

COVER SHEET

A S O 9 5 0 0 2 2 8 3

SEC Registration Number

D M C I H O L D I N G S , I N C .

(Company's Full Name)

3 R D F L R . D A C O N B L D G .

2 2 8 1 C H I N O R O C E S A V E .

M A K A T I C I T Y

(Business Address: No., Street City / Town / Province)

HERBERT M. CONSUNJI

Contact Person

(632) 8888-3000

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC Form 17-A

FORM TYPE

0 5

Month

1 2

Day

Annual Meeting

N.A.

Secondary License Type, If Applicable

C F D

Dept Requiring this Doc

Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

Document ID

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended December 31, 2025
2. SEC Identification Number ASO95-002283 3. BIR Tax Identification No. 004-703-376
4. Exact name of issuer as specified in its charter DMCI Holdings, Inc.
5. Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 3rd Floor, Dacon Building, 2281 Chino Roces Avenue, Makati City 1231
Address of principal office Postal Code
8. Tel. (632) 8888-3000 Fax: None
Issuer's telephone number, including area code
9. Not applicable
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>No. of Shares Outstanding</u>	<u>Amount</u>
Common Shares	13,277,470,000	Php13,277,470,000.00
Preferred Shares Class A	960	960.00
Preferred Shares Class B	10,000,000	10,000,000.00
TOTAL	13,287,470,960	Php13,287,470,960.00

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

Yes [X] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange

Common Shares & Preferred Shares Class A

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [X] No []

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

Yes [X] No []

13. **Php36,258,187,373.10**

The aggregate market value of the voting stock held by non-affiliates of the registrant

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

14. Not applicable

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

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) Audited Financial Statements as of December 31, 2025 (Part II C)
- (b) Exhibits and Schedules (Part V)

DMCI HOLDINGS, INC.
ANNUAL REPORT ENDING DECEMBER 31, 2025

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ATTACHMENTS**Statement of Management's Responsibility****Consolidated Audited Financial Statements**

Independent Auditors' Report

Consolidated Statements for Financial Position

Consolidated Statements of Comprehensive Income

Consolidated Statements of Changes in Equity

Consolidated Statements of Cash Flows

Notes to Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

Schedules required by Annex 68-J

Reconciliation of Retained Earnings Available for Dividend Declaration (Annex 68-D)

Statement of Financial Soundness Indicators (Annex 68-E)

Map of the relationships of the companies within the group

SPECIAL FORM FOR FINANCIAL STATEMENTS

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS DESCRIPTION

DMCI Holdings, Inc. (the “Company”) was incorporated on March 8, 1995 as a holding company to extract greater value from the engineering expertise and construction resources of D.M. Consunji, Inc., the pioneering contractor behind some of the biggest and most complex infrastructures in the Philippines. It was listed on the Philippine Stock Exchange on December 18, 1995.

In only a few years after incorporation, the Company has expanded its business organization to include five major subsidiaries, namely: **D.M. Consunji, Inc., DMCI Project Developers, Inc., Semirara Mining and Power Corporation, DMCI Power Corporation** and **DMCI Mining Corporation**. In addition, the Company has an indirect ownership in Maynilad Water Services, Inc. through a 27 percent stake in **Maynilad Water Holding Company, Inc.**, which owns 93 percent of the water concessionaire.

D. M. Consunji, Inc. (DMCI), a wholly owned subsidiary, is engaged in general construction services. It is also engaged in various construction component businesses such as the production and trading of concrete products and electrical and foundation works. Incorporated and founded in 1954, DMCI is currently one of the leading engineering and construction firms in the country. It operates in four key construction segments: building, energy, infrastructure, and utilities. Over the years, its pioneering methodologies and expertise have allowed it to complete high-rise buildings, toll roads, bridges, power plants and water facilities of varying scale and complexity. DMCI is at the forefront of building important and technically challenging structures that will improve lives, sustain communities and enable growth in the Philippines.

DMCI Project Developers, Inc. (PDI), a wholly owned subsidiary incorporated in 1995 initially as a housing division under DMCI. Subsequently in 1999, DMCI Homes was spun off to address the surge in demand for urban homes. Since then, the Company has made high-quality living available to average Filipino families through its innovative designs, proprietary technologies and cost-efficient methodologies. Its core products include residential condominium units with resort-inspired amenities in mid-rise and high-rise developments in Metro Manila and other key areas in Luzon, as well as in Cebu and Davao City.

Semirara Mining and Power Corporation (SMPC), was established in 1980 and is engaged in the exploration, mining, development and sales of coal resources on Semirara Island in Caluya, Antique. It is the largest coal producer in the country. In 1997, the Company purchased 40% interest in SMPC. Currently, SMPC is 56.65% owned by the Company. SMPC has two wholly owned operating subsidiaries, Sem-Calaca Power Corporation (2x300 MW) and Southwest Luzon Power Generation Corporation (2x150 MW). The two companies provide baseload power through bilateral contracts with distribution utilities. Excess generation is sold to the Wholesale Electricity Spot Market (WESM).

DMCI Power Corporation (DPC) is a wholly-owned subsidiary of the Company incorporated in 2006 and is engaged in the business of a generation company which designs, constructs, invest in, and operate power plants. DPC provides off-grid power to missionary areas through long-term power supply agreements with local electric cooperatives. It currently operates and maintains thermal power plant, bunker-fired power plants and diesel generating sets in parts of Masbate, Oriental Mindoro and Palawan.

DMCI Mining Corporation (DMC) incorporated in 2007 to engage in ore and mineral mining and exploration. It has two nickel mining assets, namely Berong Nickel Corp (BNC) and Zambales Diversified Metals Corp (ZDMC). The former is located in Berong, Long Point, Moorsom and Ulugan, all in the province of Palawan, while the latter is located in Acoje, Zambales. Both mining companies use open pit technique to extract nickel, chromite and iron laterite.

Maynilad Water Holding Company, Inc. (Maynilad) (formerly *DMCI-MPIC Water Co.*) is a consortium with Metro Pacific Investments Corporation and Marubeni Philippines Corp. which owns 67% equity at Maynilad Water Services, Inc. (MWSI). The Company's economic interest in MWSI decreased to 18% from 25%, after MWSI's successful IPO in November 2025.

Concreat Asian South East Corporation (CASEC). On April 25, 2025, the Parent Company, Semirara Mining and Power Corporation (SMPC) and Dacon Corporation entered into a share purchase agreement with Cemex Asia B.V. (Cemex) for the sale and purchase of its 100% interest in Concreat Asian South East Corporation (formerly Cemex Asian

South East Corporation; CASEC), equivalent to a total of 42,140,266 shares. CASEC owns 89.86% of Concreat Holdings Philippines, Inc. (formerly Cemex Holdings Philippines, Inc.; CHP), a cement company listed in the Philippine Stock Exchange under the ticker name, CHP. The Parent Company acquired 56.75% or 23,914,601 shares of CASEC.

The lists of subsidiaries, associates and joint venture as well as the information of each operating segment of the Company are contained in the attached Consolidated Financial Statements as of December 31, 2025.

Any bankruptcy, receivership or similar proceeding

There has been no other business development such as bankruptcy, receivership or similar proceeding that affected the registrant for the past three years.

Material reclassification, merger, consolidation, or purchase or sale of a significant amount of asset not in the ordinary course of business

There has been no material reclassification, merger, consolidation or purchase or sale of a significant amount of asset that is not in the ordinary course of business for the past three years.

Business of Issuer

Principal products or services and their markets

The Company is a publicly-listed firm with subsidiaries or affiliates engaged in construction, real estate, coal mining, nickel mining, power generation, and water distribution businesses. Its revenues and net income are being generated and consolidated from its subsidiaries.

Percentage of sales or revenues and net income contributed by foreign sales

Except for coal and nickel segments, revenues of the Group were primarily derived from sales within the Philippines. Excluding sales from its own power plant, export sales from coal segment accounted for 60%, 66% and 63% of coal sales in 2025, 2024 and 2023, respectively. For nickel segment, 100% are export sales.

Distribution methods of the products or services

This is not applicable to the Parent Company being a holding company. For the operating companies, the following are the distribution methods of products and services: DMCI pursue construction projects both from government and private investors. DMCI closely works with the project owners, concerned government agencies, qualified subcontractors and service providers in delivering quality service. Meanwhile, PDI has its own in-house sales team and external brokers in marketing its residential products to its customers. Marketing policy of SMPC is to sell directly to ultimate consumers for local sales on FOB basis. Export sales are distributed through coal traders, also on FOB basis. For nickel mining, DMC sells directly to the customers. All nickel sales are on FOB basis. The Company's power segments have power supply agreements to private distribution utilities, various cooperatives and other customers. CHP's distribution infrastructure includes marine distribution terminals and land distribution centers and warehouses located in Southern Luzon and Visayas. Cement is distributed to customers via this infrastructure. Meanwhile, Water is distributed through Maynilad's network of pipelines, pumping stations and mini-boosters.

Status of any publicly-announced new product or service

There has been no new product or services aside from the existing products or services offered by the operating subsidiaries of the Company.

Competition

Among the publicly listed companies, DMCI Holdings, Inc. is the only holding company which has construction for its primary investment. Its construction operations are carried out through its wholly-owned subsidiary, D.M. Consunji, Inc. (DMCI), which competes with numerous local and international contractors in the Philippines. To enhance resource efficiency and profitability, DMCI focuses on markets with sustained demand, particularly in complex building structures and civil works, while continuously strengthening its order book through a combination of competitive bidding and negotiated contracts.

The Group's coal mining segment is the largest coal producer in the Philippines, facing competition mainly from imported coal. In real estate, DMCI Project Developers, Inc. (PDI) is a leading mid-market developer, strategically positioned to serve end-user demand by offering competitively priced developments relative to its peers. DMCI Power Corporation (DPC) remains the country's largest off-grid energy supplier, while DMCI Mining Corporation (DMC) continues to expand its presence as an emerging nickel producer.

CHP is among the leading cement manufacturers in the country, and MWSI remains the largest provider of water and wastewater services in the Philippines.

Sources and availability of raw materials and the names of principal suppliers

Not applicable to DMCI Holdings, Inc. For DMCI and PDI, it has its own pool of equipment and construction materials supplies. Meanwhile, SMPC and DMC sources its ore from its mining properties under appropriate rights granted by law or the Government of the Philippines.

Dependence on single customer or a few customers

DMCI Holdings has successfully diversified into various business segments and market base. Total revenue consists of the following: coal (25%), on-grid power (21%), construction (16%), cement (14%), real estate (12%), off-grid power (7%) and nickel (4%). The subsidiaries have various customers in terms of location, profile and target market such that the loss of a few customers would not have a material adverse effect on DMCI Holdings and its subsidiaries taken as a whole.

Transactions with and/or dependence on related parties

All transactions with related companies are done on market terms and arm's length basis. See Note 21 (Related Party Disclosures) of the Notes to the Consolidated Financial Statements.

Patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements held

Not applicable to DMCI Holdings, Inc. For DMCI, it is and remains a quadruple-A ("AAAA") licensed contractor, given by the Philippine Construction Accreditation Board (PCAB), in consideration of certain minimum requirements such as: (1) financial capacity; (2) equipment capacity; (3) experience of firm; and (4) experience of technical personnel. The Quadruple A license is currently the highest given to firms that satisfy the institution's requirements and allows the AAAA builder-developer to qualify to be invited to foreign bids. PDI is also recognized as a Quadruple A contractor by PCAB on January 2017. It is the first real estate firm to be recognized as such. Meanwhile, SMPC has existing royalty agreements with the Department of Energy (DOE) and land claimants. SMPC is in full compliance with its existing royalty agreements as of December 31, 2025.

CHP, through its principal operating subsidiaries, APO and Solid, acquired certain trademarks associated with their respective businesses. These trademarks include among, others, "APO Cement", "Rizal" and "Island".

Need for any government approval of principal products or services

Not applicable to DMCI Holdings, Inc. The operating subsidiaries and affiliate comply with all existing and applicable requirements to secure government approvals on its products/services.

Effect of existing or probable governmental regulations to the business

Not applicable to DMCI Holdings, Inc. but only to its operating subsidiaries and affiliate. The operating subsidiaries and affiliate comply with all existing and applicable government regulations and secure all government approvals for its registered activities. For DMCI and PDI, it is required under Philippine laws to secure construction permits and environmental clearances from appropriate government agencies prior to actually undertaking each project. Meanwhile, SMPC and DMC are required under Philippine laws to secure mining and exploration permits, as well as environmental clearances from appropriate government agencies for its continuing operations. The power businesses under SMPC and DPC, on the other hand, is required to comply with the provisions of the Electric Power Industry Reform Act (EPIRA) that was passed in June 2001. For Maynilad, any tariff rate adjustments require the approval of the Metropolitan Waterworks and Sewerage System (MWSS) and regulatory office.

Estimate of amount spent for research and development activities

Research and development activities of DMCI Holdings, Inc. and its subsidiaries are done on a per project basis. DMCI Holdings, Inc. and its subsidiaries do not allocate fixed percentages or specific amounts as the costs of research and development varies depending on the nature of the project.

Costs and effects of compliance with environmental laws

Not directly applicable to DMCI Holdings, Inc., but only to its operating subsidiaries. Costs vary depending on the size and nature of a construction project for the construction and real estate businesses. SMPC and DMC must comply with the environmental standards in accordance to their respective Environmental Compliance Certificate (ECC). Meanwhile, the power businesses are required to be compliant with certain environmental laws such as the Clean Air Act (RA 9275). For Maynilad, wastewater facilities are required to be maintained in compliance with environmental standards set primarily by the Department of Environment and Natural Resources (DENR) regarding effluent quality. DMCI Holdings, Inc. and its subsidiaries has made continuous efforts to meet and exceed all statutory and regulatory standards.

Total Number of Employees

The total number of full-time employees of the Company is twelve (12) who are neither unionized nor covered by special incentive arrangements.

Major Risks

Risk management is entrenched in the decision-making process of the Company and its subsidiaries. We continually monitor and assess our risk areas and develop strategies and action plans to better manage them.

The Company identified three key risk management areas.

1. Key people movement

With a number of senior executives set to retire from key positions in the next few years, developing a clear succession plan and roadmap is key to sustaining the operations and growth of the organization.

The Company is now developing a pool of potential successors, from which future leaders and senior managers will be drawn.

Mentoring and talent development is also being intensified to prepare the next batch of professionals to assume greater responsibilities in the organization.

2. Portfolio management

Financial stability of the holding company

Our primary responsibility is to deliver value to our shareholders by ensuring the financial stability of the Company. We continue to maintain a strong balance sheet that will provide support for growth and cushion for economic uncertainties.

Our cash flows are dependent on the ability of our subsidiaries and affiliate to pay dividends. These are used to pay dividends to our shareholders and to fund new investments.

The senior management of the holding company participates in the strategic planning process of the subsidiaries and affiliates to align their strategic goals and actions with the holding company, to unlock synergies within the Group and to ensure that their capital allocation decisions will allow the holding company to deliver on its dividend commitment.

Entering into new or allied investments

We recognize that identifying and pursuing strategic business opportunities as they arise is critical for the creation of long-term value for the holding company.

A gating process is established wherein all new business opportunities are evaluated based on highly selective criteria identified by the Board and senior management. This is conducted to minimize the time and resources of evaluating potential investments that may not be pursued eventually.

In making investment decisions, Management considers investments in industries that will leverage the Company's engineering and management expertise and construction resources, along with the risk adjusted returns of the potential investments and specific measures to manage these identified risks.

Upon the Board's decision to pursue the investment, a technical working group is established to perform due diligence covering the financial, operational, regulatory and risk management of the investment. Once the holding company has invested, a post implementation review is performed to evaluate if project objectives are met and to identify improvements for mitigating future risks.

3. Regulatory and compliance risk

The Group operates in highly regulated, contract-based industries. Compliance with applicable laws, regulations, contractual obligations and stakeholder covenants is key to sustaining its businesses.

To manage our compliance risks, we have dedicated compliance and regulatory teams in our operating subsidiaries that coordinate with the different business units to ensure conformity to applicable laws and regulations and ISO standards. They also monitor emerging laws and regulations affecting the industries.

ITEM 2. PROPERTIES

The Company and its subsidiaries own and lease several tracts of land for operations and for administrative/office use. The leases are renewable under such terms and conditions that are agreed upon by the contracting parties. Rental rates are based on prevailing market rental rates for the said properties. Please refer to Note 31 of the accompanying Notes to the Consolidated Financial Statements for further details on lease agreements.

The Company and its subsidiaries also invested in equipment used especially in its construction, real estate, mining and power businesses.

All properties and equipment are free of any liens and encumbrances except for some equipment used as collateral for existing loans of the subsidiaries for which they are in full compliant with (see Notes 11, 13 and 17 of the accompanying Notes to the Consolidated Financial Statements for further details).

SEMIRARA MINING AND POWER CORPORATION

Property

Coal segment

The mine site located in Semirara Island, Caluya, Antique, is part of the coal mining reservation under Proclamation No. 649 issued by then President Manuel L. Quezon on November 20, 1940. Certain areas in the mine site are leased with rental payments of Php5.15 million for 2022. The infrastructures and road network, office administration buildings, and power plants, are some of the improvements made by the Company on the leased area, as well as the following:

	Units		Units
a. Building/Offices			
Administration Building	1	MS1 Building	1
Analab Building	1	MS2 Building	1
Civil Works Office & Warehouse	1	MS11 Building	1
Coal Power Plant 2 x 7.5MW	1	MS4 Building	1
Coal Power Plant 1 x 15MW	1	MS5 Building	1
Coal Silo	4	MS7 Building	1

		Units			Units
a. Building/Offices					
	Core House	1		MS8 Building	1
	Refo Office	1		MS9 Building	1
	Genset Shed at CPP	1		MS10 Building	1
	IMS Office & Library	1		Oxygen/Acetylene Building	2
	Lime Plant	1		Molave Pit Offices	1
	Magazine Building	3		Molave Pit shop	1
	Main Workshop	1		Narra Pit Offices	1
	Warehouse	1		Product Offices	2
	Coal Shed at Product	1		RMO Office	1
	HRD Building	1		Sandblasting & Painting	3
	Diesel Power Plant	1		Shipping Mayflower Office	1
	Roller and Belt Repair Shop	1		Shipping Shipyard Office	1
	Motorpool MWS	1		Tire Shop at MWS	1
b. Housing					
	Altar Boys Quarter	1		Lebak Housing	163
				Molave Housing (Phase 1-4)	1,004
	Group Staff House	7		Pinatubo Housing	52
	Phase 7 Housing	153			
	Kalamansig Housing	100		Waffle Crete Building	2
	Laborer's Clusters 1-8	239		Whitehouse Housing Units	7
	Bunlao Phase 5 & 6 Housing	200		Tabunan Staff House	3
c. Others					
	Commuter Terminal	1		Messhall at Waffle Crete	1
	Covered Tennis Court	1		Mix Commercial Building	3
	Gantry at mayflower	1		Multi-Purpose Gym	3
	Gantry at MWS	1		Multi-Purpose Hall	4
	Grotto	1		Evacuation/Covered Court	5
	Hangar	4		ONB ATM Machine Building	1
	Material Recovery Facility	1		Oval at Pinagpala Area	1
	Messhall 1	1		Indoor Swimming Pool at Pinagpala	1
	Messhall at Cluster 5	1		Pall Water Filtration Plant	1
	Messhall at Cluster 7	1		Pottery Building	0
	Semirara Plaza	1		Semirara Biodiversity Center	1
	5k Slipway	1		Semirara Airstrip	1
	SMC Infirmary	1		Wind Breaker	1
	Tabunan hatchery & Laboratory	1		K2 Overpass Bridge	1
	Desalination Plant	1		Fuel Depot (60M liters capacity)	1

Power Segment

SCPC

1.	45.62 ha of land in Calaca, Batangas	Units
2.	2x300 MW CFB with its major components and accessories	
3.	Other structures:	
	• Harbour/Unloading Facilities	1
	• Site Grading and Access Roads	1
	• Ash Disposal Yard	1
	• Coal Storage Yard and Facilities	1
	• Diesel Station	1
	• Perimeter Fence and Gate	1
	• Perimeter Lighting	1
4.	Buildings/offices:	
	• Office Buildings	4
	• Coal handling control room and Fuel laboratory	1
	• Maintenance Shop and Office	1
	• Carpentry and Motor Pool Building	1
	• Training Center and Office	1
	• Messhall	1
	• Warehouse	3
	• Chapel	1
	• Guesthouse/Dormitories	5

SLPGC

1.	30.02 ha of land in Calaca, Batangas	
2.	2x150 MW CFB with its major components and accessories	
3.	Other structures:	
	• Coal Yard	2
	• Road Networks	1
	• SemCal Bridge	1
	• Perimeter Lighting	1
4.	Buildings/offices:	
	• Administration Building	1
	• Warehouse	1
	• Maintenance Workshop Building	1

D.M. CONSUNJI, INC.

The following are the properties and equipment owned by the Company:

Asset Category	Count
SHOP EQUIPMENT	260
POWER GENERATING EQUIPMENT	255
LIFTING EQUIPMENT	227
HAULING EQUIPMENT	170
CONCRETING EQUIPMENT	161
SERVICE VEHICLE	149
EXCAVATION EQUIPMENT	105
SPECIAL SUPPORT EQUIPMENT	93

Asset Category	Count
AIR EQUIPMENT	60
EARTHMOVING EQUIPMENT	56
PILE DRIVING EQUIPMENT	39
COMPACTION EQUIPMENT	25
PUMPING EQUIPMENT	6
OTHER MISCELLANEOUS EQUIPMENT	3
TRACKWORK EQUIPMENT	1
LAND	1
TOTAL	1611

DMCI POWER

DMCI Power and its subsidiary owns the following power plant:

LOCATION (PALAWAN)	TECHNOLOGY	RATED CAPACITY (MW)
Owned Units/Genset:		
Narra	Thermal	15.00
Aborlan Old Units	Bunker	9.90
Aborlan New Units (Expansion)	Bunker	17.652
Irawan (Cummins Unit)	Diesel	12.00
Irawan (Caterpillar Unit)	Diesel	3.75
Total Owned Units:		58.30
UPR Rental Units/Genset:		
Irawan	Diesel	5.00
Quezon	Diesel	3.00
Riotuba	Diesel	2.40
Total UPR Rental Units		10.40
Total Owned + Rental Units		68.70

DMCI PROJECT DEVELOPERS, INC.

Location	Sum of Land Area (has.)
Cavite	20.05
Laguna	25.69
Rizal	1.78
Bulacan	11.09
Pampanga	12.48
Davao City	3.39
Cebu City	1.05
Iloilo City	0.86
Quezon City	2.77
Taguig City	88.23

Location	Sum of Land Area (has.)
Las Piñas	3.10
Valenzuela City	16.39
Pasig City	1.01

Classification	Property Description
EQUIPMENT	Office equipment Communication equipment Furniture and fixtures Transportation equipment Machinery & other construction equipment Software Mock-up assets Tools & equipment

DMCI MINING CORPORATION

All properties and equipment are owned by its operating subsidiaries, namely Berong Nickel Corporation, Zambales Diversified Metals Corp. and Zambales Chromite Mining Co. Inc.

DMCI MINING (NICKEL GROUP)

PROPERTIES & EQUIPMENT

Land Properties	2
Facilities & Structures	45
Machinery Equipment	58
Potable Water System	24
Mining Equipment	160
Exploration Equipment	76
Radio & Comm. Equipment	71
Transportation Equipment	37
Laboratory Equipment	34
Safety Equipment	105
	610

CONCREAT HOLDINGS PHILIPPINES, INC.

(1) The Company's properties consist primarily of plant, building structures or facilities and equipment. A majority of the Company's properties are located in Naga City, Cebu; and Antipolo City, Rizal.

APO Cement's cement production plant is located in Naga City, Cebu and currently has three grinding lines and has a rated annual capacity of 3.8 million tonnes of cement.

Solid Cement's cement production plant is located in Antipolo City, Rizal and currently has four grinding lines and a rated annual capacity of 3.4 million tonnes of cement.

In October 2018, the principal agreements for the Solid New Line Project (i.e., procurement, construction and installation of a 1.5 million metric tons per year new integrated cement production line) were entered into with CBMI Construction Co., Ltd. On February 1, 2019, the Board of Investments of the Philippines ("BOI") duly registered Solid Cement as a New Producer of Cement on a Pioneer Status but with Non-Pioneer Incentives for the Solid New Line Project. The incentives granted to this registered project include, among others, (1) a 4-year income-tax holiday period commencing from

December 2020 or actual start of commercial operations (whichever is earlier) and (2) importation *at zero duty* of capital equipment, spare parts and accessories directly needed and exclusively used in the operations of the registered project. The income qualified for income-tax holiday shall be limited to the income directly attributable to the eligible revenue generated from this registered project. In a letter dated February 15, 2021 of the BOI approving Solid Cement’s request for an amendment of the timetable for the registered project, the start of commercial operations of the registered project was moved from “December 2020” to “January 2022”.

On December 7, 2021, Solid Cement issued its *Notice of Termination of the Construction Contract* due to the delay in the implementation of construction and installation works. Solid Cement has taken measures to address contingencies which have arisen due to this termination. During the first quarter of 2022, Solid Cement engaged other principal contractors to continue the construction and installation of the Solid New Line Project.

In a letter dated May 13, 2022, the BOI approved Solid Cement’s request for an amendment of the timetable for the registered project and revised the start of commercial operations of the project to “April 2024”. Accordingly, the 4-year income tax holiday period granted by the BOI to Solid Cement shall be reckoned from April 2024 or actual start of commercial operations, whichever is earlier.

On June 24, 2025, the BOI approved the transfer of Solid Cement’s registration under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act. The updated tax incentives granted to the Solid New Line Project include, among others, (1) Income Tax Holiday (ITH) for five years, (2) Enhanced Deduction Regime for 5 years; after ITH, and (3) Duty Exemption for twelve years. The availment of these tax incentives commenced in March 2025.

The commissioning of the main electrical substation and limestone crusher system for the new line were completed in 2023. In addition, the commissioning of the raw meal production system was completed during the second quarter of 2024. By the end of 2024, the coal mill, kiln, cement mill and packhouse were undergoing commissioning.

The Solid New Line Project was completed in April 2025.

(2) The following sets forth certain information concerning the land leased by the Company from APO Land & Quarry Corporation (“ALQC”) and Island Quarry and Aggregates Corporation (“IQAC”) for the Company’s cement plants as of December 31, 2025:

Under the lease agreements of APO Cement and Solid Cement with ALQC and IQAC, respectively, each of APO Cement and Solid Cement as lessee uses the leased premises for its various business activities including the manufacture of cement and other cement products as well as the temporary storage and distribution of its products and raw materials. The term of the lease agreements is 25 years, effective from January 1, 2016, and extendable for another 25 years, unless the lessee opts not to renew.

The lease between Solid Cement and IQAC (“IQAC Lease”) currently covers an approximate aggregate area of 635,013 square meters, while the lease between APO Cement and ALQC (“ALQC Lease”) covers an approximate aggregate area of 453,884 square meters. The initial annual rental payments for the first two years under the IQAC Lease and the ALQC Lease amounted to ₱28.8 million and ₱58.2 million, respectively. For every two-year period thereafter, the annual rental fee will be reviewed and adjusted if necessary to ensure that the rental fee reflects market conditions. For the year 2025, the annual rental payment due under the IQAC Lease amounted to ₱38 million, while the annual rental payment due under the ALQC Lease amounted to around ₱64 million.

(3) The table below summarizes fixed assets and right-of-use assets portfolio of the Company as of December 31, 2025:

	Amount (₱) (In Thousand Philippine Pesos)
Buildings and improvements	6,899,867
Machinery and equipment	33,643,745

Construction in progress	789,618
Sub-total	41,333,230
Less: Accumulated depreciation, depletion, amortization and allowance for impairment loss	(14,356,609)
Total	26,976,621

- (4) The Company's properties are not mortgaged.

ITEM 3. LEGAL PROCEEDINGS

None of the directors and officers was involved in the past five (5) years in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in an action by any court or administrative body to have violated a securities or commodities law.

Except for the following, none of the directors, executive officers and nominees for election is subject to any pending material legal proceedings as of the date of this information statement.

(1) **Pp. vs. Consunji, et. al., Criminal Case No. Q-02-114052, RTC-QC, Branch 78.** - A complaint for violation of Article 315(2)(a) of the Revised Penal Code, as qualified by Presidential Decree No. 1689 was filed in RTC-QC Branch 78 as Criminal Case No. Q-02-114052 pursuant to a resolution of the Quezon City Prosecutor dated December 3, 2002 in I.S. No. 02-7259 finding probable cause against the directors and officers of Universal Leisure Club (ULC) and its parent company, Universal Rightfield Property Holdings, Inc., including Isidro A. Consunji as former Chairman, Cesar A. Buenaventura and Ma. Edwina C. Laperal as former directors of ULC. Complainants claim to have been induced to buy ULC shares of stock on the representation that ULC shall develop a project known as "a network of 5 world clubs."

The case was re-raffled to RTC-QC Branch 85 (the "Court"). On January 10, 2003 respondents filed their Motion for Reconsideration on the resolution dated December 3, 2002 recommending the filing of the complaint in court, which was granted on August 18, 2003. Accordingly, a Motion to Withdraw Information was filed in Court. On September 11, 2003, complainants' sought reconsideration of the resolution withdrawing the information, but was denied by the City Prosecutor. By reason of the denial, Complainants' filed a Petition for Review with the Department of Justice (DOJ) on August 26, 2005.

Meanwhile, the Court granted the withdrawal of information on June 6, 2005. Complainants filed a Motion for Reconsideration and Urgent Motion for Inhibition, but were both denied by the Court in its Omnibus Order dated November 29, 2005. Thereafter, a Notice of Appeal was filed by the complainants, but was ordered stricken out from records by the Court for being unauthorized and declaring the Omnibus Order final and executory in its Order dated February 22, 2007. The Petition for Review, however, filed by the Complainants with the DOJ on August 26, 2005 is pending to date.

(2) **Rodolfo V. Cruz, et. al. vs. Isidro A. Consunji, et. al., I.S. Nos. 03-57411-I, 03-57412-I, 03-57413-I, 03-57414-I, 03-57415-I, 03-57446-I and 03-57447-I, Department of Justice, National Prosecution Service.** - These consolidated cases arose out of the same events in the immediately above-mentioned case, which is likewise pending before the DOJ.

In its 1st Indorsement dated December 9, 2003, the City Prosecutor for Mandaluyong City, acting on a motion for inhibition filed by complainants, through counsel, recommended that further proceedings be conducted by the DOJ. In an order dated February 3, 2004, the DOJ designated State Prosecutor Geronimo Sy to conduct the preliminary investigation of this case. The last pleading filed is a notice of change of address dated June 27, 2008 filed by complainants' counsel. This case remains pending to date.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to vote of the security holders during the fourth quarter of the fiscal year covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

(1) Market Information

Both common and preferred shares of DMCI Holdings, Inc. are traded on the Philippine Stock Exchange.

The high and low sales prices of the Company's equity at the Philippine Stock Exchange for each quarter of the last two fiscal years and the first quarter of 2026 are set forth below.

Common Share Prices

		High	Low
2023	First Quarter	13.06	10.50
	Second Quarter	9.47	9.34
	Third Quarter	10.68	10.42
	Fourth Quarter	9.84	9.65
2024	First Quarter	12.16	11.36
	Second Quarter	11.38	11.14
	Third Quarter	11.74	11.32
	Fourth Quarter	10.82	10.64
2025	First Quarter	11.48	11.24
	Second Quarter	11.60	10.26
	Third Quarter	11.62	10.00
	Fourth Quarter	11.62	9.86
2026	First Quarter	11.16	8.07

Preferred Share Prices

		High	Low
2023	First Quarter	-	-
	Second Quarter	-	-
	Third Quarter	-	-
	Fourth Quarter	-	-
2024	First Quarter	-	-
	Second Quarter	-	-
	Third Quarter	-	-
	Fourth Quarter	-	-

		High	Low
2025	First Quarter	-	-
	Second Quarter	-	-
	Third Quarter	-	-
	Fourth Quarter	-	-
2026	First Quarter	-	-

If the information called for by the aforementioned paragraph is being presented in a registration statement relating to a class of common equity for which at the time of filing there is no established public trading market in the Philippines, indicate the amounts of common equity – **Not applicable**

(2) Holders

(a) Set forth the approximate number of holders of each class of common equity of the registrant as of the latest practicable date but in no event more than ninety (90) days prior to filing the registration statement. Include the names of the top twenty (20) shareholders of each class and the number of shares held and the percentage of total shares outstanding held by each.

Number of Shareholders: As of March 31, 2026, the Company had a total of 783 shareholders of which 772 were holders of common shares and 11 were holders of preferred shares.

Common Shares: 13,277,470,000 - Of the total outstanding common shares, 657,694,212 common shares representing 4.95% of the outstanding common shares are owned by foreign shareholders as of March 31, 2026.

Title of Class	Name	Citizenship	Number of Shares Held	Percent of Class
Common	DACON Corporation	Filipino	6,638,822,915	50.00%
Common	Philippine Central Depository, Inc. (PCD)	Filipino	2,818,380,360	21.23%
Common	DFC Holdings, Inc.	Filipino	2,379,799,910	17.92%
Common	Philippine Central Depository, Inc. (PCD)	Foreigner	638,839,899	4.81%

Top 20 Common Shareholders: The list of the Top 20 common shareholders as of March 31, 2026 as contained in Exhibit (2) is herein incorporated by reference.

(3) Dividends

Set forth below are cash dividends declared on each class of its common equity by the Company for the two most recent fiscal years and any subsequent interim period for which financial statements are required to be presented by SRC Rule 68:

- On April 4, 2024 the BOD of the Parent Company declared regular cash dividends amounting to Php 0.46 per common share and special cash dividends of P0.26 per common share or a total of P9,559,778,400.00 out of the unrestricted retained earnings of the Corporation as of March 31, 2024 in favor of the common stockholders of record as of April 22, 2024 and was paid on May 3, 2024.
- On October 16, 2024, the BOD of the Parent Company declared special cash dividends of P0.48 per common share or a total of P6,373,185,600.00 out of the unrestricted retained earnings of the Corporation as of October 15, 2024 in favor of the common stockholders of record as of October 30, 2024 and was paid on November 15, 2024.

- (3) On March 25, 2025, the BOD of the Parent Company declared a regular cash dividends amounting to Php0.35 per outstanding common share and special cash dividends of Php0.25 per outstanding common share or a total of Php7,966,482,000.00 out of the unrestricted earnings of the Corporation as of March 24, 2025, in favor of the common stockholders of record as of April 10, 2025, and was paid on April 24, 2025.
- (4) On October 21, 2025, the BOD of the Parent Company declared special cash dividends of P0.48 per common share or a total of P6,373,185,600.00 out of the unrestricted retained earnings of the Corporation as of October 20, 2025 in favor of the common stockholders of record as of November 5, 2025 and was paid on November 21, 2025.

There are no contractual or other restrictions on the Company's ability to pay dividends. However, the ability of the Company to pay dividends will depend upon the amount of distributions, if any, received from the Company's operating subsidiaries and joint venture investments and the availability of unrestricted retained earnings.

(4) Recent Sales of Unregistered Securities – NONE

INCORPORATED HEREIN ARE THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025 OF DMCI HOLDINGS, INC. ("The Corporation").

II. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There has been no changes or disagreements with certifying accountants.

III. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Full Year 2025 vs Full Year 2024

I. RESULTS OF OPERATIONS

The table below summarizes the performance of DMCI Holdings, Inc. (PSE: DMC), its subsidiaries and associates, collectively referred to as "the DMCI Group", for the periods ended December 31, 2025 and 2024.

- D.M. Consunji, Inc. (DMCI), a wholly-owned subsidiary, is one of the leading engineering-based integrated construction firms in the country. It operates in two construction segments: building and infrastructure. It also has separate business units for joint ventures and allied services (i.e., concrete production, and equipment rental).
- DMCI Project Developers, Inc. (DMCI Homes), a wholly-owned subsidiary, is one of the leading mid-segment developers in the Philippines, offering best-in-class amenities and value-for-money properties in Metro Manila and other key urban areas. The company has also started to expand its portfolio into leisure and the high-end market.
- Semirara Mining and Power Corporation (SMPC), a majority-owned subsidiary (56.65%), is the largest and most modern coal producer in the Philippines. It is a vertically integrated power generation company in the country that runs on its own fuel (coal). Its two wholly-owned operating subsidiaries—Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC)—provide baseload power to the national grid through bilateral contract quantity (BCQ) and the Wholesale Electricity Spot Market (WESM).
- DMCI Power Corporation (DMCI Power), a wholly-owned subsidiary, is the largest off-grid energy supplier in the Philippines. It currently operates and maintains thermal, bunker and diesel power plants in parts of Masbate, Oriental Mindoro and Palawan.
- DMCI Mining Corporation (DMCI Mining), a wholly owned subsidiary, extracts nickel ore through surface mining and ships directly to China and other markets. The company currently operates two mines in Santa Cruz, Zambales, through Zambales Diversified Metals Corporation (ZDMC) and Zambales Chromite Mining Company

(ZCMC), and is actively developing new mining sites in Palawan to expand its operations through Berong Nickel Corporation.

- Maynilad Water Holdings Company, Inc. , a 27%-owned associate, owns 67% of Maynilad Water Services, Inc. (Maynilad). The largest private water service provider in the Philippines, Maynilad holds a 25-year franchise to establish, operate and maintain the waterworks system and sewerage and sanitation services in the West Zone service area of Metro Manila and the Province of Cavite.
- Concreat Asian South East Corporation (CASEC), a 56.75%-owned subsidiary, holds 89.86% of Concreat Holdings Philippines, Inc. (Concreat), a major cement manufacturer in the country. CHP produces high-quality cement under the brands APO, Rizal and Island, including Ordinary Portland Cement (OPC), widely used in large-scale construction projects. The company operates through its wholly owned subsidiaries, APO Cement Corporation and Solid Cement Corporation. Following the acquisition on December 2, 2024, DMC gained an effective 51% economic interest in Concreat.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>in Php millions</i> <i>except EPS</i>	January to December (FY)		
	2025	2024	Change
I. SMPC (56.65%)	7,324	11,013	-33%
II. Maynilad (18.16%)	3,681	3,313	11%
III. DMCI Homes	3,073	2,467	25%
IV. DMCI Power	1,257	1,241	1%
V. DMCI Mining	924	246	276%
VI. D.M. Consunji Inc.	284	247	15%
VII. Parent and others	273	198	38%
VIII. Concreat (50.75%)	(1,947)	50	-3,994%

Core Net Income	14,869	18,775	-21%
Nonrecurring Items	225	201	12%
Reported Net Income	15,094	18,976	-20%
EPS (reported)	1.14	1.43	-20%

FY 2025 vs FY 2024 Consolidated Highlights

- The DMCI Group posted a net income of Php 15.09 billion in 2025, down 20% from Php 18.98 billion in 2024, mainly reflecting normalizing contributions from the integrated energy business and losses from the cement segment during its integration phase.

These were partly offset by stronger contributions from the real estate, construction, water, nickel mining and off-grid power businesses, which benefited from improved operating performance during the year.

Consequently, earnings per share stood at Php 1.14, compared with Php 1.43 last year, equivalent to return on equity of 13%.

- EBITDA decreased by 9%, from Php 39.80 billion to Php 36.12 billion, while EBITDA margin softened to 33% from 39%, mainly due to higher operating costs cushioned by lower government share contribution.

To elaborate:

Total revenues increased by 6%, from Php 102.38 billion to Php 108.65 billion, driven by improved contributions from full year contributions of cement, increased construction accomplishments and real estate revenue recognition and nickel contribution.

Meanwhile, total cash costs rose by 16%, from Php 69.74 billion to Php 81.07 billion, reflecting higher cost of sales and operating expenses. This was partly offset by a significant decline in government share (coal), which fell by 69%, from Php 6.38 billion to Php 1.96 billion, due to lower coal prices and reduced shipments.

The cash component of cost of sales increased by 21%, from Php 52.34 billion to Php 63.39 billion, driven by higher coal production costs, increased fuel and purchased power costs, and higher construction and real estate project costs, as well as the consolidation of cement operations.

Operating expenses grew by 43%, from Php 11.02 billion to Php 15.72 billion, mainly due to higher personnel expenses, repairs and maintenance, marketing costs, and administrative expenses across business units and the consolidation of cement operations.

Equity earnings, including contributions from Maynilad, Subic Water and other joint venture projects, increased by 11%, from Php 3.35 billion to Php 3.71 billion, tempered by the dilution of the Group's effective ownership in Maynilad following its initial public offering in November 2025, which reduced DMCI's indirect stake from 25.26% to 18.16%.

Other income (net) rose by 27%, from Php 3.81 billion to Php 4.82 billion, driven by higher rental and forfeitures income from DMCI Homes, as well as the recognition of a partial insurance claim in the on-grid power segment amounting to Php 256 million.

Depreciation and amortization increased by 23%, from Php 8.93 billion to Php 11.01 billion due to addition of cement, acquisition of new mining equipment, amortization of SMPC's Narra mine stripping asset, new off-grid plant investments and major activities in on-grid power plants.

Net finance costs (finance costs net of finance income) stood at Php 2.14 billion, compared with Php 245 million in the same period last year, largely due to the consolidation of Concreat's finance costs (Php 1.64 billion).

- Income tax expense increased by 15%, from Php 3.12 billion to Php 3.57 billion, reflecting changes in taxable income across operating segments.
- SMPC, Maynilad and DMCI Homes accounted for 95% of the group net income.
- 2025 nonrecurring item mostly pertains to claim settlement involving the company's former investment in a railway project made in 2006 and written off in 2007.
- 2024 nonrecurring item refers gain from land sale (Php 195 million) and Maynilad's net foreign exchange gain (Php 6 million)
- On November 21, 2025, the company declared special dividends of Php 0.48 per share, amounting to Php 6.37 billion, sourced from unrestricted retained earnings.

- Including the Php 0.60 per share regular and special dividends paid in April 2025, total dividends declared for the year reached Php 14.34 billion, equivalent to 76% of 2024 core net income of Php 18.78 billion, well above the company's minimum dividend payout policy of 25%.
- This translated to a dividend yield of 10%, based on the 2025 volume-weighted average share price of Php 10.7993.
- The current ratio declined slightly to 243% from 262%, while the quick ratio eased to 82% from 99%, mainly reflecting the dividend payouts in April and November.
- Total debt decreased by 3%, from Php 68.13 billion to Php 66.31 billion, as loan amortizations at DMCI Homes and SMPC more than offset new borrowings at DMCI Mining, DMCI Power and Concreat.
- The net debt-to-equity ratio stood at 25.0%, compared with 22.6% last year, reflecting the combined impact of lower cash balances—down 15% from Php 34.30 billion to Php 29.08 billion—lower overall debt levels, and a relatively stable equity base (Php 148.45 billion from Php 149.64 billion).

FY 2025 vs FY 2024 Subsidiaries Performance

I. Semirara Mining and Power Corporation (SMPC)

Integrated energy business Semirara Mining and Power Corporation remained the Group's largest contributor with Php 7.32 billion, down 33% from Php 11.01 billion last year, following softer energy prices, reduced shipments and higher production costs. Record coal production, power generation and energy sales helped temper the impact of normalizing prices.

At the standalone level, the SMPC recorded a net income of Php 13.06 billion, a 33% decline from Php 19.63 billion in the same period last year.

Total revenues decreased by 20%, from Php 65.19 billion to Php 52.23 billion, primarily due to lower average selling prices in both the coal and power segments and reduced coal sales volumes. These were partly offset by record-high electricity sales during the period.

Total cash costs amounted to Php 30.56 billion, 18% lower than Php 37.44 billion last year, as disciplined cost management, lower government share, and operating efficiencies helped offset the impact of higher production and generation activities.

Drilling down, the cash component of cost of sales declined by 11% to Php 23.44 billion, from Php 26.26 billion in the prior year, reflecting lower coal shipments and improved generation efficiencies, lower fuel costs in the power segment, which tempered the effect of higher power sales.

Meanwhile, government share dropped by 69%, from Php 6.38 billion to Php 1.96 billion, in line with the decline in coal revenues.

Operating expenses rose by 8%, from P4.81 billion to P5.17 billion, mainly due to higher taxes and insurance premiums, and increased ICT-related expenditures.

As a result, core EBITDA reached Php 21.67 billion, down 22% from Php 27.75 billion in the previous year, with EBITDA margin slightly narrowing to 41%, compared with 43% last year.

Net income margin declined to 25%, from 30%, mainly due to higher depreciation and amortization, the Php 347 million equity in net loss from the cement associate, and lower finance income. No nonrecurring items were recorded during the period.

Coal

At the standalone level, coal revenues declined by 25%, from Php 47.07 billion to Php 35.51 billion, due to weaker selling prices and lower shipment volumes, alongside a higher share of lower-quality coal sold during the year.

Reported net income decreased by 42% to Php 7.93 billion, from Php 13.74 billion previously, reflecting softer topline and higher noncash costs.

After intercompany eliminations, net income attributable to the coal segment likewise fell by 42%, from Php 11.13 billion to Php 6.41 billion. Intercompany eliminations declined by 42%, from Php 2.60 billion to Php 1.52 billion, mainly due to lower coal and electricity selling prices and reduced coal sales, which compressed gross margins.

These eliminating entries represent the gross margins arising from intercompany transactions between the coal and power segments.

Further details on the segment's financial and operational performance below:

- **Normalizing prices.** The average selling price (ASP) of Semirara coal declined by 19%, from Ph2,853/MT to P2,302/MT, reflecting stabilizing global coal benchmarks and a higher proportion of lower-quality shipments.

The average Newcastle Index (NEWC) dropped by 22%, from US\$135.2 to US\$105.6, while the Indonesian Coal Index 4 (ICI4) declined by 15%, from US\$53.9 to US\$46.1, indicating a milder correction relative to NEWC.

Despite the pullback, average 2025 NEWC and ICI4 prices remained well above pre-pandemic (2019) levels, at US\$77.8 (+36%) and US\$35.0 (+32%), respectively.

- **Lower shipments.** Total coal shipments declined by 6%, from 16.5 MMT to 15.4 MMT, due to lower export sales.

Foreign shipments fell by 17%, from 8.4 MMT to 7.0 MMT, mainly due to the low beginning inventory of commercial-grade coal (0.5 MMT as of December 2024) and a mismatch between Narra mine coal quality and demand conditions in the export market.

China accounted for 91% of export sales, followed by South Korea (3%), Brunei (2%), Vietnam (2%), India (1%) and Indonesia (1%).

Meanwhile, domestic shipments increased by 5%, from 8.0 MMT to 8.4 MMT, on higher shipments to the Calaca plants.

- **Margins moderated.** Core EBITDA declined by 27%, from Php 18.54 billion to Php 13.47 billion, reflecting weaker selling prices, lower shipments, and higher operating costs. As a result, EBITDA margin eased to 38% from 39%.

Net income margin declined to 22%, from 29%, primarily due to higher depreciation and lower finance income.

To elaborate, total revenues dropped by 25% on reduced shipments and weaker selling prices. In line with topline, total cash costs fell by 23%, from Php 28.54 billion to Php 22.05 billion, due to the combined impact of reduced shipments, lower government share, partly offset by higher operating expenses.

The cash component of cost of sales declined by 10%, slower than topline, from Php 21.37 billion to Php 19.16 billion, mainly attributable to lower shipments, partly offset by higher fuel, labor and mine site overhead costs.

Meanwhile, operating expenses increased by 19%, from Php 788 million to Php 937 million, on higher ICT-related expenditures, additional provisions for spare parts obsolescence, higher personnel costs, and catch-up billings in rent .

Government share dropped by 69%, from Php 6.40 billion to Php 1.96 billion, reflecting the lower topline and thinner margins.

- **Increased noncash charges.** Depreciation and amortization expenses rose by 16%, from Php 4.85 billion to Php 5.60 billion, due to the acquisition of new mining equipment over the past twelve months and the continued amortization of the Narra mine stripping asset. In 2024, Php 1.36 billion was capitalized for Narra mine stripping.
- **Other income improved.** Other income reverted to Php 173 million in income, from Php 107 million in expense, mainly due to foreign exchange gain (Php 35 million) and higher miscellaneous income, including receipt of insurance claim (Php 106 million).
- **Lower income tax provisions.** Income tax expense declined by 48%, from Php 246 million to Php 128 million, largely due to the high base effect in 2024 when the company recognized tax expense related to shipments exceeding the 16 MMT Environmental Compliance Certificate (ECC) limit, which were outside the scope of the income tax holiday granted to the Narra Mine by the Board of Investments (BOI). In 2025, tax expenses were mainly related to other income and deferred tax provisions.

