some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

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

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before 12 months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period. For leave credits expected to be settled at the date of retirement or recognition, the liability is presented at its present value using assumptions consistent with those used to discount retirement benefits. The expense recognized in the parent company statement of income comprise the service cost, net interest of the liability and remeasurements.

Short-term employee benefits
Short-term employee benefits include items such as salaries and wages, social security contributions and nonmonetary benefits, if expected to be settled wholly within 12 months after the reporting date in which the employees rendered the related services. Short-term employee benefits are recognized as expense as incurred. When an employee has rendered service to the Company during the reporting period, the Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability (accrued expense), after deducting any amount already paid.

Termination benefit
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Income Taxes
Current income tax
Current income tax assets and liabilities for the current and the prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax for the current and prior periods shall to the extent unpaid, be recognized as a liability and is presented as "Income tax payable" in the parent company balance sheet. If the amount already paid, including the cumulative creditable withholding taxes, in respect of the current and prior period exceeds the amount due for those periods, the excess shall be recognized as an asset under "Other current assets" in the parent company balance sheet.

Deferred income tax
Deferred income tax assets and liabilities are provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and carryforward benefits of excess MCIT over RCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

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

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

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and those directly in the comprehensive income in other comprehensive income. Deferred income tax relating to items recognized outside the parent company statement of income is recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Provisions and Contingencies
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessment of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provisions due to the passage of time is recognized as an interest expense. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed as it may prejudice the Company's negotiation with the third party.

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

Events After the Reporting Period
Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events), if any, are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed in the notes to parent company financial statements when material.

Segment Information
The Company's operating businesses are organized and managed separately according to the nature of the aviation-support service provided by its four subsidiaries, maintenance, repairs and overhaul, mining-related activities and water treatment and distribution. This is the basis on which the

Company reports its primary segment information. The Company also monitors the revenue and operating results of its associates. Information with respect to these subsidiaries, as well as the Company's associates, are disclosed in Notes 4 and 8. The Company's geographic segment is the Philippines only. The Company operates and derives all its revenue from domestic operation.

3. Significant Judgments and Accounting Estimates

The preparation of the parent company financial statements in accordance with PFRS Accounting Standards requires the Company to exercise judgments, make estimates and use assumptions that affect the amounts reported in the parent company financial statements and accompanying notes. The estimates and assumptions used in the parent company financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the parent company financial statements as they become reasonably determinable.

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

Assessment of control or significant influence over the investee
The Company makes an assessment whether or not it controls an investee by considering all relevant facts and circumstances which indicate that the 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. A reassessment is made if circumstances indicate that there are changes in these control elements. The Company has significant influence over an investee if it only has the power to participate in the financial and operating policy decisions, but not control or jointly control over the investee. As of December 31, 2025 and 2024, the Company still determined that it controls its subsidiaries and has significant influence over its associates.

Recognition and measurement of revenue from contracts with customers and determination of the timing of satisfaction of performance obligation
The Company applied judgments that could significantly affect the determination of the amount and timing of revenue from contracts with customers. The Company assessed that performance obligations for service fee are rendered to the customers over time. As a result, the Company recognized revenue based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment.

Contingencies
The Company, in its normal course of business, is involved in various legal cases and claims. Based on management's assessment, the Company will be able to defend its position on these cases and that the ultimate outcome will not have a significant impact on the parent company financial statements. Accordingly, no provision has been recognized for these contingencies (see Note 24).

Estimates and Assumptions
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects that period, or in the period of revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of the Company's assets and liabilities follow:

Determination of fair value of financial instruments
When the fair values of financial assets and financial liabilities recorded in the parent company balance sheets cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these assumptions about these factors could affect the reported fair value of financial instruments (see Note 20).

Provision for expected credit losses
For the receivables from related parties, including the advances to subsidiaries, the Company uses judgment, based on the best available facts and circumstances, including but not limited to, assessment of the related parties' operating activities (active or dormant), business viability and overall capacity to pay, in providing ECL against recorded receivable amounts. The impairment loss is re-evaluated and adjusted as additional information is received.

The Company's service fee receivables and advances to subsidiaries amounted to ₱2,976.6 million and ₱2,763.8 million as of December 31, 2025 and 2024, respectively (see Notes 6 and 13).

Determination of indicators of impairment of nonfinancial assets
The Company assesses at each reporting date whether there is any indication that its investments in and advances to subsidiaries and associates, property and equipment, right-of-use assets, and deferred mine exploration costs be impaired.

The factors that the Company considers important which could trigger an impairment review included the following, among others:

- significant underperformance relative to expected historical or projected future operating results.
- significant changes in the manner of use of the acquired assets or the overall business strategy; and,
- significant negative industry or economic trends.

If such indication exists, the Company performs impairment testing to estimate the recoverable amount of the related asset.

The carrying values of the non-financial assets are as follows:

	2025	2024
Investments in and advances to subsidiaries and associates (Note 8)	**₱4,491,113,599**	₱4,101,291,703
Property and equipment (Note 9)	**56,320,626**	125,257,480
Right-of-use assets (Note 22)	**40,152,712**	45,474,065
Net investment in the lease (Note 22)	**56,668,659**	–
Deferred mine exploration costs (Note 23)	**20,418,948**	20,418,948

Management believes that there are no impairment indicators on the above-mentioned nonfinancial assets.

Investment in LTP
The original lease of the ecozone where LTP is located is subject to renewal in 2025 and has not been renewed as of December 31, 2025. As of March 26, 2026, the discussions of the key terms for the lease of the ecozone in Ninoy Aquino International Airport (NAIA) that will be applied are still ongoing and have not been finalized. The uncertainty surrounding the lease renewal and the impact of the significant increase in rental rates on LTP's financial performance are considered impairment indicators, thus, management performed an impairment analysis on the recoverability of the investment.

For the purpose of impairment testing, recoverable amount is determined based on the value-in-use using cash flow projections based on financial budgets based on forecasted revenue, forecasted workload and fleet count, operational costs, and operating expenses. Past experiences and current market conditions are also considered in this assessment. The discount rate is a pre-tax measure based on the weighted average cost of capital of listed entities with similar assets or similar in terms of potential risk. The discount rate used is 8.6% as of December 31, 2025.

Refer to Note 8 on the discussions of assumptions which are most sensitive to impact the calculated value-in-use. Based on the impairment test, the recoverable amount of the investment in LTP, exceeds their carrying values.

Estimation of retirement benefits costs and obligation, and accumulating leave credits
The cost of defined benefit pension plans, as well as the present value of the pension obligation is, determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All significant assumptions are reviewed at each reporting date. The calculation of accumulating leave credits follows the same assumptions as the defined benefit costs.

In determining the appropriate discount rate, management considers the interest rates of government bonds, adjusted to zero coupon rates, with term consistent with the obligation of the plan.

Accrued retirement and other employee benefits payable amounted to ₱4.4 million and ₱21.4 million as of December 31, 2025 and 2024, respectively. Retirement benefits cost amounted to ₱4.9 million in 2025 and 2024 (see Note 14).

Recognition of deferred income tax assets
The Company reviews the carrying amounts of deferred income tax assets (gross of deferred income tax liabilities) at each reporting date and adjusts the balance of deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. The determination of future taxable income, which will establish the amount of deferred income tax assets that can be recognized, requires the estimation and use of assumptions about the Company's future income and timing of reversals of temporary differences, unused NOLCO and excess MCIT.

Deferred income tax assets on temporary differences and carryforward benefits on NOLCO and MCIT were not recognized as the Company believes that sufficient future taxable profits may not be available against which temporary differences and NOLCO and MCIT can be utilized (see Note 15).

4. Segment Information

The Company's operating businesses are organized and managed separately according to the nature of the aviation-support services provided by the four subsidiaries, mining-related activities and water-related projects, which is the basis on which the Company reports its primary segment information. The Company also monitors its share in the results of operations of its associates, LTP, CPCS, and JASCO.

The operations of Company's segments are described as follows:

- In-flight and other catering segment, which is operated by MACS and through the Company's interest in CPCS, refers to servicing of meal requirements of certain foreign and domestic passenger airlines, as well as certain passenger terminal lounges at the NAIA and the MDA, and of certain non-airline institutional accounts.
- Ground handling and aviation segment, which is operated by MASCORP and MAATS, refers to both ramp and passenger handling and aviation services to foreign airlines and domestic carriers at NAIA, MCIA, KIA, Davao International Airport, Tuguegarao Airport and Clark International Airport. In 2019, the Company acquired 30% ownership in JASCO, a ground handling and aviation service company operating in Japan (see Note 8).
- Maintenance, repairs and overhaul (MRO), which is operated through the Company's interest in LTP, pertains to rendering of MRO services of Airbus and Boeing aircraft for certain airlines.
- Rental and administrative segment, which is operated through MAPDC, refers to the sub-lease of the MacroAsia Ecozone at NAIA, which MAPDC leases from Manila International Airport Authority (MIAA) with LTP as the anchor locator.
- Charter flights segment, which is operated by MAATS, refers to international and domestic chartered flights from its base at the General Aviation Area, MDA to any point within the Philippines, through alliances with other helicopter owners.
- Water treatment and distribution segment, which is operated through SNVRDC, NAWASCOR, BTSI group, ARDI and SWRI. The Group also has on-going water-related projects which pertain to the development (e.g., studies, surveys) and construction of water-treatment facilities activities, which are undertaken by MAPDC and its other subsidiaries.
- Mining segment operated through MMC, refers to mining-related activities of the Group. This segment refers to expenditures for exploration activities and rendering of exploration-related services.
- ICT segment or Information, Connectivity and Technology Solutions services, operated through TERA, refers to service offerings which encompasses information management, data connectivity, radio trunking, shared and managed services.