The segment also reported the following operational highlights:

- **Record production.** Full-year production reached an all-time high of 19.9 MMT, up 24% from 16.0 MMT, following the increase in the Environmental Compliance Certificate (ECC) limit to 20 MMT, approved by the Department of Environment and Natural Resources (DENR). The improvement was supported by better access to coal seams at Narra North Block 5 and West Block 2.

Material movement increased by 2%, from 237.4 million bank cubic meters (MBCM) to 242.0 MBCM, supported by higher mining capacity.

The effective strip ratio (expensed) improved to 10.7, from 12.2, reflecting the benefit of prior-year pre-stripping activities.

Meanwhile, the aggregate strip ratio (including Narra and Acacia) declined more significantly to 11.5, from 14.1, driven by lower stripping requirements in Narra as the mine approaches depletion.

- **Inventory build-up.** Ending total coal inventory rose fivefold (456%), from 0.9 MMT to 5.0 MMT, while commercial-grade inventory increased by 244%, from 0.5 MMT to 1.7 MMT, driven by stronger production.

Power

At the standalone level, power revenues were largely stable, down 1% from Php 23.49 billion to Php 23.17 billion, as higher electricity sales were offset by weaker spot selling prices.

Core EBITDA declined by 5%, from Php 9.91 billion to Php 9.42 billion, mainly due to higher operating expenses. Reported net income decreased by 6%, from Php 5.81 billion to Php 5.47 billion, reflecting higher depreciation and amortization, lower net finance income, and lower income tax provisions.

Net of intercompany eliminations, net income contribution to the Group declined by 17% to Php 6.99 billion, from Php 8.44 billion previously. No nonrecurring items were recorded in either period.

The segment's results are attributable to the following:

- **Better plant availability.** Overall availability increased to 82% from 80% on improved SCPC Unit 2 and SLPGC performance. Total outage days decreased to 265 from 296.

SCPC availability eased to 79% from 81%, as Unit 1 experienced extended downtime, including an unplanned trip on September 19, a 70-day planned maintenance beginning October 7, and a subsequent unplanned outage starting December 16 due to a high-intermediate pressure turbine rotor bending incident.

Meanwhile, SLPGC availability improved to 84% from 79%, reflecting fewer outage days (114 versus 155). In the prior year, Unit 2 underwent a 68-day planned maintenance starting November 14.

- **Higher running capacity.** Average capacity during running days increased by 4%, from 764 MW to 793 MW, primarily due to the uprating of SCPC.

SCPC average capacity rose by 8% to 517 MW, from 477 MW, following the uprating of Unit 1 and Unit 2 dependable capacity to 250 MW and 310 MW, respectively (from 240 MW and 300 MW).

SLPGC average capacity declined by 4%, from 287 MW to 276 MW, due to occasional derations of Unit 2.

- **Record-high generation and electricity sales.** Gross generation increased by 6%, from 5,358 GWh to 5,695 GWh, on improved reliability and higher running capacity.

SCPC generation grew by 8% to 3,655 GWh, while SLPGC output increased by 3% to 2,040 GWh.

As a result, total electricity sales improved by 7%, from 4,945 GWh to 5,296 GWh, driven by higher sales to bilateral contracts.

- **Growth in contracted volumes.** Sales to bilateral contract quantities (BCQ) increased by 17%, from 2,097 GWh to 2,462 GWh, reflecting the increase in contracted capacity from 251.9 MW to 362.9 MW (December 2024 vs. December 2025).

Correspondingly, spot market sales were broadly flat at 2,834 GWh, from 2,848 GWh, as a greater share of generation was allocated to bilateral contracts.

- **Lower overall selling prices.** Overall average selling price (ASP) weakened by 8%, from Php 4.75/kWh to Php 4.38/kWh.

BCQ ASP rose by 11%, from Php 4.66/kWh to Php 5.17/kWh, driven by new and renegotiated contracts.

Meanwhile, spot ASP decreased by 23%, from Php 4.81/kWh to Php 3.68/kWh, amid softer conditions in the Wholesale Electricity Spot Market (WESM).

- **Contained cash costs.** Total cash costs were broadly flat, up 1% from Php 13.58 billion to Php 13.75 billion, as increased dispatch was offset by efficient fuel management.

The cash component of cost of sales remained steady at Php 9.52 billion, from Php 9.57 billion, reflecting fuel efficiency and lower generation costs.

Operating expenses increased by 5%, from Php 4.02 billion to Php 4.23 billion, mainly due to higher taxes and insurance premiums.

- **Higher D&A.** Depreciation and amortization expenses rose by 8%, from Php 2.88 billion to Php 3.12 billion, in line with capital expenditures for SCPC Unit 2's generator replacement in 2024 and upgrades to the fuel and feed systems.

- **Other income steady.** Other income was broadly stable at Php 616 million, from Php 613 million. This included partial insurance claims related to SLPGC Unit 1's axial rotor displacement incident in June 2023 (Php 256 million recognized in 2025 versus Php 186 million in 2024), partly offset by lower fly ash sales.
- **Lower net finance income.** Net finance income declined to Php 87 million from Php 98 million, reflecting reduced interest income from placements as average cash balances and interest rates decreased.

Beginning cash balances declined by 44%, from Php 6.64 billion to Php 3.73 billion, while loans payable dropped by 65%, from Php 6.00 billion to Php 2.13 billion, as the segment continued deleveraging.

The segment also reported the following operational updates:

- **Growing contracted capacity.** As of December 31, 2025, the power segment had 362.9 MW of contracted capacity, representing 46% of its net selling capacity of 785.2 MW. Of this total, 7% included a fuel pass-through clause.

SCPC accounted for 272.5 MW (75%) of the contracted volume, while SLPGC contributed 90.4 MW.

After excluding station service requirements of 74.8 MW, the segment maintained 422.3 MW of net spot exposure.

Station service refers to the electricity produced by the plant that is used within the facility to power lights, motors, control systems, and other auxiliary electrical loads necessary for plant operation.

- **Upgrading approval.** The Philippine Electricity Market Corporation, through the Independent Electricity Market Operator of the Philippines (IEMOP), approved the upgrading of SCPC Unit 1 and 2's dependable capacity to 250MW and 310MW, respectively (from 240MW and 300MW) on September 4.
- **Increased spot purchases.** Spot purchases increased by 15%, from Php 382 million to Php 440 million, mainly due to simultaneous forced outages of SCPC Units 1 and 2 in the fourth quarter and station service requirements.

Despite this, the segment remained a net seller to the spot market at 2,705 GWh, compared to 2,771 GWh in 2024.

II. DMCI Project Developers Inc. (DMCI Homes)

The real estate segment posted a net income contribution of Php 3.30 billion, up 25% from Php 2.67 billion in the comparable period last year, supported by stronger residential revenue recognition and higher other income.

On a standalone basis, net income reached Php 3.37 billion, representing a 20% increase from Php 2.80 billion previously.

Excluding non-recurring items, core net income grew by 20% to Php 3.14 billion, from Php 2.61 billion last year.

The 2025 non-recurring gain relates to the settlement of a claim involving the company's former investment in North Luzon Railways Corporation (NorthRail). The investment had been fully written off in 2007 due to uncertainties surrounding the project. Following a court ruling, the company reached a settlement with the concerned parties, resulting in the receipt of approximately Php 380 million in December 2025.

The following provides additional insights into the financial performance of DMCI Homes:

- Total revenues grew by 10% to Php 13.56 billion from Php 12.36 billion a year earlier, driven by higher revenue recognition from accounts that reached the required completion threshold, as well as sustained demand across key projects.

Other revenues rose by 15% to Php 1.42 billion from Php 1.24 billion, largely attributable to increased construction revenues from joint venture developments.

- Total cash costs increased by 13%, from Php 10.59 billion to Php 11.94 billion, reflecting higher operating expenses.

The cash component of cost of sales (COS) rose by 8% to Php 7.99 billion, growing at a slower pace than revenues. This indicates improved cost efficiency and a more favorable project mix, particularly from newer developments in prime locations that carry relatively higher margins.

Operating expenses increased by 23%, mainly due to higher association dues for ready-for-occupancy units, increased software-related costs, and higher taxes and licenses.

- As a result, core EBITDA declined modestly to Php 1.62 billion, down 9% from Php 1.77 billion in previous year. However, net income margin improved to 25%, from 23%, in the prior year, supported by stronger contributions from other income and lower financing costs.

Other income increased by 20% to Php 3.61 billion from Php 3.01 billion, driven by higher forfeitures and rental income, including contributions from rent-to-own units.

Net finance costs decreased by 27% to Php 757 million from Php 1.04 billion, primarily due to lower interest expense following the capitalization of borrowing costs and higher income from in-house financing activities.

Meanwhile, the average borrowing rate increased to 6.09% from 5.43%, reflecting the prevailing higher interest rate environment.

Provision for income tax rose by 15% to Php 1.15 billion, in line with higher taxable earnings during the period.

V. DMCI Power Corporation (DMCI Power)

Net income contribution from the off-grid energy business inched up by 1% to Php 1.26 billion, from Php 1.24 billion in 2024, reflecting steady operating performance despite lower selling prices.

On a standalone basis, net income increased by 6% to Php 1.34 billion, from Php 1.26 billion previously, supported by higher energy sales and improved operating margins.

No non-recurring items were recorded during the period.

Key highlights of DMCI Power's performance are as follows:

- Revenues increase modestly. Total revenues grew by 2% to Php 7.76 billion, from Php 7.62 billion in the prior year, as higher energy sales volume offset the impact of lower average selling prices.
- Energy sales expand. Total energy sales rose by 6% to 522.2 GWh, from 491.2 GWh, driven by capacity expansion in Palawan and new contributions from Antique.

By service area, Palawan remained the largest market, accounting for 43% of total sales, followed by Masbate (31%), Oriental Mindoro (20%), and Antique (6%).

Sales in Palawan increased by 4% to 224.0 GWh, supported by additional capacity. Antique contributed 32.4 GWh following the start of a new power supply agreement in February 2025 and the commissioning of the Semirara Wind Project in the second quarter.

Meanwhile, sales in Masbate declined by 5% to 163.8 GWh, following the impact of Typhoon Opong in September 2025, which damaged parts of the grid. Meanwhile, sales to Oriental Mindoro contracted by 3% to 101.9 GWh, from 104.8 GWh, due to limited operations following a forced outage of its transformer beginning August 31, 2025.

By fuel type, bunker-fired dispatch jumped by 19%, from 153.4 GWh to 182.2 GWh, while diesel-based generation was flat, from 125.6 GWh to 126.1 GWh. Coal-based generation declined by 7%, from 212.2 GWh to 196.9 GWh, largely due to the disruption in Masbate following Typhoon Opong. Wind power contributed 17.0 GWh during the period.

- Lower ASP. The average selling price (ASP) decreased by 4% to Php 14.9/kWh, from Php 15.5/kWh, reflecting lower fuel costs across thermal and liquid fuel-based generation.

Thermal (coal) fuel prices dropped by 17%, from Php 4.9 per kilogram to Php 4.0 per kilogram, while bunker fuel costs fell by 6%, from Php 48.0 to Php 45.0 per liter, and diesel prices decreased by 2%, from Php 52.4 to Php 51.3 per liter.

- **Costs remain manageable.** Total cash costs were broadly stable at Php 5.59 billion, compared to Php 5.61 billion in the previous year, as the impact of higher volumes and expanded operations was offset by lower fuel costs.
- EBITDA improved. Core EBITDA increased by 8% to Php 2.17 billion, from Php 2.01 billion, with margins supported by cost efficiencies and favorable fuel inputs.

Depreciation and amortization rose by 15% to Php 515 million, from Php 446 million, following the commercial operations of the 16MW bunker fired plant in Palawan and the 12.5MW wind project.

As a result, EBIT grew by 6% to Php 1.66 billion, from Php 1.56 billion in the prior year.

- Higher financing and tax adjustments. Finance costs increased by 5% to Php 214 million, from Php 203 million, due to higher borrowings used to fund capacity expansion.

Provision for income tax rose by 9% to Php 107 million, from Php 99 million, following the expiration of the income tax holiday (ITH) for the Masbate thermal plant in September 2024.

Meanwhile, the 8MW Masbate hybrid diesel plant's six-year ITH will remain in effect until January 2029, and the Palawan thermal plant has a four-year ITH set to expire in July 2027. New ITH grants include the two units of 8.8MW Aborlan expansion, both of which are exempt until 2031, and the 12.5 MW Semirara wind farm, which will benefit from the ITH until 2032.

The company also reported the following results:

- **Expanded installed capacity.** Total installed capacity grew by 18%, from 159.8 MW to 188.3 MW, driven by the commercial operations of new power plants. These include the 8 MW Palawan Bunker expansion plant in Aborlan (March 2025), the second 8 MW bunker unit in Aborlan (May 2025) and the 12.5 MW Semirara Wind in Antique (June 2025).
- **Higher generation output.** Total gross generation rose by 5%, from 544.0 GWh to 569.8 GWh, as the expanded capacities in Palawan and Antique offset lower output from Masbate and Oriental Mindoro.

Generation in Palawan increased by 2%, from 247.7 GWh to 253.5 GWh, while Antique contributed 32.4 GWh.

Meanwhile, Masbate's output declined by 5%, from 187.5 GWh to 179.1 GWh, while Oriental Mindoro output fell by 4%, from 108.7 GWh to 104.9 GWh, due to operational disruptions.

- **Resilient market coverage.** DMCI Power maintained 100% market share in Masbate, increasing its share in Palawan to 55%, from 51% previously. Market share in Oriental Mindoro improved to 24%, compared to 23% in the previous year.
- **Financial position remains healthy.** Net debt-to-equity ratio rose modestly to 125%, from 106% at December 2024, on increased borrowings to support capacity expansion projects.

Cash balance increased by 5%, from Php 257 million to Php 270 million, following Php 700 million cash dividends paid to parent company (DMCI Holdings), partly offset by strong operating performance.

Loans payable expanded 28%, from Php 5.55 billion to Php 7.08 billion, to fund 2026 capital requirements.

Total equity book value grew by 10%, from Php 4.97 billion to Php 5.48 billion, supported by retained earnings and continued financial performance, partially offset by dividend payments to the parent company.

- **Lower Capital Spending.** For the full year 2025, capital spending declined by 22%, from Php 1.56 billion to Php 1.22 billion, following completion of these two major projects. Remaining expenditures were primarily spent on plant maintenance and sustaining capital requirements.

IV. DMCI Mining Corporation (DMCI Mining)

Contribution from the nickel business increased to Php 924 million, up 276% from Php 246 million in the same period last year, driven by higher nickel prices, increased output from Zambales operations, and initial contributions from the Long Point mine. The company also recorded its highest annual nickel ore production, reaching 2.0 million wet metric tons during the year.

On a standalone basis, net income rose by 312% to Php 882 million, from Php 214 million previously, supported by improved operating performance.

Core EBITDA expanded by 135% to Php 1.66 billion, from Php 706 million, with no non-recurring items recorded during the period. EBITDA margin improved to 41%, from 29% in the prior year.

Key highlights of DMCI Mining's full-year performance are as follows:

- **Stronger revenues.** Total revenues increased by 65% to Php 4.09 billion, from Php 2.48 billion, driven by higher shipment volumes and improved average selling prices.

Total shipments rose by 31% to 1.93 million WMT, from 1.48 million WMT, supported by full year operations in Zambales Chromite Mining Corporation (ZCMC) and initial operations of Berong Nickel Corporation's (BNC) Long Point mine, which offset lower shipments from Zambales Diversified Metals Corporation (ZDMC).

- Shipments from ZCMC surged to 781,000 WMT (from 53,000 WMT), while ZDMC shipments declined by 25% to 1.07 million WMT, from 1.42 million WMT. BNC contributed 82,000 WMT during its initial operations, including 21,000 WMT from beginning inventory. Selling prices improved. The average selling price (ASP) surged by 31%, from US\$29/WMT to US\$36/WMT, mainly due to better market conditions, tempered by lower nickel grade sold.

The average LME nickel price declined by 12%, from US\$17,156/ton to US\$15,159 /ton, the Philippine FOB price for 1.30% nickel ore increased by 15%, from US\$27/WMT to US\$31/WMT, supported by stronger demand across Asia—particularly from China and Indonesia for mid-grade saprolite ore (1.30%–1.60%)—as well as reports of potential supply cuts from Indonesia. Meanwhile, average nickel grade declined to 1.34% from 1.38%.

- **Increased cash costs.** Total cash costs increased by 37% to Php 2.43 billion, from Php 1.77 billion, largely in line with higher shipment volumes and expanded operations.

The cash component of cost of sales rose by 37% to Php 1.25 billion, from Php 910 million, reflecting increased mining, hauling, and shiplading activities.

Operating expenses likewise increased by 37%, from Php 861 million to Php 1.18 billion, mainly due to higher excise taxes and royalties from increased shipments, as well as higher environmental and Social Development and Management Program (SDMP) expenditures and continued development activities at BNC.

- Earnings improved significantly. Core EBITDA increased by 135% to Php 1.66 billion, from Php 706 million, driven by higher revenues.

Depreciation and amortization by 8% to Php 429 million, mainly due to the use of fully depreciated mining equipment in Zambales and changes in depletion rates following upward revisions in reserve estimates.

As a result, EBIT rose sharply to Php 1.27 billion, from Php 264 million in the prior year.

- Higher financing and tax expenses. Finance costs increased by 117% to Php 89 million, reflecting higher borrowings to support capital expenditures.

Provision for income tax rose to Php 328 million, from Php 23 million, in line with improved profitability.

The company also reported the following operational and financial results:

- Production expands. Total production increased by 38% to 1.99 million WMT, from 1.45 million WMT, supported by full-year contributions from ZCMC and the initial operations of BNC's Long Point mine, which offset lower output from ZDMC.

ZCMC production reached 775,000 WMT, up from 63,000 WMT, while ZDMC output declined by 17% to 1.15 million WMT, from 1.38 million WMT. BNC contributed 66,000 WMT during its initial operations.

- Larger stockpile. Ending inventory increased by 66%, from 96,000 WMT to 159,000 WMT, mainly driven by ZDMC, which accounted for 150,000 WMT or 94% of total stockpile.

ZCMC's stockpile declined to 4,000 WMT (from 9,000 WMT) due to increased shipments, while BNC reported remaining inventory of 5,000 WMT as of period-end.

- Healthy balance sheet. As of December 31, 2025, the nickel mining business' net debt-to-equity ratio increased to 13.3%, from 1.2% as of December 31, 2024, following higher borrowings to fund capital expenditures.

Total cash balance increased by 6%, from Php 848 million to Php 901 million, supported by strong operating cash flows, despite Php 621 million in capital expenditures and Php 1.0 billion in dividend payments to the parent company.

Loans payable increased by 6%, from Php 900 million to Php 1.45 billion, mainly to finance capital investments.

- Moderating capital expenditures. Full-year capital spending decreased by 12%, from Php 706 million to Php 621 million, following the completion of major development works in Palawan and ZCMC.

VI. D.M. Consunji, Inc. (DMCI)

The construction business contributed Php 284 million, 15% higher than P247 million, on improved construction driven by higher construction accomplishments from new projects, partly offset by increased costs associated to project delays.

- Higher revenues. Total revenues increased by 23%, from Php 15.02 billion to Php 18.48 billion, driven by higher accomplishments across the Building, Infrastructure and Joint Venture (JV) segments.

Revenues from the Building segment rose by 8%, from Php 9.62 billion to Php 10.38 billion, supported by peak construction activities of recently awarded projects, partly offset by the near completion of some projects.

Infrastructure revenues surged by 149%, from Php 1.23 billion to Php 3.05 billion, following the acceleration of works on a major project nearing completion.

Revenues from Joint Ventures and billables increased by 34%, from Php 3.20 billion to Php 4.29 billion, largely driven by project accomplishments in the Metro Manila Subway Project (CP102 with Nishimatsu Construction) and South Commuter Railway Project (CP S02 with Acciona Construction Philippines).

Meanwhile, Allied Services revenues declined by 20%, from Php 971 million to Php 772 million, due to fewer contracts with third parties.

The Building segment remained the largest contributor, accounting for 56% of total revenues, followed by Joint Ventures (23%), Infrastructure (17%), and Allied Services (4%).

- Stable margins. Total cash costs increased by 24%, in line with revenue growth, rising from Php 14.01 billion to Php 17.33 billion.

The cash component of cost of sales grew by 24%, from Php 13.48 billion to Php 16.72 billion, driven by higher project accomplishments and increased manpower and material costs.

Operating expenses rose by 17%, from Php 521 million to Php 608 million, mainly due to higher spending on ICT-related upgrades, personnel, permits and licenses and other administrative costs.

Depreciation and amortization declined by 7%, from Php 538 million to Php 501 million, reflecting lower capital spending over the past twelve months.

Net finance income decreased by 38%, from Php 115 million to Php 71 million, due to lower average cash balances and reduced interest rates.

As a result, EBITDA margin remained broadly stable at 6%, from 7%, while core net income margin held steady at 3% in both periods.

The company also reported the following operational and financial results for the periods ending December 31, 2025, and December 31, 2024:

- Healthy backlog. Total order book stood at Php 38.5 billion, slightly lower by 5% from Php 40.6 billion, as booked revenues excluding non-project related (Php 15.5 billion) exceeded new project awards (Php 13.9 billion) and change orders (-Php 0.6 billion).

Joint Venture projects accounted for 55% of the order book, followed by Building (43%) and Infrastructure (2%).

Notable project awards in 2025 included the Metro Manila Subway Project Contract Package 105, Amani Tower and La Salle Greenhills Senior High School and Innovation Building and Moonwalk Pipelaying .

- Prudent Capital Spending. Full year capital expenditures grew sixfold (550%), from Php 125 million to Php 812 million, driven by equipment and project requirements for new and ongoing projects.
- Strong balance sheet. The company has remained debt-free since December 2023.

Cash balance increased by 26%, from Php 4.27 billion to Php 5.39 billion, supported by major project collections and downpayments.
Consequently, the net debt-to-equity ratio remained negative at -0.67, compared with -0.59 previously.

VII. Concreat Holdings Philippines (Concreat)

The cement business recorded a net loss of Php 1.9 billion, primarily due to higher financing costs and weaker revenues during the first full year of operations following DMCI Management’s acquisition on December 2, 2024. This compares to a Php 50 million net income in the prior year, which was largely driven by the recognition of deferred tax assets.

Excluding non-recurring items, core net loss narrowed by 4% to Php 3.5 billion, from Php 3.7 billion, mainly due to improved EBITDA.

Core EBITDA loss amounted to Php 131 million from Php 670 million a year ago, a reduction of 80% supported by the cessation of royalties and management fees previously paid to Cemex, lower fuel and logistics costs, and synergies from the DMCI Group.

Reported net loss amounted to Php 4.0 billion, significantly lower than the Php 23.4 billion reported in the same period last year. The prior year’s figure included a non cash goodwill revaluation of Php 19.6 billion based on the DMCI Group’s purchase price of CHP.

Further information on Concreat’s financial results:

- **Sustained revenues.** Total revenues were down by 5% to Php 15.1 billion from Php 15.9 billion, mainly due to lower average selling price, which was down by 5% year-over-year as a result of soft domestic demand, heightened by the presence of imported cement, while cement volume remained flat.
- **Improved cash cost.** Total cash cost per ton decreased by 8%, from Php 4,171 to Php 3,824, driven by savings in operating expenses and operational improvements, which include the utilization of Semirara coal as primary fuel and logistics optimization.
- **Increased finance cost.** Net finance cost amounted to Php 1.6 billion, up from Php 663 million last year, reflecting higher bank borrowings and the lower base from capitalized interest on the Solid Cement New Line, which began commercial operations in April 2025.
- **Continued capital spending.** Capital expenditures amounted to Php 2.2 billion compared with Php 3.9 billion, with the difference mainly attributable to the Solid Cement New Line which was completed in April 2025.

CAPEX

For 2025, Group capex declined by 4% to Php 22.2 billion, mainly due to the deferral of DMCI Homes’ project launches to 2026. This was partly offset by Concreat’s investments in Solid Cement’s new 1.5-million-ton kiln, which began commercial operations in April 2025, as well as SMPC’s equipment fleet and mining equipment acquisitions, and project-related capital spending at DMCI.

in Php bn	FY 2025	FY 2024	Change	FY 2026F	FY 2025	Change
DMCI	0.8	0.1	700%	0.7	0.8	-13%
DMCI Homes	11.5	14.7	-22%	15.5	11.5	35%
SMPC	5.9	5.3	11%	1.9	5.9	-68%
DMCI Power	1.2	1.6	-25%	3.3	1.2	175%
DMCI Mining	0.6	0.7	-14%	0.3	0.6	-50%
Concreat	2.2	0.2*	1000%	2.9	2.2	32%

Total	22.2	22.6	-4%	24.6	22.2	11%
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**under DMCI Holdings management as of December 2, 2024*

For 2026, Group capex is expected to increase by 11% to around Php 24.6 billion, from Php 21.6 billion in 2025.

To elaborate

D.M. Consunji, Inc. (DMCI) will continue investing in equipment fleet and construction equipment to support new and ongoing projects.

DMCI Homes has allocated up to Php 15.5 billion in capital expenditures in 2026. About 90% of the budget will be allocated to ongoing and new project construction, subject to market conditions, while the balance is earmarked for land banking and equipment acquisitions.

Semirara Mining and Power Corporation (SMPC) expects capital expenditures to decline significantly to around Php 1.9 billion, reflecting the absence of major equipment fleet activities, as management continues to implement prudent capital management measures.

Coal segment capex is projected at around Php 0.8 billion, primarily for ICT-related investments, maintenance of the 2x7.5 MW power plant generator in Semirara Island, and mobile equipment support.

Meanwhile, power segment capex is expected to reach about Php 1.1 billion, mainly allocated for plant maintenance, assurance spares, and ICT investments to support operational reliability.

DMCI Power plans to invest approximately Php 3.3 billion to fund about 44 MW of new capacity additions across Palawan, Masbate, and Oriental Mindoro. Projects expected to commence operations in 2026 include the Roxas bunker-fired power plant in Palawan, the Mobo bunker-fired power plant and a solar facility in Masbate, and the deployment of modular high-speed diesel generating units across Palawan, Oriental Mindoro, and Masbate.

In addition, DMCI Power recently won and awarded the competitive selection process for a 17 MW bunker-fired power plant in Occidental Mindoro, with the Power Supply Agreement signed on February 25, 2026, and is targeted to commence operations in the first half of 2027.

DMCI Mining has allocated about Php 300 million for mine development and equipment acquisitions in Palawan and Zambales.

Concreat Holdings Philippines expects capex to reach Php 2.9 billion, with about 56% allocated to plant capacity efficiency improvements, operational upgrades, while the balance will be used for annual plant maintenance.

Outlook and Updates

Looking ahead, the DMCI Group remains focused on operational efficiency, prudent capital management and expanding its market reach across its diversified businesses.

At the same time, management continues to monitor global market volatility and geopolitical developments, including tensions in the Middle East, which have already influenced fuel, coal and nickel prices and may have broader implications for economic activity.

- **DMCI** continues to participate in major infrastructure and transport projects, including rail developments, while selectively pursuing private sector building and negotiated contracts as opportunities arise. The company

remains focused on maintaining a diversified project portfolio and disciplined bidding strategy to sustain its order book.

- **DMCI Homes** will continue to prioritize the sale of ready-for-occupancy (RFO) units in 2026 through rent-to-own schemes and flexible payment terms, while strengthening its international sales network. Upcoming launches include One South Drive in Baguio City, a high-end residential development, and Moriyama Nature Park, a leisure-oriented project. Other planned developments will feature mid-income transit-oriented communities, while the redevelopment of the flagship Acacia Estates township is also underway this year.
- **SMPC** remains focused on efficient operations while preparing for the upcoming bid round for the Semirara Coal Operating Contract (COC), with applications scheduled for submission on April 28, 2026. Proponents will be evaluated based on legal qualifications, technical capability, financial capacity and a five-year mine work program covering development, production, safety, community relations and rehabilitation.

Operationally, the opening of the Acacia mine, improved mine access and higher inventories are expected to support coal production and shipments as the company expands markets for mid- to low-calorific coal, although water seepage conditions at the Acacia mine remain under close monitoring. In the power segment, SMPC will continue to prioritize strategic contracting and fuel cost management.

- **DMCI Power** commissioned an 8.8 MW bunker-fired plant in Masbate in March 2026. A total of about 40 MW of additional capacity is expected to come online this year, as the company continues to participate in competitive selection processes (CSPs) in support of the government's rural electrification program.
- **DMCI Mining** is expected to benefit from stronger nickel demand in Asia. The Long Point mine in Palawan began commercial operations in March 2026, increasing the company's number of active mines to three and bringing total operating capacity to around 3 million WMT in 2026.
- **Concreat** enters the year in a stronger position to recover, following operational improvements implemented in 2025. These include the expanded capacity of the Solid Cement plant, use of Semirara coal, and streamlined logistics. Plant facilities were also upgraded to increase storage, loading and packing capacity at both Solid and APO Cement, as well as port capabilities at APO Cement.
- **Maynilad** continues to focus on meeting its 2026 service obligations, while sustaining efforts to reduce non-revenue water and improve network reliability.

Explanation of movement in consolidated income statement accounts

Revenue

Consolidated revenue for 2025 increased by 6% from P102.4 billion to P108.7 billion driven by the full year integration of cement business, higher nickel sales, construction accomplishments and real estate account breaching the recognition threshold. This is partially negated by lower coal sales.

Cost of Sales and Services

From P60.7 billion in 2024, cost of sales and services increased by 22% on the back of full year cement operations integration and higher cost of sales related to real estate and construction segments but softened by lower costs related to coal business. As a result, gross profit margin declined to 32% in 2025 from 41% of the previous year.

Operating Expenses

Government royalties for the year amounted to P2.0 billion, a 69% drop from P6.4 billion the previous year due to lower profitability of the coal business. Excluding government royalties, operating expenses incurred increased by 39% to P16.2 billion due mainly to higher repairs and maintenance, outside services, and marketing and advertising expenses coupled with the full year operating expenses of cement business.

Equity in Net Earnings

Equity in net earnings of associates increased by 11%, from P3.4 billion to P3.7 billion in 2025 and 2024, respectively, as a result of higher income take up from Maynilad.

Finance costs - net

Consolidated finance costs grew to P2.1 billion from P0.3 billion of the previous year. Increase is the net impact of cement business finance costs and the paydown of other businesses' debt.

Other Income (Expense) - net

Other income (net) increased by 26% due to the higher sales forfeitures and cancellation fees and insurance and other claims during the year.

Provision for Income Tax

Despite lower taxable income, provision for income tax increased by 15% due to higher net income contribution of nickel, construction, and real estate businesses.

II. CONSOLIDATED FINANCIAL CONDITION

December 31, 2025 (Audited) vs December 31, 2024 (Audited)

The Group's total assets reached P281.7 billion, a 2% decrease from December 31, 2024. Meanwhile, consolidated stockholders' equity is flat at P148.4 billion following the dividend declaration during the year.

Consolidated cash balance decreased by 15% from P34.3 billion in December 31, 2024 to P29.1 billion in December 31, 2025 mainly resulting from the impact of lower coal and cement sales and dividend payout during the year. This is cushioned by improved collections and receipt of down payment from real estate and construction customers.

Receivables decreased by 6% from P23.6 billion to P22.1 billion in 2025 mainly due to lower coal sales during the year and improved collection from real estate customers.

Contract assets (current and non-current) amounting to P12.5 billion in 2025 is lower by 34% versus the previous year due to lower accomplishments on the real estate business.

Consolidated inventories increased by 18% in 2025 from P67.2 billion to P79.3 billion mainly due to higher coal, materials and spare parts inventory coupled with higher project development of real estate business.

Other current assets decreased by 14% to P13.1 billion which comprised mainly of creditable withholding taxes, prepaid expenses and recoverable deposit.

Investments in associates and joint ventures grew flat by 1%, reflecting the net impact of the income take-up and dividends received from Maynilad.

Right-of-use assets decreased by 10% to P3.5 billion following the annual amortization during the year.

Property, plant and equipment stood at P79.2 billion from P82.0 billion last year as depreciation offset the acquisition during the year.

Exploration and evaluation assets decreased by 60% following the reclassification of previously recognized deferred mining costs to stripping activity asset following the start of production stage of Acacia mine pit.

Other noncurrent assets expanded by 5% due mainly to the long-term advances and deposits to suppliers and increased pension asset.

Accounts and other payables, which includes income tax payables, decreased by 4% to P31.2 billion due to payment of suppliers during the year.

Contract liabilities (current and non-current) decreased by 9% from last year to P22.3 billion due to the recoupment of deposits from customers.

Liabilities for purchased land increased by 6% in 2025 versus the previous year as the real estate segment acquired new land for project development.

Total debt (under short-term and long-term debt) from 2024 amounting to P68.1 billion decreased by 3% to P66.3 billion resulting from the net impact of the additional loan of the off-grid power, nickel mining and cement businesses cushioned by the loan payment of on-grid power, coal and real estate segments.

Other noncurrent liabilities increased by 5% mainly coming from higher pension liability and commission payable.

Consolidated retained earnings stood at P91.8 billion at the end of December 2025, almost at par with P91.5 billion at the close of 2024 after generating P15.1 billion of net income and payment of P14.7 billion in cash dividends (both to common and preferred shareholders).

Non-controlling interest decreased by 6%, from P29.7 billion in 2024 to P28.0 billion in 2025, as a result of the lower minority share in profits of SMPC and full year net loss recognition of CHP.

III. KEY RESULT INDICATORS

The Company and its Subsidiaries (the “Group”) use the following key result indicators to evaluate its performance:

- a) Segment Revenues
- b) Segment Net Income (after Non-controlling Interests)
- c) Earnings Per Share
- d) Return on Common Equity
- e) Net Debt to Equity Ratio

<i>(in Php Millions)</i>	For the Year		Variance	
	2025	2024	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P50,445	P64,247	(P13,802)	(21%)
D.M. CONSUNJI, INC.	17,904	14,273	3,631	25%
CONCREAT	14,720	1,064	13,656	1283%
DMCI HOMES	13,557	12,324	1,233	10%
DMCI POWER	7,601	7,620	(19)	0%
DMCI MINING	4,093	2,477	1,616	65%
PARENT & OTHERS	333	374	(41)	-11%
TOTAL REVENUE	P108,653	P102,379	P6,274	6%

The initial indicator of the Company’s gross business results is seen in the movements of revenue in each business segment. As shown above, consolidated revenue increased by 6% driven by the full year integration of cement business, higher nickel sales, construction accomplishments and real estate account breaching the recognition threshold. This is partially negated by lower coal sales.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>(in Php Millions)</i>	For the Period		Variance	
	2025	2024	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P7,324	P11,013	(P3,689)	(33%)
MAYNILAD	3,681	3,313	368	11%
DMCI HOMES	3,073	2,467	606	25%
DMCI POWER	1,257	1,241	16	1%
D.M. CONSUNJI, INC.	284	247	37	15%
DMCI MINING	924	246	678	276%
PARENT & OTHERS	273	198	75	38%

Concreat	(1,947)	50	(1,997)	(3,994%)
CORE NET INCOME	14,869	18,775	(3,906)	(21%)
NON-RECURRING ITEMS	225	201	24	12%
REPORTED NET INCOME	P15,094	P18,976	(P3,882)	(20%)

The net income (after non-controlling interest) of the Group declined due to lower contributions from its coal business and the full year integration of cement business. These is cushioned by improved contributions of nickel mining, real estate, construction and water segments. The non-recurring item mostly pertains to claim settlement involving the Group's former investment in a railway project made in 2006 and written off in 2007.

EARNINGS PER SHARE

Earnings per share (EPS) pertains to how much profits a company makes for each of its common shares. EPS is one of the most common ways to gauge a company's profitability attributable to common shareholders.

The Company's consolidated basic and diluted EPS was P1.14/share for the year ended December 31, 2025, a 20% decline from P1.43/share EPS year-on-year.

RETURN ON COMMON EQUITY

Return on common equity is defined as the amount of net income a company earns relative to the book value of common equity. It is a primary financial metric used by equity investors to determine whether management is efficiently and effectively utilizing the capital that shareholders have provided to generate profits. It is calculated by dividing the net income attributable to common equity shareholders of the parent company divided by the average book value of equity attributable to the equity holders of the parent company. The Company's return on common equity stood at 13% and 17% for the year ended December 31, 2025 and 2024, respectively.

NET DEBT TO EQUITY RATIO

The net debt-to-equity ratio measures to amount of debt financing relative to the equity capital. The ratio tells the Company the amount of risk associated with the way its capital structure is set up. The ratio highlights the amount of debt a company is using to run their business and the financial leverage that is available to the Company. The net debt-to-equity ratio is calculated by dividing the interest-bearing loans less cash and cash equivalents by total shareholders' equity.

Total borrowings in 2025 stood at P66.3 billion from P68.1 billion in the previous year, which resulted to a net debt-to-equity ratio of 0.25:1 as of December 31, 2025 and 0.23:1 as of December 31, 2024.

FINANCIAL SOUNDNESS RATIOS

	December 31, 2025	December 31, 2024
Gross Margin	32%	41%
Net Profit Margin	18%	27%
Return on Assets	7%	10%
Return on Common Equity	13%	17%
Current Ratio	243%	262%
Net Debt to Equity Ratio	25%	23%
Asset to Equity Ratio	190%	193%
Interest Coverage Ratio	6 times	9 times

PART II--OTHER INFORMATION

1. The Company's operation is a continuous process. It is not dependent on any cycle or season.
2. Economic and infrastructure developments in the country may affect construction business. Interest rate movements may affect the performance of the real estate industry. Mining activities are generally hinged on the commodities market and affected by weather conditions. Businesses not affected by known cycle, trends or uncertainties are power and water.
3. On October 21, 2025, the BOD of the Parent Company approved the declaration of special cash dividends of Php 0.48 per common share or a total of Php 6.37 billion, in favor of the common stockholders of record as of November 5, 2025 and will be paid on November 21, 2025.
4. On March 25, 2025, the BOD of the Parent Company approved the declaration of (1) regular cash dividends in the amount of Php 0.35 per common share or a total of Php 4.69 billion; and (2) special cash dividends of Php 0.25 per common share or a total of Php 3.27 billion, or a grand total of Php 7.97 billion in favor of the common stockholders of record as of April 10, 2025, and was paid on April 24, 2025.
5. On October 16, 2024 the BOD of the Parent Company approved the declaration of special cash dividends in the amount of Php 0.48 per common share or a total of Php 6.37 billion in favor of the common stockholders of record as of October 30, 2024 and was paid on November 15, 2024.
6. On April 4, 2024 the BOD of the Parent Company approved the declaration of regular cash dividends in the amount of Php 0.46 per common share or a total of Php 6.11 billion and special cash dividends of Php 0.26 per common share or a total of Php 3.45 billion, or a grand total of Php 9.56 billion in favor of the common stockholders of record as of April 22, 2024 and was paid on May 3, 2024.
7. There are no undisclosed material subsequent events and transferring of assets not in the normal course of business that have not been disclosed for the period that the Company has knowledge of.
8. There are no material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.
9. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
10. Except for interest payments on loans, which the Company can fully service, the only significant commitment that would have a material impact on liquidity are construction guarantees. These are usually required from contractors in case of any damage/ destruction to a completed project.
11. Any known trends or any known demands, commitments, events or uncertainties that will result in or that will have a material impact on the registrant's liquidity. – None
12. The Group does not have any offering of rights, granting of stock options and corresponding plans therefore.
13. All necessary disclosures were made under SEC Form 17-C.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD DECEMBER 31, 2024

Full Year 2024 vs Full Year 2023

I. RESULTS OF OPERATIONS

The table below summarizes the performance of DMCI Holdings, Inc. (PSE: DMC), its subsidiaries and associate, also collectively referred to as “the DMCI Group”, for the periods ended December 31, 2024 and 2023.

- D.M. Consunji, Inc. (DMCI), a wholly-owned subsidiary, is one of the leading engineering-based integrated construction firms in the country. It operates in two construction segments: building and infrastructure. It also has separate business units for joint ventures and allied services (i.e., concrete production, steel fabrication and equipment rental).
- DMCI Project Developers, Inc. (DMCI Homes), a wholly-owned subsidiary, is one of the leading mid-segment developers in the Philippines, offering best-in-class amenities and value-for-money properties in Metro Manila and other key urban areas. The company has also started to expand its portfolio into leisure and the high-end market.
- Semirara Mining and Power Corporation (SMPC), a majority-owned subsidiary (56.65%), is the largest and most modern coal producer in the Philippines. It is the only vertically integrated power generation company in the country that runs on its own fuel (coal). Its two wholly-owned operating subsidiaries—Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC)—provide baseload power to the national grid through bilateral contract quantity (BCQ) and the Wholesale Electricity Spot Market (WESM).
- DMCI Power Corporation (DMCI Power), a wholly-owned subsidiary, is the largest off-grid energy supplier in the Philippines. It currently operates and maintains thermal, bunker and diesel power plants in parts of Masbate, Oriental Mindoro and Palawan.
- DMCI Mining Corporation (DMCI Mining), a wholly owned subsidiary, extracts nickel ore through surface mining and ships directly to China and other markets. The company currently operates two mines in Santa Cruz, Zambales, through Zambales Diversified Metals Corporation (ZDMC) and Zambales Chromite Mining Company (ZCMC). The company is actively developing new mining sites in Palawan to expand its operations through Berong Nickel Corporation.
- Maynilad Holdings Corporation, a 27%-owned associate, owns 93% of Maynilad Water Services, Inc. (Maynilad). The largest private water service provider in the Philippines, Maynilad holds a 25-year franchise to establish, operate and maintain the waterworks system and sewerage and sanitation services in the West Zone service area of Metro Manila and the Province of Cavite.
- Cemex Asian South East Corporation (CASEC), a 56.75%-owned subsidiary, holds 89.86% of Cemex Holdings Philippines, Inc. (CHP), a major cement manufacturer in the country. CHP produces high-quality cement under the brands APO, Rizal, Island, and Palitada King, including Ordinary Portland Cement (OPC), widely used in large-scale construction projects. The company operates through its wholly owned subsidiaries, APO Cement Corporation and Solid Cement Corporation. Following the acquisition on December 2, 2024, DMC gained a 51% economic stake in CHP.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>in Php millions</i> <i>except EPS</i>	January to December (FY)		
	2024	2023*	Change
I. SMPC (56.65%)	11,013	15,780	-30%
II. Maynilad (25%)	3,313	2,090	59%

<i>in Php millions except EPS</i>	January to December (FY)		
	2024	2023*	Change
III. DMCI Power	1,241	959	29%
IV. DMCI Homes	2,467	3,822	-35%
V. DMCI Mining	246	655	-62%
VI. CHP (51%)	50	-	100%
VII. D.M. Consunji Inc.	247	573	-57%
VIII. Parent and others	198	51	288%
Core Net Income	18,775	23,930	-22%
Nonrecurring Items	201	46	337%
Reported Net Income	18,976	23,976	-21%
EPS (reported)	1.43	1.81	-21%

*Restated 2023 figures following DMCI Homes' implementation of PFRS 15 (paragraphs 60 to 65) effective January 1, 2024

FY 2024 vs FY 2023 Consolidated Highlights

- The DMCI Group posted a net income of Php 18.98 billion, reflecting a 21% decline from Php 23.98 billion in the previous year. The decline is mainly due to weaker contributions from the integrated energy, real estate, construction and nickel businesses.

Partially offsetting the decline were stronger contributions from Maynilad and DMCI Power, increased interest income from DMC's placements, and income recognition from the cement segment's first operating month under DMCI Group management in December.

Consequently, earnings per share fell from Php 1.81 to Php 1.43, translating to a 17% return on common equity over the period.

Despite the decline, consolidated net income remains above normalized levels—80% higher than the pre-pandemic level of Php 10.53 billion in 2019 and 3% above the pre-global energy crisis level of Php 18.40 billion in 2021.

- EBITDA contracted by 20%, from Php 49.69 billion to Php 39.80 billion, with margins slightly narrowing from 40% to 39%. To further explain:

Total revenues fell by 17%, from Php 122.83 billion to Php 102.38 billion, driven by weaker commodity and power prices, reduced construction accomplishments in both the construction and real estate segments, and lower real estate revenue recognition. This decline was partially offset by higher coal shipments, increased on-grid and off-grid power generation and the addition of CHP's December 2024 revenues.

Total cash costs dropped by 11%, from Php 78.31 billion to Php 69.74 billion, mainly due to reduced construction accomplishments, lower government share, and reduced energy generation fuel costs for both on-grid and off-grid operations, as well lower replacement power costs for on-grid power. However, the decline was slower than the topline drop, driven by higher coal shipments, increased nickel shiploading costs, rising operating expenses and the consolidation of CHP's cash costs.

Meanwhile, operating expenses grew by 16%, from Php 9.51 billion to Php 11.02 billion, primarily due to higher personnel costs, increased taxes and licenses (real estate and on-grid power), association dues from ready-for-

occupancy units (real estate), higher sales and marketing expenses (real estate), elevated insurance and maintenance costs (on-grid power), increased information and communication technology expenses (DMCI) and higher spending on environmental and social development programs (DMCI Mining).

- Equity in net earnings surged by 56%, from Php 2.15 billion to Php 3.35 billion, driven by improved Maynilad contribution. Meanwhile, other income (net) grew by 26%, from Php 3.03 billion to Php 3.81 billion, on the back of increased income from forfeitures and rentals in DMCI Homes.
- Depreciation and amortization increased by 4%, from Php 8.63 billion to Php 8.93 billion, on higher coal shipments, recent acquisition of new mining equipment, increased amortization of the capitalized stripping asset for Narra mine (SMPC) and commercial operations of a 15MW thermal plant in Palawan (DMCI Power).

Net finance costs (net of finance income) plunged by 71%, from Php 834 million to Php 245 million, following simultaneous debt repayments by SMPC and DMCI Homes totaling Php 6.36 billion. The decline was further supported by finance income from cash placements by DMC and SMPC, as well as DMCI Homes' in-house financing activities.

- 2024 nonrecurring items include a gain from the sale of land by DMCI Homes (Php 195 million) and forex gain by Maynilad (Php 6 million).

In contrast, 2023 nonrecurring items comprised of gain from sale of land by DMCI Homes (Php 106 million), additional loss incurred from the sale SLPGC 2x25MW gas turbines (Php 32 million) and Maynilad donations and miscellaneous expenses (Php 28 million).

- SMPC, Maynilad and DMCI Homes contributed 89% of core net income, slightly down from 91% last year.
- Following the Consunji group's acquisition of an indirect majority stake in Cemex Holdings Philippines (CHP), effective December 2, 2024, the company's standalone financial performance for the period under DMCI Group management is summarized as follows:

Total revenues declined by 5%, from Php 1.16 billion to Php 1.10 billion, primarily due to lower cement prices. Meanwhile, total cash costs rose by 2%, from Php 1.37 billion to Php 1.39 billion, driven by IT system subscriptions related to the transition. As a result, core EBITDA loss widened from Php 213 million to Php 297 million.

Despite some operational challenges, core net income turned positive, shifting from a Php 460 million loss to an Php 83 million net income, primarily due to capitalized finance costs related to ongoing capital expenditures and the recognition of deferred tax assets.

Additionally, CHP recognized a Php 19.60 billion goodwill revaluation, reflecting the difference between its equity book value and lower purchase price of US\$ 272 million at time of transactions, for the 89.86% interest.

Consequently, CHP's reported net loss reached Php 19.51 billion, compared to a Php 460 million loss during the same period last year.

This revaluation aligns with current market conditions and is consistent with the transaction's purchase price. It is a customary, non-cash accounting adjustment in line with Philippine Financial Reporting Standards (Business Combinations) and was recorded at the CHP level. It has no impact on DMC's consolidated or parent-level income statement, nor the cash flow position of either CHP and DMC.

This underscores DMC's commitment to prudent financial management, ensuring a clearer balance sheet that accurately reflects the purchase price.

In line with PFRS 3 (Business Combinations), the goodwill revaluation will not affect DMC's consolidated income statement.

- As of December 31, 2024, the Group maintained healthy financial position compared to December 31, 2023 despite increased capital expenditures, dividend payouts and debt servicing:

The current ratio declined slightly from 277% to 261%, while the quick ratio dipped to 98% from 99%, reflecting significant cash outflows for capital spending (Php 22.39 billion), regular and special dividends (Php 15.93 billion), and debt servicing (Php 6.36 billion).

Total debt surged by 38%, from Php 49.47 billion to Php 68.13 billion, mainly due to the consolidation of CHP's Php 23.58 billion debt, along with new debt availments by DMCI Power (Php 881 million) and DMCI Mining (Php 550 million).

Net debt-to-equity ratio increased to 22.6% from 12.6%, as net debt nearly doubled (+95%), from Php 17.31 billion to Php 33.83 billion.

In October 2024, the company issued Php 10 billion in preferred shares via private placement to Dacon Corporation to support the acquisition of a 56.75% stake in Cemex Asian South East Corporation. The acquisition was completed on December 2, 2024.

- Last October 16, DMC's board of directors declared an additional special cash dividend of Php 0.48 per share, amounting to Php 6.37 billion, to be sourced from the company's unrestricted retained earnings. This dividend was paid out on November 15, 2024.

This October declaration brings DMC's total dividend payments for 2024 to Php 1.20 per share or Php 15.93 billion, representing a 65% payout— significantly above the company's dividend policy of distributing at least 25% of the previous year's core net income.

Based on DMC's full-year volume-weighted average price of Php 11.19 per share, the dividend yield stood at 10.7%.

FY 2024 vs FY 2023 Subsidiaries and Associate Performance

II. Semirara Mining and Power Corporation (SMPC)

Net income contribution from the integrated energy business reached Php 11.01 billion, down 39% from Php 15.75 billion in the previous year as energy markets continued to normalize. The effect of weaker selling prices was cushioned by record-high coal shipments and power generation, increased electricity sales and lower government share.

Standalone revenues contracted by 15%, from P76.96 billion to P65.19 billion, mainly due to lower selling prices for both coal and electricity, while increased sales volume provided some relief.

Meanwhile, total cash costs decreased at a slower pace (9%) than topline, from P41.21 billion to P37.44 billion, on the combined effect of relatively stable cash component of COS, higher operating expenses, and reduced government share.

The cash component of COS remained largely unchanged (0%), at P26.26 billion, from P26.24 billion, owing to higher costs associated with increased coal shipments, such as materials, parts and contracted services. This has been partially offset by improved coal blending, lower generation fuel costs and reduced replacement power purchase in the power segment. Conversely, operating expenses rose by 12%, from P4.30 billion to P4.81 billion, due to higher taxes, insurance premiums, maintenance, and office renovation costs.

Government share plunged by 40%, from P10.68 billion to P6.38 billion, due to lower coal revenues and narrower margins.

Consequently, core EBITDA contracted by 22%, from P35.75 billion to P27.75 billion, with the core EBITDA margin narrowing from 46% to 43%.

Net income margin compressed from 36% to 30%, owing to reduced core EBITDA, higher D&A costs, lower other income and net finance income, and a marginal rise in income tax provisions. Despite this, it remained consistent with the 31% level recorded in 2021 (pre-energy crisis) and well above the 22% pre-pandemic benchmark in 2019.

A detailed overview of the performance across SMPC's segments

Coal

Standalone revenues dropped by 21%, from P59.82 billion to P47.07 billion, due to weaker selling prices, partially mitigated by record-high shipments.

Core EBITDA fell by 28%, from P25.83 billion to P18.54 billion, declining faster than revenues, stemming from increased shipments, rising costs of materials, labor and contracted services and operating expenses.

With increased depreciation, lower net finance income, foreign exchange losses, and higher income taxes, standalone net income declined by 37%, from P21.90 billion to P13.74 billion.

After intercompany eliminations, net income contracted by 38%, from P17.99 billion to P11.14 billion. Eliminating entries shrank by 34%, from P3.91 billion to P2.60 billion, primarily due to lower selling prices.

Further details on the segment's performance:

- **Best-ever shipments.** Total coal shipments hit an all-time high of 16.5 million metric tons (MMT), up 4% from 15.8 MMT, on the back of increased demand from China, own power plants and cement plants, along with a larger beginning stockpile.

Foreign shipments increased by 5%, from 8.1 MMT to 8.5 MMT, mainly due to a 46-percent surge in exports to China, which rose from 5.2 MMT to 7.6 MMT. In contrast, exports to South Korea fell by 73%, from 2.2 MMT to 0.6 MMT, due to high sulfur content in some commercial-grade coal. Consequently, China accounted for 91% of total exports, followed by South Korea (7%) and Brunei (2%).

Meanwhile, domestic shipments grew by 4%, from 7.7 MMT to 8.0 MMT, on stronger demand from own power plants. Shipment to own power plants jumped by 14%, from 3.6 MMT to 4.1 MMT, while external sales slightly contracted by 5%, from 4.1 MMT to 3.9 MMT, due to weaker demand from other power and industrial plants. However, this decline was partially offset by a 117% surge in shipments to cement plants from 0.6 MMT to 1.3 MMT. Notably, 20% of the cement sales were supplied to plants owned by associate company Cemex Holdings Philippines.

- **Normalizing prices.** The average selling price (ASP) of Semirara coal receded by 25%, from P3,796 per metric ton (MT) to P2,853 per MT. The drop was largely due to stabilizing market indices and a higher proportion of lower-grade coal shipments, which increased from 16% to 26% of total sales.

Among the benchmark indices, the average Newcastle Index (NEWC) fell by 22% from US\$173.0 to US\$134.8, while the Indonesian Coal Index 4 (ICI4) declined by 15%, from US\$63.2 to US\$53.9, showing less volatility.

- **Margins remained healthy.** Despite some contraction, margins remained at strong levels. Core EBITDA margin narrowed from 43% to 39%, impacted by lower topline. Meanwhile, standalone net income margin thinned from 37% to 29%, with elevated D&A expenses, net foreign exchange loss and increased income taxes.

Total cash costs fell by 39%, from P11.04 billion to P6.72 billion, outpacing the 21% revenue drop. This was due to the combined effect of higher shipments, which helped offset lower government share and operating expenses.

The cash component of COS decreased by 5%, from P22.50 billion to P21.37 billion, mainly due to lower production costs. This was partially mitigated by higher material, labor and contracted services costs associated with increased shipments. Meanwhile, operating expenses slid by 3%, from P810 million to P788 million, reflecting a high base effect from tax payments made in the previous year.

Government share dropped by 40% from P3.32 billion on lower selling prices and shipments.

While margins tightened year-on-year, they remained above pre-pandemic levels. Core EBITDA margin (39%) remained higher than both the 2021 onset of global energy crisis (35%) and pre-pandemic (38%) levels. Similarly, the net income margin (29%) remained stronger than pre-pandemic levels of 23% in 2019.

- **Higher D&A expenses.** Depreciation and amortization expenses saw a 7-percent increase, from P4.54 billion to P4.85 billion, driven by record-high shipments, recent equipment acquisitions under the company's ongoing capital investment program and amortization of capitalized stripping asset.
- **Shift to other expense.** Other income of P46 million in the previous year turned to expense of P107 million, primarily due to absence of a one-time refund of P206 million in wharfage fees from the Philippine Ports Authority in 2023.

As a background, under Executive Order No. 226 (Omnibus Investments Code), a BOI-registered enterprise is exempt from paying wharfage dues. SMPC became a BOI-registered enterprise on September 26, 2008.

On January 31, 2020, the Commission on Audit granted SMPC's petition to claim a refund of the wharfage export dues it erroneously paid to the PPA from September 26, 2008 up to December 31, 2014.

Meanwhile, net foreign exchange loss receded by 16%, from P 159 million to P130 million, owing to 4% depreciation of the Philippine Peso against the US dollar (from 55.6 to 58.0 versus 1% appreciation in 2023 from 56.1 to 55.6), lower export sales, and higher import payments from re-fleeting activities.

- **Higher income tax.** Income tax expense surged by 130%, from P107 million to P246 million, as shipments exceeded the 16 MMT Environmental Compliance Certificate (ECC) limit which were outside the scope of the income tax holiday granted to Narra mine by the Board of Investments (BOI).

In contrast, income tax last year were mainly from previously recognized foreign exchange gain.

- **Lower net finance income.** Net finance income dropped by 41%, from P675 million to P397 million, largely due to lower cash balances and normalizing interest rates. The decline was tempered by reduced finance costs following decline in loans payable.

The coal segment also reported the following operational highlights:

- **Maximum production for third year.** Total production remained at its Environmental Compliance Certificate (ECC) limit of 16.0 MMT for the third consecutive year.

Meanwhile, total materials moved grew by 7%, from 220.9 million Bank Cubic Meters (BCM) to 237.4 million BCM, following mining activities across five mining blocks in Narra mine (North Blocks 1, 2 and 3; West Block 1; and South Block 1).

Full-year strip ratio (effective) fell by 7%, from 13.1 (in 2023) to 12.2, as operations have been consolidated in Narra mine, aligning with prior guidance. Meanwhile, the aggregate strip ratio increased by 8%, from 13.1 to 14.1, leading to capitalized costs of P1.36 billion for Narra mine. This investment is expected to benefit the company until 2026, coinciding with the depletion of Narra mine. Additionally, P994 million was capitalized for the exploration costs incurred for Acacia mine.

The aggregate strip ratio reflects the actual strip ratio for all materials moved in Narra mine.

- **Lower stockpiles.** Total coal inventory dropped by 50%, from 1.8 MMT to 0.9 MMT, mainly due to record shipments in 2024 and lower quarterly production. Meanwhile, commercial-grade coal inventory jumped by 150%, from 0.2 MMT to 0.5 MMT, following catch-up shipments last year.

Power

Standalone power segment revenues slid by 4%, from P24.40 billion to P23.49 billion, because of weaker selling prices. The effect has been partially mitigated by record-high gross generation and increased power sales.

Total cash costs slipped by 2%, from P13.90 billion to P13.58 billion, but at a slower pace than topline decline, as higher operating expenses countered savings from lower generation costs and reduced replacement power purchases. Operating expenses increased by 15%, from P3.48 billion to P4.02 billion, due to higher taxes, insurance premiums and plant maintenance costs.

Consequently, core EBITDA margin slightly narrowed from 43% to 42%, while standalone net income margin remained steady at 25% for both periods.

Standalone net income fell by 3%, from P5.98 billion to P5.81 billion. No nonrecurring item recorded in 2024, while a P57 million loss was recognized in 2023 related to the sale of 2x25MW gas turbines.

Net of intercompany eliminations, reported net income dropped by 15%, from the segment's record-high of P9.90 billion to P8.44 billion. Eliminating entries contracted by 33%, from P3.92 billion to P2.63 billion, during the period, mainly due to lower coal prices and continuous fuel blending.

The segment's financial results were influenced by the following factors:

- **Improved average capacity.** Total average capacity during running days grew by 14%, from 672 MW to 764 MW, following the restoration of SCPC Unit 2's dependable capacity to 300 MW on May 27, and less deration of the SLPGC plants.
- **Steady plant availability.** Overall plant availability stood at 80%, slightly lower than 81%, as improved SLPGC availability offset the decline in SCPC availability.

SCPC plant availability dropped from 91% to 81%, due to an increase in outage days from 68 to 141. This was largely due to Unit 2's 77-day planned maintenance, which began on March 6 to restore dependable capacity back to 300 MW.

Meanwhile, SLPGC plant availability improved from 71% to 79%, benefitting from fewer outage days, which fell from 211 to 155.

- **Record-high generation.** With stable plant availability and expanded average capacity, gross generation grew by 10%, from 4,890 GWh to 5,358 GWh, marking the segment's highest-ever output. This growth was driven by improved generation from both SCPC and SLPGC.

Consequently, total power sales jumped by 10%, from 4,515 GWh to 4,945 GWh.

- **Shift to BCQ sales.** Sales to bilateral contracts (BCQ) surged by 46% from 1,439 GWh to 2,097 GWh, supported by expanded average capacity and a higher contracted capacity at the start of the period (238.2 MW in December 2023 versus 189.15 MW in December 2022).

This strategic shift led to a 7% decline in spot sales, from 3,076 GWh to 2,848 GWh, reducing the proportion of power sales sold to the spot market from 68% to 58%, as the company prioritized more contracted sales and reduced exposure to spot.

- **Decline in ASP.** Overall average selling price (ASP) dropped by 12% from P5.40/KWh, from P4.75/kWh last year, mainly attributable to lower spot ASP.

BCQ ASP increased by 6%, from P4.41/KWh to P4.66/KWh, benefitting from new contracts with more favorable terms over the past year. Meanwhile, Spot ASP fell by 18% from P5.87/KWh to P4.81/KWh on weaker prices in the wholesale electricity spot market (WESM).

- **Expanded contracted and dependable capacity.** Contracted capacity grew by 6%, reaching 251.9 MW as of December 31, 2024, up from 238.2 MW in 2023. This translates to 30% of total dependable capacity (840 MW) being contracted, with approximately 10% of these contracts including a fuel pass-through provision.

Dependable capacity expanded by 18%, increasing from 710 MW to 840 MW, driven by the synchronization of SCPC Unit 2 after a 77-day planned maintenance, which restored its dependable capacity to 300 MW from 170 MW, effective May 27.

SCPC accounted for the majority (82%) of the total contracted capacity, following the expiry of a 100-MW SLPGC supply contract on December 25. In terms of contract maturities, 22% of the contracted capacity is set to expire within the year, 60% will end in 2026, and the remaining 18% will expire from 2030 onwards.

Excluding station service requirements (84 MW), which fluctuate periodically, the segment has 504.10 MW available for spot sales.

- **Reduced spot purchases.** Total spot purchases dropped significantly by 47%, from P721 million to P382 million, largely attributable to improved average capacity and strategic shift toward contracted sales.

The power segment was a net seller to the spot market by 2,771 GWh (vs 2,973 GWh in 2023), with the decline mainly due to lower spot exposure.

II. Maynilad Water Services, Inc. (Maynilad)

Associate Maynilad's reported net income contribution surged by 61%, from Php 2.06 billion to Php 3.32 billion. This was driven by a combination of higher average effective tariff, increased billed volume and lower direct costs.

At the standalone level, core EBITDA rose by 25%, reaching Php 22.03, from 17.61 billion. Meanwhile, reported net income increased 42%, from Php 9.01 billion to a record-high of Php 12.78 billion. Excluding nonrecurring items, core net income grew by 40%, from Php 9.12 billion to Php 12.77 billion.

A closer look into Maynilad's standalone performance:

- **Stronger topline.** Total revenues grew by 23%, from Php 27.32 billion to Php 33.50 billion, mainly driven by higher billed volume from water and wastewater services, adjusted tariffs, and re-opening fees for previously disconnected services.
- **Controlled cost growth.** Total cash costs grew by 5%, significantly slower than topline (23%), from Php 10.18 billion to Php 10.70 billion. This is primarily due to lower cross-border water purchases and reduced light and power (attributed to lower fuel cost recovery adjustment or FCRA per kWh).

- **Provision reversals.** Allowance for credit losses saw a reversal to Php 112 million, compared to a Php 601 million provision last year, reflecting improved collection efficiency. These provisions account for potential losses from unpaid debts deemed uncollectible during the period.
- **Other expense shift.** Other income of Php 1.02 billion in prior period shifted to an expense of Php 629 million, due to a high-base effect from previous year's provision reversals related to water service interruptions in 2022. For the current period, other income is primarily attributed to reversals of provisions for potential tax liabilities.
- **Higher noncash costs.** Total noncash costs grew by 9%, from Php 3.27 billion to Php 3.56 billion, largely due to the combined effect of additional capex projects completed during the year and increased amortization of concession assets.
- **Reduced finance costs.** Net finance cost (net of finance income) decreased by 12%, from Php 2.28 billion to Php 2.01 billion, supported by higher finance income (from Php 222 million to Php 405 million) and the capitalization of borrowing costs associated with ongoing capital projects.

Ending cash balance more than doubled (115%), from Php 4.90 billion to Php 10.52 billion, largely due to the issuance of Php 15.0 billion in maiden blue bonds.

Finance costs fell by 4%, from Php 2.50 billion to Php 2.41 billion, as interest expenses related to ongoing capital expenditure were capitalized. Meanwhile, loans payable jumped by 35%, from Php 61.80 billion (December 2023) to Php 83.65 billion, following the issuance of blue bonds.

- **Expanding margins.** Core EBITDA margin improved slightly from 64% to 66%, while net income margin increased from 33% to 38%, driven by revenue growth, lower provisions and reduced net finance costs, partially offset by higher income tax provisions.
- **Higher tax expense.** Provision for income taxes soared by 27%, from Php 2.91 billion to Php 3.69 billion, as a result of higher taxable income.
- **Record volume uptick.** Billed volume rose by 3%, from 538.4 million cubic meters (MCM) to 553.5 MCM, marking an all-time high for the company. The uptick is primarily attributable to overall demand growth and the addition of 31,970 new water service connections over the past year.

Meanwhile, consumption per connection grew by 2% from 0.97 cubic meter (cu.m.) per day to 0.98 cu.m. per day, in line with higher billed volume.

- **Steady customer mix.** Customer mix shifted slightly more towards non-domestic users, with their billed volume increasing from 18.4% to 18.5%. Conversely, the share of billed volume from domestic customers decreased from 81.6% to 81.5%.
- **Adjusted tariff.** Average effective tariff increased by 20%, from Php 49.49 to Php 59.22, following the staggered implementation (second tranche) of the Metropolitan Waterworks and Sewerage System (MWSS)-approved basic rate adjustment effective January 1, 2024.

The company also reported the following operational results:

- **Water production increase.** Total water production at the DMA level declined by 2%, from 774.8 9.1 million cubic meters (MCM) to 758.160.4 MCM, primarily due to supply optimization efforts and nonrevenue water-reduction initiatives, resulting to reduced output from the La Mesa and Putatan treatment plants, as well as lower cross-border purchases.
- **Better water efficiency.** Average non-revenue water (NRW) improved by 12%, from 30.5% to 27.0%. Meanwhile, end-of-period NRW is likewise better by 16%, from 30.4% to 25.7%.

These improvements were largely due to increased water demand, reduced water production and the ongoing NRW-reduction initiatives.

- **Expanding coverage and availability.** Water service connections (WSCs) grew by 1.3%, from 1,532,463 to 1,551,904, supported by rising demand, population growth and the reconnection of previously disconnected customers. Meanwhile, 24-hour water availability improved from 97.5% to 98.1%.

Water service coverage slightly expanded from 94.8% to 94.9%, as the served population grew by 1%, from 10.3 million to 10.4 million.

Sewer service coverage saw significant growth, rising from 30.7% to 34.9%, marking an all-time high for the company. This was driven by a 15% expansion in the served population, from 3.1 million to 3.6 million, as a result of the company's ongoing aggressive infrastructure investments.

III. DMCI Project Developers Inc. (DMCI Homes)

Starting in 2024, DMCI Homes has implemented changes in line with PFRS 15 (paragraphs 60 to 65) concerning the treatment of financing costs. Previously, finance costs associated with accounts pending recognition were capitalized. Under the new treatment, these finance costs are now expensed directly in the income statement. The 2023 figures (both consolidated and standalone) in this discussion have been restated to facilitate a direct comparison of the operating and financial results.

Furthermore, the company adopted the accounting for the Significant Financing Component (SFC), resulting in the full-year impact being recognized in the fourth quarter. Since DMCI Homes offers various payment schemes, the SFC adjustment accounts for timing differences between cash collection from buyers and construction progress.

The real estate business delivered Php 2.66 billion in reported net income contribution, a 32% decline from Php 3.93 billion in the previous year. This was largely due to weaker real estate revenues and higher operating expenses, partly mitigated by increased contributions from other revenues, rental income, forfeitures, finance income, and reduced income tax provisions.

At the standalone level, reported net income dropped by 31% to Php 2.77 billion, from Php 4.00 billion, although net income margin slightly improved from 21% to 22%.

Excluding nonrecurring items, core net income contribution fell by 35%, from Php 3.82 billion to Php 2.47 billion. 2024 nonrecurring item pertains to gain from land sale for a joint venture project (The Valeron Tower), while the 2023 nonrecurring item pertains to Php 106 million gain from land sale in favor of a joint venture project (Fortis Residences).

To provide further insights into the financial performance of DMCI Homes:

- **Weaker revenues.** Total revenues declined by 36%, from Php 19.25 billion to Php 12.32 billion, primarily due to a sharp drop in real estate revenues. This was partly offset by increased contract revenues from joint ventures and higher contributions from property management and elevator maintenance.

Real estate revenues fell by 42%, from Php 3.81 billion to Php 2.20 billion, mainly due to lower recognition of ongoing projects and increased reversals from sales cancellations. These challenges stemmed from slow sales take-up and limited project launches during the pandemic (2020-2021), as well as reduced construction activity following the completion of more buildings this year (11 vs. 7 in 2023).

Revenues from ongoing projects (net of cancellations) accounted for 55% of total revenues, down from 67% last year, while revenues from newly recognized accounts jumped to 83% of total real estate revenues, compared to 51% in the previous year.

Reversals from sales cancellations rose by 21%, from Php 3.43 billion to Php 4.15 billion, following the turnover of three additional projects in the fourth quarter. These reversals are largely attributable to cancellations that

typically occur as projects near completion, mainly due to buyers' financial circumstances and challenges in securing financing.

As context, real estate revenues are recognized based on construction progress, provided customer accounts meet the collection threshold. DMCI Homes maintains a 14.5% collection threshold, higher than the industry standard of 10%, typically requiring 4 to 5 years before revenue recognition begins. Extended down payment schemes also contributed to fewer new projects qualifying for revenue recognition.

The top revenue contributors from ongoing projects include Alder Residences (2020), Allegra Garden Place (2019), Aston Residences (2018), The Cresmont (2019) and Satori Residences (2018).

Newly recognized projects contributing the most revenue were Alder Residences (2020), Allegra Garden Place (2019), Satori Residences (2018), Kai Garden Residences (2017) and Infina Towers (2016).

Contract revenues from joint venture projects grew by 40%, from Php 557 million to Php 781 million, driven by construction progress in joint venture projects, namely The Valeron Tower (2024), Fortis Residences (2022) and One Delta Terraces (2024).

Revenues from property management, hotel operations, and elevator maintenance rose by 19%, from Php 384 million to Php 458 million, on the back of increase in completed projects, from 66 to 74, by period-end.

- **Narrower margins.** Total cash costs declined by 28%, from Php 14.70 billion to Php 10.57 billion, at a slower pace than revenues (36%), largely due to higher operating expenses.

Meanwhile, cost of sales (COS) fell by 37%, from Php 11.76 billion to Php 7.37 billion, in line with the lower topline. Operating expenses rose by 9%, from Php 2.93 billion to Php 3.20 billion, driven by higher association dues from increased ready-for-occupancy units, as well as increased selling and marketing and personnel costs. This was partially offset by lower taxes and licenses expenses.

As a result, core EBITDA plunged by 62%, from Php 4.55 billion to Php 1.75 billion, with margins contracting from 24% to 14%.

Despite weaker core operations, net income margin slightly improved from 21% to 22%, aided by higher other income, lower net finance costs, and reduced tax provisions.

Other income grew to Php 3.00 billion from Php 2.26 billion, buoyed by higher income from forfeitures and rentals, including units under the rent-to-own program.

Net finance costs dropped by 23%, from Php 1.39 billion to Php 1.07 billion, driven by higher interest income from in-house financing, alongside lower debt levels and reduced financing costs.

Provision for income tax fell by 31%, from Php 1.39 billion to Php 952 million, reflecting both lower taxable income and the expensing of financing costs in compliance with PFRS 15.

- **Minimal SFC impact.** The recognition of the full year Significant Financing Component (SFC) had a modest effect on the income statement, resulting to the following adjustments:

Revenues	+ Php 77 million
Interest income	+ Php 73 million
Interest expense	+ Php 14 million

Deferred tax expense	+ Php 34 million
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The company also reported the following operational results:

- **Anemic sales and reservations.** Total units sold (including residential units and parking slots) dropped by 22%, from 8,282 to 6,461, mainly due to weak market conditions.

Sales of residential units contracted by 20%, from 5,385 to 4,289, while parking unit sales fell by 25%, from 2,897 to 2,172. Parking sales were further affected by the lack of inventory in leisure projects, Solmera Coast (2023) and Moncello Crest (2024).

The top projects with the most units sold during the year were The Valeron Tower, The Oriana, Moncello Crest, Anissa Heights and One Delta Terraces.

- **Higher selling prices driven by prime projects.** While average selling price (ASP) per unit rose by 18%, from Php 6.24 million to Php 7.37 million, ASP per square meter increased slower (8%), from Php 139,000 to Php 150,000. The lower base last year was partly due to the strong take-up of smaller units (18–20 sqm) in Anissa Heights.

This ASP per square meter growth was driven by higher construction costs and the sale of projects in prime locations, including Kalea Heights (Cebu City), The Valeron Tower (Pasig City), One Delta Terrace (Quezon City) and the transit-oriented development The Oriana (Quezon City).

- **Lower sales value.** Total sales value contracted by 8%, from Php 35.89 billion to Php 33.43 billion, on fewer units sold, partially offset by higher ASP due to premium developments.
- **Elevated cancellations on anemic sales.** Sales cancellations for residential units awaiting revenue recognition (those below the 14.5% threshold) surged to 25%, from 13% last year, primarily due to the combined effect of increased building turnovers and weaker residential units sold during the period.

For the full year period, 11 buildings were delivered to customers with full down payment, a 57-percent increase from 7 buildings last year.

- **Unbooked revenues growth.** Unbooked revenues increased by 7%, from Php 69.9 billion to Php 74.6 billion, supported by steady sales and reservations over the past year. The unbooked revenues can sustain the company for three years.

For the trailing 12-months (Q1 2024 to Q4 2024), total sales value reached Php 33.4 billion, reflecting a 7-percent decline from Php 35.9 billion in the previous period (Q1 2023 to Q4 2023).

- **Increased inventory levels.** Total inventory of residential and parking units expanded by 23%, from Php 74.9 billion to Php 92.0 billion, driven by a combination of new project launches, project completions and higher cancellation rates. Pre-selling units account for 67% of total inventory, while the remaining 33% consists of ready-for-occupancy (RFO) units. Notably, 22% of RFO inventory were leased through the rent-to-own program, on both periods.

Pre-selling inventory grew by 9%, from Php 56.5 billion to Php 61.4 billion, following the launches of The Valeron Tower, Moncello Crest, One Delta Terraces and Kalea Heights. Kalea Heights, the company's largest project to date, recently launched its first tower with a total sales value of Php 5.14 billion.

RFO inventory surged by 66%, from Php 18.4 billion to Php 30.6 billion, following the completion of The Crestmont, Sonora Garden Residences, Alder Residences, Prisma Residences and Kai Garden.

- **Ample land bank.** Total land bank contracted by 5% over the past twelve months, from 196.9 hectares to 187.4 hectares, due to recent project launches, including Moncello Crest in Luzon and Kalea Heights in Visayas. Additionally, the company sold a small undeveloped parcel in Metro Manila, while making minor acquisitions in the Visayas.

Metro Manila holds the largest share of the land bank (59%), followed by Luzon (38%), Mindanao (2%) and Visayas (1%).

- **Reduced CAPEX.** Full year CAPEX decreased by 8%, from Php 15.9 billion to Php 14.7 billion, primarily due to fewer expenditures on construction, land acquisitions and equipment purchases.
- **Healthy financial position.** Since December 2023, net debt declined by 23%, decreasing from Php 33.0 billion to Php 25.4 billion, leading to an improvement in net debt-to-equity ratio from 99% to 73%.

Total cash balance more than doubled (122%), from Php 4.4 billion to Php 9.7 billion, driven by stronger collections from both ongoing projects and project turnovers. Meanwhile, loans payable slid by 6%, from Php 37.4 billion to Php 35.1 billion, due to regular amortization and the maturity of the Php 1.3 billion corporate notes in Q1.

The improved liquidity was partially offset by cash investments in DMCI MC Property Ventures (Php 1.6 billion), additional subscription in DMC Estate Development Ventures (Php 1.2 billion), capital expenditures (Php 1 billion), and dividend payments to the parent company (Php 1.1 billion).

The interest coverage ratio (net of finance income), while decreasing from 4.8x to 4.3x, remains at a healthy level.

III. DMCI Power Corporation (DMCI Power)

Net income contribution from the off-grid energy business jumped by 29%, from Php 959 million to Php 1.24 billion, driven by increased energy sales and lower fuel costs.

At the standalone level, net income surged by 33% to Php 1.26 billion, its highest on record, up from Php 946 million in the previous year.

Core EBITDA likewise improved by 26%, reaching Php 2.01 billion from Php 1.59 billion, with margins expanding from 21% to 26%. No nonrecurring items were reported during the period.

The following details provide further insight into DMCI Power's results:

- **Revenues uptick.** Total revenues recorded a modest 3-percent growth, from Php 7.41 billion to Php 7.62 billion, on the back of increased energy sales, tempered by a decline in average selling price.
- **Record-high generation.** Total gross generation rose by 13%, from 598.8 GWh to 678.3 GWh, as demand and output rose across all key service areas—Masbate, Palawan and Oriental Mindoro

Palawan led the growth with a 20-percent jump to 308.4 GWh, up from 257.31 GWh, followed by Oriental Mindoro, which grew by 10%, from 122.7 GWh to 135.4 GWh. Masbate recorded a modest 7% increase, generating 234.5 GWh compared to 218.8 GWh last year.

- **Best-ever dispatch.** Total energy sales volume reached an all-time high of 614.5 GWh, a 9% increase from 561.7 GWh in 2023, supported by growing demand across all service areas and the full year operation of the Palawan thermal plant.

Palawan remained the largest market, contributing 44% of total sales, followed by Masbate (35%) and Oriental Mindoro (21%).

Sales in Palawan rose by 9%, from 247.4 GWh to 269.7 GWh, aided by dispatches under emergency power supply agreements (EPSAs), which made up 15% of total Palawan sales. Sales in Oriental Mindoro grew by 11%, from 117.0 GWh to 130.4 GWh, while Masbate saw a 9% rise to 214.5 GWh, from 197.4 GWh.

- **Shift in fuel mix.** Energy dispatch from thermal plants surged 57%, rising from 173.3 GWh to 271.7 GWh. Meanwhile, bunker fuel dispatch remained relatively stable, inching up 1% to 192.2 GWh from 190.4 GWh. In contrast, sales from diesel plants contracted by 24%.

As a result, the overall dispatch mix shifted in favor of thermal and bunker fuel plants, with thermal accounting for 44% of total energy sold, followed by bunker (31%), and diesel (25%). This transition was largely driven by the commercial operation of the 15 MW Palawan thermal plant in August 2023, which significantly reduced dependence on more expensive diesel-based generation. By comparison, the previous year's mix was more diesel-heavy at 35%, followed by bunker at 34% and thermal at 31%.

- **Lower selling prices.** Average selling prices (ASP) slid by 6%, from Php 16.3/kWh to Php 15.3/kWh, largely due to lower fuel prices.

Coal fuel costs dropped by 27%, from Php 6.7 per kg to Php 4.9 per kg, while diesel costs declined by 7%, from Php 56.2 to Php 52.4 per liter. In contrast, bunker fuel costs rose by 7% from Php 45.0 to Php 48.0 per liter, driven by geopolitical tensions and supply disruptions in the Red Sea.

- **Decline in cash costs.** Total cash costs decreased by 4% to Php 5.61 billion, from Php 5.82 billion, primarily due to lower thermal fuel costs and increased share of energy sales from thermal plants.
- **Higher finance costs.** Net finance costs (net of finance income) rose by 32%, from Php 154 million to Php 203 million, reflecting the full year impact of financing costs associated with the Palawan Thermal plant. This was partially mitigated by Php 1.72 billion in debt repayments over the past year and the capitalization of interest expenses from new debt avancement (Php 1.99 billion) for ongoing capital expenditure projects.
- **Lower tax provision.** Provision for income taxes contracted by 22% from Php 125 million to Php 98 million, largely due to the higher contribution of sales from the Palawan thermal plant, which is eligible for income tax holiday (ITH) incentives. The reduction was partially offset by the expiration of the income tax holiday (ITH) for the Masbate thermal plant in September 2024.

Meanwhile, the 8MW Masbate hybrid diesel plant's six-year ITH will remain in effect until January 2029, and the Palawan thermal plant has a four-year ITH set to expire in July 2027.

The company also reported the following results:

- **Flattish installed capacity.** Total installed capacity remained at 159.8 MW at the end of both periods. The 15 MW thermal plant in Palawan synchronized with the Palawan grid on June 26, 2023, and began supplying reliable electricity to the local community on August 15, 2023.
- **Broader market share.** Palawan market share expanded significantly from 51.9% to 64.4%, on full year operations of the 15MW Palawan thermal plant. In Oriental Mindoro, market share also improved, rising from 22.1% to 28.3%, due to reduced availability of renewable and conventional generation sources in the area. DMCI Power continues to be the exclusive power provider in Masbate.
- **Healthier financial position.** Net debt-to-equity ratio improved slightly from 198% at the end of December 2023 to 177% at the end of December 2024, supported by higher cash levels and an increase in equity book value, which helped offset the impact of higher debt.

Loans payable grew by 19%, from Php 4.67 billion to Php 5.55 billion, as the company secured funding for ongoing pipeline projects. Meanwhile, cash levels increased 20%, rising from Php 214 million to Php 256 million, due to strong operating cashflow, tempered by the Php 500 million dividend payment to the parent company in Q4.

Total equity book value expanded by 17%, from Php 4.26 billion to Php 4.97 billion, on the back of higher retained earnings from strong operating and financial performance.

- **Expansionary CAPEX.** Capital investments rose sharply by 81%, reaching Php 1.56 billion, from Php 860 million, due to increased investments in strategic expansion projects, including the 12MW Semirara wind project and the construction of two 8MW Palawan bunker plants.

Expansion projects accounted for 72% of total spending, with the remainder spent on plant maintenance activities.

V. DMCI Mining Corporation (DMCI Mining)

Net income contribution from the nickel mining business dropped by 62%, from Php 655 million to Php 246 million, primarily due to lower shipment volumes and a decline in average selling prices.

At the standalone level, core EBITDA fell by 49%, from Php 1.38 billion to Php 707 million, largely reflecting the weaker topline and higher shiploading costs. No nonrecurring items were recorded in either period.

Notably, the company's fourth-quarter performance accounted for more than 100% of its full-year net income of Php 214 million, following the commencement of commercial operations at Zambales Chromite Mining Company (ZCMC) in December 2024.

The following section provides a detailed breakdown of DMCI Mining's standalone performance:

- **Weaker topline.** Total revenues declined by 27%, from Php 3.39 billion to Php 2.48 billion, on reduced shipments and lower average selling prices.
- **Lower cash costs.** Total cash costs decreased by 21%, from Php 2.00 billion to Php 1.77 billion, but at a slower pace than the topline. This was mainly due to lower shipment volumes, partially offset by higher shiploading expenses stemming from a shift in the billing method—from time-based to weight-based.

Operating expenses also declined by 13%, from Php 985 million to Php 861 million, driven by lower excise taxes amid weaker shipments, as well as reduced spending on environmental programs, the Social Development and Management Program (SDMP), and mine development for Berong Nickel Corporation (BNC) in Palawan. Elevated operating costs last year were also influenced by Php 38 million in wharfage dues incurred by BNC, which were not repeated in 2024.

- **Reduced non-cash costs.** Depreciation and amortization expenses fell by 26%, in line with topline, from Php 628 million to Php 466 million, mainly due to decreased shipments. The decline was partially offset by additional depreciation from newly acquired mining equipment.
- **Thinner margins.** Core EBITDA margin contracted from 41% to 29%, reflecting the impact of weaker revenues and rising per-unit costs. With lower EBIT, increased finance costs, and lower tax expenses, net margin narrowed from 18% to 9%.

The company also reported the following operational and financial results:

- **Lower production levels.** Total production dropped by 15%, from 1,705,000 WMT to 1,445,000 WMT, primarily due to permitting delays and the near depletion of ore at Zambales Diversified Metals Corporation (ZDMC).

The decline was partially offset by the start of commercial operations at Zambales Chromite Mining Company (ZCMC) in December, which contributed 63,000 WMT. ZDMC's output declined by 19%, from 1,705,000 WMT to 1,382,000 WMT.

- **Reduced shipments.** Total shipments declined by 12%, from 1,680,000 WMT to 1,477,000 WMT, with lower production volumes.
- **Lower stockpile.** Total ending inventory contracted by 26%, from 130,000 WMT to 96,000 WMT, as the company accelerated shipments in December 2024. Meanwhile, BNC's stockpile remained at 21,000 WMT, below the standard shipment size of 50,000 WMT.
- **Better selling prices.** Average selling price (ASP) declined by 21%, from US\$36/WMT to US\$29/WMT, mainly due to softer Philippine FOB nickel prices. However, average nickel grade sold slightly improved by 2%, from 1.35% to 1.38%.

While the 2024 average LME nickel price dropped by 22%, from US\$21,505/ton to US\$16,817/ton, the Philippine FOB price for 1.30% grade nickel declined at a slower pace of 19%, from US\$27/WMT to US\$22/WMT, supported by stronger Asian demand in the fourth quarter. In Q4 alone, the average FOB price improved by 8%, from US\$25/WMT to US\$27/WMT.

- **Healthy financial position.** As of December 31, 2024, net debt-to-equity ratio remained sound at 1.2%, compared to a net cash of -12.3% as of December 31, 2023, due to increased loans payable.

Total cash balance slightly declined by 1%, from Php 853 million to Php 848 million, following a Php 550 million dividend payment to the parent company and Php 641 million in capital spending, partially offset new loans.

Consequently, loans payable more than doubled (157%), from Php 350 million to Php 900 million, to support capital expenditures for new mine development.

Despite higher debt levels, interest coverage ratio (net of finance income) remained strong at 6.4x in 2024.

- **Increased capital expenditures.** For the full year capital spending increased by 149%, from Php 283 million to Php 706 million, with investments directed toward the expansion of the BNC Long Point and ZCMC mining fleets, construction of a new Palawan port, and ongoing exploration activities in Palawan.

VI. D.M. Consunji, Inc. (DMCI)

The construction segment contributed Php 247 million in net income, down by 57% from previous year, largely due to lower construction accomplishments caused by delays in key infrastructure projects and fewer ongoing infrastructure projects.

At the standalone level, core EBITDA dropped by 36%, from Php 1.59 billion to Php 1.01 billion, while reported net income plunged 40%, from Php 783 million to Php 467 million.

The following provides a more detailed explanation of DMCI's results:

- **Lower topline.** Total revenues receded by 9%, from Php 16.51 billion to Php 15.02 billion, mainly due to lower recognition from the Infrastructure unit and Allied Services due to fewer projects.

The Building unit remained the largest revenue contributor (64%), followed by Joint Ventures and other billables (21%), and Infrastructure (8%).

Revenue from the Building unit saw a 5-percent uptick, from Php 9.19 billion to Php 9.62 billion, driven by significant progress in new projects and improved margins from finalized contract.

Conversely, the Infrastructure unit's contribution reached Php 1.23 billion, down by 50% from Php 2.43 billion, on fewer ongoing and prolonged duration of key projects.

Revenue movement from JV and billables remain flat at 1% with Php 3.2 billion in both periods, mainly reflecting progress in the Metro Manila Subway Project Contract Package 102 (with Nishimatsu Construction) and the South Commuter Railway Project Contract Package S02 (with Acciona Construction Philippines), cushioning the impact of the Solaire North project completion in 2023 and delays in North-South Commuter Railway Project Contract Package 01 (with Taisei Corporation).

Meanwhile, Allied Services revenue declined by 43%, from Php 1.71 billion to Php 971 million, due to a decrease in third-party projects.

- **Thinner margins.** Total cash costs slid by 6%, from Php 14.92 billion to Php 14.01 billion, due to slowdown in construction activity, tempered by increased operating expenses.

The cash component of the cost of sales (COS) fell by 7%, from Php 14.48 billion to Php 13.48 billion, slower than topline the decline of 9%, due to project delays, leading to extended labor expenses, and additional overhead costs.

In contrast, operating expenses jumped by 18%, from Php 441 million to Php 521 million, due to higher personnel costs, permits and licenses, repairs and maintenance and other miscellaneous expenses.

Meanwhile, noncash items contracted by 23%, from Php 698 million to Php 538 million, as capital spending slowed following fewer project requirements over the past year.

Net finance income climbed twelvefold (1,050%), from Php 10 million to Php 115 million, benefitting from the absence of debt payables and higher interest income from joint ventures.

Provisions for income tax declined by 31%, from Php 232 million to Php 161 million, due to lower taxable income for the year.

With higher costs weighing on profitability, EBITDA and core net income margins contracted to 7% and 3%, respectively, down from 10% and 5% in the previous year.

The company also reported the following operational and financial results for the periods ending December 31, 2024, and December 31, 2023:

- **Stabilizing order book.** Total order book slid by 3%, from Php 41.9 billion (December 2023) to Php 40.6 billion (December 2024), as booked project revenues (Php 13.3 billion) outpaced new project awards (Php 10.8 billion) and change orders (Php 1.3 billion).
- New projects awarded in 2024 include Segment 3B of the C5 Link Expressway Project for CAVITEX Infrastructure Corporation, Laya by Shang Properties, the De La Salle Medical and Health Sciences Institute Academic Complex, the Design and Build of Long Point Causeway for Berong Nickel Corporation, the Las Piñas Pipelaying Project, a 16MW bunker-fired power plant for DMCI Power, Pioneer Cold Storage Warehouse and St. Luke's Quezon City – New Hospital Building (Mechanical works)
- **Minimal capital expenditures.** Full year capex plummeted by 67%, from Php 382 million to Php 125 million, largely spent on construction equipment.

- **Net cash position.** The company maintained its debt-free status since December 2023. While total cash balance dipped by 6% from Php 4.55 billion to Php 4.27 billion, the net debt-to-equity ratio remained stable at -0.59, compared to -0.60.

CAPEX

In line with our previous guidance of Php 48.2 billion, the Group's full-year capital expenditures (CAPEX) remained steady at Php 48.3 billion. Higher spending by SMPC, DMCI Power, and DMCI Mining offset lower investments from DMCI, DMCI Homes, and Maynilad. Excluding Maynilad, total CAPEX from subsidiaries grew by 4%, reaching Php 22.4 billion from Php 21.6 billion.

The increase in spending was primarily driven by SMPC's refueling activities and SCPC's investment in replacing Unit 2's generator. This restoration, which returned its dependable capacity to 300 MW following the completion of a 77-day planned outage on May 22, led to a 75% jump in SCPC's CAPEX, from Php 800 million to Php 1.4 billion.

Meanwhile, DMCI Power spent 78% of its Php 1.56 billion full-year CAPEX to expansion projects, including the 17MW Palawan bunker plant, 12MW Semirara wind project, and 8MW Masbate bunker plant.

In Php billions	FY 2024	FY 2023	Change
DMCI	0.1	0.4	-75%
DMCI Homes	14.7	15.9	-8%
SMPC	5.3	4.1	29%
DMCI Power	1.6	0.9	78%
DMCI Mining	0.7	0.3	133%
Maynilad	25.7	26.0	-1%
CHP*	0.2	0.0	100%
Total	48.3	47.6	1%

*under DMCI Holdings management

Looking ahead, the Group's CAPEX are projected to grow by 47% to Php 70.0 billion, primarily driven by Maynilad's continued investments in water (76% of its Php 41.2 billion allocation) and wastewater (18%) infrastructure.

Excluding Maynilad, subsidiaries' CAPEX is expected to expand by 29%, from Php 22.4 billion to Php 28.8 billion, as DMCI Homes, CHP, SMPC, and DMCI ramp up their spending.

In Php billions	2025F	2024	Change
DMCI	0.5	0.1	400%

DMCI Homes	17.9	14.7	22%
SMPC	6.4	5.3	21%
DMCI Power	1.6	1.6	0%
DMCI Mining	0.5	0.7	-29%
Maynilad	41.2	25.7	60%
CHP	1.9	0.2*	400%
Total	70.0	48.3	45%

*under DMCI Holdings management

DMCI Homes' plans to allocate Php 17.9 billion in CAPEX for 2025, with 89% dedicated to construction and 10% to land acquisition. Meanwhile, DMCI intends to invest in new equipment to support the requirements of newly awarded projects.

CHP will distribute its Php 1.9 billion CAPEX across key initiatives: 55% is earmarked for the remaining costs of Solid Cement's new Kiln 4, which is scheduled to commence commercial operations in Q1 2025, while the remainder will cover plant maintenance, process optimization and equipment upgrades.

SMPC expects a 21% increase in CAPEX to Php 6.4 billion, primarily due to the deferral of re-fleeting initiatives in the coal segment and the acquisition of mining and support equipment. Meanwhile, the on-grid power segment's CAPEX will decline by 39%, from Php 1.8 billion to Php 1.1 billion, due to the completion of SCPC Unit 2 generator replacement in H1 2024. Moving forward, the power segment will focus on maintenance activities and enhancements to fuel and feed systems.

DMCI Power will maintain its capex at Php 1.6 billion, with 50% allocated to the development of an 8MW bunker plant in Roxas, Palawan, and 12% for the 12MW Semirara wind project. The remaining budget will be used for pipeline projects and plant maintenance.

DMCI Mining has allocated 68% of its capex toward fleet and equipment acquisition for BNC and ZCMC operations. Additionally, 21% will be dedicated to infrastructure improvements, while 11% is earmarked for exploration activities in Zambales.

Outlook and Updates

The DMCI Group operates in a dynamic business landscape, balancing both opportunities and challenges across its construction, real estate, energy, mining, cement, and utilities sectors. While rising construction demand presents growth prospects, potential delays in funding, permitting, and right-of-way acquisitions could impact project timelines. In real estate, high inventory levels in the Philippine market will continue to pose challenges for DMCI Homes.

Meanwhile, coal and power prices are expected to remain stable in the coming year, while nickel prices are projected to rebound gradually, providing greater predictability for DMCI Group's businesses. However, policy shifts, cost pressures, and evolving market conditions remain key areas to monitor.

To navigate these uncertainties, management is strengthening the Group's ecosystem, enhancing operational efficiencies, and implementing strategic initiatives to drive long term growth while protecting margins.

Subsidiary-level outlooks

DMCI remains cautiously optimistic about expanding its order book, having secured Php 2.7 billion in new contracts in Q1 2025, with key infrastructure bids pending award. However, funding constraints, administrative bottlenecks, and permitting delays could impact project execution. To mitigate these risks and enhance competitiveness, the company is leveraging its technical expertise and financial strength to pursue large-scale industrial and commercial projects. It is also integrating design-and-build solutions and early contractor involvement alongside traditional bidding to improve results.

Despite high inventory levels in the Philippine market, **DMCI Homes** is proactively addressing slower absorption rates through flexible payment terms, restructuring options, and a rent-to-own strategy to drive both sales and leasing income. Additionally, the company is expanding its sales channels, particularly in the upscale market, by enhancing in-house and international sales efforts.

With coal prices expected to remain stable, **SMPC** is focused on sustaining production and shipment targets while expanding its customer base in both local and export markets. To maintain annual production levels and enhance coal quality, the company is advancing exploration at the Acacia mine. Additionally, SMPC is transitioning to wind energy in its mining operations to lower production costs and protect margins.

In the on-grid power segment, SMPC aims to secure contracts for approximately 50% of its 756 MW net selling capacity by offering competitive rates and a reliable power supply.

Meanwhile, **DMCI Power** is responding to rising energy demand in off-grid areas with 43 megawatts of expansion projects, including new plants in Palawan, Semirara Island, and Masbate. The 12MW Semirara wind project and 8MW Palawan bunker plant remain on schedule for completion, reinforcing the company's commitment to reliable and cost-efficient power generation.

DMCI Mining is expanding its operations from a single mine to three active sites this year, with the Long Point mine in the final stages of securing its Mineral Production Sharing Agreement (MPSA). Furthermore, its memorandum of understanding with Nickel Asia Corporation to explore value added processing could unlock greater value from low-grade ore while mitigating regulatory risks in the medium to long term.

Maynilad implemented the third tranche of its five-year staggered rate adjustment at the start of 2025. The company remains committed to improving service reliability through significant investments in water and wastewater infrastructure. To fulfill its service obligations and reduce non-revenue water, Maynilad is intensifying efforts in pipe replacements, leak repairs, and digitization initiatives.