Segment assets include the operating assets used by a segment and consist principally of cash and cash equivalents, receivables, inventories, other current assets and property and equipment, net of allowances, depreciation, and any impairment in value. Segment liabilities include all operating liabilities for and consist principally of notes payable, accounts payable and accrued liabilities. Segment assets and liabilities do not include deferred income taxes. Segment results pertain to net income.

Financial information on the Group's business segments as of and for the years ended December 31 are presented below. The amounts disclosed were determined consistent with the measurement basis under PFRS Accounting Standards.

For the year ended December 31, 2025

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Water Treatment and Distribution	ICT Services	Administrative	Mining	Reconciliations and Adjustments not Applicable to Parent Company Financial Statements	Parent Company Financial Statements
Segment revenue	₱4,927,620,067	₱4,276,564,171	₱–	₱837,577,419	₱-	₱57,320,688	₱–	(₱9,449,691,947)	₱649,390,398
Direct costs	(3,461,532,133)	(3,989,009,994)	–	(479,885,266)	(456,209)	(67,126,316)	–	7,998,009,918	–
Gross profit (loss)	1,466,087,934	287,554,177	–	357,692,153	(456,209)	(9,805,628)	–	(1,451,682,029)	649,390,398
Share in net earnings of associates	34,938,967	95,352,221	1,196,797,736	–	–	–	–	(1,327,088,924)	–
	1,501,026,901	382,906,398	1,196,797,736	357,692,153	(456,209)	(9,805,628)	–	(2,778,770,953)	649,390,398
Operating expenses	(843,340,520)	(278,557,116)	–	(228,528,666)	(18,546,940)	(41,134,823)	(17,915,585)	1,060,157,228	(367,866,422)
Interest income	7,340,910	3,857,830	–	15,264,708	5,242	3,060,571	3,718	(7,037,112)	22,495,867
Financing charges	(31,149,615)	(35,838,469)	–	(45,076,139)	(1,890,563)	(26,950,844)	–	118,158,511	(22,747,119)
Foreign exchange gain (loss) - net	10,246,906	6,622,749	–	5,779	324	–	179	(14,817,589)	2,058,348
Other income - net	(10,601,505)	20,628,950	–	22,122,719	–	34,167,776	–	(66,317,940)	–
Income (loss) before income tax	633,523,077	99,620,342	1,196,797,736	121,480,554	(20,888,146)	(40,662,948)	(17,911,688)	(1,688,627,855)	283,331,072
Provision for income tax	(159,992,022)	(13,562,947)	–	(32,558,685)	(1,048)	(248,652)	(742)	188,056,364	(18,307,732)
Segment profit (loss)	₱473,531,055	₱86,057,395	₱1,196,797,736	₱88,921,869	(₱20,889,194)	(₱40,911,600)	(₱17,912,430)	(₱1,500,571,491)	₱265,023,340
Depreciation and amortization expense	₱94,937,796	₱126,780,685	₱–	₱119,744,732	₱332,764	₱21,325,881	₱65,798	(₱338,403,243)	₱24,784,413
Segment profit (loss) attributable to:									
Equity holders of the Company	328,795,666	97,393,548	1,196,797,737	55,417,703	(20,889,194)	(40,911,600)	(17,912,430)	(1,333,668,089)	265,023,340
Non-controlling interests	144,735,389	(11,336,153)	–	33,504,165	–	–	–	(166,903,398)	–

Other financial information of the operating segments as of December 31, 2025, is as follows:

	Inflig2ht and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Water Treatment and Distribution	ICT Services	Administrative	Mining	Reconciliations and Adjustments not Applicable to Parent Company Financial Statements	Parent Company Financial Statements
Assets:									
Current assets	**₱2,335,903,738**	**₱2,025,972,190**	**₱–**	**₱1,522,452,316**	**₱49,128,616**	**₱658,356,678**	**₱36,816,200**	**(₱4,554,101,318)**	**₱2,074,528,420**
Noncurrent assets	**964,091,910**	**1,313,304,827**	**–**	**2,804,041,508**	**419,288**	**1,456,710,000**	**264,147,492**	**(1,633,946,915)**	**5,168,768,110**
	₱3,299,995,648	**₱3,339,277,017**	**₱–**	**₱4,326,493,824**	**₱49,547,904**	**₱2,115,066,678**	**₱300,963,692**	**(₱6,188,048,233))**	**₱7,243,296,530**
Liabilities:									
Current liabilities	**₱1,630,986,738**	**₱2,527,178,561**	**₱–**	**₱1,442,622,901**	**₱27,043,424**	**₱1,649,814,927**	**₱96,664,680**	**(₱6,810,727,641)**	**₱563,583,590**
Noncurrent liabilities	**263,851,083**	**518,851,698**	**–**	**1,997,535,807**	**423,613**	**513,622,831**	**31,947,706**	**(3,245,981,732)**	**80,251,006**
	₱1,894,837,821	**₱3,046,030,259**	**₱–**	**₱3,440,158,708**	**₱27,467,037**	**₱2,163,437,758**	**₱128,612,386**	**(₱10,056,709,373)**	**₱643,834,596**
Equity attributable to:									
Equity holders of the Company	**₱1,094,400,891**	**₱389,020,436**	**₱–**	**₱657,194,372**	**₱22,080,867**	**(₱48,371,080)**	**₱172,351,306**	**₱4,312,785,143**	**₱6,599,461,934**
Non-controlling interests	**310,756,936**	**(95,773,678)**	**–**	**229,140,744**	**–**	**–**	**–**	**(444,124,002)**	**–**
Investments in associates	**105,441,860**	**944,509,635**	**2,756,612,753**	**–**	**–**	**–**	**–**	**(2,012,005,665)**	**1,794,558,583**
Additions to noncurrent assets -									
Property, plant and equipment	**161,337,672**	**652,382,146**	**–**	**613,495,397**	**–**	**241,853**	**219,366**	**(1,413,301,045)**	**14,375,389**
Service concession rights	**–**	**–**	**–**	**25,756,922**	**–**	**–**	**–**	**(25,756,922)**	**–**

For the year ended December 31, 2024:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Water Treatment and Distribution	ICT Services	Administrative	Mining	Reconciliations and Adjustments not Applicable to Parent Company Financial Statements	Parent Company Financial Statements
Segment revenue	₱4,414,552,818	₱4,171,950,252	₱–	₱764,260,877	₱62,389,894	₱73,777,631	₱–	(₱8,502,083,835)	₱984,847,637
Direct costs	(3,024,059,014)	(3,563,692,601)	–	(434,582,431)	(32,414,153)	(67,623,068)	–	7,122,371,267	–
Gross profit (loss)	1,390,493,804	608,257,651	–	329,678,446	29,975,741	6,154,563	–	(1,379,712,568)	984,847,637
Share in net earnings of associates	30,175,547	106,089,503	585,158,052	–	–	–	–	(721,423,102)	–
	1,420,669,351	714,347,154	585,158,052	329,678,446	29,975,741	6,154,563	–	(2,101,135,670)	984,847,637
Operating expenses	(710,443,674)	(337,454,745)	–	(196,065,091)	(9,393,485)	(41,368,367)	(22,534,895)	1,057,283,325	(259,976,932)
Interest income	1,357,212	4,412,037	–	996,138	204,902	51,374	4,842	14,785,067	21,811,572
Financing charges	(28,802,451)	(14,010,088)	–	(53,469,249)	–	(25,732,097)	–	115,148,601	(6,865,284)
Foreign exchange gain (loss) - net	5,180,428	3,065,721	–	(35,289)	5,553	21,954	1,431	(4,205,103)	4,034,695
Other income - net	100,950,692	15,859,009	–	30,673,516	–	1,779,750	–	(149,236,969)	25,998
Income (loss) before income tax	788,911,558	386,219,088	585,158,052	111,778,471	20,792,711	(59,092,823)	(22,528,622)	(1,067,360,749)	743,877,686
Provision for income tax	(166,266,452)	(79,962,345)	–	(33,090,794)	(1,859,795)	(10,275)	(967)	273,921,895	(7,268,733)
Segment profit (loss)	₱622,645,106	₱306,256,743	₱585,158,052	₱78,687,677	₱18,932,916	(₱59,103,098)	(₱22,529,589)	(₱793,438,854)	₱736,608,953
Depreciation and amortization expense	₱85,382,424	₱109,914,442	₱–	₱122,866,669	₱227,725	₱23,530,471	₱52,101	(₱322,012,919)	₱19,960,913
Segment profit (loss) attributable to:									
Equity holders of the Company	427,130,152	280,058,085	585,158,052	51,390,337	18,932,916	(59,103,098)	(22,529,589)	(544,427,902)	736,608,953
Non-controlling interests	195,514,955	26,198,657	–	27,297,341	–	–	–	(249,010,953)	–

Other financial information of the operating segments as of December 31, 2024 is as follows:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Water Treatment and Distribution	ICT Services	Administrative	Mining	Eliminations, Adjustments and Others	Total
Assets:									
Current assets	₱1,829,737,690	₱1,736,074,058	₱–	₱807,413,913	₱75,492,974	₱360,264,800	₱14,911,517	(₱2,828,640,324)	₱1,995,254,628
Noncurrent assets	1,148,930,778	828,561,575	–	2,228,409,381	752,052	2,577,767,962	223,873,648	(2,272,142,384)	4,736,153,012
	₱2,978,668,468	₱2,564,635,633	₱–	₱3,035,823,294	₱76,245,026	₱2,938,032,762	₱238,785,165	(₱5,100,782,708)	₱6,731,407,640
Liabilities:									
Current liabilities	₱1,596,257,413	₱2,183,432,858	₱–	₱1,372,829,608	₱29,594,605	₱1,327,061,211	₱46,041,287	(₱6,430,449,830)	₱124,767,152
Noncurrent liabilities	117,412,001	103,904,994	–	906,156,163	311,661	1,617,550,420	24,817,728	(2,686,237,671)	83,915,296
	₱1,713,669,414	₱2,287,337,852	₱–	₱ 2,278,985,771	₱29,906,266	₱2,944,611,631	₱70,859,015	(₱9,116,687,501)	₱208,682,448
Equity attributable to:									
Equity holders of the Company	₱1,086,273,912	₱361,735,303	₱–	₱553,850,944	₱46,338,760	(₱6,578,869)	₱167,926,149	₱4,313,178,993	₱6,522,725,192
Non-controlling interests	178,725,142	(84,437,523)	–	202,986,579	–	–	–	(297,274,198)	–
Investments in associates	34,036,192	850,002,434	1,587,082,825	–	–	–	–	(676,562,868)	1,794,558,583
Additions to noncurrent assets -									
Property, plant and equipment	128,771,103	129,145,455	–	100,234,128	292,411	1,491,995	–	(252,432,713)	107,502,379
Service concession rights	–	–	–	51,790,326	–	–	–	(51,790,326)	–

5. Cash and Cash Equivalents

	2025	2024
Cash on hand and in banks (Note 13)	**₱159,923,810**	₱159,810,068
Cash equivalents (Note 13)	**127,764,639**	128,738,976
	₱287,688,449	₱288,549,044

Cash in banks earn interest at the respective bank deposits rates. Cash equivalents are made for varying periods of up to three months and earn interest at the respective short-term deposit rates.

Interest income earned amounted to ₱14.8 million and to ₱8.8 million in 2025 and 2024, respectively.

6. Receivables

	2025	2024
Service fee receivables (Note 13)	**₱375,798,963**	₱291,477,788
Dividend receivable (Note 13)	**–**	175,207,814
Interest receivable (Note 13)	**25,453,997**	19,995,348
Nontrade receivables	**46,167,324**	16,123,183
Advances to employees and others	**2,722,628**	964,998
	₱450,142,912	₱503,769,131

Service fee receivables are non-interest bearing and collectible on demand.

Nontrade receivables include advances for special projects such as disbursements for site security personnel, legal fees and advertising that are subject to liquidation.

7. Other Assets

Other current assets

	2025	2024
Creditable withholding taxes - net of noncurrent portion	**₱3,917,376**	₱4,665,919
Advances to suppliers - net of current portion	**12,216,804**	7,389,797
Prepaid insurance	**2,876,376**	1,686,398
	₱19,010,556	₱13,742,114

Other noncurrent assets

	2025	2024
Creditable withholding taxes - noncurrent	**₱88,421,636**	₱85,252,070
ROU asset (Note 22)	**40,152,712**	45,474,065
Deferred creditable withholdings taxes	**33,570,430**	27,435,375
Advances to suppliers - noncurrent	**21,568,890**	–
Others	**22,453,417**	22,412,246
	₱206,167,085	₱180,573,756

Others pertain to deferred mining costs, deposits and other individually immaterial items.

8. Investments in and Advances to Subsidiaries and Associates

The Company's investments in shares of stock of subsidiaries and associates, the corresponding percentage of ownership and advances held in view of future ownership of shares are as follows:

	Principal activity	Percentage of ownership		Carrying amount	
Investment cost		**2025**	2024	**2025**	2024
Subsidiaries					
MAPDC	Economic zone (Ecozone) developer/operator and water supply	**100%**	100%	**₱450,336,665**	₱450,336,665
MACS	In-flight and other catering services	**67%**	67%	**100,500,000**	100,500,000
MASCORP	Ground handling aviation services	**80%**	80%	**50,076,375**	50,076,375
MAATS	Helicopter chartering services and fixed-based operating services	**100%**	100%	**10,000,000**	10,000,000
MMC	Mine exploration, development and operations	**100%**	100%	**323,999,996**	323,999,996
Allied Water Services, Inc. (AWSI)	Water development services	**100%**	100%	**63,575,412**	63,575,412
Tera Information and Connectivity Solutions, Inc. (TICSI)	Information technology services	**100%**	100%	**6,250,000**	6,250,000
MSFI	In-flight and other catering services	**67%**	67%	**134,000,000**	–
MSIS	In-flight and other catering services	**67%**	67%	**41,207,814**	–
MNVI	Farming and Agricultural	**100%**	–	**185,000,000**	–
First Aviation Academy Inc. (FAA)	Aviation -related training and skills assessment services	**51%**	51%	**48,450,000**	48,450,000
				1,413,396,262	1,053,188,448
Associates					
LTP	Aviation engineering services	**49%**	49%	**935,759,560**	935,759,560
CPCS	In-flight catering services	**40%**	40%	**5,000,000**	5,000,000
JASCO	Ground handling aviation services	**30%**	30%	**853,799,023**	853,799,023
				1,794,558,583	1,794,558,583
Advances					
MAPDC				**1,283,158,754**	1,253,544,672
				₱4,491,113,599	₱4,101,291,703

The Company determined that the advances to MAPDC amounting to ₱1,283.1 million and ₱1,253.5 million as of December 31, 2025 and 2024, respectively, will not be settled through cash and determined that the amount represent future investment in MAPDC subject to meeting the regulatory requirements (see Note 13). Accordingly, these advances were presented as part of the investment account.

Information on the Company's subsidiaries and associates, which are all incorporated in the Philippines, are as follows:

Subsidiaries

a. MAPDC is the developer/operator of the MacroAsia Ecozone at the NAIA, with LTP as the anchor locator and to whom MAPDC sub-leases the property it leases from MIAA.

   In previous years, the Company provided MAPDC with noninterest-bearing advances. The advances were recognized to present value at the time the advances were granted to MAPDC. The difference between the face amount of the advances and their present value at the time they were granted to MAPDC, amounting to ₱102.3 million, was treated as an additional investment of the Company in MAPDC.

   As regards the advances to MAPDC, these advances will form part of the consideration to be used in the proposed restructuring of the Group's water segment. The Company expects that there will be no cash involved in the restructuring plans. In 2025 and 2024, the Company granted additional cash advances of ₱33.5 million and ₱246.0 million, respectively, to MAPDC.

   As of December 31, 2025 and 2024, the Company has total advances to MAPDC amounting to ₱1,283.2 million and ₱1,253.5 million, respectively (see Note 13).

b. MACS provides meal requirements of foreign and domestic passenger airlines and operates an in-flight catering business at the NAIA and the MDA. In 2015, the Company signed a Sale and Purchase Agreement with Singapore Airport Terminal Services Ltd. (SATS) to sell 162,500 shares representing 13% of the total issued and outstanding capital stock of MACS. After the sale, MACS becomes 33% owned by SATS. In 2025 MACS entered into a 10-year rental lease agreement with MAC

c. MASCORP provides both ramp and passenger handling and aviation services to foreign airlines at the NAIA and domestic carriers at the MDA and MCIA.

   In November 2019, the Company signed a deed of absolute sale with Konoike Transport Co., LTD. ("Konoike") to sell 250,001 shares representing 20% of the total issued and outstanding capital stock of MASCORP. After the sale, MASCORP became 20%-owned by Konoike.

d. MAATS, through alliances with other helicopter owners, provides domestic chartered flights from its base at the General Aviation Area of the MDA to any point within the Philippines. In 2016, MAATS ceased its chartered flight operations. MAATS currently operates revenue from its fixed-based operations.

e. MMC was incorporated on September 25, 2000, to serve as the institutional vehicle through and under which the business of a mining enterprise may be established, operated and maintained. It started commercial operations in September 2012.

   MMC's BOD approved the increase in authorized capital stock from ₱100.0 million, divided into 100 million shares, with a par value of ₱1.0 per share to ₱300.0 million, divided into 324 million shares, with a par value of ₱1.0 per share. Of this amount, the Company will subscribe for 224 million shares and this will be paid through debt-to-equity conversion of ₱6.9 million and application of deferred mine exploration cost amounting to ₱217.1 million (see Note 23).

In 2021, the Company transferred the mining right to MMC as a consideration for future stock subscription. Accordingly, MMC's outstanding balance of ₱224.0 million in deposits for future stocks subscription was converted into capital stock on December 29, 2023.

f. AWSI was incorporated on July 2, 1999, to provide manpower support for ground handling requirements of private and commercial airlines. AWSI used to be a 70%-owned subsidiary of MASCORP until the Company acquired 100% of AWSI's shares in 2006.

g. FAA is incorporated on December 5, 2017, to provide *ab initio* pilot training, certification and career development courses in the field of aviation. FAA started commercial operations on May 21, 2019. In 2024, the Company made an additional investment to FAA by converting its advances to FAA amounting to ₱17.9 million. This is a noncash investing activity in 2024 parent company statement of cash flows.

h. TICSI was incorporated in the Philippines on February 11, 2021, to provide outsource billing and billing information services, outsource contract management services for customers, employees, and business-channel partners of client organizations, outsource advertising and marketing services, outsource transcription services, other I.T. enabled services.

i. MNVI was incorporated in the Philippines on September 23, 2025. MNVI is engaged in the identification, development, and investment in new business ventures across various industry sectors. To conduct the business of farming and the cultivation, production, processing, preservation, packaging, marketing, distribution, importation, and exportation at wholesale or retail of all kinds of agricultural.

j. MSIS is a domestic corporation registered with the SEC on May 16, 2016, to engage in the business of airline food and meal production and other inflight related services within the Philippines. On September 12, 2024, during the Special Stockholders' Meeting of MACS, the stockholders approved the declaration of property dividends consisting of MACS' investments in its two subsidiaries, MSIS and MSFI, at cost. On June 4, 2025, the Philippine SEC approved the said declaration of property dividends. The approval resulted in the transfer of ownership of the shares of MSIS and MSFI from MACS to its shareholders, MAC and SATS, in proportion to their respective equity holdings in MACS.

k. MSFI was incorporated and registered with the SEC on July 14, 2015. The Company was established primarily to engage in the business of meal production and food processing for supply to institutions and food service customers, provided that the corporation shall not engage in retail trade or any wholly nationalized activity.