Following DMCI Group's takeover on December 2, turnaround efforts at **Cemex Holdings Philippines (CHP)** are in full swing, with key priorities focused on streamlining production, strengthening distribution, and executing the capacity expansion plans. The company's 1.5 million-ton capacity expansion in Solid Cement, is set to commence commercial operations in Q2.

To accelerate recovery, CHP is focusing on underserved markets, particularly in the institutional segment and retail markets in Visayas and Mindanao, where supply is less saturated than in Luzon and the distribution network is closer to the Cebu plant.

Explanation of movement in consolidated income statement accounts

Revenue

Consolidated revenue for 2024 decline by 17% from P122.8 billion to P102.4 billion driven by weaker commodity and power prices, reduced construction accomplishments in both the construction and real estate segments, and lower real estate revenue recognition. This decline was partially offset by higher coal shipments, increased on-grid and off-grid power generation and the addition of CHP's December 2024 revenues.

Cost of Sales and Services

From P67.2 billion in 2023, cost of sales and services decreased by 10% as cost of sales related to real estate and construction softened coupled with lower off-grid energy costs. As a result, gross profit margin declined to 41% in 2024 from 45% of the previous year.

Operating Expenses

Government royalties for the year amounted to P6.4 billion, a 40% drop from P10.7 billion the previous year due to lower profitability of the coal business. Excluding government royalties, operating expenses incurred increased by 16% to P11.6 billion due mainly to higher repairs and maintenance, outside services, and marketing and advertising expenses.

Equity in Net Earnings

Equity in net earnings of associates increased by 56%, from P2.1 billion to P3.4 billion in 2024 and 2023, respectively, as a result of higher income take up from Maynilad.

Finance costs - net

Consolidated finance cost (net) turned into a loss of P0.2 billion from a finance income of P1.0 billion due to the adoption of PFRS 15 of the real estate segment. Finance costs are no longer capitalized as part of inventory. The impact on the prior period is adjusted in the beginning retained earnings.

Other Income (Expense) - net

Other income (net) increased by 26% due to the higher sales forfeitures and cancellation fees and fly ash sales during the year.

Provision for Income Tax

Lower taxable income resulted to a 28% drop in the consolidated provision for income tax (both current and deferred) during the year.

II. CONSOLIDATED FINANCIAL CONDITION

December 31, 2024 (Audited) vs December 31, 2023 (Audited)

The Company's financial condition for the year improved as total assets reached P288.4 billion, a 14% increase from December 31, 2023. Meanwhile, consolidated stockholders' equity increased by 9% to P149.8 billion following the dividend declaration during the year. This is also on the back of the business acquisition completed during the year.

Consolidated cash balance increased by 7% from P32.2 billion in December 31, 2023 to P34.3 billion in December 31, 2024 as a result of collection of real estate down payment from customers and higher dividend collection from subsidiaries during the year. The Parent company also issued preferred shares in private placement to its Ultimate Parent Company amounting to Php 10 billion. These were offset by the settlement of the business acquisition and dividend payment during the year.

Receivables slightly decreased by 1% from P23.3 billion to P23.0 billion in 2024 mainly due to lower coal sales during the year. The impact was negated by the addition of CHP's outstanding receivables in 2024.

Contract assets (current and non-current) amounting to P18.9 billion in 2024 is lower by 37% versus the previous year due to lower accomplishments on the real estate and construction businesses.

Consolidated inventories slightly decreased by 1% in 2024 from P67.9 billion to P67.2 billion following lower coal inventory and spare parts. This was offset by the addition of cement inventory from the recently completed business acquisition.

Other current assets increased by 26% to P15.2 billion which comprised mainly of creditable withholding taxes, prepaid expenses and recoverable deposit.

Investments in associates and joint ventures grew by 27%, reflecting the net impact of the income take-up and dividends received from Maynilad and additional capital infusion to real estate joint ventures.

Right-of-use assets grew to P3.8 billion following the acquisition of the cement business.

Property, plant and equipment stood at P82.5 billion from P53.7 billion last year as depreciation following the recent completion of the acquisition of the cement business.

Exploration and evaluation assets increased by 174% due to the relevant engineering studies conducted for the nickel mining segment and stripping activities for new coal mining area.

Deferred tax assets increased by 75% versus the previous year, from P0.92 billion to P1.6 billion due to the reversal of deferred tax liability arising from the taxable temporary difference on unrealized foreign exchange gains and the deferred tax asset recognized from NOLCO of the newly acquired business.

The recent acquisition give rise to the recognition of trademark and goodwill amounting to P5.5 billion and P1.9 billion, respectively. These will be tested annually for impairment.

Other noncurrent assets expanded by 18% due mainly to the long-term advances and deposits to suppliers and increased pension asset.

Accounts and other payables, which includes income tax payables, increased by 6% to P32.2 billion mainly due to the accrual of production related expenses and carried payable from the newly acquired cement business.

Contract liabilities (current and non-current) grew by 27% from last year to P24.6 billion due to the additional advances and down payment from customers.

Liabilities for purchased land declined by 16% in 2024 versus the previous year as the real estate segment pay down the related liabilities.

Total debt (under short-term and long-term debt) from 2023 amounting to P49.5 billion increased by 38% to P68.1 billion as the net impact of the additional loan of the cement business cushioned by the loan payment of coal and real estate segments.

Other noncurrent liabilities increased by 130% mainly coming from the lease liabilities of the newly acquired cement business.

Net accumulated unrealized gains on equity investments designated at FVOCI grew by 39% as fair market value of quoted securities during the year increased.

Consolidated retained earnings stood at P91.5 billion at the end of December 2024, 1% higher from P90.8 billion at the close of 2023 after generating P19 billion of net income and payment of P15.9 billion in cash dividends. As the Group applied a modified retrospective approach in the adoption of PFRS 15, the beginning retained earnings were adjusted by P2.4 billion.

Non-controlling interest increased by 5%, from P28.4 billion in 2023 to P29.9 billion in 2024, as a result of the lower minority share in profits of SMPC and the completion of the cement business acquisition where in the Group has an effective ownership of around 63.06%.

III. KEY RESULT INDICATORS

The Company and its Subsidiaries (the "Group") use the following key result indicators to evaluate its performance:

- f) Segment Revenues
- g) Segment Net Income (after Non-controlling Interests)
- h) Earnings Per Share
- i) Return on Common Equity
- j) Net Debt to Equity Ratio

<i>(in Php Millions)</i>	For the Year		Variance	
	2024	2023	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P64,247	P76,326	(P12,079)	(16%)
D.M. CONSUNJI, INC.	14,273	16,117	(1,844)	(11%)

DMCI HOMES	12,324	19,248	(6,924)	(36%)
DMCI POWER	7,620	7,414	206	3%
DMCI MINING	2,477	3,386	(909)	(27%)
CEMEX	1,064	-	1,064	100%
PARENT & OTHERS	374	337	37	11%
TOTAL REVENUE	P102,379	P122,829	(P20,450)	(17%)

The initial indicator of the Company's gross business results is seen in the movements of revenue in each business segment. As shown above, consolidated revenue decreased by 17% primarily due to normalizing commodity and electricity prices and lower construction accomplishments and real estate projects percentage of completion.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>(in Php Millions)</i>	For the Period		Variance	
	2024	2023*	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P11,013	P15,780	(P4,767)	(30%)
MAYNILAD	3,313	2,090	1,223	59%
DMCI HOMES	2,467	3,822	(1,355)	(35%)
DMCI POWER	1,241	959	282	29%
D.M. CONSUNJI, INC.	247	573	(326)	(57%)
DMCI MINING	246	655	(409)	(62%)
PARENT & OTHERS	198	51	147	288%
Cemex	50	-	50	100%
CORE NET INCOME	18,775	23,930	(5,155)	(22%)
NON-RECURRING ITEMS	201	46	155	337%
REPORTED NET INCOME	P18,976	P23,976	(5,000)	(21%)

*Restated for comparative purposes to reflect adoption of PFRS 15

The net income (after non-controlling interest) of the Group declined due to lower contributions from its coal, nickel mining, real estate and construction segments due to normalizing commodity prices which is cushioned by higher income take up from Maynilad and contribution by the off grid power segment. The non-recurring items primarily pertain to the gain on sale of land.

EARNINGS PER SHARE

Earnings per share (EPS) pertains to how much profits a company makes for each of its common shares. EPS is one of the most common ways to gauge a company's profitability attributable to common shareholders.

The Company's consolidated basic and diluted EPS was P1.43/share for the year ended December 31, 2024, a 21% decline from P1.81/share EPS year-on-year.

RETURN ON COMMON EQUITY

Return on common equity is defined as the amount of net income a company earns relative to the book value of common equity. It is a primary financial metric used by equity investors to determine whether management is efficiently and effectively utilizing the capital that shareholders have provided to generate profits. It is calculated by dividing the net income attributable to common equity shareholders of the parent company divided by the average book value of equity attributable to the equity holders of the parent company. The Company's return on common equity stood at 17% and 23% for the year ended December 31, 2024 and 2023, respectively.

NET DEBT TO EQUITY RATIO

The net debt-to-equity ratio measures to amount of debt financing relative to the equity capital. The ratio tells the Company the amount of risk associated with the way its capital structure is set up. The ratio highlights the amount of debt

a company is using to run their business and the financial leverage that is available to the Company. The net debt-to-equity ratio is calculated by dividing the interest-bearing loans less cash and cash equivalents by total shareholders' equity.

Total borrowings in 2024 stood at P68.1 billion from P49.5 billion in the previous year, which resulted to a net debt-to-equity ratio of 0.23:1 as of December 31, 2024 and 0.13:1 as of December 31, 2023.

FINANCIAL SOUNDNESS RATIOS

	December 31, 2024	December 31, 2023
Gross Margin	41%	45%
Net Profit Margin	27%	30%
Return on Assets	10%	15%
Return on Common Equity	17%	23%
Current Ratio	261%	277%
Net Debt to Equity Ratio	23%	13%
Asset to Equity Ratio	193%	180%
Interest Coverage Ratio	9 times	13 times

PART II--OTHER INFORMATION

1. The Company's operation is a continuous process. It is not dependent on any cycle or season.
14. Economic and infrastructure developments in the country may affect construction business. Interest rate movements may affect the performance of the real estate industry. Mining activities are generally hinged on the commodities market and affected by weather conditions. Businesses not affected by known cycle, trends or uncertainties are power and water.
15. On October 16, 2024 the BOD of the Parent Company approved the declaration of special cash dividends in the amount of Php 0.48 per common share or a total of Php 6.37 billion in favor of the common stockholders of record as of October 30, 2024 and was paid on November 15, 2024.
16. On April 4, 2024 the BOD of the Parent Company approved the declaration of regular cash dividends in the amount of Php 0.46 per common share or a total of Php 6.11 billion and special cash dividends of Php 0.26 per common share or a total of Php 3.45 billion, or a grand total of Php 9.56 billion in favor of the common stockholders of record as of April 22, 2024 and was paid on May 3, 2024.
17. On October 10, 2023, the BOD of the Parent Company approved the declaration of special cash dividends of Php 0.72 per common share or a total of Php 9.56 billion in favor of the common stockholders of record as of October 24, 2023, and was paid on November 9, 2023.
18. On March 29, 2023, the BOD of the Parent Company approved the declaration of (1) regular cash dividends in the amount of Php 0.61 per common share or a total of Php 8.10 billion; and (2) special cash dividends of Php 0.11 per common share or a total of Php 1.46 billion, or a grand total of Php 9.56 billion in favor of the common stockholders of record as of April 17, 2023, and was paid on April 28, 2023.
19. There are no undisclosed material subsequent events and transferring of assets not in the normal course of business that have not been disclosed for the period that the Company has knowledge of.
20. There are no material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.

21. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
22. Except for interest payments on loans, which the Company can fully service, the only significant commitment that would have a material impact on liquidity are construction guarantees. These are usually required from contractors in case of any damage/ destruction to a completed project.
23. Any known trends or any known demands, commitments, events or uncertainties that will result in or that will have a material impact on the registrant's liquidity. – None
24. The Group does not have any offering of rights, granting of stock options and corresponding plans therefore.
25. All necessary disclosures were made under SEC Form 17-C.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD DECEMBER 31, 2023

Full Year 2023 vs Full Year 2022

I. RESULTS OF OPERATIONS

The table below summarizes the performance of DMCI Holdings, Inc. (PSE: DMC), its subsidiaries and associate, also collectively referred to as “the DMCI Group”, for the periods ended December 31, 2023 and 2022.

- D.M. Consunji, Inc. (DMCI), a wholly-owned subsidiary, is one of the leading engineering-based integrated construction firms in the country. It operates in two construction segments: building and infrastructure. It also has separate business units for joint ventures and project support (i.e., concrete production, steel fabrication and equipment rental).
- DMCI Project Developers, Inc. (DMCI Homes), a wholly-owned subsidiary, is one of the leading mid-segment developers in the Philippines, focused on Metro Manila and other key urban areas. It has expanded into luxury, leisure and microflat projects, in addition to providing property management, elevator maintenance, and construction services (to its joint venture project projects).
- Semirara Mining and Power Corporation (SMPC), a majority-owned subsidiary (56.65%), is the largest and most modern coal producer in the Philippines. It is the only vertically integrated power generation company in the country that runs on its own fuel (coal). Its two wholly-owned operating subsidiaries—Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC)—provide baseload power to the national grid through bilateral contract quantity (BCQ) and the Wholesale Electricity Spot Market (WESM).
- DMCI Power Corporation (DMCI Power), a wholly-owned subsidiary, is the largest off-grid energy supplier in the Philippines. It currently operates and maintains thermal, bunker and diesel power plants in parts of Masbate, Oriental Mindoro and Palawan. It has also diversified into renewable energy, particularly in solar and wind farms.
- DMCI Mining Corporation (DMCI Mining), a wholly owned subsidiary, extracts nickel ore through surface mining and ships these directly to China and other markets. Currently a single-mine operator, it has nickel assets in Palawan (Berong Nickel Corporation) and Zambales (Zambales Diversified Metals Corporation).
- Maynilad Holdings Corporation, a 27%-owned associate, owns 93% of Maynilad Water Services, Inc. (Maynilad). The largest private water service provider in the Philippines, Maynilad holds a 25-year franchise to establish, operate and maintain the waterworks system and sewerage and sanitation services in the West Zone service area of Metro Manila and the Province of Cavite.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>in Php millions except EPS</i>	January to December (FY)		
	2023	2022	Change
I. SMPC (56.65%)	15,780	22,661	-30%
II. DMCI Homes	4,569	4,469	2%
III. Maynilad (25%)	2,090	1,467	42%
IV. DMCI Power	959	742	29%
V. DMCI Mining	655	1,285	-49%
VI. D.M. Consunji Inc.	573	587	-2%
VII. Parent and others	51	(28)	281%
Core Net Income	24,677	31,183	-21%

<i>in Php millions</i> <i>except EPS</i>	January to December (FY)		
	2023	2022	Change
Nonrecurring Items	46	(93)	149%
Reported Net Income	24,722	31,090	-20%
EPS (reported)	1.86	2.34	-20%

FY 2023 vs FY 2022 Consolidated Highlights

- Reported net income fell by 20% from Php 31.09 billion to Php 24.72 billion, largely because of high base effect resulting from last year's soaring commodity prices. Lower contributions from the coal, nickel and construction subsidiaries more than offset gains in the power (on and off-grid), water and real estate businesses.

Earnings per share declined from Php 2.34 to Php 1.86, while return on equity reached 23.4%, the highest among publicly listed conglomerates in the Philippines.

Despite the notable decline in earnings, the group's performance secured the second-highest spot on record, soaring 134% above its pre-pandemic net income of Php 10.53 billion.

- Core EBITDA declined by 23% from Php 56.71 billion to Php 43.59 billion, as margin narrowed from 43% to 40% because of softer topline partially offset by lower government share in profits.

Total revenues dropped by 14% from Php 142.60 billion to Php 122.83 billion, largely on normalizing prices (commodities and electricity), lower construction accomplishments and higher revenue reversals from cancelled real estate sales. These effects were partially offset by an increase in commodity shipments, higher electricity dispatch and the addition of new real estate accounts eligible for recognition.

Total cash costs retreated by 8% to Php 79.24 billion from Php 85.89 billion, primarily due to a 33-percent reduction in government share from Php 15.96 billion to Php 10.68 billion.

Cash costs (COS and opex) was relatively flat at Php 68.56 billion, a 2-percent decrease from Php 69.93 billion. The slight reduction resulted from the combined impact of lower construction accomplishments, higher direct costs owing to record volumes of commodity and power sales, and increased expenses in plant maintenance, insurance, real estate marketing, personnel and taxes.

- Including net earnings from equity stake and other income, EBITDA declined by 20% from Php 61.13 billion to Php 48.76 billion. Equity in net earnings surged by 42% from Php 1.51 billion to Php 2.14 billion, buoyed by a stronger contribution from Maynilad.
- Other income grew by 4% from Php 2.91 billion to Php 3.02 billion on higher income from real estate forfeitures and rental, coupled with the sale of fly ash.
- Depreciation and amortization rose by 12% from Php 7.68 billion to Php 8.63 billion on account of higher commodity shipments, new mining equipment and accelerated amortization of Molave mine.
- Net finance income soared to Php 1.03 billion, a marked turnaround from last year's net finance cost of Php 252 million. This improvement was primarily driven by higher interest rates, ongoing loan amortization and increased income from in-house real estate financing.
- 2023 nonrecurring items relate to DMCI Homes' gain from sale of land to its joint-venture company (Php 106 million), share in loss from the final sale price of SLPGC's two 25MW gas turbines (Php 32 million) and Maynilad's donations and net foreign exchange gain (Php 28 million).

- 2022 nonrecurring items pertain to DMCI's gain from land and equipment sale (Php 43 million), share in asset write-down of SLPGC gas turbines (Php 88 million) and Maynilad severance pay, loan prepayment fees, donations and net foreign exchange loss (Php 47 million).
- SMPC, DMCI Homes and Maynilad accounted for 91% of core net income. Maynilad and DMCI Power set new contribution records following their stellar performances.
- Cash and cash equivalents increased by 13% to Php 32.16 billion from Php 28.41 billion (as of December 31, 2022), bolstered by DMCI's collection of construction retention receivables and new loan availments by DMCI Homes.
- Debt receded by 6% to Php 49.47 billion from Php 52.56 billion, attributed to regular loan repayments by DMCI, SMPC and DMCI Power. As a result, net debt (loans payable less cash) plunged by 28% from Php 24.15 billion to Php 17.31 billion. In turn, net debt-to-equity ratio went down from 18% to 13%.
- Key liquidity, leverage and book value per share all improved, even after a record dividend payout of Php 1.44 per share, totalling Php 19.12 billion.

This payout translates to a dividend yield of 13.2% against the 2023 volume-weighted average price of Php 10.9180, and a payout ratio of 61% of the previous year's core net income, which is well above the company's dividend policy of 25%.

FY 2023 vs FY 2022 Subsidiaries and Associate Performance

I. Semirara Mining and Power Corporation (SMPC)

The integrated energy business posted a 30-percent reduction in its contribution, from a record Php 22.57 billion to Php 15.75 billion. The decrease was due to a significant adjustment in market prices, which overshadowed the effects of record coal shipments and higher electricity dispatch.

Excluding nonrecurring items, core net income contribution declined by 30% from Php 22.66 billion to Php 15.78 billion. SLPGC recognized an additional loss of Php 57 million based on the final selling price for its two 25MW gas turbines. In 2022, SLPGC recorded a loss of Php 156 million in relation to the reclassification of the said turbines as Assets Held for Sale based on the estimated selling price at the time.

Coal

Standalone coal revenues dropped by 21% from Php 76.18 billion to Php 59.82 billion on the combined effect of lower average selling prices (-26%) and higher coal shipments (+7%).

Core EBITDA fell by 35% to Php 39.44 billion from Php 25.83 billion, as total cash costs declined at a slower pace (-7%). Meanwhile, net income dropped by 39% from Php 35.99 billion to Php 21.90 billion because of higher depreciation, absence of net foreign exchange gain, improved net finance income and normalized tax expense.

Net of intercompany eliminations, net income plunged by 44% from Php 32.40 billion to Php 17.99 billion. Eliminating entries rose by 9% from Php 3.59 billion to Php 3.91 billion on lower selling prices and thinner gross margins, muted by improved plant availability.

Eliminating entries reflect gross margins from intercompany transactions between the coal and power segments.

The following provides additional context on the segment's financial performance:

- **Highest-ever shipments.** Total shipments reached a record 15.8 million metric tons (MMT) from 14.8 MMT (+7%), exceeding the 2019 high of 15.6 MMT by 1%. Record exports and higher internal sales accounted for the spectacular results.

Exports expanded by 14% from 7.1 MMT to 8.1 MMT on higher fourth-quarter China demand (up 218% from 1.1 MMT to 3.5 MMT) and availability of commercial-grade coal.

China shipments surged by 31% from 4.0 MMT to 5.2 MMT, accounting for the export sales growth (+1.2 MMT). Coal deliveries to South Korea was unchanged at 2.2 MMT. The two countries accounted for 92% of total exports, followed by Brunei (4%), Japan (2%), India (1%) and Vietnam (1%).

Domestic sales was flat at 7.7 MMT, as higher shipments to SMPC-owned plants offset weaker sales to external local customers. High sulfur content in some commercial-grade coal curbed external sales.

Improved overall plant availability led to a 38-percent surge in internal sales from 2.6 MMT to 3.6 MMT, while sale to other power plants, cement and industrial plants contracted by 20% from 5.1 MMT to 4.1 MMT.

- **Stabilizing prices.** Semirara coal average selling price (ASP) declined by 26% from Php 5,136 per metric ton (MT) to Php 3,796 per MT, in line with the Indonesian Coal Index 4 (ICI4).

Full-year average Newcastle index (NEWC) plummeted by 52% from a historic high of US\$360.2 to US\$173.0, while average ICI4 fell at a slower pace (26%) from peak US\$85.9 to US\$63.2. Market differences and heightened geopolitical risks drove index price divergence and volatility last year.

For 2023, strong industrial activity and increased demand for lower-grade coal in Asia sustained the ICI4, while high coal stockpiles, slowing economic growth and increased renewable energy capacity in developed countries translated to elevated NEWC volatility.

- **Normalizing margins.** Core EBITDA margin declined from 52% to 43%, and standalone net income margin fell from 47% to 37%, primarily due to last year's record topline, which created a high base effect.

Strong profit margins were maintained, with the net income margin significantly exceeding both 2021 (35%) and pre-pandemic 2019 (23%) levels.

Revenues declined by 21% from Php 76.18 billion to Php 59.82 billion due to lower selling prices, but total cash costs fell slower (-7%) from Php 36.75 billion to Php 33.99 billion.

Cash component of the cost of sales (COS) went up by 13% from Php 19.96 billion to Php 22.50 billion owing to higher coal sales and carried-over production costs from beginning inventory.

Elevated fuel costs, accounting for 33% of cash costs in 2022, drove up COS due to the sale of high-cost inventory (beginning balance: 2.0 MMT). Opex remained flat year-on-year at Php 810 million.

Government share declined by 33% from Php 15.96 billion to Php 10.68 billion because of lower topline and higher costs. In effect, government share of the topline slipped from 21% to 18%.

- **Higher noncash items.** Depreciation and amortization accelerated by 38% from Php 3.29 billion to Php 4.54 billion, driven by higher shipment volumes, new mining equipment purchases and accelerated amortization of Molave mine due to its early closure (Php 247 million).
- **Absence of net forex gain.** Net forex gain reversed from Php 1.02 billion to a net forex loss of Php 159 million on stabilizing US\$:PHP forex market. As of December 31, 2023, Php 195 million of gross forex loss remained unrealized.

- **Better net finance income.** Finance income (net of finance costs) expanded 22x from Php 31 million to Php 675 million on the back of healthy cash levels, elevated interest rates, prudent treasury management and lower debt levels.

The segment also reported the following operational highlights:

- **Production at maximum capacity.** For the second straight year, coal production reached 16 MMT, which is the annual limit set by the company's Environmental Compliance Certificate (ECC).

Effective strip ratio rose by 30% to 12.5 from 9.6 because of higher rainfall (243.0 millimeter in 2023 vs 227.7 millimeter in 2022), resumption of Narra mine operations and low base effect from the near-depletion of Molave mine. In turn, materials moved jumped by 31% from 169.2 million bank cubic meters (MBCM) to 220.9 MBCM.

Total production was almost evenly split between Molave (51%) and Narra (49%) mines.

Molave's slightly higher average strip ratio (13.4 vs Narra's 12.8) stemmed from increased activity across more coal blocks.

Full-year actual strip ratio (13.1) was slightly higher than the initial 2023 guidance of 12.83, as mudflow in Molave South Block 6 prevented the full stripping of materials in the area.

- **Low inventory.** Total coal inventory dropped by 10% from 2.0 MMT to 1.8 MMT on lower third-quarter production and stronger China demand in the fourth quarter.

With record exports, commercial-grade coal inventory plummeted by 78% from 1.1 MMT to 0.2 MMT.

Power

Standalone power segment revenues jumped by 20% from Php 20.40 billion to Php 24.40 billion on improved plant availability. Core EBITDA climbed faster than topline from Php 8.22 billion to Php 10.50 billion (+28%), mostly from lower replacement power purchases.

Net income grew by 55% from Php 3.86 billion to Php 5.98 billion on higher gross generation and sales volume amid normalizing market prices.

Excluding nonrecurring items, core net income accelerated by 50% from Php 4.02 billion to Php 6.04 billion. Nonrecurring items pertain to an additional loss of Php 57 million, which was recognized in relation to the planned sale of the two 25MW gas turbines in 2023, while the Php 156 million pertains to asset write-down for said turbines, which were previously reclassified as Assets Held for Sale.

Net of intercompany eliminations, reported net income went up by 31% from Php 7.46 billion to Php 9.90 billion.

To further elaborate on the segment's results:

- **Better plant availability.** Overall plant availability improved from 62% to 81% on reduced outage days (279 days vs 552 days), following the commercial operations of SCPC Unit 2 on October 9, 2022.

SCPC and SLPGC reported contrasting results, with the former more than doubling (107%) its plant availability (from 44% to 91%) because of fewer outage days (from 411 to 68). Meanwhile, SLPGC plant availability contracted from 81% to 71% on increased outage days (from 141 to 211).

Total average capacity, based on running days, slipped by 5% from 706 MW to 672 MW on the occasional deration of SCPC Unit 2 and SLPGC Unit 1.

- **Improved output and sales.** With higher plant availability, total gross generation surged by 31% from 3,735 gigawatt hours (GWh) to 4,890 GWh. SCPC accounted for 65% of total output (versus 46% last year).

Increased plant output led to a 265-percent expansion in total power sales from 3,596 GWh to 4,515 GWh. Bulk (68%) of the volume sold went to the spot market, from 52% last year.

Total spot sales soared to a record high of 3,076 GWh, up by 64% from 1,881 GWh because of higher plant output and uncontracted capacity. Combined spot market exposure (excluding variable station service) grew by 61% from 298.85 MW (beginning-2022) to 480.75 MW (beginning-2023).

Station service pertains to the electricity produced by the plant that is used within the facility to power the lights, motors, control systems and other auxiliary electrical loads that are necessary for plant operation.

Conversely, BCQ sales declined by 16% from 1,715 GWh to 1,439 GWh, as contracted capacity at the beginning of the periods slightly declined from 194.35 MW (beginning-2022) to 189.15 MW (beginning-2023).

- **Normalizing selling price.** Overall average selling price (ASP) dipped by 5% from Php 5.67/ kilowatt hour (kWh) to Php 5.40/kWh mainly due to lower WESM prices, cushioned by better ASP for BCQ sales.

BCQ ASP rose by 19% from Php 3.71/KWh to Php 4.41/KWh, driven by a new SLPGC contract with higher pricing, and 2022 SCPC contracts with fuel pass-through provisions (covering 13% of its contracted capacity). Meanwhile, spot market ASP declined by 21% (Php 7.46/KWh to Php 5.87/kWh) due to wider grid supply margins and lower fuel costs.

- **Better contracted capacity.** As of December 31, 2023, more than a third (34% or 238.2 MW) of the power segment's dependable capacity (710MW) has been contracted. Contracted capacity grew by 26% over the twelve-month period, from 189.15 MW.

Majority (53%) of the contracted capacity is under SCPC, aligning with Management's guidance to contract approximately half of the dependable capacity.

Excluding variable station service requirements (58.7 MW), the segment has 413.10 MW available for spot sales.

- **Lower spot purchases.** Total spot purchases dropped by 59% from Php 1.76 billion to Php 721 million, owing to improved plant availability and lower spot prices.

The power segment was a net seller to the spot market by 2,973 GWh (vs 1,656 GWh in 2022).

SMPC's standalone net income decreased by 30% from Php 39.87 billion to Php 27.93 billion.

II. **DMCI Project Developers Inc. (DMCI Homes)**

Profit contribution from the real estate business increased by 5% to Php 4.68 billion from Php 4.47 billion because of higher forfeitures, rentals and finance income. A one-time gain from the sale of land for the Fortis Residences joint venture project also bolstered results.

Excluding the nonrecurring gain, DMCI Homes' core net income edged higher (+2%) from Php 4.47 billion to Php 4.57 billion.

The following further explains the company's results:

- **Double-digit topline decline.** Total revenues declined by 12% from Php 21.92 billion to Php 19.25 billion on slower revenue recognition for real estate projects, cushioned by higher revenues from construction services (for joint venture projects), property management and elevator maintenance. Real estate development accounted for 95% of total revenues (versus 97% last year).

Revenues from ongoing accounts (net of previously cancelled accounts) dropped to 67% of total revenues (versus 72% last year), owing to a slowdown in sales since the COVID-19 pandemic began. Among ongoing projects, Kai Garden Residences (2017), Aston Residences (2018), Fairlane Residences (2018), Prisma Residences (2017) and The Crestmont (2019) were the top revenue contributors.

Revenue reversals attributable to sales cancellations grew by 24% from Php 2.75 billion to Php 3.41 billion, after bulk buyers from Mainland China cancelled their Prisma Residences unit purchases. Reversals from cancellations significantly decreased each quarter: Php 1.19 billion in Q1 2023, Php 881 million in Q2 2023, Php 773 million in Q3 2023 and Php 572 million in Q4 2023.

Meanwhile, revenues from newly-recognized accounts improved to 51% (versus 41% last year) amid sales recovery. Top revenue contributors under newly-recognized accounts are: Allegra Garden Place (2019), Satori Residences (2018), Alder Residences (2020) and Prisma Residences (2018).

Construction revenues from joint venture projects accelerated by 32% from Php 420 million to Php 557 million, with the addition of Fortis Residences to Sonora Garden Residences. Revenues from property management, hotel operations and elevator maintenance expanded by 12% from Php 344 million to Php 384 million.

- **Cash costs aligned with revenue decline.** Total cash costs receded by 11% from Php 17.62 billion to Php 15.64 billion, mirroring a similar drop in revenues. This reduction was driven by lower direct costs (COS), which fell by 15% from Php 14.95 billion to Php 12.69 billion on slower construction progress.

The COS decline was partially offset by a 10% increase in operating expenses (from Php 2.68 billion to Php 2.95 billion), which was mostly the result of higher digital marketing spending, personnel costs, taxes and licensing fees.

With lower revenue and cash costs, Core EBITDA decreased by 16% from Php 4.29 billion to Php 3.60 billion. Consequently, core EBITDA margin saw a slight decrease from 20% to 19%.

- **Improved net margin.** Although Core EBITDA margin slightly thinned, core net income margin improved from 20% to 24% and reported net income (RNI) margin expanded from 21% to 25% because of higher contributions from other and finance incomes.

Other income jumped by 37% from Php 1.65 billion to Php 2.26 billion because of increased forfeitures and rentals, driven by the company's rent-to-own (RTO) program ("Home Ready"). Full-lease payments from Home Ready transactions were booked in other income.

Net finance income (net of finance costs) soared by 81% from Php 259 million to Php 471 million, owing to higher interest earnings from in-house financing. In compliance with IFRS 15, finance costs from accounts that are pending recognition are capitalized.

A nonrecurring gain of Php 106 million was also recognized from the sale of land to JV company DMC Estate Development Ventures, Inc. (EDVI) for the development of Fortis Residences.

The company also reported the following operational highlights:

- **Continued sales recovery.** Total units sold (including closed sales and reservations) increased by 8% from 7,701 to 8,284. While this marks the highest level since the pandemic, it remains 22% below the pre-pandemic level of 10,628 (2019).

The year-on-year sales recovery was driven by a 25-percent increase in residential unit sales (from 4,326 to 5,387 units). However, this growth was partially offset by a 14% contraction in parking unit sales (from 3,375 to

2,897), as the Solmera Coast project does not offer parking slots. Top-selling projects included Solmera Coast, Anissa Heights, Sage Residences and Allegra Garden Place.

Newly-launched projects Solmera Heights (August 2023) and Anissa Heights (November 2023) accounted for 37% of total residential sales. By the end of the period, 75% of Anissa Heights and 80% of Solmera Coast's inventories had been sold.

- **Better selling prices.** Average selling price (ASP) per square meter went up by 12% from Php 125,000 to Php 139,000, while ASP per unit moderated by 9% from Php 6.82 million to Php 6.24 million, following the company's entry to the microflat segment (Anissa Heights) and sale of smaller-cut units (Solmera Coast and Sage Residences).

Located in Pasay City, Anissa Heights provides affordable, compact units (16 sqm to 27.5 sqm) in the Php 3 million to Php 3.4 million range. Sage Residences is for urban professionals seeking a prime location (Mandaluyong City), while Solmera Coast serves as a leisure condotel investment opportunity.

- **Higher sales value.** Increased unit sales and better selling prices translated to a 12-percent increase in total sales value, from Php 32.1 billion to Php 35.9 billion – the highest in four years.
- **New project formats launched.** Four projects were launched in 2023: Calinea Tower (Caloocan City), Mulberry Place 2 (Taguig City), Solmera Coast (San Juan, Batangas) and Anissa Heights (Pasay City). These projects had a combined sales value of Php 35.6 billion, slightly below (-7%) the Php 38.2 billion generated from projects launched the previous year.

Solmera Coast offers a beachfront leisure experience, while Anissa Heights targets first-time buyers, young professionals, students, investors and downsizers with its microflats.

- **Slowing sales cancellations.** Sales cancellations for residential units (closed sale over total units sold) awaiting revenue recognition (threshold less than 14.5%) declined from 18% to 13%, owing to higher sales and fewer cancellations. At 13%, it fared slightly above pre-pandemic (2019) level of 12%, mainly because of less residential units sold (5,387 units vs. 6,283 units in 2019).
- **More unbooked revenues.** Unbooked revenues rose by 8% from Php 64.9 billion to Php 69.9 billion, fueled by a rebound in total sales value and the launch of seven projects over the past two years. The seven projects had a combined sales value of Php 73.8 billion.
- **Higher inventory.** Total inventory expanded by 30% from Php 57.4 billion to Php 74.9 billion because of double-digit increases in both pre-selling and Ready-for-Occupancy (RFO) units. Bulk (75%) of the total inventory are pre-selling units, which include residential and parking.

Excluding joint venture projects, inventory went up by 42% from Php 43.4 billion to Php 61.5 billion.

Pre-selling inventory surged by 35% from Php 41.8 billion to Php 56.5 billion, following the launch of Calinea Tower, Mulberry Place 2, Solmera Coast and Anissa Heights.

RFO inventory rose by 19% from Php 15.5 billion to Php 18.4 billion due to the completion of The Atherton, Satori Residences, The Orabella, Infina Towers, Brixton Place, Prisma Residences and Verdon Parc.

- **Ample land bank.** Total land bank shrunk by 10% from 217.9 hectares to 196.9 hectares due to the development of a leisure project in Batangas, coupled with the acquisition of a 2.3- hectare property in Mindanao.

Land bank in Luzon declined by 24% or 23.3 hectares following the launch of Solmera Coast, while land bank in Mindanao grew threefold (209%) from 1.1 hectares to 3.4 hectares. Metro Manila and Visayas land bank were unchanged at 111.9 hectares and 3.4 hectares, respectively.

Total land bank remains concentrated in Metro Manila (57%) and Luzon (38%), with smaller portions in Visayas (3%) and Mindanao (2%).

- **Flattish CAPEX.** Capital spending was largely unchanged (+1%) from Php 15.80 billion to Php 15.90 billion, majority (92%) of which was spent on construction activities. Construction spending grew by 5% from Php 13.96 billion to Php 14.63 billion, whereas expenditures on land banking activities contracted by 41% from Php 1.53 billion to Php 906 million.
- **Healthy financial position.** Net debt-to-equity ratio slightly declined from 1.03x to 0.93x, as net debt rose by 3% from Php 32.21 billion to Php 33.02 billion to finance capital expenditures. Meanwhile, balance sheet remained robust with an interest coverage ratio of 3.0x, down from 3.6x.

At the standalone level, reported net income increased by 4% from Php 4.55 billion to Php 4.73 billion. Excluding nonrecurring gain from land sale to EDVI, core net income was mostly stable (+2%) from Php 4.55 billion to Php 4.63 billion.

III. **Maynilad Water Services, Inc. (Maynilad)**

Reported net income contribution from the water business rose by 42% from Php 1.42 billion to Php 2.06 billion, buoyed by stronger operating results, increased rates and the recognition of other income.

Excluding nonrecurring items, core net income contribution strengthened by 45% from 1.47 billion to Php 2.09 billion. DMC's share in nonrecurring items amounted to a Php 28 million loss in 2023, owing to foreign exchange fluctuations and donations. Meanwhile, loan prepayment fees, severance pay, donations and miscellaneous items amounted to a nonrecurring loss of Php 47 million in 2022.

To explain the company's standalone performance:

- **Double-digit topline growth.** Total revenues swelled by 19% from Php 22.88 billion to Php 27.32 billion on the back of improved billed volume, customer mix and average effective tariff, boosted by government tax collection.
- **Better EBITDA margins.** Core EBITDA rallied by 32% from Php 13.32 billion to Php 17.61 billion, with margin expanding from 58% to 64%. This was mainly attributable to improved topline, slower growth in total cash costs and recognition of other income, muted by higher provisioning for credit losses.

Total cash costs grew slower (+17%) than topline (+19%) from Php 8.62 billion to Php 10.09 billion, primarily from lower light and power expenses and milder increase in personnel costs, tempered by higher outside services, water treatment chemical costs, repairs and maintenance and cross-border water purchases.

Provisions accelerated by 281% from Php 170 million to Php 648 million on increased provisioning for potential losses from unpaid debts deemed uncollectible during the period.

Meanwhile, other income reversed from an expense of Php 771 million to an income of Php 1.02 billion owing to higher interest income and provision reversals for water service interruption penalties in 2022.

- **Record billed volume.** Billed volume went up by 2% from 526.9 million cubic meters (MCM) to 538.5 MCM, marking the highest level in the company's history. The uptick was driven by record water production and higher non-domestic demand, along with the reactivation and reconnection of delinquent accounts.
- **Improving customer mix.** Non-domestic billed volume increased from 17.3% to 18.4%, driven by accelerating economic activity. In contrast, the share of domestic billed volume declined from 82.7% to 81.6%. This represents the most favorable customer mix in four years, following the achievement of a 20.0% non-domestic share in 2019.

- **Adjusted tariff.** Average effective tariff rose by 14% from Php 42.11 to Php 48.12 because of the staggered implementation of the Metropolitan Waterworks and Sewerage System (MWSS) – approved basic rate adjustment last January 1, 2023 and more favorable customer mix.
- **Higher noncash items.** Depreciation and amortization expenses increased by 11% from Php 2.95 billion to Php 3.27 billion owing to additional capex projects completed during the year. Capex disbursements reached Php 26.0 billion in 2023, up by 87% from last year.
- **Wider profit margin.** Net income margins expanded from 26% to 33% on faster EBITDA growth amid slower rise in noncash items, net finance costs and income tax provisions.

The company also reported the following operational and financial highlights:

- **Best-ever water production.** Total water production increased by 2% from 756.2 million cubic meters (MCM) to a record-breaking 774.8 MCM. Higher raw water supply from Angat Dam, increased cross-border water purchases, the activation of the “NEW WATER” treatment plant in Parañaque and the use of deep wells accounted for the uptrend.
- **Stable water losses.** Average non-revenue water (NRW) stood at 30.5%, slightly higher than last year (30.4%) because of improved production. End-of-period NRW dropped by 5% from 32.1% to 30.4%, largely attributable to higher billed volume and continuous NRW-reduction initiatives and projects, i.e. leak repairs and pipe replacement.
- **Expanded coverage and availability.** Water service coverage slightly grew from 94.6% to 94.8%, as the number of water service connections (WSCs) increased from 1,522,992 to 1,532,463. In effect, served population widened by 3% from 10.0 million to 10.3 million. 24-hour availability likewise improved from 92.7% to 97.5% because of higher water production.

Sewer service coverage rose to its highest level on aggressive infrastructure spending, expanding from 22.6% to 30.7%. This translated to a 40-percent increase in served population from 2.3 million to 3.1 million.

At the standalone level, Maynilad set a new profit record of Php 9.01 billion, 53-percent higher than the Php 5.88 billion net income reported last year. Excluding nonrecurring items, core net income surged by 51% from Php 6.05 billion to Php 9.12 billion.

For 2023, nonrecurring items included net foreign exchange losses (Php 39 million) and donations (Php 95 million). Meanwhile, 2022 nonrecurring items largely pertain to loan prepayment fees (Php 138 million), miscellaneous expenses (Php 47 million), severance pay (Php 45 million), donations (Php 29 million) and foreign exchange gains (Php 23 million).

IV. DMCI Power Corporation (DMCI Power)

The off-grid energy business delivered its highest-ever net income contribution, surging by 29% from Php 742 million to Php 959 million on the back of record sales volume and wider profit margins.

The synchronization of the Palawan thermal plant, which used more affordable fuel, resulted to lower topline, yet wider profit margins. Consequently, core EBITDA surged by 25% from Php 1.27 billion to Php 1.59 billion.

Key drivers behind its remarkable financial performance include:

- **Record capacity, output and dispatch.** The additional of an 8MW diesel plant in Masbate (January 2023) and a 15 MW thermal plant in Palawan (July 2023) boosted total installed capacity by 17% from 136.4 gigawatt hours (GWh) to an all-time high of 159.8 GWh.

With this, total gross generation climbed by 7% from 447.3 GWh to a record 479.7 GWh, fueling a 6-percent increase in sales volume from 426.0 GWh to a historic high of 452.6 GWh.

Palawan sales represented 79% of the total sales increase, after recording a dispatch growth of 12% from 178.8 GWh to 200.2 GWh. This upswing was driven by stronger economic activities and expanded capacity in the area. Meanwhile, Masbate saw a 6-percent rise in sales from 147.7 GWh to 156.1 GWh, supported by similar factors. On the other hand, sales in Oriental Mindoro slipped by 3% from 99.4 GWh to 96.2 GWh, amid higher availability of renewable energy and conventional power sources.

While Palawan continued to lead in sales, its contribution to total sales edged up from 42% to 44%. Contributions from Masbate and Oriental Mindoro adjusted slightly, moving to 34% (from 35%) and 21% (from 23%), respectively.

- **Normalizing selling prices.** Overall ASP slipped by 7% from Php 17.5/KWh to Php 16.4/KWh, reflecting the cumulative impact of lower coal, bunker, and diesel costs amid stabilizing global energy prices. This downtrend was magnified by the August 15 commercial operations of the 15MW Palawan thermal plant, which charged a lower tariff.

In line with market indices, coal expenses plummeted by 43% from Php 11.8 to Php 6.7 per kilogram. Bunker fuel prices dipped by 3% from Php 46.1 to Php 45.0 per liter, while diesel prices remained relatively stable (-1%) at Php 56.2 from Php 56.9 per liter.

- **Flat topline and healthier margins.** Total revenues was mostly flat (-1%) from Php 7.47 billion to Php 7.41 billion, as higher dispatch offset the effect of weaker ASP.

Total cash costs declined at a faster pace (-6%) than topline from Php 6.20 billion to Php 5.82 billion because of lower fuel costs, which was significantly influenced by the operations of the Palawan thermal plant.

Income tax provisions dropped by 12% from Php 142 million to Php 125 million, with the granting of income tax holidays (ITH) to the Masbate hybrid diesel plants, as well as the Palawan 15MW thermal plant.

The Masbate thermal plant's ITH will expire in September 2024, while the 8MW hybrid diesel plant's ITH will run until January 2029. The Palawan thermal plant's four-year ITH will end in August 2027.

As a result, the core EBITDA margin improved from 17% to 21%, and the net margin increased from 10% to 13%.

- **Higher noncash items and finance costs.** Depreciation and amortization increased by 10% from Php 337 million to Php 370 million, following the synchronization of the 8MW Masbate diesel plant and the 15MW Palawan thermal plant.

Meanwhile, net finance costs (net of income) more than tripled (208%) from Php 49 million to Php 152 million on the combined effect of elevated interest rates and higher borrowing costs associated with the additional 23MW capacity installed in Palawan and Masbate. As of December 31, 2023, 70% of the total loans payable were subject to floating interest rates.

The company also reported the following operational and financial highlights:

- **Stable market share.** Market shares in Masbate and Palawan stayed the same at 100% and 52%, respectively. The company remains the sole power provider in Masbate while slower demand in Palawan limited its diesel plant operation. Oriental Mindoro market share fell from 26% to 22% on better availability of both the renewable and conventional plants in the area.

- **Healthy financial position.** Net debt-to-equity ratio decreased from 139% (end of December 2022) to 105% (end of December 2023), as net debt contracted by 17% from Php 5.37 billion to Php 4.45 billion on continuing loan amortization without additional availment.
- **Less capital expenditures.** Capital investments plunged by 54% from Php 1.89 billion to Php 860 million, following the completion of two expansion plants.

The 15MW Palawan thermal plant and 8MW Masbate diesel plant accounted for 66% of the 2023 capex, a decrease from 81% the previous year. The rest of the capex was spent on regular plant maintenance activities and downpayment for the purchase of additional generating units.

At the standalone level, DMCI Power recorded a 28-percent upturn in reported net income from Php 742 million to Php 946 million, its highest-ever. No nonrecurring items were recognized in either period.

V. DMCI Mining Corporation (DMCI Mining)

The nickel mining business posted weaker results, with net income contribution declining by 49% from Php 1.29 billion to Php 655 million because of lower selling prices and increased costs stemming from record-high shipments.

Standalone core EBITDA plunged by 37% from Php 2.19 billion to Php 1.38 billion, reducing margins from 58% to 41%.

Further details on the results include:

- **Weaker topline.** Total revenues dropped by 11% from Php 3.79 billion to Php 3.39 billion, as lower selling prices muted the impact of record shipments.
- **Elevated cash costs.** Total cash costs accelerated by 25% from Php 1.60 billion to Php 2.00 billion, resulting from higher production cash costs (COS).

COS expanded by 36% from Php 749 million to Php 1.02 billion on higher expenses related to shiploading, fuel consumption and labor as a result of increased shipments.

Operating expenses grew by 15% from Php 854 million to Php 985 million on higher BNC spending on environmental, mechanical and administrative support, and excise taxes, along with increased ZDMC spending for environmental and social development activities.

In turn, total cash costs per wet metric ton (WMT) rose by 4% from US\$ 20.5 to US\$ 21.3.

- **Higher noncash items.** Increased nickel ore shipments led to a 29-percent rise in amortization costs from Php 488 million to Php 628 million, boosted by higher depreciation costs from the acquisition of additional mining equipment. Under Philippine Accounting Standards (PAS) 16, shipments are amortized based on a mine's available reserves.
- **Thinner margins.** Net income margin narrowed from 36% to 18% on the combined effect of a weaker topline, elevated cash and non-cash expenses, lack of net foreign exchange gains, and a reduced provision for income taxes.

Additionally, other income fell by 27% from Php 122 million to Php 89 million on account of a stabilizing US\$:Philippine Peso exchange rate. This year, the company reversed a Php 90 million provision for long-outstanding operating costs incurred as a mining operator for another company from 2007 to 2014.

Provision for income tax dropped by 52% from Php 444 million to Php 211 million on lower taxable income.

The company also reported the following operational and financial highlights:

- **Expanded production.** Total production advanced by 65% from 1,031,000 WMT to 1,705,000 WMT, following an expansion in ZDMC's mining capacity and the acquisition of additional mining equipment in 2022.

ZDMC secured the necessary Environmental Compliance Certificate (ECC) to boost its nickel ore production from 1 million metric tons to 2 million metric tons, effective January 2023.

- **More stockpile.** Total ending inventory more than doubled (141%) from 54,000 WMT to 130,000 MWT, owing to a 230-percent increase in ZDMC stockpile from 33,000 WMT to 109,000 WMT. BNC stockpile remained at 21,000 WMT, which is below the standard shipment size of 50,000 WMT.

With improved production capacity, ZDMC was able to sustain its stockpile above 100,000 WMT this year (157,000 WMT in Q1, 110,000 WMT in Q2 and 153,000 WMT in Q3).

- **Record shipments.** Total shipments rallied by 16% from 1,449,000 wet metric tons (WMT) to a historic level of 1,680,000 WMT, driven by improved ZDMC production and stockpile.
- **Lower selling prices.** Average selling price (ASP) tapered by 14% from US\$ 42/WMT to US\$36/WMT on weak market prices. While this aligned with the LME nickel price decline, it significantly outperformed the Philippine FOB trend.

Average yearly LME Nickel price contracted by 15% from US\$ 25,638/ton to US\$ 21,733/ton, while the Philippine FOB price for 1.30% grade ore declined even faster (-31%) from US\$39/WMT to US\$27/WMT.

- **Net cash position.** The company maintained its net cash position despite its weaker performance this year. Net debt-to-equity ratio improved from -0.17 to -0.12 after paying Php 667 million in dividends to shareholders and capital spending of Php 169 million. Debt level was unchanged at Php 350 million for both periods.
- **Reduced capital expenditures.** Committed capital spending fell by 38% from Php 459 million to Php 283 million owing to lower mining equipment requirements amid ongoing permitting of mining assets.

At the standalone level, reported net income plunged by 54% from Php 1.36 billion to Php 623 million. No nonrecurring item was recognized during both periods.

VI. D.M. Consunji, Inc. (DMCI)

The construction business contributed Php 573 million in reported net income, 9% lower than Php 630 million last year mostly from reduced construction activity. Excluding nonrecurring items, core net income contribution slipped by 2% from Php 587 million to Php 573 million.

To further explain its performance:

- **Weaker topline.** Total revenues declined by double-digits (15%) from Php 19.50 billion to Php 16.51 billion owing to the near-completion of major projects and fewer new infrastructure contracts.

Revenues from Building contracts rose by 7% from Php 8.59 billion to Php 9.20 billion, mainly coming from Maynilad projects. Joint Venture project revenues increased by 4% from Php 3.04 billion to Php 3.17 billion on improved construction accomplishments and low base effect following delays and re-scoping of North South Commuter Railway Project Contract Package 01 (NSCR CP-01) project last year.

Meanwhile, revenues from the Infrastructure unit plunged by 62% from Php 6.38 billion to Php 2.43 billion with the absence of new major contracts. Project support revenues grew by 15% from Php 1.49 billion to Php 1.71 billion because of increased activity in NSCR CP-01.

The Building unit, which includes buildings, energy, plant and utilities projects, accounted for 56% of the revenues (versus 44% last year), followed by Joint Venture projects at 19% (from 16% last year), Infrastructure unit at 15% (from 33% last year) and Project Support at 10% (from 8% last year).

- **Cash costs mirror topline.** Total cash costs moved in line with revenues, dropping by 15% from Php 17.62 billion to Php 14.92 billion on reduced activity from fewer ongoing projects.

Operating expenses fell by 14% from Php 514 million to Php 441 million, attributable to lower retirement expense caused by a realignment of the projection rate, along with lower business permit expenses tied to decreased taxable revenue.

- **Lower noncash expenses.** Noncash items decreased by 12% from Php 794 million to Php 698 million, largely driven by a rise in fully depreciated assets, resulting from reduced project requirements in prior years.
- **Stable margins.** EBITDA margin was unchanged during both periods (10%), as a proportionate decline in both revenue and cash costs offset each other. Standalone net income margin saw a slight increase from 4% to 5% on the combined effect of higher other income, improved net finance income and reduced income tax provisions.

Other income surged by 347% from Php 19 million to Php 87 million, propelled by a foreign currency adjustment after the revaluation of joint venture financial statements (Php 39 million). This increase was further supported by management fees (Php 17 million) and rental income (Php 1.7 million).

Net finance cost of Php 22 million shifted to net finance income (Php 10 million) on debt pare-down and increase in cash position.

The company also reported the following operational and financial highlights:

- **Order book recovery.** Total order book expanded by 19% from Php 35.2 billion to Php 41.9 billion, following the awarding of Php 20.2 billion in new projects.

These projects include the South Commuter Railway Project Contract Package 02 (a joint venture with Acciona Construction Philippines), St. Luke's Medical Center (New Hospital Building), pipelaying works in Muntinlupa, University Hall and Razon Hall in the De La Salle University Laguna Campus, an 88 MLD Water Reclamation Facility in Las Piñas City, the Levi Mariano Pumping Station and Reservoir in Taguig City among others.

- **Higher capital expenditures.** Capital spending surged by 68% from Php 227 million to Php 382 million due to the acquisition of new heavy equipment to support ongoing projects.
- **Net cash position.** Debt-to-equity ratio improved from -0.2x to -0.6x after a reduction in debt (from Php 222 million to zero), the collection of retention receivables from infrastructure projects (Php 1.59 billion), and a down payment from a new project (Php 2.93 billion).

At the standalone level, reported net income fell by 9% from Php 863 million to Php 783 million. Excluding nonrecurring items, core net income declined by 7% from Php 815 million to Php 757 million. Nonrecurring items pertain to gain on sale of equipment, which amounted to Php 26 million in 2023 and Php 48 million in 2022.

Intercompany eliminations slowed by 12% from Php 294 million to Php 258 million, associated largely with the construction of various water projects for Maynilad, a DMCI Holdings affiliate.

CAPEX

In 2023, total committed capital spending increased by 8% from Php 38.0 billion to Php 41.2 billion, mostly the result of increased Maynilad spending on water and wastewater projects.

Excluding Maynilad, the DMCI Group capex contracted by 5% from Php 22.7 billion to Php 21.5 billion because of lower DMCI Power spending, following the completion and synchronization of its 15MW Palawan thermal plant in August 2023.

In Php billions	2023	2022	Change	2024F	2023	Change
DMCI	0.4	0.2	100%	0.3	0.4	-25%
DMCI Homes	15.9	15.8	1%	17.0	15.9	7%
SMPC	4.0	4.3	-7%	7.0	4.0	75%
DMCI Power	0.9	1.9	-53%	2.3	0.9	156%
DMCI Mining	0.3	0.5	-40%	1.1	0.3	267%
Maynilad*	19.7	15.3	29%	31.4	26.0	21%
Total	41.2	38.0	8%	59.1	47.5	24%

*Maynilad 2024F vs 2023 based on capex disbursement

Looking ahead to 2024, total capital expenditures are expected to expand to Php 59.1 billion, as Maynilad earmarks P31 billion to meet its water and wastewater service obligations. This is the biggest capital investment for the company since the 1997 privatization of water services in Metro Manila.

Excluding Maynilad, the DMCI Group capex is expected to increase by 29% from Php 21.5 billion to Php 27.7 billion. This growth is attributed to a series of strategic initiatives, including refueling and exploration activities in the coal and nickel businesses, the construction of a 2x8MW bunker power plant in Palawan, wind power projects on Semirara Island, and the completion of ongoing DMCI Homes projects.

Outlook and Updates

For 2024, the DMCI Group expects market conditions to be challenging as slowing global economic growth, particularly in China, could dampen demand, and ultimately the commodity prices, for coal and nickel.

Elevated interest rates and high inventories will keep construction and real estate demand subdued, as buyers and developers adopt a more cautious approach in their investment decisions.

Utilities, specifically power and water, should benefit from a controlled inflation rate and a gradual stabilization in fuel and raw material costs, which can strengthen operating profit margins.

To counter market headwinds, the DMCI Group intends to optimize costs, improve productivity and generate value from its integrated operations, shared expertise and strong financial position.

Additionally, the DMCI Group is setting its sights on strategic investments such as renewable energy, leisure properties and joint ventures in its core businesses to diversify its revenue streams and address changing consumer preferences. To elaborate:

DMCI: With the demand for office and commercial spaces continuing to show sluggish growth, the company will shift its focus towards resilient and emerging areas such as infrastructure and industrial projects.

These include Overseas Development Assistance (ODA)-funded contracts, public-private partnership projects, government infrastructure initiatives and private sector industrial projects.

DMCI Homes: Sales and reservations are unlikely to return to pre-pandemic levels owing to steep loan rates, market oversupply and weak consumer confidence. However, new product formats like leisure (Solmera Coast) and microflats (Anissa Heights) could drive demand from underserved markets.

More joint venture (JV) projects are in the pipeline to maximize partner synergies and reduce financial risks. In February 2024, the company launched The Valeron Tower with Marubeni Corporation, a transit-oriented mixed-use development poised to transform the urban landscape of Pasig City.

SMPC: With coal and electricity prices stabilizing at what appears to be their "new normal," the company is concentrating on achieving its production (16 MT), shipment (15.5 MMT) and plant availability (83%) targets for the year.

The power segment could provide some upside once SCPC Unit 2's dependable capacity returns to 300MW by the second quarter of 2024. This increase is contingent on the successful rewinding and swapping of its generator in the first quarter of the year.

DMCI Power: The company is expected to reach a new earnings milestone (Php 1 billion) this year on the back of increased demand and additional capacity (42.48 MW), which would increase its total installed capacity by 27% to 202.2 MW.

Upcoming projects include a 12MW wind energy project on Semirara Island, a 16.6MW bunker power plant in Palawan, an 8.8MW bunker power plant in Masbate, and a 4MW solar project also in Masbate. The growth of its renewable energy portfolio will depend on the success of its wind and solar projects with an aggregate capacity of 16MW.

DMCI Mining: Despite increased investments in clean energy, global demand and prices are expected to decline due to sluggish global trade, challenges in China's property sector, a slowdown in the electric vehicle market and rising production in Indonesia, combined with increased supply of the metal worldwide.

Amid this slowdown in demand, the company is focusing on increasing its shipments to 2 million metric tons and securing the required permits to open a new mine in Palawan by the second half of 2024. Preparations are also underway to open a new site in Zambales by the second quarter of 2024.

Maynilad: Declining inflation and the rebound of tourist arrivals to pre-pandemic levels could bolster both residential and commercial demand, while supply should continue to improve on the back of aggressive infrastructure spending and supply augmentation measures.

Average effective tariff is likewise expected to improve given the shift in customer mix towards non-domestic customers and the approval of a rate hike by the Metropolitan Waterworks and Sewerage System (MWSS) effective January 1, 2024.

Explanation of movement in consolidated income statement accounts

Revenue

Consolidated revenue for 2023 decline by 14% from P142.6 billion to P122.8 billion due to lower commodity prices coupled with fewer construction projects and lower percentage-of-completion of its real estate developments.

Cost of Sales and Services

From P68.5 billion in 2022, cost of sales and services decreased marginally by 2% cost of sales related to real estate and construction softened. As a result, gross profit margin declined to 45% in 2023 from 52% of the previous year.

Operating Expenses

Government royalties for the year amounted to P10.7 billion, a 33% drop from P16.0 billion the previous year due to lower profitability of the coal business. Excluding government royalties, operating expenses incurred increased by 10% to P10.0 billion due mainly to higher repairs and maintenance, outside services, and marketing and advertising expenses.

Equity in Net Earnings

Equity in net earnings of associates increased by 42%, from P1.5 billion to P2.1 billion in 2023 and 2022, respectively, as a result of higher income take up from Maynilad.

Finance Income - net

Consolidated finance income (net) income increased by 511% due mainly to higher amount of placements during the period with better interest rates.

Other Income (Expense) - net

Other income (net) slightly increased by 4% due to the higher sales forfeitures and cancellation fees and fly ash sales during the year.

Provision for Income Tax

Lower taxable income resulted to a 9% drop in the consolidated provision for income tax (both current and deferred) during the year. Income tax in 2022 includes the accrual of the income tax expense amounting to P897 million for 2020 in relation to the deferral of the Molave mine's income tax holiday.

II. CONSOLIDATED FINANCIAL CONDITION

December 31, 2023 (Audited) vs December 31, 2022 (Audited)

The Company's financial condition for the year improved as total assets reached P248.0 billion, a 3% increase from December 31, 2022. Meanwhile, consolidated stockholders' equity increased by 4% to Php 137.4 billion following the dividend declaration during the year.

Consolidated cash balance increased by 13% from P28.4 billion in December 31, 2022 to P32.2 billion in December 31, 2023 as a result of collection of construction receivables and net loan availment which was offset by the higher dividend payment during the year.

Receivables decreased by 13% from P26.8 billion to P23.3 billion in 2023 mainly due to lower coal sales and collection of construction receivables.

Contract assets (current and non-current) amounting to P30.1 billion in 2023 is higher by 4% versus the previous year due to higher accomplishments on the real estate and construction businesses.

Consolidated inventories increased by 10% in 2023 from P61.5 billion to P67.9 billion following higher construction costs incurred on ongoing residential projects, as well as higher coal inventory and spare parts.

Other current assets increased by 17% to P12.8 billion which comprised mainly of creditable withholding taxes, prepaid expenses and recoverable deposit.

Investments in associates and joint ventures grew by 5%, reflecting the net impact of the income take-up and dividends received from Maynilad.

Right-of-use assets grew by 20% due to the additional office space leased during the year.

Property, plant and equipment stood at P53.7 billion from P57.6 billion last year as depreciation expense more than offset the capital expenditures in 2023.

Exploration and evaluation assets increased by 29% due to the relevant engineering studies conducted for the nickel mining segment.

Pension assets and remeasurements on retirement plans (under equity) decline by 2% and 8%, respectively. Meanwhile, pension liabilities grew by 125% in 2023. The movements in these accounts were mainly due to the effects of the differences between the actual results and previous actuarial assumptions.

Deferred tax assets increased by 66% versus the previous year, from P0.55 billion to P0.92 billion due to the reversal of deferred tax liability arising from the taxable temporary difference on unrealized foreign exchange gains.

Other noncurrent assets expanded by 11% due mainly to the long-term advances and deposits to suppliers.

Accounts and other payables, which includes income tax payables, increased by 9% to P31.0 billion mainly due to the accrual of production related expenses and higher government share in profits payable to DOE.

Contract liabilities (current and non-current) grew by 22% from last year to P19.4 billion due to the additional advances from customers.

Liabilities for purchased land declined by 28% in 2023 versus the previous year as the real estate segment pay down the related liabilities.

Total debt (under short-term and long-term debt) from 2022 amounting to P52.6 billion decreased by 6% to P49.5 billion following net loan payments during the year.

Other noncurrent liabilities decreased by 6% due amortization of deferred rent income.

Net accumulated unrealized gains on equity investments designated at FVOCI grew by 33% as fair market value of quoted securities during the year increased.

Consolidated retained earnings stood at P90.8 billion at the end of December 2023, 7% higher from P85.2 billion at the close of 2022 after generating P24.7 billion of net income and payment of P19.2 billion in cash dividends.

Non-controlling interest decreased by 3%, from P29.2 billion in 2022 to P28.4 billion in 2023, as a result of the lower minority share in profits of SMPC.

III. KEY RESULT INDICATORS

The Company and its Subsidiaries (the "Group") use the following key result indicators to evaluate its performance:

- k) Segment Revenues
- l) Segment Net Income (after Non-controlling Interests)
- m) Earnings Per Share
- n) Return on Common Equity
- o) Net Debt to Equity Ratio

SEGMENT REVENUES

<i>(in Php Millions)</i>	For the Year		Variance	
	2023	2022	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P76,326	P90,382	(P14,056)	(16%)
DMCI HOMES	19,248	21,911	(2,663)	(12%)
D.M. CONSUNJI, INC.	16,117	18,656	(2,539)	(14%)
DMCI POWER	7,414	7,470	(56)	(1%)
DMCI MINING	3,386	3,789	(403)	(11%)
PARENT & OTHERS	337	392	(55)	(14%)
TOTAL REVENUE	P122,829	P142,600	P19,771	(14%)

The initial indicator of the Company's gross business results is seen in the movements of revenue in each business segment. As shown above, consolidated revenue decreased by 14% primarily due to normalizing commodity and electricity prices and lower construction accomplishments.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>(in Php Millions)</i>	For the Period		Variance	
	2023	2022	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P15,780	P22,661	(P6,881)	(30%)
DMCI HOMES	4,569	4,469	100	2%
MAYNILAD	2,090	1,467	623	42%
DMCI POWER	959	742	217	29%
DMCI MINING	655	1,285	(630)	(49%)
D.M. CONSUNJI, INC.	571	587	(16)	(3%)
PARENT & OTHERS	53	(28)	81	289%
CORE NET INCOME	24,677	31,183	(6,506)	(21%)
NON-RECURRING ITEMS	46	(93)	130	149%
REPORTED NET INCOME	P24,722	P31,090	(6,367)	(20%)

The net income (after non-controlling interest) of the Group declined due to lower contributions from its coal and nickel mining segments due to normalizing commodity prices which is cushioned by higher income take up from Maynilad and contribution by the off grid power segment. The non-recurring items primarily pertain to the gain on sale of land, negated by the additional write down of the on-grid power segment's gas turbines.

EARNINGS PER SHARE

Earnings per share (EPS) pertains to how much profits a company makes for each of its common shares. EPS is one of the most common ways to gauge a company's profitability attributable to common shareholders.

The Company's consolidated basic and diluted EPS was P1.86/share for the year ended December 31, 2023, a 20% decline from P2.34/share EPS year-on-year.

RETURN ON COMMON EQUITY

Return on common equity is defined as the amount of net income a company earns relative to the book value of common equity. It is a primary financial metric used by equity investors to determine whether management is efficiently and effectively utilizing the capital that shareholders have provided to generate profits. It is calculated by dividing the net income attributable to common equity shareholders of the parent company divided by the average book value of equity attributable to the equity holders of the parent company. The Company's return on common equity stood at 27% and 33% for the year ended December 31, 2023 and 2022, respectively.

NET DEBT TO EQUITY RATIO

The net debt-to-equity ratio measures to amount of debt financing relative to the equity capital. The ratio tells the Company the amount of risk associated with the way its capital structure is set up. The ratio highlights the amount of debt a company is using to run their business and the financial leverage that is available to the Company. The net debt-to-equity ratio is calculated by dividing the interest-bearing loans less cash and cash equivalents by total shareholders' equity.

Total borrowings in 2023 stood at P49.5 billion from P52.6 billion in the previous year, which resulted to a net debt-to-equity ratio of 0.13:1 as of December 31, 2023 and 0.18:1 as of December 31, 2022.

FINANCIAL SOUNDNESS RATIOS

	December 31, 2023	December 31, 2022
Gross Margin	45%	52%
Net Profit Margin	30%	34%
Return on Assets	15%	22%
Return on Common Equity	27%	33%
Current Ratio	277%	290%
Net Debt to Equity Ratio	13%	18%
Asset to Equity Ratio	180%	181%
Interest Coverage Ratio	14 times	20 times

PART II--OTHER INFORMATION

1. The Group's operation is a going concern and is expected to remain in business indefinitely.
2. Economic and infrastructure developments in the country may affect construction business; interest rate movements may affect the performance of the real estate industry; mining activities are generally hinged on the demand and supply of the commodities market and is also affected by weather conditions. Businesses that are not affected by known business cyclicalities, trends, or other uncertainties would include power generation and water utility.
3. On October 10, 2023, the BOD of the Parent Company approved the declaration of special cash dividends of Php 0.72 per common share or a total of Php 9.56 billion in favor of the common stockholders of record as of October 24, 2023, and was paid on November 9, 2023.
4. On March 29, 2023, the BOD of the Parent Company approved the declaration of (1) regular cash dividends in the amount of Php 0.61 per common share or a total of Php 8.10 billion; and (2) special cash dividends of Php 0.11 per common share or a total of Php 1.46 billion, or a grand total of Php 9.56 billion in favor of the common stockholders of record as of April 17, 2023, and was paid on April 28, 2023.
5. On October 18, 2022, the BOD of the Parent Company declared cash dividends amounting to Php 0.72 special dividends per common share totaling Php 9.56 billion in favor of the stockholders of record as of November 2, 2022, and was paid on November 16, 2022.
6. On April 1, 2022, the BOD of the Parent Company declared cash dividends amounting to Php 0.34 regular dividends per common share and Php 0.14 special dividends per common share totaling Php 6.37 billion in favor of the stockholders of record as of April 19, 2022, and was paid on April 29, 2022.
7. There are no undisclosed material subsequent events and transfer of assets not in the normal course of business that have not been disclosed for the period that the Group has knowledge of;
8. There are no known material contingencies during the interim period; events that will trigger direct or contingent financial obligations that are material to the Group, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.
9. There are no known material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
10. Except for interest payments on loans, which the Group can fully service, the only significant commitment that would have a material impact on liquidity would be construction guarantees. These are usually required from contractors in case of any damage and/or destruction on a completed project.
11. There are no known trend or demand, commitment, event or uncertainty that will result in or have a material impact on the Group's liquidity.
12. The Group does not have any rights offering, issuance of primary shares, granting of stock options, and corresponding plans at this time.

13. All necessary disclosures were made under SEC Form 17-C.

ITEM 7. FINANCIAL STATEMENTS

Please see the attached consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules.

ITEM 8. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

- a. The external auditors of the Company and its subsidiaries is the accounting firm Sycip, Gorres, Velayo and Co. (SGV & Co.). Pursuant to the General Requirements of SRC Rule 68, paragraph 3 (Qualifications and Reports of Independent Auditors), the Board of Directors of the Company, upon recommendation of its Audit Committee, approved the engagement of the services of SGV & Co. as external auditor and Ms. Jennifer D. Ticlaio as the Partner-in-Charge starting 2022 audit period given the required audit partner rotation every five years.

The re-appointment of the external auditor SGV & Co. will be presented to the stockholders for their approval at the annual stockholders' meeting.

Representatives of SGV & Co. are expected to be present at the stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions.

- b. The Company's Audit Committee reviews and discusses with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management. It also reviews the external auditor's audit plans that increase the credibility and objectivity of the Company's financial reports and public disclosure.

The Company's Audit Committee reviews the external auditor's fee schedules and any related services proposals for Board approval.

External audit fees and services

Below are the External Audit Fees of the Company and its subsidiaries for two fiscal years:

	2025	2024
Audit and audit related fees	P 33,996,765	P25,732,245
Non-audit*	P6,608,708	2,867,500

SGV & Co. was engaged by the Group to audit its annual financial statements in connection with the statutory and regulatory filings or engagements for the years ended 2025 and 2024. The audit-related fees include assurance services that are reasonably related to the performance of the audit of the Group's financial statements pursuant to the regulatory requirements.

Tax fees

Included in non-audit fees is the Tax Compliance Review, Transfer Pricing Study and Income Tax Compliance Training provided to the Group.

Non-audit fees

Other non audit fees pertain to Climate Change Advisory Services, Agreed Upon Procedure Services and PFRS 18 Training provided to the Group.

Changes in and disagreements with accountants on accounting and financial disclosure

The Company has engaged the services of SGV & Co. during the two most recent fiscal years. There were no disagreements with SGV & Co. on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

PART III - CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

(1) Identify Directors, Including Independent Directors, and Executive Officer.

Name	Position	Age	Citizenship
Isidro A. Consunji	Chairman of the Board President/Chief Executive Officer	77	Filipino
Maria Cristina C. Gotianun	Vice Chairman / Treasurer	71	Filipino
Ma. Edwina C. Laperal	Director/ Asst. Treasurer	64	Filipino
Luz Consuelo A. Consunji	Director	72	Filipino
Jorge A. Consunji	Director	74	Filipino
Roberto L. Panlilio	Director (Independent)	71	Filipino
Bernardo M. Villegas	Director (Independent)	87	Filipino
Cynthia R. Del Castillo	Director (Independent)	73	Filipino
Erlaster C. Sotto	Director (Independent)	68	Filipino
Herbert M. Consunji	Director/Executive Vice President & Chief Finance Officer/Chief Compliance Officer/Chief Risk Officer	73	Filipino
Noel A. Laman	Corporate Secretary	86	Filipino
Ma. Pilar P. Gutierrez	Asst. Corporate Secretary	49	Filipino
Joseph Adelbert V. Legasto	Deputy Chief Finance Officer/ Chief Strategy and Sustainability Officer	49	Filipino
Hannah Cecille L. Chan	Asst. Vice President and Investor Relations Head	37	Filipino

*Mr. Buenaventura passed away on December 10, 2025

REGULAR DIRECTORS

Isidro A. Consunji – is 77 years old; has served the Corporation as a regular director for thirty one (31) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp., Concreat Holdings Philippines, Inc., Dominion Holdings, Inc., Maynilad Water Services, Inc. and Atlas Consolidated Mining and Development Corp.; **(Non-listed)** D. M. Consunji, Inc., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Corp., Maynilad Water Holdings, Co. Inc., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Calaca Res Corp., Sem-Cal Industrial Park Developers, Inc., Semirara Claystone, Inc., Dacon Corp., DFC Holdings, Inc., Beta Electric Corp. and Crown Equities, Inc., Wire Rope Corporation of the Philippines, Philippine Overseas Construction Board (Chairman), Construction Industry Authority of the Phils. **Education.** Bachelor of Science in Engineering (University of the Philippines), Master of Business Economics (Center for Research and Communication), Master of Business Management (Asian Institute of Management), Advanced Management (IESE School, Barcelona, Spain). **Civic Affiliations.** Philippine Overseas Construction Board, *Chairman*, Construction Industry Authority of the Philippines, *Board Member*, Philippine Constructors Association, *Past President*, Philippine Chamber of Coal Mines, *Past President*, Asian Institute of Management Alumni Association, *Member*, UP Alumni Engineers, *Member*, UP Aces Alumni Association, *Member*.

Jorge A. Consunji – is 74 years old; has served the Corporation as a regular director for thirty one (31) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp., Concreat Holdings Philippines, Inc. and Maynilad Water Services, Inc.; **(Non-listed)** D.M. Consunji Inc., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Maynilad Water Holdings, Co. Inc., , Dacon Corp., DFC Holdings, Inc., Beta Electric Corporation, Wire Rope Corporation of the Phils., Manila Herbal Corporation, Sirawai Plywood & Lumber Co., M&S Company, Inc. **Education.** Bachelor of Science in Industrial Engineering (De La Salle University); Advanced Management Program Seminar at the University of Asia and the Pacific and Top Management Program at the Asian Institute of Management. **Civic Affiliations.** PLDT-Smart Foundation, *Trustee*, Construction Industry Authority of the Phils, *Board Member*, Asean Constructors Federation, *Former Chairman*, Phil. Constructors Association, *Past President/Chairman*, Phil. Contractors Accreditation Board, *Former Chairman*, Association of Carriers & Equipment Lessors, *Past President*.

Ma. Edwina C. Laperal - is 64 years old; has served the Corporation as a regular director from March 1995 to July 2006 (11years and 4 months) and from July 2008 to present (18 years); is a regular Director of the following: **(Listed)** Semirara Mining and Power Corporation; **(Non-listed)** D.M. Consunji, Inc., DMCI Project Developers, Inc., Dacon Corporation, DMCI Urban Property Developers, Inc, Sem-Calaca Power Corp., DFC Holdings, Inc. **Education.** BS Architecture (University of the Philippines), Masters in Business Administration (University of the Philippines), Certificate in Strategic Business Economics, Center for Research and Communication. **Civic Affiliations.** UP College of Architecture Alumni Foundation Inc., *Member*; United Architects of the Philippines, *Member*; Guild of Real Estate Entrepreneurs And Professionals (GREENPRO) formerly Society of Industrial-Residential-Commercial Realty Organizations, *Member*; Institute of Corporate Directors, *Fellow*.

Luz Consuelo A. Consunji – is 72 years old; has served the Corporation as a regular director for ten (10) years since 2016. She is a regular director of the following: **(Listed)** Semirara Mining and Power Corporation; **(Non-listed)** South Davao Development Corp., Dacon Corp. and Zanorte Palm-Rubber Plantation, Inc.; **Education.** Bachelor’s Degree in Commerce, Major in Management (Assumption College), Master’s in Business Economics (University of Asia and the Pacific). **Civic Affiliations.** Missionaries of Mary Mother of the Poor, Treasurer (May 2012 – present).

Maria Cristina C. Gotianun is 71 years old; has served the Corporation as a regular director for seven years since 2019 and as Assistant Treasurer for thirty one (31) years. She was recently appointed as Vice Chairman and Treasurer effective March 16, 2026. She is a regular director of the following positions: **(Listed)** Semirara Mining and Power Corporation and Concreat Holdings Philippines, Inc.; **(Non-listed)** D.M. Consunji, Inc., DMCI Project Developers, Inc., DMCI Power Corporation, DMCI Masbate Power Corp., Sem-Calaca Power Corp., Sem-Cal Industrial Park Development Corp., Semirara Claystone, Inc., Semirara Training Center, Inc., Southwest Luzon Power Generation Corp., Southeast Luzon Power Corp., St. Raphael Power Generation Corp., Dacon Corporation, DFC Holdings, Inc., Sirawan Food Corporation, **Education.** Bachelor of Science in Business Economics (University of the Philippines), and Strategic Business Economics Program, University of Asia & the Pacific. **Civic Affiliations.** Institute of Corporate Directors, *Fellow*.

INDEPENDENT DIRECTORS

Roberto L. Panlilio, is 71 years old and an Independent Director of the company for five (5) years. He served previously as J.P. Morgan’s Country Chairman (2019-2022) and as Senior Country Officer (SCO) for the Philippines (1999-2019). He led the management, governance and control of J.P. Morgan’s franchise in the Philippines across all lines of business and the bank’s Corporate Centers in the Philippines. He is also director of the following: **(Listed)** Semirara Mining and Power Corporation (Independent Director), Lopez Holdings Corporation (Independent Director) and Rockwell Land Corporation (Independent Director); **(Non-listed)** Maya Bank, Philippine Association of Securities Brokers and Dealers, Inc., Endeavor Philippines. He is president of L&R Corporation. Prior to joining J.P. Morgan, he was the Senior Executive Vice President & Chief Operating Officer for non-commercial banking activities of PCIBank in Manila. He held various Treasury and Investment Banking posts in Manila, Hong Kong and Kuala Lumpur in Citibank from 1979 to 1993. **(Education)** He holds a Master’s Degree in Business Administration and International Finance from the University of Southern California and a bachelor of science degree in Business Management from the Ateneo de Manila University.

Dr. Bernardo M. Villegas is 87 years old and an Independent Director of the company for five (5) years. He is a Visiting Professor of IESE Business School in Barcelona, Professor at the University of Asia and the Pacific (UA&P) and Research Director of the Center for Research and Communication, Manila. He is currently a member of the boards of directors or advisory boards of leading national and multinational firms, such as the; **(Listed)** Benguet Corporation, Filipino Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc.; **(Non-listed)** Cuervo Appraisers, Inc., PHINMA Education, and Transnational Diversified, Inc. He served in the boards of Bank of the Philippine Islands, Alaska Milk Corporation, AES, Globe Telecom, Insular Life, McDonalds and IBM. **(Education)** Doctor of Philosophy in Economics, Harvard University; Master of Arts in Economics, Harvard University, Bachelor of Arts in Humanities and Bachelor of Science in Commerce, De La Salle University (Summa Cum Laude). He is a Certified Public Accountant, having been one of the CPA board topnotchers. At Harvard, at the age of 21, he was one of the youngest ever to be a teaching fellow in the College of Arts and Sciences. His special fields of study are development economics, social economics, business economics and strategic management.

Atty. Cynthia R. Del Castillo is 73 years old and Independent Director of the company for five (5) years. She is currently a Senior Partner and member of the Executive Board of Romulo Mabanta Buenaventura Sayoc and De Los Angeles since 1977. **(Directorship in Listed Companies)** Shang Properties, Inc. **(Professional Affiliations)** Senior Partner, Romulo Mabanta Buenaventura Sayoc & delos Angeles; Dean of the Ateneo de Manila University School of Law (May 1990-June 2000); Professor of Law at the Ateneo de Manila University School of Law (April 1977-Present); Admitted to the Philippine Bar in March 1977, placing 11th in the Philippine Bar Examinations given November 1976. **(Education)** Bachelor of Laws, Ateneo de Manila School of Law, 1976. Graduated Valedictorian. Recipient of Gold Medal for Academic Excellence and Golden Leaf Awards for academics. Editor-in-Chief of the Ateneo Law Journal. Member of the Board of Editors of the school paper; Bachelor of Arts, Major in Political Science. University of Santo Tomas, 1972. President of Arts & Letters Student Council, Section Editor of the official student organ and Quezon Leadership Awardee for 1972. **(Other Affiliations)** Bar Examiner in Civil Law, 2008 and 2019 Philippine Bar Examinations; Member, Audit Committee of the International School, Inc. (2012-Present); Member, Supreme Court of the Philippines Legal Education Committee for Bar Reforms (May 2019 – Present); Amicus Curiae in Supreme Court Cases (2019-Present).

Atty. Erlaster C. Sotto is 68 years old and was elected for the first time as Independent Director of the company on March 16, 2026. He is also currently an Independent Director of Concreat Holdings Phils. Inc. where he was elected for the first time during its annual stockholders' meeting in May 2025. He also holds the following positions: Independent Director of PDS Group Market Governance Board, Director of Property Company of Friends, Inc., President of Maplecrest Group, Inc., and Trustee of PDS Academy for Market Development Corp. He previously served as President of BDO Securities Corporation and Chief Operating Officer of BDO Capital Corporation (2008-2013), President of PCIB Securities Corporation and PCI Capital Corporation (2001-2007), and President of Investment House Association of the Philippines (2001). He also held positions at the Ayala Investments and Development Corporation as Legal Officer (1983-1987) and Guerero and Torres Law Office (Baker and Mckenzie) as Legal Apprentice (1978-1982). A graduate of Ateneo de Manila University, Mr. Sotto earned his Bachelor of Arts in Political Science in 1978 and his Bachelor of Laws in 1982.

KEY OFFICERS

Herbert M. Consunji – is 73 years old; has served the Corporation as a regular director for twenty seven (27) years since March 1995 until May 2022. He is also a regular Director of the following: **(Listed)** Semirara Mining and Power Corporation and Concreat Holdings Philippines, Inc.; **(Non-listed)** D.M. Consunji, Inc., DMCI Project Developers, Inc., Subic Water and Sewerage Company, Inc., DMCI Mining Corp., Sem-Calaca Res Corporation, DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Developers, Inc. **Education.** Top Management Program, Asian Institute of Management; Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Certified Public Accountant (CPA). **Civic Affiliations.** Philippine Institute of Certified Public Accountants, *Member*; Financial Executives Institute of the Phils., *Member*; Shareholders' Association of the Phils., *Member*; *Management Association of the Philippines, Member.*

Noel A. Laman is 86 years old; has been the Corporate Secretary of the Corporation for thirty one (31) years since March 1995; he holds the following positions: **(Listed)** Corporate Secretary of Concreat Holdings Philippines, Inc.; **(Non-listed)** Castillo Laman Tan Pantaleon & San Jose Law Offices, Founder/Senior Partner; Co-founder, DCL Group of Companies; President, DCL Management Ventures, Inc. **Education.** Bachelor of Science, Jurisprudence (University of the Philippines);

Bachelor of Laws (University of the Philippines); Master of Laws (University of Michigan Law School); **Civic Affiliations.** Integrated Bar of the Philippines, Past Secretary, Treasurer, Vice President, Makati Chapter; Rotary Club Makati West, Past President; Intellectual Property Association of the Philippines (IPAP), Past President; Asian Patent Attorneys Association (APAA), Past Council Member; Firm Representative to the German Philippine Chamber of Commerce, Inc., Member.

Ma. Pilar P. Gutierrez is 49 years old; has served the Corporation as Assistant Corporate Secretary for sixteen (16) years since 2010; she holds the following positions: **(Listed)** Corporate Secretary of National Reinsurance Corporation of the Philippines and Assistant Corporate Secretary of Concreat Holdings Philippines, Inc. ; **(Non-listed)** Castillo Laman Tan Pantaleon & San Jose Law Firm, Senior Partner and Executive Committee Member. She serves as Assistant Corporate Secretary of the following subsidiaries/affiliates of the Corporation: D.M. Consunji, Inc., DMCI Project Developers, Inc., Wire Rope Corporation of the Philippines, and D.M. Consunji Technical Training Center Inc. She is also the Corporate Secretary of the following companies: Pricon Microelectronics, Inc., Test Solution Services, Inc., MRA Offshore Corporation, Sealanes Marine Services, Inc., Software AG Philippines, Inc., Philippine Advanced Processing Technology, Inc., Rentokil Initial Philippines, Inc., Draeger Philippines Corporation, NCSI Philippines Inc., CBRE Corporate Outsourcing Inc., Pratt Whitney Global Philippines, Inc. Cement Roadstone Holdings Philippines Inc. , Top Keen Philippines Inc., Plaza Premium Lounge CRK Inc. and Jacobs Projects Philippines, Inc. She is likewise the Assistant Corporate Secretary of the following companies: IQVIA Solutions Philippines, Inc., IQVIA Solutions Operations Center Philippines, Inc., SingTel Philippines, Inc., CCT Constructors Corporation, GTVL Manufacturing Industries, Inc., Multisports, Inc., KBP Real Estate Corporation and JTEKT Philippines Corporation. She is currently a Senior Lecturer at the University of the Philippines, College of Law. **Education.** Bachelor of Laws, University of the Philippines (2001); Bachelor of Science in Management, Major in Legal Management (B.S.L.M.), Ateneo de Manila University (1997).

Joseph Adelbert V. Legasto is 49 years old and is currently the Deputy Chief Financial Officer of DMCI Holdings, Inc. He joined the Company in June 2022. Prior to his current role, he was an Assistant Vice President under the Corporate Planning and Project Development Department of San Miguel Corporation and Vice President and Strategic Planning Head of ABS-CBN Global. He also worked in the banking industry as an Associate for Deutsche Bank and Analyst for UnionBank of the Philippines. **Education.** Joseph graduated with a master's degree in finance (with Honors) from New York University's Stern School of Business and holds a bachelor's degree in finance from De La Salle University.

Hannah Cecille L. Chan is 37 years old and is currently the Assistant Vice President and Investor Relations Head of the Company, appointed on September 16, 2024. Prior to this, she served as the Company's Investor Relations Officer since July 2020. Before joining DMCI Holdings, she served as Business Development and Investor Relations Manager at Chelsea Logistics and Infrastructure Holdings Corporation, Business Development Manager and Salesman for Maybank ATR Kim Eng Securities, and Compliance and Surveillance Officer for the Philippine Dealing and Exchange Corp. She holds a Bachelor of Science in Applied Economics and Commerce, major in Management of Financial Institutions (Honorable Mention), from De La Salle University–Manila. She also completed the Data Science for Investment Professionals Certificate from the CFA Institute.

Currently, there are no director or executive officer share options relating to the capital of the Company.

(2) Identify Significant Employees –

The following are other significant employees of the Corporation other than the executive officers.

Mary Grace M. Garcia-Aguilar, Finance Officer. A certified public accountant with over a decade of experience in financial planning and analysis, audit, and reporting. She joined the Company in March 2021 after working in Makati Development Corporation and SGV & Co. (EY Philippines). She holds a BS Accountancy degree (cum laude) from the University of Batangas.

Kent Sydney H. Mercader, Sustainability and Corporate Communications Officer. Joined the Company in November 2022 after gaining ESG analyst experience at S&P Global and Institutional Shareholder Services, Inc. He holds a Bachelor of Science in Agricultural Biotechnology from the University of the Philippines Los Banos, where he was a scholarship recipient from the Department of Science and Technology.

Although the Corporation has and will likely continue to rely significantly on the aforementioned individuals, it is not dependent on the services of any particular employee. It does not have any special arrangements to ensure that any employee will remain with the Corporation and will not compete upon termination.

(3) Family Relationships - Describe any family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated or chosen by the registrant to become directors or executive officers. – **See below:**

<u>Name</u>	<u>Relationship</u>
Isidro A. Consunji	Brother of Jorge A. Consunji, Luz Consuelo A. Consunji, Ma. Edwina C. Laperal and Maria Cristina C. Gotianun
Herbert M. Consunji	Cousin of Isidro A. Consunji, Jorge A. Consunji, Luz Consuelo A. Consunji, Ma. Edwina C. Laperal and Maria Cristina C. Gotianun

(4) Involvement in Certain Legal Proceedings -

(Please refer to PART I-C. Legal Proceedings)

(a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time - **NONE**

- i. Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses - **NONE**
- ii. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities - **NONE**
- iii. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated – **NONE**

ITEM 10. EXECUTIVE COMPENSATION

2025 ANNUAL COMPENSATION

Name	Principal Position	Salary	Bonus	Per Diem Allowance**	Other annual compensation
Isidro A. Consunji	President and CEO		None		None
Herbert M. Consunji	Executive Vice President & Chief Finance Officer		None		None

Name	Principal Position	Salary	Bonus	Per Diem Allowance**	Other annual compensation
Ma. Edwina C. Laperal ¹	Treasurer		None		None
Maria Cristina C. Gotianun ²	Asst. Treasurer		None		None
Joseph Adelbert V. Legasto	Deputy Chief Financial Officer		None		None
Hannah Cecille L. Chan	Asst. Vice President & Investor Relations Head		None		None
	YEARS	In Php		In Php	
	2021	10,529,999.02	-	2,600,000.00	-
	2022	12,771,693.83	-	1,640,000.00	-
	2023	14,855,321.00		1,680,000.00	-
	2024	9,944,550.00		2,440,000.00	-
	2025	14,032,681.00		1,920,000.00	-
	2026*	14,032,681.00		1,920,000.00	-
	TOTAL:	76,166,925.85		12,200,000.00	
	YEARS	In Php		In Php	
All other directors and executive officers as a group unnamed	2021	0	None	2,560,000.00	-
	2022	0		3,200,000.00	-
	2023	0		4,160,000.00	-
	2024	0		5,720,000.00	-
	2025	0		4,120,000.00	-
	2026*	0		4,120,000.00	-
	TOTAL:	0		23,880,000.00	-

PER DIEM AS DIRECTORS FOR 2025

Name	Principal Position	Per Diem Allowance**
Isidro A. Consunji	Chairman/President	720,000.00
Cesar A. Buenaventura ³	Vice Chairman of the Board	520,000.00
Ma. Edwina C. Laperal	Director/ Treasurer	560,000.00
Maria Cristina C. Gotianun	Director/ Asst. Treasurer	640,000.00
Jorge A. Consunji	Director	480,000.00
Luz Consuelo A. Consunji	Director	560,000.00
Roberto L. Panlilio	Independent Director	1,040,000.00
Bernardo M. Villegas	Independent Director	1,040,000.00
Cynthia R. Del Castillo	Independent Director	480,000.00
	Total	6,040,000.00
	YEARS	
	2021	5,160,000.00

¹ The Treasurer does not receive any compensation as Treasurer of the Corporation. However, she receives the usual *per diem* as a regular director of the Corporation.

² The Assistant Treasurer does not receive any compensation as Assistant Treasurer of the Corporation. However, she receives the usual *per diem* as a regular director of the Corporation.

³ Mr. Buenaventura passed away on December 10, 2025.

2022	4,840,000.00
2023	5,840,000.00
2024	8,160,000.00
2025	6,040,000.00
2026*	6,040,000.00
TOTAL	36,080,000.00

*Approximate figures

**The directors receive per diem in the amount of Php80,000.00 for every regular board meeting and Php40,000.00 for every committee meeting.

There is no contract covering their employment with the Corporation and they hold office by virtue of their election to office. The Company has no agreements with its named executive officers regarding any bonus, profit sharing, pension or retirement plan.

There are no outstanding warrants, options, or right to repurchase any securities held by the directors or executive officers of the Company.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

a. Beneficial Ownership of Directors of the Corporation as of March 31, 2026.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Isidro A. Consunji	65,000 Direct	Filipino	0.0005%
Common	Ma. Edwina C. Laperal	3,315,000 Direct	Filipino	0.0050%
Common	Jorge A. Consunji	5,000 Direct	Filipino	0.0000%
Common	Luz Consuelo A. Consunji	101,000 Direct	Filipino	0.0008%
Common	Maria Cristina C. Gotianun	5,500 Direct	Filipino	0.0000%
Common	Roberto L. Panlilio	1,000 Direct	Filipino	0.0000%
Common	Bernardo M. Villegas	1,000 Direct	Filipino	0.0000%
Common	Cynthia R. Del Castillo	1,000 Direct	Filipino	0.0000%
Common	Erlaster C. Sotto	2,000 Direct	Filipino	0.0000%
Common	Herbert M. Consunji	293,000 Direct	Filipino	0.0022%
Common	Noel A. Laman	100,000 Direct	Filipino	0.0008%
Common	Ma. Pilar P. Gutierrez	0 N/A	Filipino	0.0000%
Common	Joseph Adelbert V. Legasto	100,000 N/A	Filipino	0.0000%
Common	Hannah Cecille L. Chan	0 N/A	Filipino	0.0000%
Aggregate Ownership of Directors and Officers as a group, unnamed		3,989,500 Direct	Filipino	0.0300%

b. Owners owning 5% or more of the voting stocks of the Corporation as of March 31, 2025.

Title of Class	Name and Address of Beneficial Owner	Amount/Nature of Beneficial Ownership	Percent of Class
Common	Dacon Corporation (Fil) 2281 Chino Roces Avenue Makati City	6,638,822,915	50.00%
Common	PCD Nominee Corp. (Fil) 6764 Ayala Avenue Legaspi Village, Makati City	2,818,380,360	21.23%

Common	DFC Holdings, Inc. (Fil) 2281 Chino Roces Avenue Makati City	2,379,799,910	17.92%
Common	PCD Nominee Corp. (For) 6764 Ayala Avenue Legaspi Village, Makati City	638,839,899	4.81%

Below is the list of the individual beneficial owners under PCD account who holds more than 5% of the voting securities of Registrant.

Title of Class	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
	None			

There is no person under PCD account who hold more than 5% of the company's shares.

c. Changes in Control – NONE

ITEM 12. Certain Relationships and Related Transactions

Related parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making the financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which includes affiliates. Related parties may be individuals or corporate entities.

The Group, in the regular conduct of business, has entered into transactions consisting of construction contracts, equipment rentals, sale and purchases of goods, services and properties, reimbursement of operating expenses, with associates, joint ventures and other related parties. Transactions entered into with related parties are made at normal commercial prices and terms. These are settled in cash, unless otherwise specified.

Material related party transactions are reviewed by the Audit and Related Party Transactions Committee of the Board and properly disclosed in the accompanying consolidated financial statements. The Company have approval requirements and limits on the amount and extent of related party transactions in compliance with the requirements under Revised SRC Rule 68.

PART IV - CORPORATE GOVERNANCE AND SUSTAINABILITY REPORT

Item 13. CORPORATE GOVERNANCE

<https://www.dmciholdings.com/governance/corporate-governance-report>

Item 14. SUSTAINABILITY REPORT

<https://www.dmciholdings.com/sustainability/#sustainability-reports>

PART V - EXHIBITS AND SCHEDULES

Item 15. Exhibits and Reports on SEC Form 17-C

(a) Exhibits - See accompanying index to exhibits

(a) **Reports on SEC Form 17-C** - The list of the reports from the preceding period ending December 31, 2025 is herein incorporated by reference.