<u>Associates</u>

a. LTP

LTP is a joint venture between Lufthansa Technik AG (LHT), a corporation organized and existing under the laws of the Federal Republic of Germany and the Company. LTP was incorporated primarily to provide aircraft maintenance, aircraft overhaul, aircraft engine repair and overhaul and aircraft component repair and overhaul services in Manila, Cebu and other locations. LTP is also registered with the Philippine Economic Zone Authority (PEZA). The agreement provides for supermajority (i.e., two-thirds) vote of directors for the approval of the annual budget as well as other critical corporate acts of the agreement. The registered office address of LTP is LTP Technical Center, MacroAsia Ecozone, Villamor Airbase, Pasay City.

b. CPCS

CPCS is the Company's first in-flight catering venture, which started commercial operations in 1996. It is the only in-flight catering company at the MCIA and serves both domestic and international airlines. In 2025, CPCS entered a 10-year rental lease agreement with MAC

c. JASCO

On November 5, 2019, MAC entered into a Sale and Purchase Agreement with Konoike and NKS Holding Co., Ltd. (NKS Holding), a Japanese company wholly owned by Konoike where MAC purchases 7,200 ordinary shares or 30% ownership interest in JASCO, a wholly owned subsidiary of NKS Holding, for an aggregate amount of ₱853.8 million (JPY 1,825.0 million).

Impairment assessment
Management conducts an annual assessment to determine whether there are indicators of impairment for its investments in associates. This evaluation considers external factors such as macroeconomic conditions, industry trends, ongoing negotiations with the government and airport operators, and regulatory developments.

As discussed in Note 3, the lease for the ecozone where LTP is located is set for renewal in 2025, with an expected increase in lease rates. As of March 26, 2026, the Group and LTP are still in the process of finalizing negotiations with the government and airport operator regarding the final lease terms applicable after the expiration of the initial term. The Group performed an impairment assessment based on value-in-use calculations, using cash flow projections based on financial budgets based on forecasted revenue, forecasted workload and fleet count, operational costs, and operating expenses. Past experiences and current market conditions are also considered in this assessment. The recoverable amounts were determined using cash flow projections, discounted at a pre-tax rate of 8.6%. Management concluded that the value-in-use exceeds the carrying amount of the investment in LTP, indicating no impairment.

The key assumptions used in determining the recoverable amounts of investment in LTP are the anticipated revenue growth and annual operating expenses. Management believes that no reasonably possible change in the assumptions would cause the carrying value of investment in LTP to materially exceed their recoverable amounts.

9. Property and Equipment

Property and equipment consist of:

	2025						
	Land	**Leasehold Improvements**	**Transportation Equipment**	**Drilling Equipment**	**Office Furniture and Equipment**	**Construction In Progress**	**Total**
Cost							
Beginning balances	**₱3,652,099**	**₱71,758,776**	**₱115,995,236**	**₱5,735,469**	**₱ 67,701,291**	**₱7,701,566**	**₱272,544,437**
Additions	–	**2,013,367**	**3,902,075**	–	**6,474,009**	**1,985,938**	**14,375,389**
Transfers/adjustments	–	**4,150,309**	**(58,900,996)**	–	–	**(9,687,504)**	**(64,438,191)**
Ending balance	**3,652,099**	**77,922,452**	**60,996,315**	**5,735,469**	**74,175,300**	–	**222,481,635**
Accumulated Depreciation and Amortization							
Beginning balances	–	**36,380,761**	**48,725,402**	**5,735,469**	**56,445,325**	–	**147,286,957**
Depreciation	–	**8,312,708**	**5,193,954**	–	**5,956,399**	–	**19,463,061**
Transfers/adjustments	–	–	**(589,009)**	–	–	–	**(589,009)**
Ending balance	–	**44,693,469**	**53,330,347**	**5,735,469**	**62,401,724**	–	**166,161,009**
Net Book Value	**₱3,652,099**	**₱33,228,983**	**₱7,665,968**	**₱–**	**₱11,773,576**	**₱–**	**₱56,320,626**

	2024						
	Land	Leasehold Improvements	Transportation Equipment	Drilling Equipment	Office Furniture and Equipment	Construction In Progress	Total
Cost							
Beginning balances	₱3,652,099	₱33,789,959	₱57,828,940	₱5,735,469	₱64,035,591	₱–	₱165,042,058
Additions	–	37,968,817	58,166,296	–	3,665,700	7,701,566	107,502,379
Ending balance	3,652,099	71,758,776	115,995,236	5,735,469	67,701,291	7,701,566	272,544,437
Accumulated Depreciation and Amortization							
Beginning balances	–	32,058,484	44,209,945	5,735,469	52,483,132	–	134,487,030
Depreciation	–	4,322,277	4,515,457	–	3,962,193	–	12,799,927
Ending balance	–	36,380,761	48,725,402	5,735,469	56,445,325	–	147,286,957
Net Book Value	₱3,652,099	₱35,378,015	₱67,269,834	₱–	₱11,255,966	₱7,701,566	₱125,257,480

In 2025, the Company reclassified certain transportation equipment with a carrying amount of ₱58.3 million from Property and Equipment to Net Investment in Lease. These assets pertain to trucks that were subsequently leased to subsidiaries under finance lease arrangements with subsidiaries during the year (see notes 13 and 22).

Additions to property and equipment amounting to ₱0.9 million remained unpaid as of December 31, 2025.

10. Equity Investments Designated at FVTOCI

Investment in equity shares
The Company's investments in golf club share and other proprietary and equity shares are carried at fair value based on published club share quotes that are publicly available from the local dailies and from the website of club share brokers. As of December 31, 2025 and 2024, equity investments designated at FVTOCI amounted to ₱185.1 million and ₱160.1 million, respectively.

Changes in fair value of equity investments designated at FVTOCI
The changes in fair values of equity investments designated at FVTOCI are presented in other comprehensive income and the cumulative changes in fair value are presented as "Reserve for fair value changes of financial assets" account in equity section of the parent company balance sheet.

The movement of reserve for fair value changes of financial asset investments follows:

	2025	2024
Beginning balance	**₱116,469,999**	₱82,469,999
Changes in fair value of equity investments held at FVTOCI, net of tax effect amounting to ₱3.75 million and ₱6.0 million, respectively	**21,250,000**	34,000,000
Ending balance	**₱137,719,999**	₱116,469,999

11. Accounts Payable and Accrued Liabilities

	2025	2024
Nontrade payable	**₱10,621,635**	₱8,276,444
Accrued expenses	**107,873,323**	20,710,520
Payable to government agencies	**30,773,356**	32,386,112
	₱149,268,314	₱61,373,076

Accrued expenses pertain to accruals for professional fees, utility expenses and other expenses.

Payable to government agencies include deferred output VAT, VAT payable and tax-related payables such as withholding tax and payables to Social Security System, Philippine Health Insurance Corporation and Pag-IBIG Fund Contributions. Deferred output VAT pertains to output VAT of uncollected receivable from the rendering of the Company's services.

12. Notes Payable

The Company has an outstanding rolling short-term loan from a local bank which amounted to ₱400.0 million and ₱50.0 million as of December 31, 2025 and 2024, respectively. The loan carries interest of 5.75% in 2025 and 2024, which is payable on a quarterly basis. Interest expense amounted to ₱20.0 million and ₱4.5 million in 2025 and 2024, respectively.

13. Related Party Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. It includes companies in which one or more of the directors and/or shareholders of the Company either has a beneficial controlling interest or are in a position to exercise significant influence therein (i.e., affiliates). Outstanding balances at year-end are to be settled in cash. There have been no guarantees provided or received for any related party receivables or payables in 2025 and 2024. The Company has not recorded any impairment of receivables relating to amounts owed by related parties in 2025 and 2024.

The following tables are the transactions with the Company's related parties and their account balances:

	Amount of Transactions		Outstanding Receivables (Payable)		
Nature of Transaction	**2025**	2024	**2025**	2024	Terms and Conditions
Affiliate:		*(In millions)*			
Deposits and cash equivalents	**₱200.0**	₱137.2	**₱175.0**	₱175.0	On demand; prevailing interest rate
Interest income on loans receivable/deposits and cash equivalents	**22.5**	21.8	**25.5**	20.0	On demand; prevailing interest rate
Trust fund retirement plan (a)	**(50.0)**	(41.3)	**87.4**	66.0	Based on trustee agreement
Subsidiaries:					
Service fees (c, e and k)	**96.2**	165.0	**351.7**	291.5	In accordance with service agreement; on demand, unsecured, non-interest bearing; not impaired
Dividend income (f, i)	**201.0**	234.1	**–**	175.2	On-demand, unsecured, non-interest bearing; not impaired
Advances to (from) subsidiaries (b, d, j and i)	**128.4**	(308.1)	**2,600.8**	2,442.4	On-demand, unsecured, non-interest bearing; not impaired
Loan (l)	**21.5**	–	**166.1**	168.9	2-year loan, unsecured, interest-bearing
Equipment rental (h)	**10.6**	9.6	**4.4**	0.8	In accordance with service agreement; on demand, unsecured, non-interest bearing; not impaired
Truck rental (g)	**5.4**	–	**0.5**	–	In accordance with lease agreement; on demand, unsecured, non-interest bearing; not impaired

(Forward)

Nature of Transaction	Amount of Transactions 2025	2024	Outstanding Receivables (Payable) 2025	2024	Terms and Conditions
Associates:					
Dividend income (o, q)	**₱308.3**	₱547.4	**₱–**	₱–	On-demand, unsecured, non-interest bearing; not impaired
Service fees (p)	**33.2**	28.8	**6.1**	–	On-demand, unsecured, non-interest bearing; not impaired
Truck rental (r)	**4.5**	–	**1.1**	–	In accordance with lease agreement; on demand, unsecured, non-interest bearing; not impaired

a. The Company maintains its trust fund for its retirement plan with an affiliated bank. The Company made contributions to retirement fund plan amounting to ₱50.0 million and ₱41.3 million in 2025 and 2024, respectively (see Note 14).

Subsidiaries

MAPDC

b. The Company has short-term noninterest-bearing advances to MAPDC amounting to ₱1,283.5 million and ₱1,253.5 million as of December 31, 2025 and 2024, respectively. This is included under "Investments in and advances to subsidiaries and associates" account in the parent company balance sheets (see Note 8).

MASCORP

c. The Company charges service fee to MASCORP equivalent to 20% of income before interest, income tax, depreciation and amortization. Total service fee earned amounted to ₱31.7 million in 2025 and ₱80.0 million in 2024. Outstanding receivable relating to this transaction as of December 31, 2025 and 2024 amounted to ₱186.1 million and ₱162.6 million, respectively. This is included under "Service fee receivables" of "Receivables" account in the parent company balance sheets.

d. The Company has made short-term, non-interest-bearing advances to MASCORP. Outstanding receivable totaled to ₱469.6 million and ₱468.5 million as of December 31, 2025 and 2024, respectively.

MACS

e. In 2007, MACS' BOD passed a resolution whereby its stockholders, the Company and SATS, shall receive service fee provided that the MACS' profit before tax, after calculating the service fee, is not less than the amount of the service fee. The fee shall be equivalent to 5% of the quarterly net sales which shall be divided according to the equity ratio between MAC and SATS (67% and 33%, respectively). Service fee amounting to ₱67.0 million was recognized in 2025 and ₱73.2 million in 2024. Outstanding receivable relating to this transaction amounted to ₱150.1 million as of December 31, 2025 and ₱99.3 million as of December 31, 2024. This is included under "Service fee receivables" of "Receivables" account in the parent company balance sheets.

f. Dividend income amounting to ₱33.5 million and ₱219.4 million in 2025 and 2024 was earned from MACS. Outstanding dividend receivable amounted to nil and ₱175.2 million as of December 31, 2025 and 2024, respectively.

g. In 2025, the Company entered into lease contracts of three food trucks with MACS, with a lease term of 10 years and an implicit rate of 19.15%. The Company received rental payments amounting to ₱5.4 million in 2025 (see Note 22). Outstanding receivable amounted to ₱0.5 million as of December 31, 2025.

MSISC

h. The Company bills MSISC monthly rental for the use of equipment amounting to ₱0.9 million and ₱0.8 million in 2025 and 2024, respectively. This is included under "Rent income" account.

i. Dividend income amounting to ₱167.5 million in 2025 was earned from MSIS. No outstanding dividend receivable from MSIS as of December 31, 2025.

AWSI

j. The Company has short-term, non-interest bearing advances to AWSI amounting to ₱132.1 million ₱121.2 million as of December 31, 2025 and 2024, respectively.

BTSI

k. In 2017, BTSI's BOD passed a resolution whereby its stockholders shall receive service fee equivalent to 30% of net income before tax. The Company's share in BTSI's service fee is 67%, amounting to ₱11.7 million and ₱10.9 million for the year ended December 31, 2025 and 2024, respectively. Outstanding balance amounted to ₱48.6 million and ₱40.2 million as of December 31, 2025 and 2024, respectively.

   The Company has made short-term, non-interest-bearing advances to BTSI. Outstanding receivable totaled to ₱38.1 million and ₱38.1 million as of December 31, 2025and 2024.

MSFI

l. In 2021, the Company extended a 2-year loan amounting to ₱159.5 million to MSFI, for the latter's payment of loan interest and principal amortization, purchase of equipment, additional working capital and other operational purposes. The loan is subject to interest rate of 3.8% per annum. As of December 31, 2025 and 2024, the outstanding balance of the loan to MSFI amounted to ₱160.0 million.

<u>Others</u>

m. The Company made short-term, non-interest bearing advances to other subsidiaries. Outstanding receivable amounted to ₱564.9 million and ₱435.8 million as of December 31, 2025 and 2023, respectively.

<u>Associates</u>

LTP

n. The Company earned dividend income from LTP amounting to ₱280.3 million and ₱547.4 million in 2025 and 2024, respectively. No outstanding receivable as of December 31, 2025 and 2024.

o. In 2025 and 2024 the Company billed from LTP service fees amounting to ₱33.2 million and ₱28.8 million, respectively. Outstanding receivable amounted to ₱6.1 million as of December 31, 2025.

CPCS

p. The Company earned dividend income from CPCS amounting to ₱28.0 million in 2025, respectively. No outstanding receivable as of December 31, 2025.

q. In 2025, the Company entered into lease contracts of two food trucks with CPCS, with a lease term of 7 years and an implicit rate of 12.51%. The Company received rental payments amounting to ₱4.5 million in 2025. Outstanding receivable amounted to ₱1.1 million as of December 31, 2025.

Compensation of Key Management Personnel
The short-term benefits of the Company's key management personnel amounted to ₱71.4 million and ₱64.3 million in 2025 and 2024, respectively. There are no termination benefits, share-based payments or other long-term employee benefits granted to key management personnel.

Revenue from Contracts with Customers
As of December 31, 2025 and 2024 the Company's contract balances pertain to its service fee receivables which amounted to ₱375.8 million and ₱291.5 million, respectively. The Company has no contract asset or contract liability as of December 31, 2025 and 2024.

14. Accrued Retirement and Other Employee Benefits

	2025	2024
Accrued retirement benefits payable	**₱–**	₱17,872,959
Other employee benefits	**4,433,046**	3,510,664
	₱4,433,046	₱21,383,623

Retirement Benefits Cost
The Company has a funded, noncontributory defined benefit retirement plan covering all of its permanent employees. The retirement benefit is equal to a certain percentage of the monthly final salary for every year of service. The fund is administered by a trustee bank which is responsible for investment strategy of the plan, in consultation with the Company's management.

Under the existing regulatory framework, Republic Act No. 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 components of retirement benefits cost recognized in profit or loss as part of "Employee benefits" account in the parent company statements of income follow:

	2025	2024
Current service cost	**₱4,389,870**	₱4,608,973
Net interest cost	**471,659**	241,700
	₱4,861,529	₱4,850,673

The details of the remeasurement in other comprehensive income are as follows:

	2025	2024
Actuarial gain (loss) arising from changes in:		
Experience adjustments	**₱7,236,682**	(₱28,361,935)
Financial assumptions	**749,746**	33,968
Demographic assumptions	**453,025**	(464,213)
Remeasurement effect of ceiling	**(9,079,099)**	–
Remeasurement gain (loss) on plan assets	**(891,536)**	(889,143)
	(₱1,531,182)	(₱29,681,323)

The detail of the accrued retirement benefits payable (assets) follows:

	2025	2024
Present value of defined benefit obligation	**₱71,043,043**	₱83,864,647
Fair value of net plan assets (Note 13)	**(87,376,899)**	(65,991,688)
	(16,333,856)	17,872,959
Effect of asset ceiling	**9,079,099**	–
	(₱7,254,757)	₱17,872,959

Movement in accrued retirement benefits payable, net of pension assets, follow:

	2025	2024
Beginning balance	**₱17,872,959**	₱24,596,634
Retirement benefits cost recognized in profit or loss	**4,861,529**	4,850,673
Contributions	**(50,000,000)**	(41,255,671)
Transfer to plan	**18,479,573**	–
Remeasurement loss in other comprehensive income	**1,531,182**	29,681,323
Ending balance	**(₱7,254,757)**	₱17,872,959

Changes in the present value of defined benefit obligation are as follows:

	2025	2024
Beginning balance	**₱83,864,647**	₱47,566,683
Current service cost	**5,831,233**	4,608,973
Past service cost	**(1,441,363)**	–
Interest expense	**5,037,339**	2,896,811
Remeasurement (gain) loss	**(8,439,453)**	28,792,180
Benefits paid	**(32,288,933)**	–
Transfer to plan	**18,479,573**	–
Ending balance	**₱71,043,043**	₱83,864,647

Changes in the fair value of plan assets are as follows:

	2025	2024
Beginning balance	**₱65,991,688**	₱22,970,049
Contributions	**50,000,000**	41,255,671
Interest income on plan assets	**4,565,680**	2,655,111
Benefits paid	**(32,288,933)**	–
Remeasurement gain (loss) on plan assets	**(891,536)**	(889,143)
Ending balance	**₱87,376,899**	₱65,991,688
Actual return on plan assets	**₱3,674,144**	₱1,765,968

The major categories of plan assets are as follows:

	2025	2024
Cash and cash equivalents	**₱122,328**	₱36,876,155
Debt and equity securities	**87,018,653**	19,012,205
Others and other assets	**235,918**	10,103,328
	₱87,376,899	₱65,991,688

The government securities held have quoted prices in active market.

The plan assets have diverse investments and do not have any concentration risk.

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining retirement benefits cost and obligations as of January 1 are shown below:

	2025	2024
Discount rate	**6.00%**	7.14%
Future annual increase in salary	**4.00%**	4.00%

As of December 31, 2025, the discount rate and salary rate increase are 6.33% and 4.00%, respectively.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, assuming if all other assumptions were held constant:

Assumptions:	Changes	**2025**	2024
Discount rate:			
	+100 basis points	**(₱3,020,568)**	(₱3,182,044)
	-100 basis points	**3,429,311**	3,637,680
Salary increase rate:			
	+100 basis points	**3,475,720**	3,678,536
	-100 basis points	**(3,112,211)**	(3,271,647)

There has been no change in the methods and assumptions need in previous years in computing the sensitivity analysis.