**LIST OF TOP 20 STOCKHOLDERS
AS OF MARCH 31, 2026**

1	DACON CORPORATION	6,621,561,069	49.87%
2	PCD NOMINEE CORPORATION (FILIPINO)	2,818,380,360	21.23%
3	DFC HOLDINGS INC.	2,379,799,910	17.92%
4	PCD NOMINEE CORPORATION (FOREIGN)	638,839,899	4.81%
5	DFC HOLDINGS, INC.	169,026,900	1.27%
6	HENFELS INVESTMENTS CORPORATION	164,312,700	1.24%
7	BERIT HOLDINGS CORPORATION	117,573,568	0.89%
8	AUGUSTA HOLDINGS INC.	108,297,072	0.82%
9	DMCI RETIREMENT PLAN	99,900,000	0.75%
10	MERU HOLDINGS INC.	18,689,266	0.14%
11	GREAT TIMES HOLDINGS CORP.	15,803,015	0.12%
12	DMCI RETIREMENT FUND	13,000,000	0.10%
13	DAVEPRIME HOLDINGS, INC.	7,487,377	0.06%
14	ARTREGARD HOLDINGS INC.	6,580,776	0.05%
15	JOSEFA CONSUNJI REYES	5,650,000	0.04%
16	JAIME B. GARCIA	3,300,000	0.02%
17	WINDERMERE HOLDINGS, INC.	2,905,715	0.02%
18	LAPERAL, MA. EDWINA/MIGUEL DAVID C.	2,750,000	0.02%
19	YNTALCO REALTY DEVT. CORPORATION	2,500,000	0.02%
20	BENIGNO DELA VEGA	2,050,000	0.02%

**Summary of Submittals of SEC Form 17-C
For the Year 2025**

January 2, 2025	Monthly Report on Redemption of Preferred Shares
January 6, 2025	SEC Form 23-B
January 14, 2025	Directors' Attendance in 2024 Board Meeting
January 16, 2025	Press Release: DPC energy sales in 2024
January 21, 2025	Press Release: DMCI Mining set to expand operations with two new mines in 2025
January 31, 2025	Trading of DMC Shares by Director/Officer
February 3, 2025	Monthly Report on Redemption of Preferred Shares
February 5, 2025	SEC Form 23-B
March 3, 2025	Monthly Report on Redemption of Preferred Shares
March 4, 2025	Press Release: DMCI Mining and NAC MOU
March 6, 2025	Press Release: IAC gets AIM triple A Award
March 10, 2025	Notice of Analysts' Briefing
March 13, 2025	Board Meeting Results
March 13, 2025	Press Release: DMCI Holdings Q4 2024 results
March 25, 2025	Declaration of Cash Dividends
March 25, 2025	Press Release: Declaration of Cash Dividends
March 27, 2025	Preliminary Information Statement (SEC Form 20-IS)
March 31, 2025	Press Release: DMCI Homes posts P2.8bn in 2024 net income
April 2, 2025	Monthly Report on Redemption of Preferred Shares
April 4, 2025	Definitive Information Statement (SEC Form 20-IS)
April 7, 2025	Clarification of News Report in Bilyonaryo article
April 7, 2025	Revised SEC Form 20-IS (Definitive)
April 14, 2025	Press Release: Subicwater and SBMA extend partnership until 2047
April 15, 2025	SEC Form 17-A
April 30, 2025	Completion of Solid Expansion
May 2, 2025	Monthly Report on Redemption of Preferred Shares
May 5, 2025	Notice of Analysts' Briefing
May 13, 2025	Results of the Annual Stockholders' Meeting
May 13, 2025	Board Meeting Results
May 13, 2025	First Quarter Financial Results (SEC Form 17-Q)
May 13, 2025	Press Release: DMC 1Q2025 Earnings
May 15, 2025	Integrated Annual Corporate Governance Report (I-ACGR)
June 3, 2025	Monthly Report on Redemption of Preferred Shares
June 4, 2025	General Information Sheet

June 19, 2025	Press Release: DMC-SMPC Finance Asia Awardees
July 1, 2025	Monthly Report on Redemption of Preferred Shares
July 4, 2025	Trading of DMC Shares by Director/Officer
July 8, 2025	Public Ownership Report as of June 30, 2025
July 8, 2025	Trading of DMC Shares by Director/Officer
July 10, 2025	List of Top 100 Common Stockholders as of June 30, 2025
July 10, 2025	List of Top 100 Preferred Stockholders as of June 30, 2025
July 16, 2025	Trading of DMC Shares by Director/Officer
July 18, 2025	Trading of DMC Shares by Director/Officer
July 23, 2025	Trading of DMC Shares by Director/Officer
July 25, 2025	Trading of DMC Shares by Director/Officer
July 29, 2025	Trading of DMC Shares by Director/Officer
July 31, 2025	Notice of Analysts' Briefing
July 23, 2025	Amended trading of DMC Shares by Director/Officer
August 1, 2025	Monthly Report on Redemption of Preferred Shares
August 4, 2025	Changes in Beneficial Ownership of Director/Officer
August 5, 2025	Results of the Board of Directors' Meeting
August 5, 2025	Second Quarter Interim Results for the period June 30, 2025
August 5, 2025	Press Release: DMC 2Q2025 earnings
August 6, 2025	Changes in Beneficial Ownership of Director/Officer
August 6, 2025	Changes in Beneficial Ownership of Director/Officer
August 12, 2025	Press Release: BNC secures MPSA for Long Point Mine in Palawan
September 1, 2025	Monthly Report on Redemption of Preferred Shares
September 9, 2025	Clarification of News Report
October 1, 2025	Monthly Report on Redemption of Preferred Shares
October 8, 2025	Public Ownership Report as of September 30, 2025
October 9, 2025	List of Top 100 Common Stockholders as of September 30, 2025
October 9, 2025	List of Top 100 Preferred Stockholders as of September 30, 2025
October 21, 2025	Declaration of Special Cash Dividends
October 21, 2025	Press Release: Special Cash Dividends
October 30, 2025	Press Release: DMC as ACGS Golden Arrow Awardee
November 3, 2025	Monthly Report on Redemption of Preferred Shares
November 3, 2025	Notice of Analysts' Briefing
November 6, 2025	Results of the Board of Directors' Meeting
November 6, 2025	Third Quarter Interim Results for the period September 30, 2025
November 6, 2025	Press Release: DMC 3Q2025 earnings

November 7, 2025	Notice of Investors Briefing
November 9, 2025	Amended Notice of Analysts' Briefing
November 21, 2025	Clarification of News Report
December 1, 2025	Monthly Report on Redemption of Preferred Shares
December 11, 2025	Passing of Vice Chairman Cesar A. Buenaventura


SIGNATURES

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

By:


Isidro A. Consunji
Chairman and President


Herbert M. Consunji
Executive Vice President &
Chief Finance Officer


Joseph Adelbert V. Legasto
Deputy Chief Financial Officer

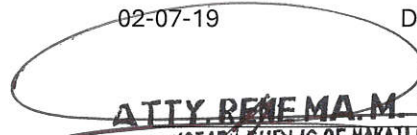

Atty. Noel A. Laman
Corporate Secretary

14 APR 2026

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2026 affiants exhibiting to me his/their passport details, as follows:

NAMES	Passport No.	DATE OF ISSUE	PLACE OF ISSUE
Isidro A. Consunji	P2690001B	07-31-19	DFA Manila
Herbert M. Consunji	P9195543A	10-17-18	DFA NCR North East
Joseph Adelbert V. Legasto	P8250661B	11-23-21	DFA NCR Central
Atty. Noel A. Laman	P0578138B	02-07-19	DFA Manila

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Book No. XVI
Series of 2026


ATTY. RENE M. M. VILLA
NOTARY PUBLIC OF MAKATI CITY
APPOINTMENT NO. 011110
(REN) (2025 - 2026)
UNTIL DECEMBER 31, 2026
PTR NO. 10760722; 04-05-2026; MAKATI CITY
IBP LIFETIME NO. 018575; 12-27-2013; I.C.
RON NO. 37226
MGLR COMPLIANCE NO. VIII-0012759; 03-27-2024
GROUND FLOOR, MAKATI TERRACES CONDOMINIUM
3650 DAVILA ST., TEJEROS, MAKATI CITY



DMCI HOLDINGS
INCORPORATED

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR
CONSOLIDATED FINANCIAL STATEMENTS**

3rd floor
DACON Building
2281 Don Chino Roces Ave.
(formerly Pasong Tamo Ext.)
Makati City 1231, Philippines

(632) 8888 . 3000
E-MAIL
investors@dmcinet.com
WEBSITE
www.dmciholdings.com

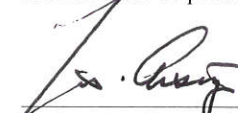
The management of **DMCI HOLDINGS, INC. AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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


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

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


SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



Isidro A. Consunji
Chairman and President



Herbert M. Consunji
Executive Vice President and Chief Finance Officer



Joseph Adelbert V. Legasto
Deputy Chief Finance Officer

Signed this March 16, 2026

Subsidiaries:

D.M. Consunji, Inc.
DMCI Project Developers, Inc.
DMCI Power Corporation
DMCI Mining Corporation
Concreat Asian Southeast Corporation
Semirara Mining and Power Corporation
Maynilad Water Holdings, Inc.
Wire Rope Corporation of the Phils.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in
MAKATI CITY, this day of 26 MAR 2026.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal
on the date and place above written.

Doc No. 429
Page No. 87
Book No. XIV
Series No. 7076

ATTY. RENE MA. M. VILLA
~~NOTARY PUBLIC OF MAKATI CITY~~
APPOINTMENT NO. M-110
(REN) (2025-2026)
UNTIL DECEMBER 31, 2026
PTR NO. 10766722; 01-05-2026; MAKATI CITY
IBP LIFETIME NO. 015595; 12-27-2013; I.C.
RON NO. 37226
MCLE COMPLIANCE NO. VIII-0012754; 03-27-2024
GROUND FLOOR, MAKATI TERRACES CONDOMINIUM
3650 DAVILA ST., TEJEROS, MAKATI CITY

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	O	9	5	0	0	2	2	8	3
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COMPANY NAME

D	M	C	I		H	O	L	D	I	N	G	S	,		I	N	C	.		A	N	D		S	U	B	S	I	D
I	A	R	I	E	S																								

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

3	R	D		F	L	O	O	R	,		D	A	C	O	N		B	U	I	L	D	I	N	G	,		2	2	8
1		D	O	N		C	H	I	N	O		R	O	C	E	S		A	V	E	N	U	E	,		M	A	K	A
T	I		C	I	T	Y																							

Form Type
A A F S

Department requiring the report
C R M D

Secondary License Type, If Applicable
N / A

COMPANY INFORMATION

Company's Email Address www.dmciholdings.com	Company's Telephone Number 8888-3000	Mobile Number N/A
No. of Stockholders 736	Annual Meeting (Month / Day) Second Tuesday of May	Fiscal Year (Month / Day) December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person Herbert M. Consunji	Email Address hmc@dmcinet.com	Telephone Number/s 8888-3000	Mobile Number N/A
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CONTACT PERSON'S ADDRESS

3rd Floor Dacon Building, 2281 Chino Roces Avenue, 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.2345



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
DMCI Holdings, Inc.
3rd Floor, Dacon Building
2281 Chino Roces Avenue
Makati City

Opinion

We have audited the consolidated financial statements of DMCI Holdings, Inc. and its subsidiaries (collectively, the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

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

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of consolidated financial statements of public interest entities 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.

Key Audit Matters

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



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Acquisition of Concreat Asian South East Corporation - Finalization of Purchase Price Allocation

DMCI Holdings, Inc. (the Parent Company), Semirara Mining and Power Corporation (SMPC; the Parent Company's subsidiary) and Dacon Corp. (the Parent Company's shareholder), executed a Share Purchase Agreement (SPA) to acquire 100% of the outstanding capital stock of Concreat Asian South East Corporation (CASEC; formerly, Cemex Asian South East Corporation) from CEMEX Asia B.V. effective December 2, 2024. The Parent Company and SMPC acquired 56.75% and 11.13% ownership interest in CASEC, respectively. The Parent Company's effective interest in CASEC is 63.06% as of December 2, 2024. The acquisition was accounted for as a business combination under PFRS 3, *Business Combinations*, based on a provisional purchase price allocation in the 2024 consolidated financial statements. PFRS 3 provides for a measurement period of one year from the date of acquisition wherein the acquirer may adjust provisional amounts. In 2025, the total cost of acquisition, the fair value of the net assets acquired and the purchase price allocation were finalized. The 2024 consolidated statement of financial position was restated to reflect the goodwill, which amounted to ₱1,731.44 million. Apart from the significance of the amounts involved, we consider the finalization of the purchase price allocation for this acquisition as a key audit matter because it requires significant management judgment and estimation in identifying the underlying acquired assets and liabilities and in determining the final fair values thereof, specifically the acquired property, plant and equipment, and trademarks.

Relevant disclosures related to this matter are provided in Notes 3 and 4 to the consolidated financial statements.

Audit Response

We reviewed the final purchase price allocation and obtained an understanding of the nature and underlying support for the changes from the provisional amounts. We considered the terms of the Share Purchase Agreement and other documents related to the acquisition in evaluating the Group's determination of the final cost of acquisition. We also evaluated management's basis in determining the final fair values of the assets acquired and liabilities assumed from CASEC. We assessed the competence, capabilities and objectivity of the external valuation specialist who have been engaged by management to determine the fair values of the assets acquired (including the trademark) and liabilities assumed from CASEC by considering their qualifications, experience and reporting responsibilities. We involved our internal specialist in the review of the methodologies and assumptions used in arriving at the final fair values of the assets acquired (including the trademark) and liabilities assumed from CASEC. We compared the key assumption used in the valuation of trademark such as royalty rate by reference to relevant external information. We tested the parameters used in determining the discount rate against market data. We reviewed the adequacy of the related disclosures in the consolidated financial statements.



Recoverability of Goodwill and Trademarks

Under PFRS Accounting Standards, the Group is required to annually test the amounts of goodwill and trademarks with indefinite useful life, for impairment. As of December 31, 2025, the Group's goodwill and trademarks with indefinite useful life, amounting to ₱1,731.44 million and ₱5,492.74 million, respectively, are considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically the revenue growth rate, gross margin, operating margin, discount rate and the long-term growth rate.

The Group's disclosures about goodwill and trademarks are included in Notes 3 and 4 to the consolidated financial statements.

Audit Response

We obtained an understanding of the management's process for evaluating the impairment of goodwill and trademarks. We involved our internal specialist in evaluating the methodologies and the assumptions used in determining the recoverable amount of the cash-generating unit (CGU) for goodwill and trademarks with indefinite useful life. We compared the key assumptions used, such as revenue growth rate against the historical performance of the CGU, industry/market outlook and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of the significant assumptions to evaluate the change in the recoverable amount of the CGU. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of goodwill and trademarks.

Impact Assessment on Uncertainties Linked to the Near-Term Expiration of Coal Operating Contract No. 5 (COC)

The absence of the Department of Energy's (DOE) favorable action on Semirara Mining and Power Corporation's (SMPC) request for term adjustment and the launch of a bid round for Semirara Island's Coal Operating Contract No. 5 (COC) are considered as adjusting subsequent events which confirms the uncertainties linked to the near-term expiration of the COC existing as of December 31, 2025. It is an impairment indicator that required an assessment of the recoverability of SMPC's nonfinancial assets, particularly its inventories and property, plant and equipment attributable to coal mining operations with a carrying amount of ₱13.49 billion and ₱8.25 billion, respectively, as of December 31, 2025. In addition, the near-term expiry of the COC could have other potential implications—such as potential effects on the provision for mine rehabilitation and decommissioning, contractual obligations, and financing arrangements. This matter is significant to our audit because the impact assessment on these uncertainties requires use of assumptions and significant estimation from management, including management's specialists.

The disclosures in relation to the above matters are discussed in Notes 3, 8, 13 and 31 to the consolidated financial statements.



Audit Response

We involved our internal specialist in evaluating the methodologies and assumptions used in determining the recoverable amounts of property, plant and equipment attributable to coal mining operations. We reviewed the key assumptions used to estimate the discounted cash flows of the cash generating unit, based on our understanding of SMPC's business plan and compared these assumptions to the relevant market data and historical trends, as applicable. We performed inquiries with the management's specialist who determined the replacement cost, about the methodology and assumptions used in the valuation of the subject assets. On a sample basis, we tested the replacement costs for property, plant and equipment and inventories attributable to coal mining operations by comparing these against the supporting purchase documents for recent transactions and external pricing. We evaluated the competence, capabilities and objectivity of the management's specialists by considering their qualifications, experience and reporting responsibilities. We tested the sensitivity of the recoverable amount to changes in assumptions used. We reviewed management's assessment of impact of the near-term expiration of the COC on the completeness of provision for mine rehabilitation and decommissioning, contractual obligations and financing arrangements.

Recognition of Revenue from Real Estate and Construction Contracts

The Group's revenue recognition process, policies and procedures for real estate contracts are significant to our audit because these involve the application of significant judgment and estimation in the following areas: (a) the assessment of the probability that the Group will collect the consideration from the buyer; (b) the determination of the transaction price; and (c) the application of the output method as the measure of progress in determining real estate revenue.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as history with the buyer, and age and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In determining the transaction price, the Group considers whether the selling price of the real estate property includes significant financing component.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on the physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (i.e., project engineers).

For construction contracts, revenues are determined using the input method, which is based on the actual costs incurred to date relative to the total estimated cost to complete the construction projects. The Group also recognizes, as part of its revenue from construction contracts, the effects of variable considerations arising from various change orders and claims, to the extent that they reflect the amounts the Group expects to be entitled to and to be received from the customers, provided that it is highly probable that a significant reversal of the revenue recognized in connection with these variable considerations will not occur in the future. We considered this as a key audit matter because this process requires significant management judgements and estimates, particularly with respect to the identification of the performance obligations, estimation of the variable considerations arising from change orders and claims, and calculation of estimated costs to complete the construction projects, which requires the technical expertise of the Group's engineers.



Relevant disclosures related to this matter are provided in Note 3 to the consolidated financial statements.

Audit Response

Real estate contracts

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We traced the analysis to cancelled sales monitoring and supporting documents such as notice of cancellations.

For the determination of the transaction price, we obtained an understanding of the Group's process in the determination of the population of contracts with customers related to real estate sale and the election of available practical expedient. We obtained the financing component calculation of the management, which includes an analysis whether the financing component of the Group's contract with customers is significant. We selected sample contracts from the sales contract database and traced these selected contracts to the calculation prepared by management. For selected contracts, we traced the underlying data and assumptions used in the financing component calculation such as contract price, cash discount, payment scheme, payment amortization table and percentage of completion to the contract provision and the actual and updated projected percentage of completion schedule. We also recomputed the financing component for each sample selected.

For the application of the output method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the percentage of completion (POC), and performed tests of the relevant controls. We inspected the certified POC reports prepared by the project engineers and assessed their competence, capabilities and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, and inspected the supporting details of POC reports showing the completion of the major activities of the project construction.

Construction contracts

We inspected sample contracts and supplemental agreements (e.g., purchase orders, approved variation orders) and reviewed management's assessment over the identification of performance obligation within the contract and the timing of revenue recognition. For the selected contracts with variable considerations arising from change orders for which the corresponding change in price has not yet been finalized, we obtained an understanding of the management's process to estimate the amount of consideration expected to be received from the customers. For change orders and claims of sample contracts, we compared the amounts recognized as revenue to the change orders and claims approved by the customers and other relevant documentary evidences supporting the management's estimate of revenue recognized.

For the measurement of progress of the construction projects, we obtained an understanding of the Group's processes to accumulate actual costs incurred and to estimate the expected costs to complete and tested the relevant controls. We considered the competence, capabilities and objectivity of the Group's engineers by referencing their qualifications, experience and reporting responsibilities. We examined the approved total estimated completion costs, any revisions thereto, and the cost report and cost-to-complete analysis. On a sampling basis, we tested actual costs incurred through examination of invoices and other supporting documents such as progress billings from subcontractors. We conducted ocular inspections on selected projects and inquired the status of the projects under construction with the Group's project engineers. We also inspected the associated project documentation, such as accomplishment reports and



variation orders, and inquired about the significant deviations from the targeted completion. We also performed test computation of the POC calculation of management.

Estimation on Coal Mining Properties

The Group's coal mining properties with a carrying value of ₱3,634.25 million as of December 31, 2025 are amortized using the units-of-production method. Under this method, management is required to estimate the volume of mineable ore reserves for the remaining life of the mine which is a key input to the amortization of the coal mining properties. This matter is significant to our audit because the estimation of the mineable ore reserves of the Group's coal mines requires use of assumptions and significant estimation from management's specialists.

The related information on the estimation of mineable ore reserves and related coal mining properties are discussed in Notes 3 and 13 to the consolidated financial statements.

Audit response

We obtained an understanding on management's processes and controls in the estimation of coal mining properties. We evaluated the competence, capabilities and objectivity of management's internal specialists engaged by the Group to perform an assessment of the ore reserves, by considering their qualifications, experience and reporting responsibilities. We reviewed the internal specialists' report and obtained an understanding of the nature, scope and objectives of their work and basis of estimates, including the changes in the reserves during the year. We performed back testing of prior year coal production forecast against the actual coal production during the year. We also tested the application of the estimated ore reserves in the amortization of mining properties.

Accounting for Investment in Significant Associate

The Group has an investment in Maynilad Water Holdings Company, Inc. (MWHCI) that is accounted for under the equity method. More than 90% of MWHCI's net income is derived from Maynilad Water Services, Inc. (MWSI). For the year ended December 31, 2025, the Group's share in the net income of MWHCI amounted to ₱3,681.76 million and is material to the consolidated financial statements. The Group's share in the net income of MWHCI is significantly affected by MWSI's recognition of water and sewerage service revenue.

These matters are significant to our audit because the recognition of water and sewerage service revenue of MWSI depends on the completeness and accuracy of capture of water consumption based on meter readings over the concession area taken on various dates, propriety of rates applied across various customer types, and reliability of the systems involved in processing the bills and in recording revenues.

The Group's disclosures regarding these matters are included in Notes 3 and 11 to the consolidated financial statements.

Audit Response

Our audit procedures included, among others, obtaining the relevant financial information from management about MWHCI and performed recomputation of the Group's equity in net earnings of MWHCI as recognized in the consolidated financial statements.



We obtained an understanding of the water and sewerage service revenue process, which includes maintaining the customer database, capturing billable water consumption, uploading captured billable water consumption to the billing system, calculating billable amounts based on MWSS-approved rates, and uploading data from the billing system to the financial reporting system. We also evaluated the design of and tested the relevant controls over this process. On a sample basis, we performed recalculation of the billed amounts using the MWSS-approved rates and formulae and compared them with the amounts reflected in the billing statements. We also performed analytical procedures and involved our internal specialist in reviewing the procedures on recording revenues by using computed assisted audit techniques.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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



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

The engagement partner on the audit resulting in this independent auditor's report is Jennifer D. Ticlao.

SYCIP GORRES VELAYO & CO.

Jennifer D. Ticlao

Jennifer D. Ticlao

Partner

CPA Certificate No. 109616

Tax Identification No. 245-571-753

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

SEC Partner Accreditation No. 109616-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

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

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-110-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10765137, January 2, 2026, Makati City

March 16, 2026



DMCI HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands of Pesos)

	December 31	
	2025	2024 (As Restated - Note 4)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱29,077,896	₱34,298,524
Receivables - net (Note 6)	22,114,099	23,567,821
Current portion of contract assets (Note 7)	7,510,319	13,057,803
Inventories (Note 8)	79,330,845	67,234,146
Other current assets (Note 9)	13,120,054	15,202,487
Total Current Assets	151,153,213	153,360,781
Noncurrent Assets		
Property, plant and equipment (Note 13)	79,284,458	82,041,191
Investments in associates and joint ventures (Note 11)	24,440,477	24,275,274
Contract assets - net of current portion (Note 7)	4,999,828	5,888,895
Trademarks (Note 4)	5,492,744	5,492,744
Right-of-use assets (Note 33)	3,450,763	3,828,484
Goodwill (Note 4)	1,731,435	1,731,435
Deferred tax assets - net (Note 29)	1,669,776	1,617,544
Exploration and evaluation assets (Note 14)	550,195	1,386,296
Other noncurrent assets (Notes 12, 14 and 23)	8,954,626	8,689,307
Total Noncurrent Assets	130,574,302	134,951,170
	₱281,727,515	₱288,311,951

LIABILITIES AND EQUITY

Current Liabilities

Short-term debt (Note 15)	₱2,826,290	₱4,312,526
Accounts and other payables (Notes 17, 21 and 33)	30,966,162	32,244,992
Income tax payable	256,233	391,225
Current portion of liabilities for purchased land (Note 16)	632,575	532,239
Current portion of long-term debt (Note 19)	12,750,303	4,906,247
Current portion of contract liabilities and other customers' advances and deposits (Note 18)	13,973,073	16,199,469
Total Current Liabilities	61,404,636	58,586,698

(Forward)



	December 31	
	2025	2024
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 19)	₱50,730,254	₱58,907,449
Contract liabilities - net of current portion (Note 18)	8,328,353	8,354,244
Deferred tax liabilities - net (Note 29)	5,018,442	5,313,225
Liabilities for purchased land - net of current portion (Note 16)	507,439	547,119
Other noncurrent liabilities (Notes 20, 23 and 33)	7,291,533	6,965,919
Total Noncurrent Liabilities	71,876,021	80,087,956
Total Liabilities	133,280,657	138,674,654
Equity		
Equity attributable to equity holders of the Parent Company:		
Paid-in capital	27,949,868	27,949,868
Retained earnings (Note 22)	91,817,522	91,463,005
Premium on acquisition of noncontrolling-interests (Notes 22 and 32)	(817,958)	(817,958)
Remeasurements on pension plans - net of tax (Note 23)	1,246,682	1,182,835
Net accumulated unrealized gains on equity investments designated at fair value through other comprehensive income (FVOCI) (Note 14)	244,318	242,034
Share in other comprehensive income of associates (Note 11)	(23,076)	(93,410)
Treasury shares - Preferred (Note 22)	(7,069)	(7,069)
	120,410,287	119,919,305
Noncontrolling interests (Note 32)	28,036,571	29,717,992
Total Equity	148,446,858	149,637,297
	₱281,727,515	₱288,311,951

See accompanying Notes to Consolidated Financial Statements.



DMCI HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands of Pesos, Except for Earnings Per Share Figures)

	Years Ended December 31		
	2025	2024	2023
REVENUE (Note 34)			
Electricity sales	₱30,917,139	₱32,403,806	₱32,106,384
Coal mining	27,128,699	39,462,717	51,633,898
Construction contracts	18,825,765	15,054,331	16,674,696
Cement sales	14,719,855	1,064,146	–
Real estate sales	12,465,026	11,396,387	18,587,311
Nickel mining	4,093,452	2,477,387	3,386,352
Merchandise sales and others	502,936	519,774	440,473
	108,652,872	102,378,548	122,829,114
COSTS OF SALES AND SERVICES (Note 24)			
Electricity sales	16,496,029	15,580,605	14,481,403
Coal mining	18,443,983	21,744,840	23,255,381
Construction contracts	17,439,506	13,916,134	15,316,709
Cement sales	12,432,976	1,119,303	–
Real estate sales	7,132,432	6,645,716	12,141,546
Nickel mining	1,639,960	1,341,911	1,611,941
Merchandise sales and others	345,913	310,923	363,045
	73,930,799	60,659,432	67,170,025
GROSS PROFIT	34,722,073	41,719,116	55,659,089
OPERATING EXPENSES (Note 25)	18,146,741	18,010,109	20,700,298
	16,575,332	23,709,007	34,958,791
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES (Note 11)	3,707,591	3,354,081	2,145,377
OTHER INCOME (EXPENSES)			
Finance income (Note 26)	2,171,196	2,451,732	1,989,202
Finance costs (Note 27)	(4,307,748)	(2,730,175)	(964,167)
Other income - net (Note 28)	4,823,860	3,838,659	3,025,473
	2,687,308	3,560,216	4,050,508
INCOME BEFORE INCOME TAX	22,970,231	30,623,304	41,154,676
PROVISION FOR INCOME TAX (Note 29)	3,571,115	3,116,096	4,317,762
NET INCOME (Note 34)	₱19,399,116	₱27,507,208	₱36,836,914
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱15,094,185	₱18,976,167	₱24,722,372
Noncontrolling interests (Note 32)	4,304,931	8,531,041	12,114,542
	₱19,399,116	₱27,507,208	₱36,836,914
Basic/diluted earnings per share attributable to equity holders of the Parent Company (Note 30)	₱1.14	₱1.43	₱1.86

See accompanying Notes to Consolidated Financial Statements.



DMCI HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2025	2024	2023
NET INCOME	₱19,399,116	₱27,507,208	₱36,836,914
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss in subsequent periods			
Changes in fair values of investments in equity instruments designated at FVOCI (Note 14)	2,284	67,336	43,085
Net remeasurement gain (loss) on pension plans - net of tax (Note 23)	67,150	280,126	(94,733)
Share in other comprehensive income of associates (Note 11)	70,334	(118,795)	95
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	139,768	228,667	(51,553)
TOTAL COMPREHENSIVE INCOME	₱19,538,884	₱27,735,875	₱36,785,361
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱15,230,650	₱19,208,260	₱24,689,393
Noncontrolling interests	4,308,234	8,527,615	12,095,968
	₱19,538,884	₱27,735,875	₱36,785,361

See accompanying Notes to Consolidated Financial Statements.



DMCI HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands of Pesos)

Attributable to Equity Holders of the Parent Company												
	Capital Stock (Note 22)	Additional Paid-in Capital (Note 22)	Total Paid-in Capital (Note 22)	Treasury Shares - Preferred (Note 22)	Retained Earnings (Note 22)	Premium on Acquisition of Non- controlling Interests (Note 32)	Remeasuremen ts on Pension Plans - net of tax (Note 23)	Net Accumulated Unrealized Gains on Equity Investments Designated at FVOCI (Note 14)	Share in Other Comprehensive Income (Loss) of Associates (Note 11)	Total	Noncontrolling Interests (Note 32)	Total Equity
For the Year Ended December 31, 2025												
Balances as of January 1, 2025	₱13,287,474	₱14,662,394	₱27,949,868	(₱7,069)	₱91,463,005	(₱817,958)	₱1,182,835	₱242,034	(₱93,410)	₱119,919,305	₱29,717,992	₱149,637,297
Comprehensive income												
Net income	–	–	–	–	15,094,185	–	–	–	–	15,094,185	4,304,931	19,399,116
Other comprehensive income	–	–	–	–	–	–	63,847	2,284	70,334	136,465	3,303	139,768
Total comprehensive income	–	–	–	–	15,094,185	–	63,847	2,284	70,334	15,230,650	4,308,234	19,538,884
Issuance of preferred shares	–	–	–	–	–	–	–	–	–	–	–	–
Cash dividends declared – Common (Note 22)	–	–	–	–	(14,339,668)	–	–	–	–	(14,339,668)	(5,989,655)	(20,329,323)
Cash dividends declared – Preferred (Note 22)	–	–	–	–	(400,000)	–	–	–	–	(400,000)	–	(400,000)
Balances at December 31, 2025	₱13,287,474	₱14,662,394	₱27,949,868	(₱7,069)	₱91,817,522	(₱817,958)	₱1,246,682	₱244,318	(₱23,076)	₱120,410,287	₱28,036,571	₱148,446,858
For the Year Ended December 31, 2024												
Balances as of January 1, 2024	₱13,277,474	₱4,672,394	₱17,949,868	(₱7,069)	₱90,797,032	(₱817,958)	₱899,283	₱174,698	₱25,385	₱109,021,239	₱28,415,911	₱137,437,150
Effect of full adoption of PFRS 15	–	–	–	–	(2,377,230)	–	–	–	–	(2,377,230)	–	(2,377,230)
Balances as of January 1, 2024, as restated	13,277,474	4,672,394	17,949,868	(7,069)	88,419,802	(817,958)	899,283	174,698	25,385	106,644,009	28,415,911	135,059,920
Comprehensive income												
Net income	–	–	–	–	18,976,167	–	–	–	–	18,976,167	8,531,041	27,507,208
Other comprehensive income	–	–	–	–	–	–	283,552	67,336	(118,795)	232,093	(3,426)	228,667
Total comprehensive income	–	–	–	–	18,976,167	–	283,552	67,336	(118,795)	19,208,260	8,527,615	27,735,875
Issuance of preferred shares	10,000	9,990,000	10,000,000	–	–	–	–	–	–	10,000,000	–	10,000,000
Acquisition of a subsidiary - as restated (Note 4)	–	–	–	–	–	–	–	–	–	–	3,830,153	3,830,153
Cash dividends declared (Note 22)	–	–	–	–	(15,932,964)	–	–	–	–	(15,932,964)	(11,055,687)	(26,988,651)
Balances at December 31, 2024 - as restated	₱13,287,474	₱14,662,394	₱27,949,868	(₱7,069)	₱91,463,005	(₱817,958)	₱1,182,835	₱242,034	(₱93,410)	₱119,919,305	₱29,717,992	₱149,637,297

(Forward)



Attributable to Equity Holders of the Parent Company

	Capital Stock (Note 22)	Additional Paid-in Capital (Note 22)	Total Paid-in Capital (Note 22)	Treasury Shares - Preferred (Note 22)	Retained Earnings (Note 22)	Premium on Acquisition of Non- controlling Interests (Note 32)	Remeasurement on Pension Plans - net of tax (Note 23)	Net Accumulated Unrealized Gains on Equity Investments Designated at FVOCI (Note 14)	Share in Other Comprehensive Income (Loss) of Associates (Note 11)		Noncontrolling Interests (Note 32)	Total Equity
For the Year Ended December 31, 2023												
Balances as of January 1, 2023	₱13,277,474	₱4,672,394	₱17,949,868	(₱7,069)	₱85,194,218	(₱817,958)	₱975,442	₱131,613	₱25,290	₱103,451,404	₱29,218,230	₱132,669,634
Comprehensive income												
Net income	-	-	-	-	24,722,372	-	-	-	-	24,722,372	12,114,542	36,836,914
Other comprehensive income	-	-	-	-	-	-	(76,159)	43,085	95	(32,979)	(18,574)	(51,553)
Total comprehensive income	-	-	-	-	24,722,372	-	(76,159)	43,085	95	24,689,393	12,095,968	36,785,361
Cash dividends declared (Note 22)	-	-	-	-	(19,119,558)	-	-	-	-	(19,119,558)	(12,898,287)	(32,017,845)
Balances at December 31, 2023	₱13,277,474	₱4,672,394	₱17,949,868	(₱7,069)	₱90,797,032	(₱817,958)	₱899,283	₱174,698	₱25,385	₱109,021,239	₱28,415,911	₱137,437,150

See accompanying Notes to Consolidated Financial Statements.



DMCI HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱22,970,231	₱30,623,304	₱41,154,676
Adjustments for:			
Depreciation, depletion and amortization (Notes 12, 13, 14, 24, 25 and 33)	11,011,779	8,933,983	8,630,329
Finance costs (Note 27)	4,307,748	2,730,175	964,167
Net unrealized foreign exchange loss (gain)	105,754	202,606	217,125
Write-down of asset held-for-sale (Note 10)	–	–	76,095
Equity in net earnings of associates and joint ventures (Note 11)	(3,707,591)	(3,354,081)	(2,145,377)
Finance income (Note 26)	(2,171,196)	(2,451,732)	(1,989,202)
Gain on sale of undeveloped parcel of land (Note 28)	(50,208)	(259,413)	(141,792)
Net movement in net pension asset (liability) (Note 23)	298,583	762,391	80,460
Loss (gain) on sale of property, plant and equipment - net (Notes 13 and 28)	36,288	–	(55,914)
Recoveries from insurance claims (Note 28)	(361,837)	(186,234)	(31,884)
Operating income before changes in working capital	32,439,551	37,000,999	46,758,683
Decrease (increase) in:			
Receivables and contract assets	7,443,598	9,175,967	3,224,211
Inventories	(11,361,432)	(1,418,175)	(4,866,708)
Other current assets	2,082,433	1,262,180	(1,898,943)
Increase (decrease) in:			
Contract liabilities and other customers' advances and deposits	(2,252,287)	5,192,707	3,431,596
Accounts and other payables	(599,551)	(18,033,909)	2,184,747
Liabilities for purchased land	60,656	(211,909)	(513,434)
Cash generated from operations	27,812,968	32,967,860	48,320,152
Income taxes paid	(4,774,585)	(4,515,741)	(3,998,389)
Interest paid (including interest capitalized as cost of inventory) (Note 8)	–	–	(1,858,629)
Interest received	2,171,196	2,451,732	1,504,282
Net cash provided by operating activities	₱25,209,579	₱30,903,851	₱43,967,416

Forward)



	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from associates	₱3,067,519	₱1,278,113	₱915,551
Collection of purchase price adjustment on business acquisition (Note 4)	446,675	–	–
Cash paid for acquisition of business - net of cash received (Note 4)	–	(8,060,913)	–
Additions to:			
Property, plant and equipment (Note 13)	(7,209,173)	(12,647,025)	(5,460,280)
Investments in associates and joint ventures (Note 11)	–	(3,241,000)	–
Investment properties and exploration and evaluation assets (Notes 14)	(729,311)	(880,783)	(43,965)
Interest paid and capitalized as cost of property, plant and equipment (Note 13)	–	–	(74,143)
Proceeds from disposals of:			
Undeveloped land	95,196	1,821,219	1,339,286
Property, plant and equipment	65,157	–	86,777
Asset-held for sale (Note 10)	–	110,103	603,115
Recoveries from insurance claims (Note 28)	361,837	186,234	31,884
Decrease (increase) in other noncurrent assets	545,203	(1,686,651)	(774,131)
Net cash used in investing activities	(3,356,897)	(23,120,703)	(3,375,906)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of preferred shares (Note 22)	–	10,000,000	–
Proceeds from availment of:			
Short-term debt (Note 38)	1,278,957	2,765,140	917,968
Long-term debt (Note 38)	5,619,617	16,781,719	4,466,250
Payments of:			
Short-term debt (Note 38)	(2,765,193)	–	(500,000)
Long-term debt (Note 38)	(5,952,756)	(8,289,240)	(8,015,595)
Dividends to equity holders of the Parent Company (Notes 22 and 38)	(14,749,006)	(15,932,964)	(19,119,558)
Dividends to noncontrolling-interests (Notes 22 and 38)	(5,981,838)	(11,055,687)	(12,914,997)
Interest (Note 38)	(4,230,050)	(3,419,443)	(1,206,426)
Lease liabilities (Notes 33 and 38)	(597,219)	(21,133)	(35,840)
Increase (decrease) in other noncurrent liabilities (Note 38)	409,932	3,502,852	(216,583)
Net cash used in financing activities	(26,967,556)	(5,668,756)	(36,624,781)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	(105,754)	26,054	(217,125)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(5,220,628)	2,140,446	3,749,604
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
	34,298,524	32,158,078	28,408,474
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)			
	₱29,077,896	₱34,298,524	₱32,158,078

See accompanying Notes to Consolidated Financial Statements.



DMCI HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

DMCI Holdings, Inc. (the Parent Company) was incorporated on March 8, 1995 and is domiciled in the Philippines. The Parent Company's registered office address and principal place of business is at 3rd Floor, Dacon Building, 2281 Chino Roces Avenue, Makati City.

The Parent Company and its subsidiaries (collectively referred to herein as the Group) is primarily engaged in general construction, coal and nickel mining, power generation, real estate development, and manufacturing of certain construction materials. In addition, the Group has equity ownership in water concession business.

The Parent Company's shares of stock are listed and are currently traded at the Philippine Stock Exchange (PSE). The Parent Company is 50.01%-owned by Dacon Corporation as of December 31, 2025 and 2024.

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on March 16, 2026.

2. Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements of the Group have been prepared using the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) which have been measured at fair value. The Parent Company's functional currency and the Group's presentation currency is the Philippine Peso (₱). All amounts are rounded to the nearest thousand (₱000), except for earnings per share and par value information or unless otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as adopted by the Financial and Sustainability Reporting Standards Council (FSRSC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Control is achieved when the Group 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.



Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any noncontrolling-interests and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (which are all incorporated and domiciled in the Philippines).

	Nature of Business	2025			2024		
		Direct	Indirect	Effective Interest	Direct	Indirect	Effective Interest
(In percentage)							
<u>General Construction:</u>							
D.M. Consunji, Inc. (DMCI)	General Construction	100.00	–	100.00	100.00	–	100.00
Beta Electromechanical Corporation (Beta Electric) ¹	General Construction	–	53.20	53.20	–	53.20	53.20
Raco Haven Automation Philippines, Inc. (Raco) ^{1*}	Non-operating	–	50.14	50.14	–	50.14	50.14
Oriken Dynamix Company, Inc. (Oriken) ^{1*}	Non-operating	–	89.00	89.00	–	89.00	89.00
DMCI Technical Training Center (DMCI Training) ¹	Services	–	100.00	100.00	–	100.00	100.00
<u>Real Estate:</u>							
DMCI Project Developers, Inc. (PDI)	Real Estate Developer	100.00	–	100.00	100.00	–	100.00
DMCI-PDI Hotels, Inc. (PDI Hotels) ²	Hotel Operator	–	100.00	100.00	–	100.00	100.00
DMCI Homes Property Management Corporation (DPMC) ²	Property Management	–	100.00	100.00	–	100.00	100.00
Zenith Mobility Solutions Services, Inc. (ZMSSI) ²	Services	–	100.00	100.00	–	100.00	100.00
Riviera Land Corporation (Riviera) ²	Real Estate Developer	–	100.00	100.00	–	100.00	100.00
<u>Coal Mining:</u>							
Semirara Mining and Power Corporation (SMPC)	Mining	56.65	–	56.65	56.65	–	56.65
<u>On-Grid Power:</u>							
Sem-Calaca Power Corporation (SCPC) ³	Power Generation	–	56.65	56.65	–	56.65	56.65
Southwest Luzon Power Generation Corporation (SLPGC) ³	Power Generation	–	56.65	56.65	–	56.65	56.65

(Forward)



	Nature of Business	2025			2024		
		Direct	Indirect	Effective Interest (In percentage)	Direct	Indirect	Effective Interest
Sem-Calaca RES Corporation (SCRC) ^{3&6}	Retail	–	56.65	56.65	–	56.65	56.65
SEM-Cal Industrial Park Developers, Inc. (SIPDI) ³	Non-operational	–	56.65	56.65	–	56.65	56.65
Semirara Energy Utilities, Inc. (SEUI) ³	Non-operational	–	56.65	56.65	–	56.65	56.65
Southeast Luzon Power Generation Corporation (SeLPGC) ³	Non-operational	–	56.65	56.65	–	56.65	56.65
Semirara Materials and Resources Inc. (SMRI) ³	Non-operational	–	56.65	56.65	–	56.65	56.65
St. Raphael Power Generation Corporation (SRPGC) ³	Non-operational	–	56.65	56.65	–	56.65	56.65
Sem-Calaca Port Facilities, Inc. (SCPFI) ^{3&6}	Non-operational	–	56.65	56.65	–	56.65	56.65
Off-Grid Power:							
DMCI Power Corporation (DPC)	Power Generation	100.00	–	100.00	100.00	–	100.00
DMCI Masbate Power Corporation (DMCI Masbate) ⁴	Power Generation	–	100.00	100.00	–	100.00	100.00
Nickel Mining:							
DMCI Mining Corporation (DMC)	Holding Company	100.00	–	100.00	100.00	–	100.00
Berong Nickel Corporation (BNC) ⁵	Mining	–	74.80	74.80	–	74.80	74.80
Ulugan Resources Holdings, Inc. (URHI) ⁵	Holding Company	–	30.00	30.00	–	30.00	30.00
Ulugan Nickel Corporation (UNC) ⁵	Holding Company	–	58.00	58.00	–	58.00	58.00
Nickeline Resources Holdings, Inc. (NRHI) ⁵	Holding Company	–	58.00	58.00	–	58.00	58.00
TMM Management, Inc. (TMM) ⁵	Services	–	40.00	40.00	–	40.00	40.00
Zambales Diversified Metals Corporation (ZDMC) ⁵	Mining	–	100.00	100.00	–	100.00	100.00
Zambales Chromite Mining Company Inc. (ZCMC) ⁵	Non-operational	–	100.00	100.00	–	100.00	100.00
Fil-Asian Strategic Resources & Properties Corporation (FASRPC) ⁵	Non-operational	–	100.00	100.00	–	100.00	100.00
Montague Resources Philippines Corporation (MRPC) ⁵	Non-operational	–	100.00	100.00	–	100.00	100.00
Montemina Resources Corporation (MRC) ⁵	Non-operational	–	100.00	100.00	–	100.00	100.00
Mt. Lanat Metals Corporation (MLMC) ⁵	Non-operational	–	100.00	100.00	–	100.00	100.00
Fil-Euro Asia Nickel Corporation (FEANC) ⁵	Non-operational	–	100.00	100.00	–	100.00	100.00
Heraan Holdings, Inc. (HHI) ⁵	Holding Company	–	100.00	100.00	–	100.00	100.00
Zambales Nickel Processing Corporation (ZNPC) ⁵	Non-operational	–	100.00	100.00	–	100.00	100.00
Zamnorth Holdings Corporation (ZHC) ⁵	Holding Company	–	100.00	100.00	–	100.00	100.00
ZDMC Holdings Corporation (ZDMCHC) ⁵	Holding Company	–	100.00	100.00	–	100.00	100.00
Cement:							
Concreat Asian South East Corporation (CASEC) (Note 4)	Holding Company	56.75	6.31	63.06	56.75	6.31	63.06
Concreat Holdings Philippines, Inc. (CHP) ⁷	Holding Company	–	56.66	56.66	–	56.66	56.66
Edgewater Ventures Corp (EVC) ⁷	Non-operational	–	56.66	56.66	–	56.66	56.66
Triple Dime Holdings, Inc. (TDHI) ⁷	Non-operational	–	56.66	56.66	–	56.66	56.66
Bedrock Holdings, Inc. (BHI) ⁷	Non-operational	–	56.66	56.66	–	56.66	56.66
Sandstones Strategic Holdings, Inc. (SSHI) ⁷	Non-operational	–	56.66	56.66	–	56.66	56.66
Apo Cement Corporation (Apo) ⁷	Cement	–	56.66	56.66	–	56.66	56.66
Solid Cement Corporation (Solid) ⁷	Cement	–	56.66	56.66	–	56.66	56.66
Ecocast Builders, Inc. (Ecocast) ^{7*}	Non-operational	–	56.66	56.66	–	56.66	56.66
Enerhiya Central, Inc. (Enerhiya) ^{7*}	Non-operational	–	56.66	56.66	–	56.66	56.66
Ecocrete, Inc. (Ecocrete) ^{7*}	Non-operational	–	56.66	56.66	–	56.66	56.66
Ecopavements, Inc. (Ecopavements) ^{7*}	Non-operational	–	56.66	56.66	–	56.66	56.66
Newcrete Management, Inc. (NMI) ^{7*}	Non-operational	–	39.66	39.66	–	39.66	39.66
Manufacturing							
Semirara Cement Corporation (SemCem)	Non-operational	100.00	–	100.00	100.00	–	100.00
Wire Rope Corporation of the Philippines (Wire Rope)	Manufacturing	45.68	16.02	61.70	45.68	16.02	61.70

*Ongoing liquidation.

¹ DMCI's subsidiaries.

² PDI's subsidiaries.

³ SMPC's subsidiaries. SMRI was formerly known as Semirara Claystone, Inc. (SCI)



⁴ DPC's subsidiaries.

⁵ DMC's subsidiaries.

⁶ Wholly owned subsidiary of SCPC. Incorporated on December 20, 2022.

⁷ CASEC's subsidiaries.

Noncontrolling Interests

Noncontrolling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

Noncontrolling interests are presented separately in the consolidated statements of income, consolidated statements of comprehensive income, and within equity in the consolidated statements of financial position, separately from equity holders of the Parent Company. Any losses applicable to the noncontrolling interests are allocated against the interests of the noncontrolling interests even if these result to the noncontrolling-interest, having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction.

Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interests is recognized in equity of the parent company in transactions where the noncontrolling interest are acquired or sold without loss of control.