Shown below is the maturity analysis of the undiscounted benefit payments:

Date of retirement:	**2025**	2024
1 year and less	**₱58,707,415**	₱36,114,445
more than 1 year to 5 years	**12,218,995**	40,008,539
more than 5 years to 10 years	**18,904,438**	26,840,866

Additional funding is expected to be contributed in 2025. The Company does not currently employ any asset-liability matching strategies.

Other Employee Benefits

Employees can accumulate earned leave credits, which can be used anytime when needed by the employee or converted to cash, computed based on the employee's final rate upon separation (i.e., resignation or retirement). Accumulated leave credits amounted to ₱4.4 million and ₱3.5 million as of December 31, 2025 and 2024, respectively, and are presented as "Other employee benefits" in the parent company balance sheets. Provision for accumulating leave credits amounted to ₱0.9 million and ₱0.6 million in 2025 and 2024 respectively.

15. **Income Taxes**

a. Provision for income tax consists of:

	2025	2024
MCIT	**₱3,133,232**	₱4,229,302
Final tax on interest income	**1,826,132**	3,020,830
	4,959,364	7,250,132
Provision for deferred income tax	**13,348,368**	18,601
	₱18,307,732	₱7,268,733

b. A reconciliation of the provision for income tax computed using the statutory tax rate of 25% to the provision for income tax shown in the parent company statements of income follows:

	2025	2024
Income tax computed at the statutory tax rate	**₱70,832,768**	₱185,969,422
Adjustments resulting from:		
Nontaxable dividend income	**(127,332,250)**	(195,364,354)
Movement in temporary differences, NOLCO and MCIT with no deferred income tax assets recognized	**47,166,484**	(3,519,339)
Nondeductible expenses	**27,693,271**	20,653,866
Interest income already subjected to final tax at lower rates or not subject to income tax	**(52,541)**	(470,862)
Provision for income tax	**₱18,307,732**	₱7,268,733

c. The components of the Company's recognized net deferred tax liabilities as of December 31 is as follows:

	2025	2024
Directly recognized in profit or loss		
Deferred income tax asset on lease liabilities	**₱10,218,132**	₱10,944,480
Deferred income tax liabilities on:		
Net investment in the lease	**(14,167,165)**	–
ROU asset	**(10,038,178)**	(11,368,516)
Unrealized gain on foreign exchange	**(888,052)**	(1,102,860)
	(14,875,263)	(1,526,896)
Directly recognized in OCI		
Deferred income liability on unrealized gain on changes in fair value of equity investments	**(23,880,000)**	(20,130,000)
	(₱38,755,263)	(₱21,656,896)

d. As of December 31, the deductible temporary differences, unused MCIT and NOLCO for which no deferred income tax assets were recognized are as follows:

	2025	2024
Deductible temporary differences on:		
Accrued retirement benefits payable	**₱–**	₱17,872,959
Past service costs	**94,744,9314**	64,466,081
Accrued sick leave	**4,433,046**	3,510,664
NOLCO	**327,273,772**	494,069,474
MCIT	**9,529,981**	7,952,709

Deferred income tax assets on temporary differences, MCIT and NOLCO were not recognized as the Company believes that sufficient future taxable profits may not be available against which temporary differences and NOLCO can be utilized, and future tax liability may not be available against which MCIT can be applied.

e. Last September 11, 2020, the President signs into law the "Bayanihan to Recover as One Act" or "Bayanihan 2", an act in response to COVID-19 to accelerate the recovery and bolster the resiliency of the Philippine economy.

Unless otherwise disqualified from claiming the deduction, the business or enterprise which incurred net operating loss for taxable years 2025 and 2024 shall be allowed to carry over the same as a deduction from its gross income for the next five consecutive taxable years immediately following the year of such loss. The net operating loss for said taxable years may be carried over as a deduction even after the expiration of RA No. 11494 provided the same are claimed within the next five consecutive taxable years immediately following the year of such loss.

f. Details of NOLCO as follows:

Year Incurred	Balance at Beginning of Year	Addition	Expired/ Application	Balance at End of the Year	Tax Effect	Available Until
2025	₱121,510,765	₱–	₱–	₱121,510,765	₱30,377,691	2028
2023	54,333,622	–	–	54,333,622	13,583,406	2026
2022	157,613	–	(157,613)	–	–	2025
2021	151,429,385			151,429,385	37,857,346	2026
2020	305,657,836	–	(305,657,836)	–	–	2025
	₱633,089,221	₱–	(₱305,815,449)	₱327,273,772	₱81,818,443	

g. Movements in excess MCIT over RCIT in 2025 are as follows:

Period/Year Incurred	Balance at Beginning of Year	Additions	Expired	Balance at End of the Year	Available Until
2025	₱–	₱3,133,232	₱–	₱3,133,232	2028
2024	4,229,302	–	–	4,229,302	2027
2023	2,167,447	–	–	2,167,447	2026
2022	1,555,960	–	(1,555,960)	–	2025
	₱7,952,709	₱3,133,232	(₱1,555,960)	₱9,529,981	

16. Basic/Diluted Earnings Per Share

Basic/diluted earnings per share are computed as follows:

	2025	2024
Net income	**₱265,023,340**	₱736,608,953
Divided by weighted average number of common shares outstanding	**1,890,958,323**	1,890,958,323
	₱0.14	₱0.39

There are no potential common shares with dilutive effect on the basic earnings per share in 2025 and 2024.

17. Equity

Capital Stock

a. Track record of registration of securities

On August 30, 1974, the Philippine SEC authorized the registration and licensing of the Company's securities with total par value of ₱20.0 million divided into 2,000,000,000 shares with a par value of ₱0.01 per share.

On December 10, 1993, the Company amended its articles of incorporation, increasing the par value of its shares from ₱0.01 per share to ₱1.00 per share.

On March 22, 2000, the Philippine Stock Exchange (PSE), Inc. authorized to list the Company's 750,000,000 shares, with a par value of ₱1.00 per share and 500,000,000 warrants divided into the following:

i. 250,000,000 shares to cover the 1:4 stock rights offering to stockholders of record as of April 12, 2000 at an offer price of ₱2.00 per share;
ii. 500,000,000 warrants to cover the 2:1 warrants offering attached to and detachable from the rights shares at a subscription price of ₱0.10 per warrant; and
iii. 500,000,000 shares to cover the underlying shares of warrants at an exercise price of ₱6.00 per share. Actual listing of the underlying common shares of the warrants shall take effect upon the exercise of the warrants.
iv. All warrants expired in 2005.

The Company's shares are listed and traded at the Philippine Stock Exchange, Inc. and the number of holders of its common equity as of December 31, 2025 and 2024 is 845.

b. The Company's authorized capital stock is 2,000,000,000 shares with ₱1 par value per share. Movements in the Company's issued, outstanding and treasury shares are as follows:

	Issued	Treasury	Outstanding
As of December 31, 2010	1,250,000,000	(2,985,000)	1,247,015,000
Acquisition of treasury shares in 2011	–	(7,486,000)	(7,486,000)
As of December 31, 2011	1,250,000,000	(10,471,000)	1,239,529,000
Acquisition of treasury shares in 2012	–	(6,125,000)	(6,125,000)
As of December 31, 2014, 2015 and 2016	1,250,000,000	(16,596,000)	1,233,404,000
Acquisition of treasury shares in 2017	–	(6,249,600)	(6,249,600)
As of December 31, 2017	1,250,000,000	(22,845,600)	1,227,154,400
Stock dividend declaration	368,146,293	–	368,146,293
Acquisition of treasury shares in 2018	–	(3,949,100)	(3,949,100)
As of December 31, 2018	1,618,146,293	(26,794,700)	1,591,351,593
Acquisition of treasury shares in 2019	–	(12,845,600)	(12,845,600)
As of December 31, 2019	1,618,146,293	(39,640,300)	1,578,505,993
Stock dividend declaration (Note 17f)	315,159,630	–	315,159,630
Acquisition of treasury shares in 2020	–	(2,707,300)	(2,707,300)
As of December 31, 2025, 2024 and 2023	1,933,305,923	(42,347,600)	1,890,958,323

Treasury Shares

c. Treasury stock

On July 16, 2010, the Company's BOD approved the Share Buyback Program (the Program) involving a total cash outlay of ₱50.0 million for the repurchase of the outstanding common shares of the Company from the market, using the trading facilities of the PSE. The Program will not involve any active or widespread solicitation for stockholders to sell. Repurchase of shares of stock will be done during the period of the Program at such prices perceived by the Company to be lower than the inherent value of the share. The Program will run until the ₱50.0 million authorized cash outlay is fully utilized or until such time that the Company's BOD may direct, subject to appropriate disclosures to the PSE and the Philippine SEC.

On June 15, 2017, the Company's BOD approved to allot ₱210.0 million to repurchase shares of the Company at market price. The mechanics of the 2018 Buyback Program is similar to the ₱50.0 million buyback program implemented in 2010. The Program commenced on June 20, 2017 and will run until the ₱210.0 million authorized cash outlay is fully utilized, or until such time that the Company's BOD may direct, subject to appropriate disclosures to the PSE and the SEC.

As of December 31, 2025 and 2024, the Company has 42,347,709 shares held in treasury. These are carried at cost which amounted to ₱459.4 million as of December 31, 2025 and 2024.

Retained Earnings

d. Restrictions on retained earnings of the Company

The retained earnings are restricted for dividend declaration for the portion equivalent to the cost of treasury shares amounting to ₱459.4 million as of December 31, 2025 and 2024.

e. Appropriation of retained earnings

Appropriated retained earnings as of December 31, 2025 and 2024 amounted to ₱2,830.0 million and ₱850.0 million, respectively.

On March 27, 2025, the Company's BOD approved the reversal of outstanding appropriation amounting to ₱850.0 million. On the same date, the BOD approved the appropriation of retained earnings amounting to ₱2,830.0 million for ecozone development, commissary expansion and other acquisition-related projects ranging from two to three years from 2024.

As of December 31, 2024, the Company's retained earnings include appropriated amounts of ₱850.0 million for various projects. These were originally approved for appropriation in 2019.

f. Dividend declaration

On March 27, 2025, the Company declared ₱0.10 cash dividends per share from its unappropriated retained earnings to stockholders as of record date, April 19, 2025, with payment date of May 21, 2025. Total dividends declared in 2025 amounted to ₱208.0 million and ₱189.1 million in 2025 and 2024, respectively.

Dividends payable amounted to ₱10.5 million and ₱10.1 million as of December 31, 2025 and 2024, respectively.

18. **Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to externally imposed capital requirements as of December 31, 2025 and 2024. No changes were made in the objectives, policies or processes during the years ended December 31, 2025 and 2024.

The Company monitors capital vis-à-vis after-tax profit. Equity considered by the Company is total equity in the parent company balance sheets, excluding items arising from other comprehensive income. The return on equity ratio is after tax profit divided by total capital.

The following table summarizes the total capital considered by the Company:

	2025	2024
Capital stock	**₱1,933,305,923**	₱1,933,305,923
Additional paid-in capital	**281,437,118**	281,437,118
Retained earnings	**4,786,926,172**	4,729,908,248
Treasury shares	**(459,418,212)**	(459,418,212)
(a)	**₱6,542,251,001**	₱6,485,233,077
Net income (b)	**₱265,023,340**	₱736,608,953
Return on equity (c = b / a)	**4.05%**	11.36%

19. **Financial Risk Management Objectives and Policies**

Risk Management Structure

Audit Committee
The Committee performs an oversight role on financial management functions especially in the areas of managing credit, market, liquidity, operational, legal and other risks of the Company.

Risk Management Committee
The Committee assists the BOD in identifying and assessing the various risks to which the Company is exposed to. The Committee also ensures that the Company's management has implemented a process to identify, manage and report on the risks that might prevent the Company from achieving its strategic objectives.

BOD
The BOD is responsible for the overall risk management approach and for approval of risk strategies and principles of the Company.

Financial Risk Management
The Company's principal financial instruments comprise cash and cash equivalents, financial assets investments held at FVTOCI, loans and advances to subsidiaries, and note payable, which are made primarily to fund the subsidiaries' operations. The Company has other financial assets and financial liabilities such as receivables and payables which arise directly from its operations.

The main risks arising from the Company's financial instruments are foreign currency risk, credit risk and liquidity risk. The BOD reviews and approves policies for managing these risks and they are summarized as follows:

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's transactional currency exposure arises from retaining its cash and investments in currency other than functional currency. The Company closely monitors the foreign currency exchange rates fluctuations and regularly assesses the impact of future foreign exchange movements on its operations.

The Company's foreign currency-denominated monetary assets as of December 31 follow:

	2025		2024	
Currency	**Cash and Cash Equivalents**	**Peso Equivalent**	Cash and Cash Equivalents	Peso Equivalent
US$	**1,614,398**	94,910,458	**540,939**	**31,293,321**
JPY	**169,832**	64,536	**559,420**	**212,560**

As of December 31, 2025 and 2024, the exchange rates of the Peso to US$ were ₱58.79 and ₱57.85 to US$1, respectively. As of December 31, 2025 and 2024, the exchange rates of the Peso to JPY were ₱0.38 and ₱0.38 to JPY1, respectively.

The Company reported foreign exchange gain of ₱2.1 million and ₱4.0 million in 2025 and 2024, respectively, arising from the translation and settlement of foreign-currency denominated cash and cash equivalents.

The following table demonstrates the impact on the Company's income before income tax of reasonably possible changes in the US$ and JPY, with all other variables held constant. There is no other impact on the Company's equity other than those already affecting the parent company statements of income.

	December 31, 2025 (in millions)		
		Net Gain (Loss) Effect on Income before Income Tax	
Currency	**Movement in USD/JPY**	**Increase in USD/JPY**	**Decrease in USD/JPY**
US$	**4.12%**	**₱3.7**	**(₱3.7)**
JPY	**5.13%**	**0.1**	**(0.1)**
Net		**₱3.8**	**(₱3.8)**

	December 31, 2024 (in millions)		
		Net Gain (Loss) Effect on Income before Income Tax	
Currency	Movement in USD/JPY	Increase in USD/JPY	Decrease in USD/JPY
US$	4.12%	₱3.7	(₱3.7)
JPY	5.13%	0.1	(0.1)
Net		₱3.8	(₱3.8)

Credit risk
Credit risk is the risk that the Company will incur a loss because its customers or counterparties failed to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

The Company trades only with related parties and duly evaluated and approved creditworthy third parties. In addition, receivable balances are monitored on a continuous basis with the result that the Company's exposure to credit losses is not significant. As of December 31, 2025 and 2024, the Company is subject to concentration of credit risk with respect to cash and cash equivalents in local affiliated bank and service fee receivables from MACS, MASCORP and other subsidiaries due to significant outstanding balances with said companies (see Note 13). However, since these companies are related parties and the local affiliated bank is one of the country's reputable banks, management believes that the Company is not exposed to any significant risk.

With respect to credit risk arising from financial assets, the Company's exposure to credit risk arises from the default of the counterparties with maximum exposure as follows:

	2025	2024
Financial assets at amortized cost:		
Cash and cash equivalents, excluding cash on hand*	**₱287,607,071**	₱288,467,665
Receivables	**450,142,912**	503,769,131
Advances to related parties	**1,317,686,503**	1,189,194,339
Refundable deposits**	**2,031,663**	1,993,288
Total credit risk exposure	**₱2,057,468,149**	₱1,983,424,423

**Cash on hand amounts to ₱81,378 as of December 31, 2025 and 2024.*
***Included under "Other noncurrent assets".*

The Company does not require any collateral and other credit enhancements. Consequently, an impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The mechanics of the ECL calculations and the key elements are presented below.

a. *Probability of default (PD)* is an estimate of the likelihood of default over a given time horizon.

b. *Exposure at default (EAD)* is an estimate of the exposure at a future default date taking into account expected changes in the exposure after the reporting date.
c. *Loss given default (LGD)* is an estimate of the loss arising in the case where a default occurs at a given time.

For cash and cash equivalents, the Company applies the low credit risk simplification where the Company measures the ECLs on a 12-month basis based on the probability of default and loss given default which are publicly available. The Company also evaluates the credit rating of the bank and other financial institutions to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

At each reporting date, for receivables and advances to subsidiaries, 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).

The Company considers its financial assets as high grade as these primarily relate to reputable financial institutions and related parties where settlements are based on the terms of the related agreement with counterparties. The ECLs on cash and cash equivalents rounds to zero. The ECL on receivables, which primarily pertain to service fee receivables and advances to subsidiaries also rounds to zero as the LGD of these receivables is considered low due to the strong capacity to pay by the subsidiaries.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations when they fall due under normal and stress circumstances. To limit this risk, management manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows which could be used to secure additional funding if required. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of operating cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual and undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. The table also analyses the maturity profile of the Company's financial assets used for liquidity in order to provide complete view of the Company's contractual commitments and liquidity.

	December 31, 2025			
	Less than 1 year	>1-5 years	>5 years	Total
Financial assets:				
Cash and cash equivalents	**₱287,688,449**	**₱–**	**₱–**	**₱287,688,449**
Receivables	**450,142,912**	**–**	**–**	**450,142,912**
Net investment in the lease	**4,687,200**	**21,212,539**	**5,982,187**	**31,881,926**
Refundable deposits	**2,031,663**	**–**	**–**	**2,031,663**
Total financial assets	**744,550,224**	**21,212,539**	**5,982,187**	**771,744,950**
Other financial liabilities				
Accounts payable and accrued liabilities*	**118,494,959**	**–**	**–**	**118,494,959**
Notes payable	**400,000,000**	**–**	**–**	**400,000,000**
Lease liabilities	**5,888,398**	**12,765,069**	**37,625,985**	**56,279,452**
Dividends payable	**10,505,443**	**–**	**–**	**10,505,443**
Total financial liabilities	**534,888,800**	**12,765,069**	**37,625,985**	**585,279,854**
Liquidity position	**₱209,661,424**	**₱8,447,470**	**(31,643,798)**	**₱186,465,096**

** Exclusive of nonfinancial liabilities of ₱30,773,356.*

	December 31, 2024			
	Less than 1 year	>1-2 years	>5 years	Total
Financial assets:				
Cash and cash equivalents	₱288,549,044	₱–	₱–	₱288,549,044
Receivables	503,769,131	–	–	503,769,131
Refundable deposits	1,993,288			1,993,288
Total financial assets	794,311,463	–	–	794,311,463
Other financial liabilities				
Accounts payable and accrued liabilities**	28,986,964	–	–	28,986,964
Notes payable	50,000,000	–	–	50,000,000
Lease liabilities	5,607,998	12,071,217	44,208,236	61,887,451
Dividends payable	10,106,243	–	–	10,106,243
Total financial liabilities	94,701,205	–	–	150,980,658
Liquidity position	₱699,610,258	(₱12,071,217)	(₱44,208,236)	₱643,330,805

** Exclusive of nonfinancial liabilities of ₱32,386,112.*

20. Fair Values

The following table provides the quantitative disclosures of fair value measurement of the Company's financial assets:

		Fair value measurements using		
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
December 31, 2025				
Assets measured at fair value:				
Equity investments at FVTOCI (Note 10):				
Golf club share	**₱185,138,300**	**₱–**	**₱160,138,300**	**₱–**
December 31, 2024				
Assets measured at fair value:				
Equity investments at FVTOCI (Note 10):				
Golf club share	₱160,138,300	₱–	₱120,138,300	₱–

The Company determined that its investments in golf club shares are categorized at Level 2 in the fair value hierarchy. The Company assessed that, while there is a market for these securities, transactions are infrequent. There was no transfer between Levels 1, 2 and 3 in 2025 and 2024.