The proportion of ownership interest held by noncontrolling interests presented below on the consolidated subsidiaries are consistent with the prior years, except CASEC and its subsidiaries, which were acquired in 2024 (see Note 4):

	<u>(In Percentage)</u>
Beta Electromechanical Corporation (Beta Electromechanical)	46.80
Raco Haven Automation Philippines, Inc. (Raco)	49.86
Oriken Dynamix Company, Inc. (Oriken)	11.00
Semirara Mining and Power Corporation (SMPC)	43.35
Sem-Calaca Power Corporation (SCPC)	43.35
Southwest Luzon Power Generation Corporation (SLPGC)	43.35
Sem-Calaca RES Corporation (SCRC)	43.35
SEM-Cal Industrial Park Developers, Inc. (SIPDI)	43.35
Semirara Energy Utilities, Inc. (SEUI)	43.35
Southeast Luzon Power Generation Corporation (SeLPGC)	43.35
Semirara Materials and Resource, Inc. (SMRI)	43.35
St. Raphael Power Generation Corporation (SRPGC)	43.35
Sem-Calaca Port Facilities, Inc. (SCPFI)	43.35
Berong Nickel Corporation (BNC)	25.20
Ulugan Resouces Holdings, Inc. (URHI)	70.00
Ulugan Nickel Corporation (UNC)	42.00
Nickeline Resources Holdings, Inc. (NRHI)	42.00
TMM Management, Inc. (TMM)	60.00
Concreat Asian South East Corporation (CASEC)	36.94
Concreat Holdings Philippines, Inc. (CHP)	43.34
Edgewater Ventures Corp (EVC)	43.34
Triple Dime Holdings, Inc. (TDHI)	43.34
Bedrock Holdings, Inc. (BHI)	43.34
Sandstones Strategic Holdings, Inc. (SSHI)	43.34
Apo Cement Corporation (Apo)	43.34
Solid Cement Corporation (Solid)	43.34
Ecocast Builders, Inc. (Ecocast)	43.34
Enerhiya Central, Inc. (Enerhiya)	43.34
Ecocrete, Inc. (Ecocrete)	43.34



	<u>(In Percentage)</u>
Ecopavements, Inc. (Ecopavements)	43.34
Newcrete Management, Inc. (NMI)	60.34
Wire Rope Corporation of the Philippines (Wire Rope)	38.30

The voting rights held by the Group in these subsidiaries are in proportion to their ownership interests, except for URHI and TMM (see Note 3).

Interests in Joint Control

DMCI, a wholly-owned subsidiary of the Parent Company, has interests in various joint arrangements (see Note 36), whereby the parties have a contractual arrangement that establishes joint control. DMCI recognizes its share of jointly held assets, liabilities, income and expenses of the joint operation with similar items, line by line, in its consolidated financial statements.

The financial statements of the joint operations are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Asset Acquisitions

To assess whether a transaction is the acquisition of a business, the Group applies first a quantitative concentration test (also known as a screening test). The Group is not required to apply the test but may elect to do so separately for each transaction or other event. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is required. Otherwise, or if the Group elects not to apply the test, the Group will perform the qualitative analysis of whether an acquired set of assets and activities includes at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition. The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction or event does not give rise to goodwill. Where the Group acquires a controlling interest in an entity that is not a business, but obtains less than 100% of the entity, after it has allocated the cost to the individual assets acquired, it notionally grosses up those assets and recognizes the difference as non-controlling interests.

When the Group obtains control over a previously held joint operation, and the joint operation does not constitute a business, the transaction is also accounted for as an asset acquisition which does not give rise to goodwill. The acquisition cost to obtain control of the joint operation is allocated to the individual identifiable assets acquired and liabilities assumed, including the additional share of any assets and liabilities previously held or incurred jointly, on the basis of their relative fair values at the date of purchase. Previously held assets and liabilities of the joint operation should remain at their carrying amounts immediately before the transaction.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in "Operating expenses" account in the consolidated statements of income.



When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated statements of income. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with PFRS 9 either in consolidated statements of income or as a change to OCI. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS Accounting Standards. Contingent consideration that is classified as equity is not measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at costs being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated statements of income.

After initial recognition, goodwill is measured at costs less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within 12 months of the acquisition date as follows: (i) the carrying amount of the identifiable asset, liability or contingent liability that is recognized or adjusted as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date; (ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted; and (iii) comparative information presented for the periods before the initial accounting for the combination is complete shall be presented as if the initial accounting has been completed from the acquisition date.

New Standards, Interpretations, and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Group 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 consolidated financial statements of the Group.

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

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

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

The Group is currently assessing the impact of adopting these amendments.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.



The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

The Group is currently assessing the impact of adopting these amendments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

The amendments clarify the application of the ‘own-use’ requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

The Group is currently assessing the impact of adopting these amendments.

- Annual Improvements to PFRS Accounting Standards – Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments in PFRS 9

- a) Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

- b) Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.



- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

These amendments are not expected to have a material impact on the Group's consolidated financial statements.

- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

These amendments are not expected to have a material impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

This new accounting standard is not applicable to the Group.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation



The Group is currently assessing the impact of adopting this new accounting standard.

- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities. This standard is not applicable to the Group.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*
The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

These amendments are not applicable to the Group.

Deferred effectivity

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

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

These amendments are not expected to have a material impact on the Group's consolidated financial statements.

Material Accounting Policies

The material accounting policies that have been used in the preparation of consolidated financial statements are summarized below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.



Recognition and Measurement of Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

a. Initial recognition

Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost, at FVOCI, or at FVPL.

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

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

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

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

The Group's financial assets comprise of financial assets at amortized cost, financial assets at FVPL and financial assets at FVOCI.

b. Subsequent measurement – Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model, the objective of which is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Group classifies cash and cash equivalents, receivables, due from related parties, and refundable deposit and deposit in escrow fund as financial assets at amortized cost (see Notes 5, 6, 9, and 14).

c. Subsequent measurement - Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition



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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statements of income when the right of payment has been established, except when the Group 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 Group elected to classify irrevocably its quoted and unquoted equity investments under this category (see Note 14).

d. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired; or
- the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Financial liabilities

a. Initial recognition

Financial liabilities are classified, at initial recognition, either as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities comprise of financial liabilities at amortized cost including accounts and other payables and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as pension liabilities, income tax payable, and other statutory liabilities).



b. Subsequent measurement – Payables, loans and borrowings

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

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

This category generally applies to short-term and long-term debt.

c. Derecognition

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

Impairment of Financial Assets

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

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 next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

For real estate, installment contracts receivable (ICR) and contract assets, the Group uses the vintage analysis for ECL by calculating the cumulative loss rates of a given ICR pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

As these are future cash flows, these are discounted back to the time of default (i.e., is defined by the Group as upon cancellation of CTS) using the appropriate effective interest rate, usually being the original EIR or an approximation thereof.



For other financial assets such as receivable from related parties, other receivables and refundable deposits, 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 next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

For short term investments, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Deferred Financing Costs

Deferred financing costs represent debt issue costs arising from the fees incurred to obtain project financing. This is included in the initial measurement of the related debt. The deferred financing costs are treated as a discount on the related debt and are amortized using the effective interest method over the term of the related debt.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position, if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Inventories

Real Estate Held for Sale and Development

Real estate inventories consist of subdivision land, residential houses and lots and condominium units for sale and development. These are properties acquired or being constructed for sale in the ordinary course of business rather than to be held for rental or capital appreciation. These are held as inventory and are measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Land and land improvement cost;
- Amounts paid to contractors for construction and development of subdivision land, residential houses and lots and condominium units; and,



- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads, capitalized borrowing costs and other related costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to complete and the estimated costs of sale. The carrying amount of inventories is reduced through the use of allowance account and the amount of loss is charged to profit or loss.

Undeveloped land is carried at lower of cost and NRV.

The costs of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rata based on the relative size of the property sold.

Valuation allowance is provided for real estate held for sale and development when the NRV of the properties are less than their carrying amounts.

The repossessed lots and residential houses are recorded back to inventory at cost under the “Real estate inventories” account and are held for sale in the ordinary course of business. The Group performs certain repair activities on the said repossessed assets in order to put their condition at a marketable state. Costs incurred in bringing the repossessed assets to its marketable state are included in their carrying amounts.

Coal Inventory

Coal Inventories are valued at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale for coal inventory or replacement cost for spare parts and supplies. Cost is determined using the weighted average production cost method for coal inventory and the moving average method for spare parts and supplies.

The cost of extracted coal includes stripping costs and other mine-related costs incurred during the period and allocated on per metric ton basis by dividing the total production cost with total volume of coal produced. Except for ship loading cost, which is a period cost, all other production related costs are charged to production cost.

Spare parts and supplies, which are usually carried as inventories, are mainly used for the maintenance of equipment are recognized in the statement of comprehensive income once installed and consumed.

Inventories transferred to property, plant and equipment are used as a component of self-constructed property, plant and equipment and are recognized as expense during useful life of that asset. Transfers of inventories to property, plant and equipment do not change the carrying amount of the inventories transferred, and that carrying amount becomes cost for recognition.

Nickel Ore Inventory

Nickel ore inventories are valued at the lower of cost and NRV. Cost of beneficiated nickel ore or nickeliferous laterite ore is determined by the moving average production cost and comprise of outside services, production overhead, personnel cost, and depreciation, amortization and depletion that are directly attributable in bringing the beneficiated nickel ore or nickeliferous laterite ore in its saleable condition. NRV for beneficiated nickel ore or nickeliferous laterite ore is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Stockpile tonnages are verified by periodic surveys.



Cement Inventory

Cement Inventories are valued using the lower of their cost and net realizable value (NRV). The cost of inventories is based on the moving average method and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition, including attributable non-production overheads. NRV of inventories, other than spare parts, is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. The NRV of spare parts is the replacement cost. The Group analyzes its inventory balances to determine if, as a result of internal events, such as physical damage, or external events, such as technological changes or market conditions, certain portions of such balances have become obsolete or impaired.

When an impairment situation arises, the inventory balance is adjusted to its NRV, whereas, if an obsolescence situation occurs, the inventory obsolescence reserve is increased. In both cases, these adjustments are recognized against the results for the period. Advances to suppliers of inventory are presented as part of "Other current assets" account in the consolidated statements of financial position.

Materials in Transit

Cost is determined using the specific identification basis.

Equipment Parts, Materials and Supplies

The cost of equipment parts, materials and supplies is determined principally by the average cost method (either by moving average or weighted average production cost).

Equipment parts and supplies are transferred from inventories to property, plant and equipment when the use of such supplies is expected to extend the useful life of the asset and increase its economic benefit. Transfers between inventories to property, plant and equipment do not change the carrying amount of the inventories transferred and they do not change the cost of that inventory for measurement or disclosure purposes.

Equipment parts and supplies used for repairs and maintenance of the equipment are recognized in the consolidated statements of income when consumed.

NRV for spare parts, supplies and fuel is the current replacement cost. For supplies and fuel, cost is also determined using the moving average method and composed of purchase price, transport, handling and other costs directly attributable to its acquisition. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision or obsolescence.

Assets Held-for-Sale

The Group classifies noncurrent assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Noncurrent assets classified as held-for-sale are carried at the lower of carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification under PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations* is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to



complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group).

Property, plant and equipment are not depreciated or amortized once classified as held for sale. Assets classified as held for sale are presented separately as current items in the consolidated statements of financial position.

Immediately before the initial classification of the asset as held for sale, the carrying amount of the asset will be measured in accordance with applicable PFRSs. Any impairment loss on initial classification and subsequent measurement is recognized as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognized) is recognized in profit or loss.

Stripping Costs

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalized as part of the cost of mine properties and subsequently amortized over its useful life using the units-of-production method over the mine life. The capitalization of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management.

After the commencement of production, further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The costs of such stripping are accounted for in the same way as development stripping (as discussed above).

Stripping costs incurred during the production phase are generally considered to create two benefits, being either the production of inventory or improved access to the coal body to be mined in the future. Where the benefits are realized in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realized in the form of improved access to ore to be mined in the future, the costs are recognized as a noncurrent asset, referred to as a stripping activity asset, if the following criteria are met:

- Future economic benefits (being improved access to the coal body) are probable;
- The component of the coal body for which access will be improved can be accurately identified; and
- The costs associated with the improved access can be reliably measured.

If all of the criteria are not met, the production stripping costs are charged to the consolidated statements of income as operating costs as they are incurred.

In identifying components of the coal body, the Group works closely with the mining operations department for each mining operation to analyze each of the mine plans. Generally, a component will be a subset of the total coal body, and a mine may have several components. The mine plans, and therefore the identification of components, can vary between mines for a number of reasons. These include, but are not limited to, the type of commodity, the geological characteristics of the coal body, the geographical location, and/or financial considerations.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of coal body, plus an allocation of directly attributable overhead costs. If incidental operations are occurring



at the same time as the production stripping activity but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset. If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the coal body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is included as part of 'Mine properties, mining tools and other equipment' under 'Property, plant and equipment' in the consolidated statements of financial position. This forms part of the total investment in the relevant cash generating unit (CGU), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the coal body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the coal body. The stripping activity asset is then carried at cost less accumulated amortization and any impairment losses.

Mineable Ore Reserves

Mineable ore reserves are estimates of the amount of coal that can be economically and legally extracted from the Group's mining properties. The Group estimates its mineable ore reserves based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the coal body, and require complex geological judgments to interpret the data.

The estimate on the mineable ore reserve is determined based on the information obtained from activities such as drilling, core logging or geophysical logging, coal sampling, sample database encoding, coal seam correlation and geological modelling. The Group will then estimate the recoverable reserves based upon factors such as estimates of commodity prices, future capital requirements, foreign currency exchange rates, and production costs along with geological assumptions and judgments made in estimating the size and grade of the coal body. Changes in the reserve or resource estimates may impact the amortization of mine properties included as part of 'Mine properties, mining tools and other equipment' under 'Property, plant and equipment'.

Other assets

Other current and noncurrent assets, which are carried at cost, pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

Advances to Suppliers and Contractors

Advances to suppliers and contractors are recognized in the consolidated statements of financial position when it is probable that the future economic benefits will flow to the Group and the assets has cost or value that can be measured reliably. These assets are regularly evaluated for any impairment in value. Current and noncurrent classification is determined based on the usage/realization of the asset to which it is intended for (e.g., inventory, investment property, property plant and equipment).



Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable. Input VAT pertains to the 12% indirect tax paid by the Group in the course of the Group's trade or business on local purchase of goods or services. Deferred input VAT pertains to input VAT on accumulated purchases of property, plant and equipment for each month amounting to ₱1.00 million or more. Output VAT pertains to the 12% tax due on the local sale of goods and services by the Group.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statements of financial position. When input VAT exceeds output VAT, the excess is recognized as an asset in the consolidated statements of financial position to the extent of the recoverable amount.

Investments in Associates and Joint Ventures

An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in associates and joint ventures are accounted for using the equity method.

Under the equity method, the investments in associate or joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized and is not tested for impairment individually.

The consolidated statements of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share in profit or loss of an associate and joint venture is shown on the face of the consolidated statements of income outside operating profit and represents profit or loss after tax and noncontrolling-interests in the subsidiaries of the associate or joint venture. If the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share to the extent of the interest in associate or joint venture.

The financial statements of associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.



Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statements of income.

Investment Properties

Investment properties comprise completed property and property under construction or redevelopment that are held to earn rentals or capital appreciation or both and that are not occupied by the Group.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties, except land, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less any impairment in value.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statements of income in the period of derecognition.

Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives (EUL) of assets of 20 to 25 years.

The assets' residual value, useful life, and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortizations are consistent with the expected pattern of economic benefits from items of investment property.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

Exploration and Evaluation Assets and Mining Properties

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation activity includes:

- Researching and analyzing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting market and finance studies



License costs paid in connection with a right to explore in an existing exploration area are capitalized and amortized over the term of the permit. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to consolidated statements of income as incurred, unless the Group's management concludes that a future economic benefit is more likely than not to be realized. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors.

In evaluating whether the expenditures meet the criteria to be capitalized, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

Expenditure is transferred from 'Exploration and evaluation assets' to 'Mining properties' which is a subcategory of 'Property, plant and equipment' once the work completed to date supports the future development of the property and such development receives appropriate approvals. After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized in 'Mining properties and equipment'.

Development expenditure is net of proceeds from the sale of ore extracted during the development phase.

Property, Plant and Equipment

Property, plant and equipment, except land, are stated at cost less accumulated depreciation, depletion and amortization, and any impairment in value. Land is stated at cost, less any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Costs also include decommissioning and site rehabilitation costs. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period in which the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property, plant and equipment.

Construction-in-progress included in property, plant and equipment is stated at cost. This includes the cost of the construction of property, plant and equipment and other direct costs. Construction-in-progress is not depreciated until such time that the relevant assets are completed and put into operational use.

Depreciation, depletion and amortization of assets commences once the assets are put into operational use.



Depreciation and amortization of property, plant and equipment, except mine properties, are calculated on a straight-line basis over the following EUL of the respective assets or the remaining contract period, whichever is shorter:

	Years
Land improvements	5-25
Power plant, buildings and building improvements	3-50
Equipment and machinery under “coal mining properties and equipment”	2-3
Equipment and machinery under “nickel mining properties and equipment”	2-5
Equipment and machinery under “cement properties and equipment”	10-35
Construction equipment, machinery and tools	2-10
Office furniture, fixtures and equipment	3-5
Transportation equipment	4-5
Leasehold improvements	5-7

The EUL and depreciation, depletion and amortization methods are reviewed periodically to ensure that the period and methods of depreciation, depletion and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Land is stated at historical cost less any accumulated impairment losses. Historical cost includes the purchase price and directly attributable costs.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. When assets are retired, or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statements of income in the year the item is derecognized.

Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded as part of cost of sales in the consolidated statements of income. During the period of development, the asset is tested for impairment annually.



Trademarks

The cost of the trademarks acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, trademarks are carried at cost, less any accumulated impairment loss.

Trademarks with indefinite lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The trademarks of the Group have indefinite lives.

Impairment of Nonfinancial Assets

This accounting policy applies primarily to the Group's property, plant and equipment, investment properties, right-of-use assets, intangible assets, assets held-for-sale, exploration and evaluation assets and investments in associates and joint ventures.

Property, Plant and Equipment, Investment Properties, Right-of-Use Assets, Intangible Assets and Assets Held-for-Sale

The Group assesses at each reporting date whether there is an indication that these assets may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required in the case of goodwill and trademarks with indefinite useful life, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that largely independent of those from other assets or group 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, depletion and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

Exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation assets may exceed its recoverable amount. Under PFRS 6 one or more of the following facts and circumstances could indicate that an impairment test is required. The list is not intended to be exhaustive: (a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.



Investments in associates and joint ventures

For investments in associates and joint ventures, after application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or jointly controlled entities is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the carrying value and the recoverable amount of the investee company and recognizes the difference in the consolidated statements of income.

Liabilities for Purchased Land

Liabilities for purchased of land represents unpaid portion of the acquisition costs of raw land for future development, including other costs and expenses incurred to effect the transfer of title of the property. Noncurrent portion of the carrying amount is discounted using the applicable interest rate for similar type of liabilities at the inception of the transactions.

Equity

Capital Stock

Capital stock consists of common and preferred shares which are measured at par value for all shares issued. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to 'Additional paid-in capital' account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. Direct cost incurred related to the equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are charged to 'Additional paid-in capital' account.

Treasury Shares

Treasury shares pertains to own equity instruments which are reacquired and are carried at cost and are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid in capital when the shares were issued and to retained earnings for the remaining balance.

Retained Earnings

Retained earnings represent accumulated earnings of the Group, and any other adjustments to it as required by other standards, less dividends declared. The individual accumulated earnings of the subsidiaries are available for dividend declaration when these are declared as dividends by the subsidiaries as approved by their respective BOD.

Dividends on common shares are deducted from retained earnings when declared and approved by the BOD or shareholders of the Parent Company. Dividends payable are recorded as liability until paid. Dividends for the year that are declared and approved after the reporting date, if any, are dealt with as an event after the reporting date and disclosed accordingly.

Revenue and Cost recognition

Revenue from contract with customers

The Group is primarily engaged in general construction, coal and nickel mining, power generation, real estate development, water concession and manufacturing. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those



goods or services. The Group has generally concluded that it is acting as principal in all of its significant revenue arrangements since it is the primary obligor in these revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Revenue recognized at a point in time

- *Coal Mining*

Revenue is recognized when control passes to the customer, which occurs at a point in time once the performance obligation to the customer is satisfied. The revenue is measured at the amount to which the Group expects to be entitled, being the price expected to be received upon final billing, and a corresponding trade receivable is recognized.

Revenue from local and export coal sales are denominated in Philippine Peso and US Dollar (US\$), respectively.

Cost of coal includes directly related production costs such as materials and supplies, fuel and lubricants, labor costs including outside services, depreciation and amortization, cost of decommissioning and site rehabilitation, and other related production overhead. These costs are recognized when incurred.

- *Nickel Mining*

Revenue is recognized when control passes to the customer, which occurs at a point in time when the beneficiated nickel ore/nickeliferous laterite ore is physically transferred onto a vessel or onto the buyer's vessel.

Cost of nickel includes cost of outside services, production overhead, personnel cost and depreciation, amortization and depletion that are directly attributable in bringing the inventory to its saleable condition. These are recognized in the period when the goods are delivered.

- *Sales and services*

Revenue from room use, food and beverage sales and other services are recognized when the related sales and services are rendered.

- *Cement and Merchandise Sales*

Revenue from cement and merchandise sales is recognized upon delivery of the goods to and acceptance by the buyer and when the control is passed on to the buyers.

Revenue recognized over time using output method

- *Real Estate Sales*

The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period using the percentage of completion (POC) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In determining the transaction price, the Group considers whether the selling price of the real estate project includes significant financing component. Prior to January 1, 2024, the Group availed of the relief granted by the SEC under MC Nos. 14-2018 for the implementation issues of PFRS 15 affecting the real estate industry. Under the SEC MC No. 34-2020, the relief has been extended until December 31, 2023. Effective January 1, 2024, the Group adopted the remaining



provisions of PIC Q&A 2018-12, which includes the recognition of significant financing component. The Group determines whether a contract contains a significant financing component using individual contract approach by considering (a) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (b) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing EIR. The Group applies practical expedient by not adjusting the effect of financing component if the period when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by project engineers, and reviewed and approved by area managers under construction department which integrates the surveys of performance to date of the construction activities for both subcontracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contract receivables, under “Receivables”, is included in the “Contract asset” account in the asset section of the consolidated statements of financial position.

Any excess of collections over the total of recognized installment contract receivables is included in the “Contract liabilities” account in the liabilities section of the consolidated statements of financial position.

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as land and connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

In addition, the Group recognizes as an asset these costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

- *Electricity Sales*

Revenue from sale of electricity is derived from its primary function of providing and selling electricity to customers of the generated and purchased electricity. The Group recognizes revenue from contract energy sales over time, using output method measured on actual energy delivered or nominated by the customer, net of adjustments, as agreed between parties.

Revenue from spot electricity sales is derived from the sale to the spot market of excess generated electricity over the contracted energy using price determined by the spot market, also known as Wholesale Electricity Spot Market (WESM), the market where electricity is traded, as mandated by Republic Act (RA) No. 9136 of the Department of Energy (DOE). Revenue is recognized over time using the output method measured principally on actual generation delivered to trading participants of WESM.



Under PFRS 15, the Group has concluded that revenue should be recognized over time since the customer simultaneously receives and consumes the benefits as the seller supplies power. In this case, any fixed capacity payments for the entire contract period is determined at contract inception and is recognized over time. The Group has concluded that revenue should be recognized over time and will continue to recognize revenue based on amounts billed.

Cost of electricity sales includes costs directly related to the production and sale of electricity such as cost of coal, coal handling expenses, bunker, lube, diesel, depreciation and other related production overhead costs. Cost of electricity sales are recognized at the time the related coal, bunker, lube and diesel inventories are consumed for the production of electricity. Cost of electricity sales also includes electricity purchased from the spot market and the related market fees. It is recognized as cost when the Group receives the electricity and simultaneously sells to its customers.

Revenue recognized over time using input method

- *Construction Contracts*

Revenue from construction contracts are recognized over time (POC) using the input method. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation, or the total estimated costs of the project. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method exclude the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on onerous contracts are recognized immediately when it is probable that the total unavoidable contract costs will exceed total contract revenue. The amount of such loss is determined irrespective of whether or not work has commenced on the contract; the stage of completion of contract activity; or the amount of profits expected to arise on other contracts, which are not treated as a single construction contract. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements that may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined. Profit incentives are recognized as revenue when their realization is reasonably assured.

The asset "Costs and estimated earnings in excess of billings on uncompleted contracts", which is presented under "Contract assets", represents total costs incurred and estimated earnings recognized in excess of amounts billed. The liability "Billings in excess of costs and estimated earnings on uncompleted contracts", which is presented under "Contract liabilities", represents billings in excess of total costs incurred and estimated earnings recognized. Contract retention receivables are presented as part of "Trade receivables" under the "Receivables" and "Other Noncurrent Assets" accounts in the consolidated statements of financial position.

Contract Balances

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).



Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

For the Group's real estate segment, contract assets are initially recognized for revenue earned from development of real estate projects as receipt of consideration is conditional on successful completion of development. Upon completion of development and acceptance by the customer, the amounts recognized as contract assets are reclassified to receivables. It is recognized as "contract asset" account in the consolidated statements of financial position.

For the Group's construction segment, contract asset arises from the total contract costs incurred and estimated earnings recognized in excess of amounts billed.

Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group's commission payments to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Cost of Sales and Services – Real estate sales" account in the consolidated statements of income. Capitalized cost to obtain a contract is included in 'Other current and noncurrent assets' account in the consolidated statements of financial position.

Contract liabilities

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

For the Group's real estate segment, contract liability arises when the payment is made or the payment is due (whichever is earlier) from customers before the Group transfers goods or services to the customer. Contract liabilities are recognized as revenue when the Group performs (generally measured through POC) under the contract. The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

For the Group's construction segment, contract liability arises from billings in excess of total costs incurred and estimated earnings recognized.

Contract fulfillment assets

Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered.



The assessment of these criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

The Group's contract fulfillment assets pertain to connection fees and land acquisition costs as included in the 'Inventory' account in the consolidated statements of financial position.

Amortization, derecognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract

The Group amortizes contract fulfillment assets and capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within cost of sales.

A contract fulfillment asset or capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that contract fulfillment asset or capitalized cost to obtain a contract may be impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive, less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits.

Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Other Revenue and Income Recognition

Forfeitures and cancellation of real estate contracts

Income from forfeited reservation and collections is recognized when the deposits from potential buyers are deemed nonrefundable due to prescription of the period for entering into a contracted sale. Such income is also recognized, subject to the provisions of Republic Act 6552, *Realty Installment Buyer Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Income from commissioning

Income from commissioning pertains to the excess of proceeds from the sale of electricity produced during the testing and commissioning of the power plant over the actual cost incurred to perform the testing and commissioning.

Dividend income

Dividend income is recognized when the Group's right to receive payment is established, which is generally when shareholders approve the dividend.



Rental income

Rental income arising from operating leases on investment properties and construction equipment is accounted for on a straight-line basis over the lease terms.

Interest income

Interest income is recognized as interest accrues using the effective interest method.

Operating Expenses

Operating expenses are expenses that arise in the ordinary course of operations of the Group. These usually take the form of an outflow or depletion of assets such as cash and cash equivalents, supplies, investment properties and property, plant and equipment. Expenses are recognized in the consolidated statements of income when incurred.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Borrowing costs are also capitalized on the purchased cost of a site property acquired specially for development but only where activities necessary to prepare the asset for development are in progress.

For real estate inventories, prior to January 1, 2024, the Group availed of the relief granted by SEC under MC No. 34-2020 (see Note 8). Effective January 1, 2024, the Group adopted the IFRIC Agenda Decision on Over Time Transfer of Constructed Goods. Interest are capitalized on the purchase cost of a site of property acquired specifically for sale but only to the extent where activities necessary to prepare the asset for selling are in progress prior to any pre-selling activities.

Foreign Currency Translations and Transactions

The consolidated financial statements are presented in Philippine Peso. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate at the reporting date. All differences are taken to consolidated statements of income. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of initial 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.

Pension Cost

The Group has a noncontributory defined benefit multi-employer retirement plan.



The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a 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.

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

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements 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 profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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 profit or loss.

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

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

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

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.

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 twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Leases

The Group 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 consideration.

The Group as a lessor

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The Group as a lessee

Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group 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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

“Right-of-use assets” are presented under noncurrent assets in the consolidated statements of financial position.

Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because 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 lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its leases of office spaces, storage and warehouse spaces that have lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on these short-term leases are recognized as expense on a straight-line basis over the lease term.

Income Taxes

Current Tax

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and (iii) at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from MCIT and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and investments in joint ventures.

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

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantially enacted at the financial reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period.



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

For periods where the income tax holiday (ITH) is in effect, no deferred taxes are recognized in the consolidated financial statements as the ITH status of the subsidiary neither results in a deductible temporary difference or temporary taxable difference. However, for temporary differences that are expected to reverse beyond the ITH, deferred taxes are recognized.

Earnings Per Share (EPS)

Basic EPS is computed by dividing the consolidated net income for the year attributable to equity holders of the Parent Company (net income for the period less dividends on convertible redeemable preferred shares) by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period. Diluted EPS is computed by dividing the net income for the year attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year adjusted for the effects of dilutive convertible redeemable preferred shares. Diluted EPS assumes the conversion of the outstanding preferred shares. When the effect of the conversion of such preferred shares is anti-dilutive, no diluted EPS is presented.

Operating Segment

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group generally accounts for intersegment revenues and expenses at agreed transfer prices. Income and expenses from discontinued operations are reported separate from normal income and expenses down to the level of income after taxes. Financial information on operating segments is presented in Note 34 to the consolidated financial statements.

Provisions

Provisions are recognized only when the Group has: (a) a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Provision for decommissioning and site rehabilitation costs

The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes closure of plants, dismantling and removing of structures, reforestation, rehabilitation activities on marine and rainwater conservation and maintenance of rehabilitated area.

The obligation generally arises when the asset is installed, or the ground environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets and restoration of power plant sites. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statements of



income as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the consolidated statements” of comprehensive income.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements on the period in which the change occurs.

Events After the Reporting Period

Post year-end events up to the date of the auditor’s report that provide additional information about the Group’s position at reporting date (adjusting events) are reflected in the consolidated financial statements. Any post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

3. **Material Accounting Judgments, Estimates and Assumptions**

The preparation of the accompanying consolidated financial statements in conformity with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, estimates and assumptions used in the accompanying consolidated financial statements are based upon management’s evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments

In the process of applying the Group’s accounting policies, management has made the following judgments, apart from those involving estimations which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group did not include the renewal and termination period of several lease contracts since the renewal and termination options is based on mutual agreement, thus currently not enforceable (see Note 33).



Revenue recognition method and measure of progress

- *Real estate revenue recognition*

The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use; and (b) the Group has an enforceable right to payment for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. The Group also considers the buyer's commitment to continue the sale which may be ascertained through the significance of the buyer's initial payments and the stage of completion of the project.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or the buyer's equity). Collectability is assessed by considering factors such as history with the buyer, and age and pricing of the property. Also, management regularly evaluates the historical sales cancellations and back-outs, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In determining the transaction price, the Group considers whether the selling price of the real estate project includes significant financing component. The Group determines whether a contract contains a significant financing component using individual contract approach by considering (a) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (b) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing EIR. The Group applied practical expedient by not adjusting the effect of financing component if the period when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Group determined that its transaction price on sale of real estate recognized over time includes significant financing component.

In measuring the progress of its performance obligation over time, the Group uses the output method which is based on the physical proportion of work done on the real estate project, which requires technical determination by the Group's specialists (i.e., project engineers). The Group believes that this method faithfully depicts the Group's performance in transferring control of real estate development to the customers.

- *Construction revenue recognition*

- a. Existence of a contract

The Group assessed that various documents or arrangements (whether separately or collectively) will create a contract in accordance with PFRS 15. The Group considered relevant facts and circumstances including customary business practices and assessed that the enforceability of its documents or arrangements depends on the nature and requirements stated in the terms of those documents or arrangements. Certain documents that indicate enforceability of contract include Letter/ Notice of Award, Letter of Intent, Notice to Proceed and Purchase Order.



b. Revenue recognition method and measure of progress

The Group concluded that revenue for construction services is to be recognized over time because: (a) the customer controls assets as it is created or enhanced; (b) the Group's performance does not create an asset with an alternative use; and (c) the Group has an enforceable right for performance completed to date. The customer demonstrates control over the asset being constructed by possessing the ability to specify the design of the subject asset. Moreover, the Group builds the asset on the customer's land and the customer generally controls any work in progress arising from the Group's performance.

In measuring the progress of its performance obligation over time, the Group uses the input method, which is based on actual costs incurred to date relative to the total estimated cost to complete the construction projects. The Group believes that this method faithfully depicts the Group's performance in transferring control as there is direct relationship between the Company's effort (i.e., costs incurred) and the transfer of service to the customer.

c. Identifying performance obligation

Construction projects of the Group usually includes individually distinct goods and services. These goods and services are distinct as the customers can benefit from the service on its own and are separately identifiable. However, the Group assessed that goods and services are not separately identifiable from other promises in the contract. The Group provides significant service of integrating the various goods and services (inputs) into a single output for which the customer has contracted. Consequently, the Group accounts for all of the goods and services in the contract as a single performance obligation.

With regard to variation orders, the Group assessed that these do not result in the addition of distinct goods and services and are not identified as separate performance obligations because they are highly interrelated with the services in the original contract, and are part of the contractor's service of integrating services into a single output for which the Group has been contracted.

d. Principal versus agent considerations

The Group is allowed to subcontract certain or a portion of its works, to another party. The Group assessed that it is acting as a principal as it controls each specified good or service before that good or service is transferred to the customer and has the discretion in establishing the price of goods and services. Moreover, the contract states that it is principally responsible for the performance of the obligation and subcontracting any portion of the work (if any) does not relieve the Group of any liability or obligation under the contract.

e. Consideration of significant financing component in a contract

The Group usually imposes to its customers a percentage of contract price as an advance payment of the total contract price as mobilization fees. The Group concluded that there is no significant financing component for those contracts where the customer pays in advance, considering: (a) the advance payments have historically been recouped within 12 months from the reporting date; (b) the billings are normally based on the progress of work; and, (c) financing component is not significant. The lag time between performance of construction service which is measured through percentage of completion (POC) and actual billing and billing to collection is substantially within 12 months.



Amounts withheld by the customers (retention receivables) are expected to be recouped beyond one year from the date of completion of the project. Such amounts do not contain significant financing component as the withholding serve as a security against the Group's performance. These are collectible upon the lapse of the defect and liability period and receipt of customer certification that there are no defects on the constructed assets.

- *Mining and electricity sales – Revenue recognition method and measure of progress*

The Group concluded that revenue from coal and nickel ore sales is to be recognized at a point in time as the control transfers to customers at the date of shipment.

On the other hand, the Group's revenue from power sales is to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the delivery of power that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance obligation.

The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance of its obligation to its customers, since the customer obtains the benefit from the Group's performance based on actual energy delivered each month.

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation assets requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The criteria used to assess the start date of a mine are determined based on the unique nature of each mine development project. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production phase.

Some of the criteria include, but are not limited to the following:

- the level of capital expenditure compared to construction cost estimates;
- completion of a reasonable period of testing of the property and equipment;
- ability to produce ore in saleable form; and
- ability to sustain ongoing production of ore.

When a mine development project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for capitalizable costs related to mining asset additions or improvements, mine development or mineable reserve development. It is also at this point that depreciation or depletion commences.

Determination of components of ore bodies and allocation of measures for stripping cost allocation

The Group has identified that each of its two active mine pits, Narra and Molave, is a whole separate ore component and cannot be further subdivided into smaller components due to the nature of the coal seam orientation and mine plan.

Judgment is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Group considers that the ratio of the expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of the coal body (i.e., stripping ratio) is the most suitable production measure. The Group recognizes stripping activity asset by comparing the actual stripping ratio during the year for each component and the component's mine life stripping ratio.



Evaluation and reassessment of control

The Group refers to the guidance in PFRS 10, *Consolidated Financial Statements*, when determining whether the Group controls an investee. Particularly, the Group controls an investee when it 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. The Group considers the purpose and design of the investee, its relevant activities and how decisions about those activities are made and whether the rights give it the current ability to direct the relevant activities (see Note 11).

The Group controls an investee if and only if it has all the following:

- a. power over the investee;
- b. exposure, or rights, to variable returns from its involvement with the investee; and,
- c. the ability to use its power over the investee to affect the amount of the investor's returns.

Ownership interests in URHI and TMM represent 30% and 40%, respectively. The stockholders of these entities signed the Memorandum of Understanding (MOU) that gives the Group the ability to direct the relevant activities and power to affect its returns considering that critical decision-making position in running the operations are occupied by the representatives of the Group.

Management's Use of Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Group

Determination of purchase price allocation

In 2024, the Group acquired Concreat Asian South East Corporation (CASEC; formerly, Cemex Asian South East Corporation) (see Note 4). The Group performed notional purchase price allocation, which required estimation in identifying the provisional fair value of the underlying assets acquired (including trademarks) and liabilities assumed from CASEC. Management has measured the trademarks based on the valuation report prepared by the external valuation specialist. The trademarks were valued using the relief-from-royalty method wherein the fair value of the trademarks is based on costs savings from owning the trademarks. Significant assumptions and estimates used include comparable royalty rates, terminal growth rate, and discount rates based on available market. In 2025, the purchase price allocation was finalized considering the purchase price adjustments and change in the fair value of the underlying assets acquired from CASEC (see Note 4).

Recoverability of trademarks and goodwill

The Group determines whether trademarks and goodwill with indefinite useful lives are impaired at least on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the recoverable amount of the CGU to which the goodwill is allocated. The recoverable amount of the CGU containing the goodwill and trademarks was determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The following bases were used to develop the assumptions used in computing value-in-use, among others:

- (a) Growth rate estimates – growth rates were based on experiences and strategies developed for the main operating subsidiaries. The prospect for the industry was also considered in estimating the growth rates.
- (b) Discount rates – discount rates were estimated based on the industry weighted average cost of capital, which includes the cost of equity and debt after considering the gearing ratio.



Calculated value-in-use for goodwill recoverability testing is most sensitive to changes in discount rate and terminal growth rate. The carrying amount of goodwill as at December 31, 2025 and 2024 amounted to ₱1,731.44 million. The carrying amount of trademarks as at December 31, 2025 and 2024 amounted to ₱5,492.74 million. As of December 31, 2025 and 2024, no impairment in trademarks and goodwill was recognized.

b. Mining

Estimating mineable ore reserves

The Group uses the mineable ore reserves in the determination of the amount of amortization of mine properties using units-of-production method. The Group estimates its mineable ore reserves based on the assessment performed by the internal specialists engaged by the Group, who are professionally qualified mining engineers and geologists (specialists). These estimates on the mineable ore resource and reserves are determined based on the information obtained from activities such as drilling, core logging or geophysical logging, coal sampling, sample database encoding, coal seam correlation and geological modelling.

The carrying value of coal mining properties, included in “Property, plant and equipment” as presented in the consolidated statements of financial position amounted to ₱3,634.25 million and ₱3,838.25 million as of December 31, 2025 and 2024, respectively (see Note 13).

Estimating coal stockpile inventory quantities

The Group estimates the stockpile inventory of clean and unwashed coal by conducting a topographic survey which is performed by in-house and third-party surveyors. The survey is conducted by in-house surveyors on a monthly basis with a confirmatory survey by third party surveyors at year end. The process of estimation involves a predefined formula which considers an acceptable margin of error of plus or minus five percent (5%). Thus, an increase or decrease in the estimation threshold for any period would differ if the Group utilized different estimates and this would either increase or decrease the profit for the year. The coal pile inventory as of December 31, 2025 and 2024 amounted to ₱6,477.90 million and ₱1,389.51 million, respectively (see Note 8).

Estimating recoverability of capitalized development costs

Initial capitalization of costs is based on management’s judgment that technological and economic feasibility is confirmed. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. Management assessed that no impairment indicator exists on the Group’s capitalized development costs as of December 31, 2025 and 2024.

The carrying amounts of capitalized development costs are included under “Coal mining properties and equipment” under Property, plant and equipment in the consolidated statements of financial position (see Note 13).

Estimating recoverability of deferred mine exploration cost

The application of the Group’s accounting policy for deferred mine exploration costs requires judgment and estimates in determining whether it is likely that the future economic benefits are certain, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available.

If, after deferred mine explorations costs are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written-off in the consolidated statements of income in the period when the new information becomes available.



The Group reviews the carrying values of its mining property interests whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. An impairment loss is recognized when the carrying values of these assets are not recoverable and exceed their fair value. In 2025 and 2024, no provision for impairment loss on the Group's deferred mine exploration costs was recognized (see Note 14).

Estimating provision for decommissioning and mine site rehabilitation costs

The Group is legally required to fulfill certain obligations under its Department of Energy and National Resources (DENR) issued Environmental Compliance Certificate when its activities have ended in the depleted mine pits. In addition, the Group assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for decommissioning and mine site rehabilitation costs as there are numerous factors that will affect the ultimate liability. These factors include estimates of the extent and costs of rehabilitation activities given the approved decommissioning and mine site rehabilitation plan, (e.g., costs of reforestation, and maintenance of the rehabilitated area), technological changes, regulatory changes, cost increases, and changes in inflation rates and discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided.

An increase in decommissioning and site rehabilitation costs would increase the carrying amount of the related assets and increase noncurrent liabilities. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Assumptions used to compute the decommissioning and site rehabilitation costs are reviewed and updated annually.

As of December 31, 2025 and 2024, the provision for decommissioning and mine site rehabilitation for coal mining activities amounted to ₱361.46 million and ₱354.06 million, respectively. As of the same dates, the provision for decommissioning and minesite rehabilitation cost for the nickel mining activities amounted to ₱137.15 million and ₱163.29 million, respectively (see Note 20).

c. Construction

Revenue recognition – construction contracts

The Group's construction revenue is based on the POC method measured principally on the basis of total actual cost incurred to date over the estimated total cost of the project. Actual cost incurred to date includes labor, materials and overhead which are billed and unbilled by contractors. The Group also updates the estimated total cost of the project based on latest discussions with customers to include any revisions to the job order sheets and the cost variance analysis against the supporting details. The POC method is applied to the contract price after considering approved change orders.

When it is probable that total contract costs will exceed total contract revenue, the expected loss shall be recognized as an expense immediately. The amount of such a loss is determined irrespective of:

- (a) whether work has commenced on the contract;
- (b) the stage of completion of contract activity; or
- (c) the amount of profits expected to arise on other contracts which are not treated as a single construction contract.



The Group regularly reviews its construction projects and used the above guidance in determining whether there are projects with contract cost exceeding contract revenues. Based on the best estimate of the Group, adjustments were made in the books for those projects with expected losses in 2025 and 2024. There is no assurance that the use of estimates may not result in material adjustments in future periods. Revenue from construction contracts amounted to ₱18,825.77 million, ₱15,054.33 million and ₱16,674.70 million in 2025, 2024 and 2023, respectively (see Note 34).

Estimation of variable consideration arising from change orders and claims

It is common for the Group to receive numerous variation orders from the customers during the period of construction. These variation orders could arise due to various change orders and claims, including changes in the design of the asset being constructed and in the type of materials to be used for construction.

The Group estimates the transaction price for the variation orders based on a probability-weighted average approach (expected value method) based on historical experience.

d. Real estate

Revenue recognition – real estate sales

The assessment process for the POC and the estimated project development costs requires technical determination by management's specialists (project engineers) and involves significant management judgment. The Group applies POC method in determining real estate revenue. The POC is measured principally on the basis of the estimated completion of a physical proportion of the contract work based on the inputs of the internal project engineers.

Revenue from real estate sales amounted to ₱12,465.03 million, ₱11,396.39 million and ₱18,587.31 million in 2025, 2024 and 2023, respectively (see Note 34).

Significant financing component – Starting January 1, 2024

The Group determined that its transaction price on sale of real estate recognized over time does include a significant financing component since the customer's payment of the transaction price does not coincide with the percentage-of-completion of the project. This gives rise to significant financing either by the customer to the Group as the property developer or vice versa. The Group uses its recent borrowing rates from the banks when the buyer pays ahead of the percentage-of-completion of the related project or the prevailing interest rates in the market as lending rate when the percentage-of-completion of the related project is ahead of the buyer's payment. Since contracts from customers comprise a significant component, a portion of the contract price is regarded as interest income and interest expense, included in "Finance income" and "Finance costs" accounts, respectively, in the consolidated statements of income.

e. Power

Determination of fair value less cost to sell

The Group estimated the recoverable amount of the 2x25 MW gas turbine plant based from offers received from buyers in the advanced stage of negotiations or, if available, the final selling price agreed with the buyer, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing the asset (e.g. dismantling and handling costs) (see Note 10).

Estimating provision for decommissioning and site rehabilitation costs

The Group is contractually required to fulfill certain obligations under Section 8 of the Land Lease Agreement (LLA) upon its termination or cancellation. Significant estimates and assumptions are made in determining the provision for site rehabilitation as there are numerous factors that will affect the ultimate liability. These factors include estimates of the extent and



costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. An increase in decommissioning and site rehabilitation costs would increase the property, plant and equipment and increase noncurrent liabilities.

The provision at the reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Assumptions used to compute the provision for decommissioning and site rehabilitation costs are reviewed and updated annually.

As of December 31, 2025 and 2024, the estimated provision for decommissioning and site rehabilitation costs amounted to ₱37.30 million and ₱34.34 million, respectively (see Note 20).

Estimating allowance for expected credit losses (ECLs)

a. Installment contracts receivable and contract assets

The Group uses the vintage analysis in calculating the ECLs for real estate ICR. Vintage analysis calculates the vintage default rate of each period through a ratio of default occurrences of each given point in time in that year to the total number of receivable issuances or occurrences during that period or year. The rates are also determined based on the default occurrences of customer segments that have similar loss patterns (i.e., by payment scheme).

The vintage analysis is initially based on the Group's historically observed default rates. The Group will adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions (i.e., bank lending rates and interest rates) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historically observed default rates, forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

b. Trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and foreign exchange rates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

The above assessment resulted to recognition of additional allowance for impairment of ₱282.72 million, ₱172.96 million (including allowance for expected credit losses from acquired company) and ₱31.21 million in 2025, 2024 and 2023, respectively (see Notes 6 and 25).

Evaluation of net realizable value of inventories

Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' selling price in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV.



For real estate inventories, the Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the real estate inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In evaluating NRV, recent market conditions and current market prices have been considered.

For inventories such as equipment parts, materials in transit and supplies, the Group's estimate of the NRV of inventories is based on evidence available at the time the estimates are made of the amount that these inventories are expected to be realized. These estimates consider the fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at reporting date. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Inventories carried at cost amounted to ₱68,538.04 million and ₱56,646.35 million as of December 31, 2025 and 2024, respectively. Inventories carried at NRV amounted to ₱10,792.80 million and ₱10,587.80 million as of December 31, 2025 and 2024, respectively (see Note 8).

Estimating useful lives of property, plant and equipment (see 'estimation of minable ore reserves' for the discussion of amortization of coal mining properties)

The Group estimated the useful lives of its property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation expense and decrease noncurrent assets.

In estimating the useful life of depreciable assets that are constructed in a leased property, the Group considers the enforceability of and the intent of management to exercise the option to purchase the leased property. For these assets, the depreciation period is over the economic useful life of the asset which may be longer than the remaining lease period.

As of December 31, 2025 and 2024, the carrying value of property, plant and equipment of the Group amounted to ₱79,284.46 million and ₱82,041.19 million, respectively (see Note 13).

Impairment assessment of nonfinancial assets

The Group reviews its nonfinancial assets for impairment. This includes considering certain indicators of impairment such as significant or prolonged decline in the fair value of the asset, significant underperformance relative to expected historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for overall business, significant negative industry or economic trends, or significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment where the Group operates.



When indicators exist, an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Assets that are subject to impairment testing when impairment indicators are present are as follows:

	2025	2024 (As restated - Note 4)
Property, plant and equipment (Note 13)	₱79,284,458	₱82,041,191
Investments in associates and joint ventures (Note 11)	24,440,477	24,275,274
Right-of-use assets (Note 33)	3,450,763	3,828,484
Other current assets (Note 9)*	12,614,472	14,976,703
Other noncurrent assets (Note 14)*	8,268,314	8,160,396

*Excluding current and noncurrent financial assets.

The Group determined that the absence of DOE’s favorable response on SMPC’s request for term adjustment and the launch of a bid round for Semirara Island’s COC No. 5 are impairment indicators of its property, plant and equipment attributable to coal mining operations amounting to ₱8,249.50 million as of December 31, 2025.

Impairment testing requires an estimation of the recoverable amount of the cash-generating unit (CGU), which is determined to be the coal mining operations. The recoverable amount is measured as the higher of the CGU’s value-in-use or fair value less costs to sell.