Cash and cash equivalents, receivables, advances to related parties, accounts payables and accrued liabilities, note payable and dividend payable
The carrying values of cash and cash equivalents, receivables and accounts payable and accrued liabilities, note payable and dividend payable approximate its fair value due to its short-term nature.

Equity investments designated at FVTOCI
The fair value of the golf shares is based on published club share quotes that are publicly available from the website of club share brokers.

21. Changes in Liabilities Arising from Financing Activities

The table below presents the changes in Company's liabilities arising from financing activities.

December 31, 2025

	Beginning	**Additions**	**Payments**	**Interest accretion**	**Dividend declared**	**Ending**
Notes payable (Note 12)	**₱50,000,000**	**₱400,000,000**	**(₱70,044,514)**	**₱20,044,514**	**₱–**	**₱400,000,000**
Lease liabilities (Note 22)	**43,777,920**	**–**	**(5,607,995)**	**2,702,605**	**–**	**40,872,530**
Dividend payable (Note 17)	**10,106,243**	**–**	**(207,606,216)**	**–**	**208,005,416**	**10,505,443**
Total liabilities from financing activities	**₱103,884,163**	**₱400,000,000**	**(₱283,258,725)**	**₱22,747,119**	**₱208,005,416**	**₱451,377,973**

December 31, 2024

	Beginning	Additions	Payments	Interest accretion	Dividend declared	Ending
Note payable (Note 12)	₱100,000,000	₱50,000,000	(₱104,468,751)	₱4,468,751	₱–	₱50,000,000
Lease liabilities (Note 22)	6,165,103	42,965,474	(7,749,190)	2,396,533	–	43,777,920
Dividend payable (Note 17)	9,725,208	–	(188,714,797)	–	189,095,832	10,106,243
Total liabilities from financing activities	₱115,890,311	₱92,965,474	(₱300,932,738)	₱6,865,284	₱189,095,832	₱103,884,163

22. Leases

The Company as a Lessee
The Company has several lease agreements with third party lessors covering the use of parcels of land for 35 years in Palawan starting 2010. In 2012, the Company entered into an additional lease of land with another third-party lessor. The leased properties will be used by the Company as drying area and/or stockpile of its mine products and other related purposes (see Note 23). Rental rates are subject to escalation during the lease periods. On September 9, 2023 and September 9, 2024, the Company entered one of its lease contracts of office space for a period of 10 years and 5 years, respectively.

The rollforward analysis of this account follows:

	2025		
	Right-of-Use: Land	**Right-of-Use: Office space**	**Total**
Cost			
At January 1 and December 31	**₱9,273,706**	**₱55,680,696**	**₱64,954,402**
Accumulated Depreciation and Amortization			
At January 1	**2,575,012**	**16,905,326**	**19,480,338**
Depreciation	**321,877**	**4,999,475**	**5,321,352**
At December 31	**2,896,889**	**21,904,801**	**24,801,690**
Net Book Value	**₱6,376,817**	**₱33,775,895**	**₱40,152,712**

	2024		
	Right-of-Use: Land	Right-of-Use: Office Space	Total
Cost			
At January 1	₱9,273,706	₱55,680,697	₱64,954,403
Accumulated Depreciation and Amortization			
At January 1	2,253,135	12,715,221	14,968,356
Depreciation	321,877	6,839,109	7,160,986
Retirement	–	(2,649,004)	(2,649,004)
At December 31	2,575,012	16,905,326	19,480,338
Net Book Value	₱6,698,694	₱38,775,371	₱45,474,065

The following are the amounts recognized in the parent company statements of income:

	2025	2024
Depreciation expense of right-of-use assets	**₱5,321,352**	₱7,160,986
Interest expense on lease liabilities	**2,702,605**	2,396,533
Total amount recognized in parent company statements of income	**₱8,023,957**	₱9,557,519

The roll forward analysis of lease liabilities follows:

	2025	2024
As at January 1	**₱43,777,920**	₱6,165,103
Additions	–	42,965,474
Interest expense	**2,702,605**	2,396,533
Payments	**(5,607,995)**	(7,749,190)
As at December 31	**₱40,872,530**	₱43,777,920

The breakdown of lease liabilities as at December 31 is as follows:

	2025	2024
Lease liabilities	**₱40,872,530**	₱43,777,920
Less current portion of lease liabilities	**3,809,833**	2,903,143
Noncurrent portion of lease liabilities	**₱37,062,697**	₱40,874,777

Shown below is the maturity analysis of the undiscounted lease payments (leases as lessee):

	2025	2024
1 year and less	**₱5,888,398**	₱5,607,998
more than 1 year to 5 years	**12,765,069**	12,071,217
more than 5 years	**37,625,985**	44,208,236

The Company as a Lessor
In 2025, the Company entered into lease contracts for food trucks with MACS and CPCS, with lease terms of 10 years and 7 years, respectively. Rental rates are subject to escalation during the lease periods.

The roll forward analysis of the net investment in the lease is as follows:

	2025
As at January 1	₱–
Additions	58,311,987
Interest income	8,400,672
Payments	(10,044,000)
As at December 31	₱56,668,659

Shown below is the maturity analysis of the undiscounted lease payments (leases as lessor):

	2025
1 year and less	₱11,662,200
more than 1 year to 5 years	52,778,817
more than 5 years	46,082,477

23. **Contingencies**

The Company, in its normal course of business, is involved in legal cases and claims. Based on management's assessment, the Company will be able to defend its position on these cases and that the ultimate outcome will not have a significant impact on the parent company financial statements. Accordingly, no provision has been recognized for these contingencies.

24. **Supplementary Information Required Under Revenue Regulations No. 15-2010**

On November 25, 2010, the BIR issued Revenue Regulations No. 15-2010 which prescribes additional procedural and/or documentary requirements in connection with the preparation and submission of financial statements accompanying the tax returns.

The following information are the required disclosures set by Revenue Regulations No. 15-2010 as of and for the year ended December 31, 2025:

a. The Company is a VAT-registered company with VAT output tax declaration of ₱16,537,975 for the year ended December 31, 2025, based on the service fees collections totaling ₱137,816,457 for the same period.

   The Company has no zero-rated/exempt sales for the years 2025 pursuant to the provisions of any law/regulations.

b. The amount of VAT input taxes claimed are broken down as follows:

Beginning of the year	₱–
Current year purchases:	
Services	16,524,304
Goods other than capital goods	1,101,620
Capital goods exceeding 1 million	4,406,481
Applied against VAT payable on VAT revenue collected during the year	22,032,405
	₱–

c. The Company has no importations in 2025.

d. The Company is not subject to excise taxes in 2025.

e. The details of paid and accrued taxes and licenses account in 2025 are as follows:

Documentary stamp tax	₱5,290,092
Business permit	482,121
CTC	10,500
Others	110,278
	₱5,892,991

The Company also paid fringe benefit taxes amounting to ₱642,542.

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

Tax on compensation and benefits	₱36,305,285
Expanded withholding taxes	15,418,505
	₱51,723,790

Outstanding amount of withholding taxes payable on wages and expanded amounted to ₱9,694,153.

g. The Company has no deficiency tax assessments as of December 31, 2025.

h. The Company has no tax cases, litigation and/or prosecution in courts or bodies outside the BIR.

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Building a better working world

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**INDEPENDENT AUDITOR'S REPORT
ON SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION**

The Stockholders and the Board of Directors
MacroAsia Corporation
7th Floor, Ricogen Building
112 Aguirre Street
Legazpi Village, Makati City

We have audited, in accordance with Philippine Standards on Auditing, the parent company financial statements of MacroAsia Corporation as at and for the years ended December 31, 2024 and 2023 and have issued our report thereon dated March 26, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. The schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Kristopher S. Catalan
Partner
CPA Certificate No. 109712
Tax Identification No. 233-299-245
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 109712-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-109-2023, October 26, 2023, valid until October 25, 2026
PTR No. 10765025, January 2, 2026, Makati City

March 26, 2026

MACROASIA CORPORATION

SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2025

Unappropriated Retained Earnings, December 31, 2024		₱3,420,914,071
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of retained earnings appropriation/s	850,000,000	
Effect of restatements or prior-period adjustments	–	
Others	–	
Sub-total		850,000,000
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(208,005,416)	
Retained earnings appropriated during the reporting period	(2,830,000,000)	
Effect of restatements or prior-period adjustments	–	
Others	–	
Sub-total		(3,038,005,416)
Unappropriated Retained Earnings, as adjusted		1,232,908,655
Add: Net income for the current year		265,023,340
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(489,386)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Unrealized fair value gain of investment property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		(489,386)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Realized fair value gain of investment property	–	
Fair value adjustment arising from repossessed inventories	–	
Sub-total		–

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	
Reversal of previously recorded fair value adjustment (mark-to market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Reversal of previously recorded fair value gain of investment property	–	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	–	
Sub-total		–
Adjusted Net Income		264,533,954
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Sub-total		–
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief		
Total amount of reporting relief granted during the year	–	
Others	–	
Sub-total		–
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	–	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	179,954	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
Others	–	
Sub-total		179,954
Total Retained Earnings available for dividend declaration, December 31, 2025		₱1,497,622,563