As of December 31, 2025, the recoverable amount of SMPC’s property, plant and equipment are determined to be higher than its carrying amount. No impairment loss was recognized in the consolidated financial statements in 2025 (see Note 31).

Management believes that no impairment indicator exists for the Group’s other nonfinancial tassets as of December 31, 2025 and 2024.

Maynilad Water

On May 18, 2021, the Revised Concession Agreement (RCA) has been executed and signed by the representative parties of Maynilad Water Services, Inc. (MWSI) and Metropolitan Waterworks and Sewerage System (MWSS). On December 10, 2021, Republic Act 11600 was signed into law (see Note 37). On December 14, 2021, Maynilad Water again requested the MWSS Board to defer the RCA’s Effective Date by another two months (until February 16, 2022) or until the Republic Letter of Undertaking is issued. On June 30, 2022, Maynilad received MWSS’s letter of even date informing Maynilad Water that the Department of Finance (“DOF”) has issued the Republic Undertaking dated June 24, 2022 signed by the Executive Secretary and the DOF Secretary.

Maynilad Water wrote the MWSS on July 1, 2022 informing them that the signed Republic Letter of Undertaking does not conform to the agreed form in the RCA, and, thus, Section 16.3 (iii) I of the RCA has not been satisfied.

On May 10, 2023, MWSS and Maynilad signed the Amendments to the RCA which took effect retroactively on June 29, 2022. Along with the Amendments to the RCA, the Letter of Undertaking in the form agreed by the parties was also issued. The Letter of Undertaking’s effectivity retroacts to July 1, 2022. On December 14, 2023, MWSS approved the 10-year extension from 2037 to 2047, pending the acknowledgment by the RoP through the Secretary of Finance. On November 17, 2025, Maynilad received the duly executed Memorandum of Agreement on and Confirmation of the



Amendment to the Revised Concession dated October 10, 2025, signed and acknowledged by the Secretary of the Department of Finance (see Note 37).

On November 7, 2025, MWSI conducted an Initial Public Offering (IPO), offering up to 1,660.3 million common shares in a primary offer and up to 24.9 million primary common shares in a preferential offer. Additionally, there was an overallotment option of up to 249.0 million primary common shares, with a potential upside option of up to 354.7 million secondary common shares, all priced at ₱15.00 per share, intended for listing and trading on the Main Board of The Philippine Stock Exchange, Inc.

Estimating the incremental borrowing rate

The Group uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The Group's lease liabilities amounted to ₱3,273.38 million and ₱3,773.70 million as of December 31, 2025 and 2024, respectively (see Note 33).

Deferred tax assets

The Group reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deductible temporary differences and carryforward benefits of unused tax credits from MCIT and NOLCO to be utilized. However, there is no assurance that the Group will generate sufficient future taxable income to allow all or part of the deferred tax assets to be utilized.

The net deferred tax assets recognized amounted to ₱1,669.78 million and ₱1,617.54 million as of December 31, 2025 and 2024, respectively (see Note 29).

Estimating pension obligation and other retirement benefits

The cost of defined benefit pension plans and other employee benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension 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 assumptions are reviewed at each reporting date.

The net pension liabilities as at December 31, 2025 and 2024 amounted to ₱1,028.35 million and ₱791.10 million, respectively (see Notes 20 and 23). Net pension assets amounted to ₱1,088.60 million and ₱1,060.40 million as of December 31, 2025 and 2024, respectively (see Notes 14 and 23).

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit liability. Future salary increases are based on expected future inflation rates and other relevant factors.



The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

Contingencies

The Group is currently involved in various legal proceedings and taxation matters. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material effect on the Group's financial position. It is possible, however, that future results of operations could be materially affected by changes in the evaluation of the case, the estimates of potential claims or in the effectiveness of the strategies relating to these proceedings (see Note 36).

4. Business Combination

Acquisition of CASEC shares

On April 25, 2024, the Parent Company, SMPC and Dacon Corporation entered into a share purchase agreement with Cemex Asia B.V. (Cemex) for the sale and purchase of its 100% interest in Concreat Asian South East Corporation (CASEC; formerly, Cemex Asian South East Corporation), equivalent to a total of 42,140,266 shares. CASEC owns 89.86% of Concreat Holdings Philippines, Inc. (CHP; formerly, Cemex Holdings Philippines, Inc.), a cement company listed in the Philippine Stock Exchange under the ticker name, CHP. The Parent Company acquired 56.75% or 23,914,601 shares of CASEC.

On December 2, 2024, the transaction was completed with the Parent Company, SMPC and Dacon Corporation acquiring 56.75%, 11.13% and 32.12% ownership interest in CASEC, respectively. The total consideration paid by the Parent Company and SMPC amounted to ₱10,810.06 million. As of December 2, 2024, the Parent Company's effective interest in CASEC and CHP is 63.06% and 56.66%, respectively.

With the Group acquiring control over CASEC, this transaction was accounted for using the acquisition method under PFRS 3. The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets. The net assets recognized by the Group were based on the purchase price allocation made on fair value of CHP's net assets on the date of acquisition. The Group has assessed that the fair value of CHP's net identifiable assets is lower than the purchase consideration transferred. Accordingly, the Group recognized provisional goodwill amounting to ₱1,947.42 million as a result of the transaction. The acquisition is anticipated to strengthen the Group's ecosystem, with captured markets for coal, long-term contracted power capacity, fly ash, and cement products.

From the date of acquisition up to December 31, 2024, CASEC contributed ₱1,064.15 million of revenue and ₱247.39 million loss before tax from continuing operations of the Group. Had the business combination took place on January 1, 2024, the Group's gross revenues from operations would have increased by ₱16,040.47 million and the net income attributable to parent equity holders would have decreased by ₱2,071.71 million, before the impairment of goodwill amounting to ₱19,597.82 million at the separate financial statements of CASEC and its subsidiaries in 2024.

The fair value of the identifiable assets and liabilities of CHP and the result of purchase price allocation based on November 30, 2024 balances were presented below. The difference between the December 2, 2024 (acquisition date) and November 30, 2024 balances are immaterial. In 2024, the purchase price allocation has been prepared on a preliminary basis to include more information



necessary for the valuation of identifiable assets and liabilities, and intangible assets, if any. The provisional goodwill is subject to reasonable changes, if any, as additional information becomes available and the purchase price allocation has been finalized which shall not exceed one year from the acquisition date, as allowed under PFRS 3.

The share purchase agreement includes provision allowing post-completion adjustments on the considerations to be agreed by the parties. On August 1, 2025, the parties to the share purchase agreement finalized the post-completion adjustment, resulting to a total reduction of ₱534.26 million allocated for the Parent Company and SMPC. The final total consideration for the Parent Company and SMPC amounted to ₱10,275.80 million. The total consideration reduction of ₱534.26 million was recognized as part of "Receivables - net" as a restatement in the consolidated statement of financial position as of December 31, 2024. Out of ₱534.26 million, ₱446.68 million was collected by the Group from Cemex on December 18, 2025.

In addition, during the measurement period, it was determined that the property, plant and equipment from the net assets acquired was already impaired by ₱451.98 million. Accordingly, the purchase price allocation was finalized with a reduction of goodwill amounting to ₱215.98 million, resulting to final goodwill amounting to ₱1,731.44 million.

In 2025, the fair values of the net assets of CASEC acquired were finalized resulting to adjustments made from that of previously recognized as at December 2, 2024 as follows:

	As previously reported	Adjustments	As adjusted
Assets			
Cash and cash equivalents	₱2,749,142	₱–	₱2,749,142
Receivables	2,186,431	–	2,186,431
Inventories	2,496,117	–	2,496,117
Property, plant and equipment	27,199,040	(451,981)	26,747,059
Right-of-use assets	3,684,151	–	3,684,151
Trademarks	5,492,744	–	5,492,744
Other assets	5,411,831	–	5,411,831
Total Assets	49,219,456	(451,981)	48,767,475
Liabilities			
Accounts and other payables	21,345,028	–	21,345,028
Loans payable	7,399,281	–	7,399,281
Lease liability	3,606,935	–	3,606,935
Deferred tax liability	1,505,351	–	1,505,351
Other liabilities	2,536,366	–	2,536,366
Total Liabilities	36,392,961	–	36,392,961
Net identifiable net assets at fair value	12,826,495	(451,981)	12,374,514
Non-controlling interest (37%)	(3,963,855)	133,702	(3,830,153)
Purchase consideration transferred	(10,810,055)	534,259	(10,275,796)
Goodwill arising on acquisition	₱1,947,415	(₱215,980)	₱1,731,435

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use (ROU) assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favorable terms of the lease relative to market terms.

The Group valued the trademarks using the relief-from-royalty method. A royalty rate of 2.5% was used based on an independent screening of comparable trademarks arising from arrangements involving cement production companies operating in the Asia-Pacific region using Markables' database.



The Group's trademarks have indefinite useful life given by the stability and long-term nature of the cement industry, as an essential material for construction with growth expected to align with the country's economy. As such, a 4.0% terminal value was incorporated in the trademark valuation. The Group's trademarks include Apo Cement, Apo Portland, Apo Masonry, Apo Pozzolan, Apo High Strength, Semento Filipino, Pioneer Cement, Island, Rizal and Palitada King Masonry.

Deferred tax liability was recognized from the adjustments on the increase in the fair value of ROU assets (net of lease liability) and trademarks.

The impact of the finalization of the purchase price allocation in the consolidated statement of financial position as of December 31, 2024 are as follows:

	As previously reported	Adjustments	As restated
Assets			
Receivables - net	₱23,033,562	₱534,259	₱23,567,821
Property, plant and equipment	82,493,172	(451,981)	82,041,191
Goodwill	1,947,415	(215,980)	1,731,435
Equity			
Noncontrolling interests	29,851,694	(133,702)	29,717,992

Accordingly, the impact on the consolidated statement of changes in equity for the year ended December 31, 2024, particularly on the effect of the acquisition of a subsidiary, follow:

	As previously reported	Adjustments	As restated
Acquisition of a subsidiary	₱3,963,855	(₱133,702)	₱3,830,153

5. Cash and Cash Equivalents

	2025	2024
Cash on hand and in banks	₱8,541,522	₱12,818,841
Cash equivalents	20,536,374	21,479,683
	₱29,077,896	₱34,298,524

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term placements made for varying periods of up to three (3) months, depending on the immediate cash requirements of the Group, and earn annual interest ranging from 0.05% to 6.25%, 2% to 6.50% and 0.50% to 7.50% in 2025, 2024 and 2023, respectively. Total finance income earned on cash in banks and cash equivalents amounted to ₱1,312.46 million, ₱1,744.67 million and ₱1,504.28 million in 2025, 2024 and 2023, respectively (see Note 26).



6. Receivables

	2025	2024 (As Restated - Note 4)
Trade:		
Electricity sales	₱6,290,586	₱6,670,362
Construction contracts	5,519,471	3,715,449
Real estate	3,106,810	4,188,769
Cement sales	866,541	821,841
Nickel mining	304,731	244,628
Coal mining	250,134	1,215,282
Merchandising and others	86,505	117,365
	16,424,778	16,973,696
Receivables from related parties (Note 21)	2,892,643	2,105,193
Other receivables	4,864,802	6,474,384
	24,182,223	25,553,273
Less allowance for expected credit losses	2,068,124	1,985,452
	₱22,114,099	₱23,567,821

Trade Receivables

Electricity sales

Receivables from electricity sales are claims from power distribution utilities, spot market operator and other customers for the sale of contracted energy and spot sales transactions. These are generally on a 30-day credit term and are carried at original invoice amounts, less discounts and rebates.

Construction contracts

Receivables from construction contracts principally consist of receivables arising from third-party construction projects over period of construction. These are noninterest-bearing and collectible over a period of 30- to 60-day term. These also include current portion of retention receivables amounting to ₱1,033.06 million and ₱456.30 million as of December 31, 2025 and 2024, respectively, which is part of the contract billed and retained as security and shall be released upon the period allotted as indicated in the contract. These are collected after a certain period of time upon acceptance by project owners through presentation of certificate of completion. Retention receivables pertain to the part of the contract which the contract owner retains as security and shall be released after the period allotted as indicated in the contract for the discovery of defects and other non-compliance from the specifications indicated. Noncurrent portion of retention receivables is presented as part of “Other Noncurrent Assets” in the consolidated statements of financial position (see Note 14).

Real estate

Real estate receivables consist of accounts collectible in equal monthly principal installments with various terms up to a maximum of 10 years. These are recognized at amortized cost using the EIR method. The corresponding titles to the residential units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Installment contracts receivable are collateralized by the related property sold. The annual interest rates on installment contracts receivable ranges from 1.00% to 15.00% in 2025 and 2024 and 10.00% to 15.00% in 2023. Interest on installment contracts receivable amounted to ₱858.74 million, ₱707.06 million and ₱484.92 million in 2025, 2024 and 2023, respectively (see Note 26).



The Group retains the assigned receivables in the “Real estate trade receivables” account and records the proceeds from these sales as long-term debt (see Note 19). The carrying value of installment contracts receivable sold with recourse amounted to ₱1.10 million and ₱74.65 million as of December 31, 2025 and 2024, respectively. The installment contracts receivable on a with recourse basis are used as collaterals for the bank loans obtained.

Cement sales

Receivables from cement sales principally consists of receivables arising from sale of cement and admixtures to third party institutions and retailers. These receivables are noninterest-bearing and generally have a 30- to 90-day credit terms.

Coal and nickel mining

Receivable from mining pertains to receivables from the sale of coal and nickel ore both to domestic and international markets. These receivables are noninterest-bearing and generally have 30- to 45-day credit terms.

Merchandising and others

Receivables from merchandise sales and others arise from the sale of wires, services rendered and others to various local companies. These receivables are noninterest-bearing and generally have a 30- to 60-day credit terms.

Other Receivables

Other receivables include the Group’s receivables from condominium corporations, advances to brokers and receivable from sale of fly ashes. These receivables are noninterest-bearing and are generally collectible within one (1) year from the reporting date. Other receivables also include the post-completion adjustments on the consideration in relation to the acquisition of a subsidiary (see Note 4).

Allowance for expected credit losses

Movements in the allowance for expected credit losses are as follows:

2025

	Trade Receivables				Total
	Electricity Sales	Coal Mining	Cement Sales	Other Receivables	
At January 1	₱1,648,994	₱41,928	₱89,010	₱205,520	₱1,985,452
Provision (Note 25)	32,740	6,181	32,613	47,040	118,574
Write-off	–	(35,902)	–	–	(35,902)
At December 31	₱1,681,734	₱12,207	₱121,623	₱252,560	₱2,068,124

2024

	Trade Receivables				Total
	Electricity Sales	Coal Mining	Cement Sales	Other Receivables	
At January 1	₱1,586,303	₱41,928	₱–	₱184,263	₱1,812,494
Business combination (Note 4)	–	–	89,010	–	89,010
Provision (Note 25)	62,691	–	–	21,257	83,948
At December 31	₱1,648,994	₱41,928	₱89,010	₱205,520	₱1,985,452



7. **Contract assets**

	2025	2024
Contract assets	₱9,894,785	₱17,018,688
Costs and estimated earnings in excess of billings on uncompleted contracts	2,615,362	1,928,010
	12,510,147	18,946,698
Less: Contract assets - noncurrent portion	4,999,828	5,888,895
Current portion	₱7,510,319	₱13,057,803

Contract Assets

Real estate segment

For real estate segment, contract assets are initially recognized for revenue earned from property under development rendered but not yet to be billed to customers. Upon billing of invoice, the amounts recognized as contract assets are reclassified as installment contracts receivable.

Construction segment

For construction segment, contract assets represent total costs incurred and estimated earnings recognized in excess of amounts billed.

Costs and estimated earnings in excess of billings on uncompleted contracts of the construction segment are as follows:

	2025	2024
Total costs incurred	₱72,907,326	₱66,105,829
Add estimated earnings recognized	4,108,424	4,704,793
	77,015,750	70,810,622
Less total billings (including unliquidated advances from contract owners of ₱3.14 billion in 2025 and ₱6.75 billion in 2024)	82,197,794	77,728,058
	(₱5,182,044)	(₱6,917,436)

The foregoing balances are reflected in the consolidated statements of financial position under the following accounts:

	2025	2024
Contract assets (liabilities)		
Costs and estimated earnings in excess of billings on uncompleted contracts	₱2,615,362	₱1,928,010
Billings in excess of costs and estimated earnings on uncompleted contracts (Note 18)	(7,797,406)	(8,845,446)
	(₱5,182,044)	(₱6,917,436)



8. Inventories

	2025	2024
At cost:		
Real estate held for sale and development	₱57,538,900	₱50,767,649
Coal inventory	6,477,900	1,389,505
Equipment parts, materials in transit and supplies	3,383,283	3,767,292
Cement inventory	1,048,628	690,231
Nickel ore	89,333	31,673
	68,538,044	56,646,350
At NRV:		
Equipment parts, materials in transit and supplies (Note 13)	10,792,801	10,587,796
	₱79,330,845	₱67,234,146

Real estate inventories recognized as cost of sales amounted to ₱6,381.99 million, ₱5,656.00 million and ₱11,172.42 million in 2025, 2024 and 2023, respectively (see Note 24). Costs of real estate sales includes acquisition cost of land, amount paid to contractors, development costs, capitalized borrowing costs, and other costs attributable to bringing the real estate inventories to their intended condition. Borrowing costs capitalized in 2023 amounted to ₱1,858.63 million. The capitalization rates used to determine the amount of borrowing costs eligible for capitalization in 2023 is 5.35%. Effective January 1, 2024, the Group adopted IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (see Note 2). No borrowing costs were capitalized in 2024 and 2025.

There is no real estate held for sale and development used as collateral or pledged as security to secure liabilities. Summary of the movement in real estate held for sale and development is set out below:

	2025	2024
Balance at beginning of year	₱50,767,649	₱51,342,601
Construction/development cost incurred	13,118,358	6,828,266
Land acquired during the year	254,509	42,519
Cost of undeveloped land sold during the year	(66,119)	(1,561,806)
Recognized as cost of sales (Note 24)*	(6,535,497)	(5,883,931)
Balance at end of year	₱57,538,900	₱50,767,649

*Includes depreciation expense amounting to ₱153.51 million and ₱227.93 million in 2025 and 2024, respectively.

Repossessed inventories amounted to ₱1,890.73 million and ₱2,006.65 million as at December 31, 2025 and 2024, respectively.

The Group sold undeveloped parcels of land in 2025 and 2024 at a gain of ₱50.21 million and ₱259.41 million, respectively. The gain on sale of land is presented under "Other income" account in the consolidated statements of income (see Note 28).

Coal and power inventories transferred to property, plant and equipment are used as a component of self-constructed property, plant and equipment and are recognized as expense over the useful life of the asset (see Note 13).

Coal pile inventory is stated at cost, which is lower than NRV. The cost of coal inventories included under 'Cost of coal mining' in the consolidated statements of income amounted to ₱18,283.13 million and ₱21,087.20 million in 2025 and 2024, respectively.



Coal pile inventory at cost includes capitalized depreciation of ₱1,430.63 million and ₱227.76 million in 2025 and 2024, respectively.

Inventories attributable to coal mining operations amounted to ₱13,493.65 million and ₱8,749.40 million as of December 31, 2025 and 2024, respectively,

Movement in the Group's allowance for inventory obsolescence are as follows:

	2025	2024
Balance at beginning of year	₱150,188	₱189,168
Provision	89,494	–
Write-off (Note 25)	–	(35,504)
Reversal (Note 25)	–	(3,476)
Balance at end of year	₱239,682	₱150,188

In 2025, the Group recognized ₱89.49 million additional provision for inventory obsolescence for spare parts specifically identified to be obsolete (see Note 25).

In 2024, the Group has written off ₱35.50 million spare parts that had previously been provided with an allowance in prior years. These parts were sold along with the gas turbine plant in March 2024. Allowance for inventory write-down amounting to ₱3.48 million were reversed in 2024 as the net realizable value of the materials and supplies were recovered through use.

In 2023, the Group made a reversal on the previously recognized allowance for inventory obsolescence amounting to ₱79.86 million as the Group determined that several spare parts and supplies, for which an allowance had previously been established, remains functional and are actively employed in ongoing maintenance and operational activities.

The cost of inventories carried at NRV amounted to ₱11,032.48 million and ₱10,737.98 million as of December 31, 2025 and 2024, respectively.

9. Other Current Assets

	2025	2024
Advances to suppliers and contractors	₱4,323,336	₱4,692,955
Input VAT	2,504,214	4,847,302
Creditable withholding taxes	1,996,281	2,988,083
Prepaid expenses	1,366,534	759,289
Cost to obtain a contract - current portion (Notes 3 and 14)	784,211	65,300
Deposit in escrow fund (Note 35)	337,813	528,911
Refundable deposits (Notes 14 and 35)	167,770	225,784
Others	1,639,895	1,094,863
	₱13,120,054	₱15,202,487

Advances to suppliers and contractors

Advances to suppliers and contractors under current assets are recouped upon rendering of services or delivery of asset within the Group's normal operating cycle. The balance, net of the related allowance, is estimated to be recoverable in future periods.



Input VAT

Input VAT represents VAT imposed on the Group by its suppliers and contractors for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is applied against output VAT. The balance, net of the related allowance, is recoverable in future periods.

Creditable withholding taxes

Creditable withholding taxes pertain to the amount withheld by the Group's customers from their income payments. These will be claimed as tax credit and will be used against future income tax payable. The amounts as of December 31, 2025 and 2024 represents the residual after application as credit against income tax payable.

Prepaid Expenses

Prepaid expenses are composed of prepayments of insurance, environmental guarantee fund, guarantee deposit and advance payments for subscription.

Costs to obtain a contract

Costs to obtain a contract with a customer pertain to commissions paid to brokers and marketing agents on the sale of pre-completed real estate units.

The balances below pertain to the costs to obtain contracts included in the other current and noncurrent assets:

	2025	2024
Balance at beginning of year	₱2,704,189	₱2,623,478
Additions	154,849	703,147
Amortization	(407,068)	(622,436)
Balance at end of year	2,451,970	2,704,189
Noncurrent portion (Note 14)	1,667,759	2,638,889
Current portion	₱784,211	₱65,300

The amortization of capitalized commission and advance commissions which are expensed as incurred totaling ₱407.07 million, ₱622.44 million and ₱813.98 million in 2025, 2024 and 2023, respectively, are presented under 'Cost of sales and services - real estate sales' account in the consolidated statements of income (see Note 24).

Deposit in escrow fund

Deposit in escrow fund pertains to fund deposits for securing license to sell (LTS) of the Group's real estate projects.

Refundable deposits

Refundable deposits pertain to bill deposits and guaranty deposits for utilities that will be recovered within one (1) year.

Others

Others include advances to officers and employees and various types of advances and other charges which could be recovered within one (1) year.



10. Asset Held-for-Sale

The Group classified its gas turbine plant as asset held-for-sale in 2022 upon assessment that the carrying amount of the asset will be recovered principally through a sale transaction rather than continuing use.

The plan to decommission and sell the asset was approved on August 2, 2022 by the BOD. On October 3, 2022, the Group completely secured all relevant clearances from regulatory bodies to disconnect, deregister, decommission, and sell the asset.

In October 2022, the Group reclassified its 2x25 MW gas turbine plant to “Asset Held-for-Sale”. Depreciation of the asset ceased immediately and a loss on write-down amounting to ₱171.77 million was recognized in 2022 to bring the carrying amount to its net realizable value before its reclassification.

In October 2023, upon the completion of the one-year period, the sale of the asset was not finalized. Hence, the period to complete the sale was extended beyond one-year due to circumstances beyond the control of the Group but the commitment to the plan to sell the asset remains.

The Group took the necessary actions to respond to these circumstances and was able to locate a buyer and agree with the terms and conditions of the sale. The agreed transaction price amounted to ₱713.22 million. Prepayments totaling ₱603.11 million were received from the buyer based on the progress made in the dismantling of the asset. These were recorded under ‘Accounts and other payables’ in the consolidated statements of financial position in 2023.

Consequently, the Group recorded an additional loss on write-down amounting to ₱76.09 million in 2023 to revalue the asset’s carrying amount based on the current net realizable value or fair value less costs to sell (see Note 25).

On March 27, 2024, the sale of the asset was completed, and the final payment amounting to ₱110.10 million was received upon transfer of the asset to the buyer. The Group has also written-off ₱35.50 million spare parts which were sold along with the gas turbine plant and reversed ₱1.28 million as the net realizable value of the materials and supplies were recovered through use (see Note 8).

As of December 31, 2025 and 2024, the Group had no assets classified as held-for-sale.

11. Investments in Associates and Joint Ventures

The details of the Group’s investments in associates and joint ventures follow:

	2025	2024
Acquisition cost		
Balance at beginning of year	₱4,387,469	₱1,146,469
Addition	–	3,241,000
Balance at end of year	4,387,469	4,387,469
Less: Accumulated impairment loss	(6,798)	(6,798)
	4,380,671	4,380,671

(Forward)



	2025	2024
Accumulated equity in net earnings		
Balance at beginning of year	₱20,020,610	₱17,951,867
Equity in net earnings	3,707,591	3,354,081
Dividends and others	(3,637,627)	(1,285,338)
Balance at end of year	20,090,574	20,020,610
Share in other comprehensive loss	(30,768)	(126,007)
	₱24,440,477	₱24,275,274

The details of the Group's equity in the net assets of its associates and joint ventures, which are all incorporated in the Philippines, and the corresponding percentages of ownership follow:

	Percentages of Ownership		Equity in Net Assets	
	2025	2024	2025	2024
Associates:				
Maynilad Water Holding Company, Inc. (MWHCI)	27.19	27.19	₱21,000,535	₱20,371,296
Subic Water and Sewerage Company, Inc. (Subic Water)	30.00	30.00	321,882	252,284
Bachy Soletanche Philippines Corporation (Bachy)	49.00	49.00	43,060	43,060
Celebrity Sports Plaza	2.37	2.37	18,072	18,100
			21,383,549	20,684,740
Joint Ventures:				
RLC DMCI Property Ventures, Inc. (RDPVI)	50.00	50.00	₱391,409	₱414,410
DMC Estate Development Ventures Inc. (DMC-EDVI)	50.00	50.00	1,435,545	1,609,305
DMCI MC Property Ventures, Inc (DMPV)	60.00	60.00	1,214,655	1,551,499
DMCI-First Balfour Joint Venture (DMFB)	51.00	51.00	15,319	15,320
			3,056,928	3,590,534
			₱24,440,477	₱24,275,274

There have been no outstanding capital commitments in 2025 and 2024.

The following table summarizes the Group's share in the significant financial information of the associates and joint ventures that are material to the Group:

	2025	
	MWHCI	Subic Water
Statement of financial position		
Current assets	₱33,710,091	₱789,287
Noncurrent assets	222,246,531	1,200,681
Current liabilities	(33,851,110)	(348,773)
Noncurrent liabilities	(105,037,936)	(291,324)
Noncontrolling interests	(36,030,181)	-
Equity attributable to parent company	81,037,395	1,349,871
Proportion of the Group's ownership	27.19%	30%
Equity in net assets of associates	22,034,068	404,961
Less unrealized gains	(1,033,533)	(83,079)
Carrying amount of the investment	₱21,000,535	₱321,882



	2025	
	MWHCI	Subic Water
Statement of income		
Revenue and other income	₱36,645,124	₱1,010,837
Costs and expenses	21,616,961	728,843
Net income	15,028,163	281,994
Net income attributable to NCI	1,487,309	–
Net income attributable to parent company	₱13,540,854	₱281,994
<hr/>		
	2024	
	MWHCI	Subic Water
Statement of financial position		
Current assets	₱16,824,190	₱566,714
Noncurrent assets	190,282,661	1,188,982
Current liabilities	(30,128,684)	(172,894)
Noncurrent liabilities	(94,135,509)	(232,931)
Noncontrolling interests	(4,662,429)	–
Equity attributable to parent company	₱78,180,229	₱1,349,871
Proportion of the Group's ownership	27.19%	30%
Equity in net assets of associates	21,257,204	404,961
Less unrealized gains	(885,908)	(152,677)
Carrying amount of the investment	₱20,371,296	₱252,284
<hr/>		
Statement of income		
Revenue and other income	₱33,494,515	₱997,125
Costs and expenses	20,448,963	705,802
Net income	13,045,552	291,323
Net income attributable to NCI	840,220	–
Net income attributable to parent company	₱12,205,332	₱291,323

The Group's dividend income from MWHCI amounted to ₱3,052.52 million, ₱1,146.11 million and ₱915.55 million in 2025, 2024 and 2023, while dividend income from Subic Water amounted to ₱15.00 million and ₱132.00 million in 2025 and 2024, respectively (nil in 2023).

Equity in net earnings from MWHCI amounted to ₱3,681.76 million, ₱3,318.63 million and ₱2,060.29 million in 2025, 2024 and 2023, respectively, while equity in net earnings from Subic Water amounted to ₱84.60 million, ₱87.40 million and ₱20.87 million in 2024, 2024 and 2023, respectively.

The carrying amount of the investment in MWHCI is reduced by unrealized gains from transaction with a subsidiary of the Parent Company, relating to engineering and construction projects which are bid out to various contractors and are awarded on an arms-length basis. Equity in net earnings from MWHCI are adjusted for the realization of these unrealized gains and losses.

MWHCI

MWHCI is a company incorporated in the Philippines. The primary contributor in the consolidated net income of MWHCI is its 66.78% owned subsidiary, MWSI. MWSI is involved in the operations of privatized system of waterworks and sewerage services, including the provision of allied and ancillary services. The Group's equity in net earnings of MWHCI represents its share in the consolidated net income attributable to MWHCI.



Rollforward of the carrying value of the investment in MWHCI follows:

	2025	2024
Acquisition cost	₱390,428	₱390,428
Accumulated equity in net earnings		
Balance at beginning of year	19,980,868	17,702,167
Equity in net earnings	3,681,758	3,318,630
Dividends received and other adjustments	(3,052,519)	(1,039,929)
Balance at end of year	20,610,107	19,980,868
	₱21,000,535	₱20,371,296

Subic Water

On January 22, 1997, the Group subscribed to 3.26 million shares at the par value of ₱10 per share for an aggregate value of ₱32.62 million in Subic Water, a joint venture company among Subic Bay Metropolitan Authority (SBMA), a government-owned corporation, Olongapo City Water District, and Cascal Services Limited (a company organized under the laws of England).

On April 1, 2016, PDI disposed its 10% share in Subic Water. The remaining percentage of ownership in Subic Water after the sale is 30%.

RLC DMCI Property Ventures Inc. (RDPVI)

In October 2018, PDI and Robinsons Land Corporation (RLC) entered into a joint venture agreement to develop a condominium project. Each party will hold a 50% ownership interest in the joint venture. In March 2019, RDPVI, the joint venture, was incorporated to purchase, acquire and develop into a residential condominium project a portion of the parcels of land situated in Las Piñas City and to operate, manage, sell and/or lease the resulting condominium units and parking spaces therein

DMC Estate Development Ventures, Inc. (DMC EDVI)

In January 2021, the Group and DMC Urban Property Developers Inc. (UPDI) entered into a joint venture agreement to purchase, acquire and develop parcels of land into condominium project for residential and commercial uses. Each party holds a 50% ownership interest in the joint venture. In 2024, the Group contributed additional ₱1,600.00 million for the capital of DMCI EDVI.

DMC MC Property Ventures, Inc. (DMPVI)

In 2024, the Group and Marubeni Corporation (Marubeni) entered into a joint venture agreement to purchase, acquire and develop parcels of land into condominium project for residential and commercial uses. The Group contributed ₱1,641.00 million to own 60% interest in the joint venture.

The Group's share in the other comprehensive loss of the associates and joint venture (e.g., remeasurement of retirement liability) is presented under equity section in the consolidated statements of financial position.



12. Investment Properties

Investment properties, as included in Other noncurrent assets (see Note 14), in the consolidated statements of financial position consist of the following as of December 31:

	2025		
	Buildings and Building Improvements	Condominium Units	Total
Cost			
Balance at beginning and end of year	₱214,998	₱37,639	₱252,637
Accumulated Depreciation and Amortization			
Balances at beginning of year	152,791	28,262	181,053
Depreciation and amortization (Note 24)	13,663	1,492	15,155
Balances at end of year	166,454	29,754	196,208
Net Book Value	₱48,544	₱7,885	₱56,429
	2024		
	Buildings and Building Improvements	Condominium Units	Total
Cost			
Balance at beginning and end of year	₱214,998	₱37,639	₱252,637
Accumulated Depreciation and Amortization			
Balances at beginning of year	139,128	26,770	165,898
Depreciation and amortization (Note 24)	13,663	1,492	15,155
Balances at end of year	152,791	28,262	181,053
Net Book Value	₱62,207	₱9,377	₱71,584

The aggregate fair values of the investment properties as of December 31, 2025 and 2024 amounted to ₱297.10 million and ₱227.01 million, respectively.

The fair values of investment properties were determined using either the income approach using discounted cash flow (DCF) method or by the market data approach. These are both categorized within Level 3 of the fair value hierarchy. The fair value of investment properties, which has been determined using DCF method with discount rates ranging from 5.87% to 5.94%, exceeds its carrying cost. The fair values of the investment properties which were arrived at using the market data approach require the establishment of comparable properties by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparables. The properties used as basis of comparison are situated within the immediate vicinity of the subject property.

Rental income from investment properties (included under 'Other income - net') amounted to ₱586.53 million, ₱498.06 million and ₱376.92 million in 2025, 2024 and 2023, respectively (see Note 28). Direct operating expenses (included under 'Operating expenses' in the consolidated statements of income) arising from investment properties amounted to ₱20.90 million, ₱23.85 million and ₱15.16 million in 2025, 2024 and 2023, respectively (see Note 25).

There are no investment properties as of December 31, 2025 and 2024 that are pledged as security against liabilities. The Group has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase or construct or develop investment properties or for repairs, maintenance and enhancements.



13. Property, Plant and Equipment

	2025										
	Land and Land Improvements	Power Plant, Buildings and Building Improvements	Coal Mining Properties and Equipment	Nickel Mining Properties and Equipment	Cement Buildings, building improvement, Properties and Equipment	Construction Equipment, Machinery and Tools	Office Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Construction in Progress	Total
Cost											
Balances at beginning of year – as restated (Note 4)	₱3,962,350	₱70,626,399	₱51,386,845	₱6,289,479	₱9,052,715	₱14,772,240	₱1,253,608	₱1,362,057	₱498,386	₱21,312,203	₱180,516,282
Additions	76,831	1,006,942	4,427,503	506,242	88,118	454,572	83,679	144,590	11,116	1,806,798	8,606,391
Reclassification	–	1,234,109	–	(4,351.00)	–	–	–	–	–	(1,229,758)	–
Transfers (Notes 8 and 14)	–	236,139	1,397,218	–	18,370,616	–	68	–	294,528	(18,665,144)	1,633,425
Disposals	–	–	(2,376,971)	(56,702)	(972,410)	–	(926)	(110,436)	–	–	(3,517,445)
Adjustments (Note 20)	–	–	22,371	(35,230)	–	–	–	–	–	–	(12,859)
Balances at end of year	4,039,181	73,103,589	54,856,966	6,699,438	26,539,039	15,226,812	1,336,429	1,396,211	804,030	3,224,099	187,225,794
Accumulated Depreciation, Depletion and Amortization											
Balances at beginning of year	1,336,344	33,954,996	44,429,040	2,175,926	90,162	14,225,635	1,123,803	848,850	290,335	–	98,475,091
Depreciation, depletion and amortization (Notes 24 and 25)	42,621	3,815,124	6,638,321	212,472	1,404,957	546,462	67,540	149,847	4,901	–	12,882,245
Disposal	–	–	(2,376,372)	(56,702)	(871,564)	–	(926)	(110,436)	–	–	(3,416,000)
Balances at end of year	1,378,965	37,770,120	48,690,989	2,331,696	623,555	14,772,097	1,190,417	888,261	295,236	–	107,941,336
Net Book Value	₱2,660,216	₱35,333,469	₱6,165,977	₱4,367,742	₱25,915,484	₱454,715	₱146,012	₱507,950	₱508,794	₱3,224,099	₱79,284,458

	2024										
	Land and Land Improvements	Power Plant, Buildings and Building Improvements	Coal Mining Properties and Equipment	Nickel Mining Properties and Equipment	Cement Buildings, building improvement, Properties and Equipment	Construction Equipment, Machinery and Tools	Office Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Construction in Progress	Total
Cost											
Balances at beginning of year	₱3,465,824	₱68,573,731	₱45,590,994	₱5,722,925	–	₱14,679,851	₱1,172,227	₱1,281,111	₱498,386	₱1,875,602	₱142,860,651
Acquisition of a business - as restated (Note 4)	–	–	–	–	9,032,821	–	–	–	–	17,714,238	26,747,059
Additions	496,526	1,618,237	5,779,259	566,554	19,894	92,389	81,381	80,946	–	1,843,071	10,578,257
Transfers (Note 8)	–	434,431	–	–	–	–	–	–	–	(120,708)	313,723
Adjustments (Note 20)	–	–	16,592	–	–	–	–	–	–	–	16,592
Balances at end of year	3,962,350	70,626,399	51,386,845	6,289,479	9,052,715	14,772,240	1,253,608	1,362,057	498,386	21,312,203	180,516,282
Accumulated Depreciation, Depletion and Amortization											
Balances at beginning of year	1,288,842	30,449,606	39,736,835	1,977,716	–	13,639,546	1,065,156	752,064	277,085	–	89,186,850
Depreciation, depletion and amortization (Notes 24 and 25)	47,502	3,505,390	4,692,205	198,210	90,162	586,089	58,647	96,786	13,250	–	9,288,241
Balances at end of year	1,336,344	33,954,996	44,429,040	2,175,926	90,162	14,225,635	1,123,803	848,850	290,335	–	98,475,091
Net Book Value	₱2,626,006	₱36,671,403	₱6,957,805	₱4,113,553	₱8,962,553	₱546,605	₱129,805	₱513,207	₱208,051	₱21,312,203	₱82,041,191



Land

- On June 30, 2021 the Group availed of the option to purchase parcels of land or “Optioned Assets” under Option Existence Notice (OEN) dated February 3, 2020 and in accordance with the provisions of the Land Lease Agreement (LLA) with PSALM. Total acquisition cost of the optioned assets amounted to ₱43.11 million (see Notes 33 and 36).
- The Group also sold land and various equipment items, resulting in a net loss of ₱36.29 million in 2025, nil in 2024, and a net gain of ₱55.91 million in 2023 (see Note 28).

Construction-in-progress

- In 2024, there were reclassifications from “Construction in progress” to “Power Plant, Buildings and Building Improvement” upon completion and regular rehabilitation works which amounted to ₱120.71 million.

This also includes capitalized project development costs amounting to ₱120.31 million and ₱111.67 million as of December 31, 2025 and 2024, respectively, related to its planned construction of 2x350 Megawatt (MW) coal-fired power plant. As of December 31, 2025, construction of the plant itself has yet to commence as the timeline is contingent on several factors such as the construction of the transmission connection by the National Grid Corporation of the Philippines (NGCP) and the power supply requirements of electricity customers. Based on management’s estimation of the recoverable amount, there is no resulting impairment loss in 2025 and 2024.

In 2024, the Group acquired CASEC and its subsidiaries (see Note 4), resulting to an additional ₱17.71 million construction in progress in relation to a new production line of cement.

- Interest expense incurred on long-term debts capitalized as part of ‘Construction in Progress’ amounted to ₱46.16 million and ₱60.60 million in 2025 and 2024, respectively. The capitalization rate used to determine the borrowing eligible for capitalization ranges from 5.65% to 7.32% and from 6.29% to 7.58% in 2025 and 2024, respectively.

Coal mining properties

- Coal mining properties include the expected cost of decommissioning and site rehabilitation of mine sites and future clean-up of its power plants. The impact of annual re-estimation is shown in the rollforward as an adjustment (see Note 20).

Coal mining properties also include the stripping activity assets and exploration and evaluation assets for costs of materials and fuel used, cost of operating dump trucks, excavators and other equipment costs amount others.

- As of December 31, 2025 and 2024, coal mining properties included in “Coal Mining Properties and Equipment” amounted to ₱3,634.25 million and ₱3,838.25 million, respectively (see Note 3).

Property, plant and equipment attributable to coal mining operations amounted to ₱8,249.50 million and ₱8,571.02 million as of December 31, 2025 and 2024, respectively (see Note 3).



Nickel mining properties

- Nickel mining properties pertains to the Acoje project located in the Municipalities of Sta. Cruz and Candelaria, Province of Zambales (where the Group has an ongoing application on one of its mining properties, see Note 3) and the Berong project situated in Barangay Berong, Municipality of Quezon, Province of Palawan.

As of December 31, 2025 and 2024, nickel mining properties included in “Nickel Mining Properties and Equipment” amounted to ₱3,472.80 million and ₱3,509.07 million, respectively.

14. Exploration and Evaluation Assets and Other Noncurrent Assets

Exploration and evaluation assets

Exploration and evaluation assets are capitalized expenditures that are directly related to the exploration and evaluation of the area covered by the Group’s mining tenements. Exploration and evaluation assets amounted to ₱550.20 million and ₱1,386.30 million as of December 31, 2025 and 2024, respectively.

	2025	2024
Nickel mining	₱550,195	₱392,705
Coal mining	–	993,591
	₱550,195	₱1,386,296

The exploration and evaluation assets for nickel mining pertain to exploration activities on various nickel projects mainly in Zambales and Palawan mining areas that were covered by related exploration permits granted to the nickel mining entities.

The exploration and evaluation assets for coal mining pertain to the costs of drilling, geological studies and land reclamation related to exploration of Acacia Mine. The cost incurred for the coal mining exploration activities amounted to ₱403.63 million and ₱993.59 million in 2025 and 2024, respectively. In 2025, initial resource valuation confirmed both the technical feasibility and commercial viability of the coal deposit. Accordingly, SMPC proceeded to the production stage in August 2025. Upon commencement of production, the accumulated deferred exploration and development costs amounting to ₱1,397.22 million were reclassified to ‘Coal mining properties and equipment’ under “Property, plant and equipment” in the consolidated statements of financial position, and are amortized using the unit-of-production method over the economically recoverable reserves of the mine in 2025 (see Note 13).

Other noncurrent assets

Other noncurrent assets consist of the following:

	2025	2024
Retention receivable (Note 6)	₱1,978,636	₱2,408,320
Cost to obtain a contract - net of current portion (Note 9)	1,667,759	2,638,889
Pension assets - net (Note 23)	1,088,596	1,060,397
Deposits and funds for future investment	766,923	766,923
Refundable deposits (Notes 9 and 35)	686,312	507,376
Investment in bonds	300,000	–

(Forward)



	2025	2024
Equity investments designated at FVOCI	₱299,291	₱297,007
Software cost	121,522	85,422
Deferred input VAT	106,458	110,392
Advances to suppliers and contractors	281,471	83,102
Investment properties (Note 12)	56,429	71,584
Others	1,601,229	659,895
	₱8,954,626	₱8,689,307

Deposits and funds for future investment

In 2012 and 2014, the Group entered into an agreement with a third party to purchase three holding companies (HoldCos) and three development companies (DevCos) with which the HoldCos have investments. The agreement sets out the intention of final ownership of the HoldCos and DevCos, where the Group will eventually own 73% of the HoldCos and 84% of the DevCos. The Group opened a bank account as required by the agreement and made available US\$2.80 million cash (bank account) from which payments of the shares will be drawn. Initial payments made for the assignment of 33% share in HoldCos and 40% share in DevCos amounted to US\$0.25 million and US\$0.75 million, respectively, which were drawn from the bank account.

The acquisition of shares, which are final and effective on date of assignment, imposes a condition that all pending cases faced by the third party, the three HoldCos and three DevCos are resolved in their favor. As of December 31, 2025 and 2024, the conditions set forth under the agreement have not yet been satisfied.

Refundable deposits

Refundable deposits pertain to utilities and security deposits which are measured at cost and will be recouped against future billings. This also includes rental deposits which are noninterest-bearing and are refundable 60 days after the expiration of the lease period.

Equity investments designated at FVOCI

	2025	2024
Quoted securities		
Cost	₱52,796	₱52,796
Cumulative unrealized gains recognized in OCI	244,318	242,034
	297,114	294,830
Unquoted securities		
Gross amount	110,388	110,388
Less allowance for probable loss	(108,211)	(108,211)
	2,177	2,177
	₱299,291	₱297,007

Quoted securities

The quoted securities include investments in golf and yacht club shares. Movements in the unrealized gains follow:

	2025	2024
Balance at beginning of year	₱242,034	₱174,698
Changes in fair values of equity investments designated at FVOCI	2,284	67,336
Balance at end of year	₱244,318	₱242,034



Unquoted securities

This account consists mainly of investments in various shares of stock in management services and leisure and recreation entities.

The aggregate cost of investments amounting to ₱108.21 million were provided with allowance for impairment as management assessed that investments on these shares of stock are not recoverable as of December 31, 2025 and 2024.

Software cost

Movements in software cost account follow:

	2025	2024
Cost		
Balance at beginning of year	₱719,384	₱645,918
Additions	112,045	73,466
Disposals	(67,321)	–
Balance at end of year	764,108	719,384
Accumulated Amortization		
Balance at beginning of year	633,962	589,257
Amortization (Notes 24 and 25)	75,945	44,705
Disposals	(67,321)	–
Balance at end of year	642,586	633,962
Net Book Value	₱121,522	₱85,422

Deferred input VAT

This pertains to the unamortized input VAT incurred from acquisition of capital assets mostly coming from the completed coal-fired thermal power plant and gas turbine, acquisition of capital goods and services for power plant maintenance program and acquisition of construction equipment.

Advances to suppliers and contractors

Advances to suppliers and contractors under noncurrent assets represent prepayment for the acquisition and construction of property, plant and equipment.

Others

Others include environmental guarantee fund and advances for the cost of the right-of-way grants on lots affected by the transmission lines to be developed by the Group.

15. Short-term Debt

	2025	2024
Bank loans	₱2,786,524	₱4,298,599
Acceptances and trust receipts payable	39,766	13,927
	₱2,826,290	₱4,312,526

Bank loans

The Group's bank loans consist of unsecured Peso-denominated short-term borrowings from local banks which bear annual interest ranging from 4.95% to 6.40% and 6.30% to 7.58% in 2025 and 2024, respectively, and are payable on monthly, quarterly and lump-sum bases on various maturity dates within the next 12 months after the reporting date.



In 2025 and 2024, the Group obtained various short-term loans from local banks primarily for working capital requirements.

Acceptances and trust receipts payable

Acceptances and trust receipts payable are used by the Group to facilitate payment for importations of materials, fixed assets and other assets. These are interest-bearing and with maturity of less than one (1) year.

Finance costs incurred on short-term borrowings and acceptances and trust receipts payable, net of capitalized borrowing cost, amounted to ₱289.25 million, ₱159.57 million and ₱168.52 million in 2025, 2024 and 2023, respectively (see Note 27).

16. Liabilities for Purchased Land

Liabilities for purchase of land represent the balance of the Group's obligations to various real estate property sellers for the acquisition of various parcels of land and residential condominium units. The terms of the deed of absolute sale covering the land acquisitions provided that such obligations are payable only after the following conditions, among others, have been complied with: (a) presentation by the property sellers of the original transfer certificates of title covering the purchased parcels of land; (b) submission of certificates of non-delinquency on real estate taxes; and (c) physical turnover of the acquired parcels of land to the Group.

The outstanding balance of liabilities for purchased land as of December 31, 2025 and 2024 follow:

	2025	2024
Current	₱632,575	₱532,239
Noncurrent	507,439	547,119
	₱1,140,014	₱1,079,358

Liabilities for purchased land were recorded at fair value at initial recognition. These are payable over a period of two (2) to four (4) years. The fair value is derived using discounted cash flow model using the discount rate ranging from 5.04% to 5.79% and 6.10% to 6.18% in 2025 and 2024, respectively, based on applicable rates for similar types of liabilities.

17. Accounts and Other Payables

	2025	2024
Trade and other payables:		
Suppliers and subcontractors	₱17,439,192	₱16,067,711
Others	537,059	460,051
Accrued costs and expenses		
Project cost	2,221,511	2,003,556
Withholding and other taxes	480,141	337,221
Salaries	385,462	445,994

(Forward)



	2025	2024
Interest	₱177,938	₱217,105
Payable to DOE (Note 31)	–	2,098,715
Various operating expenses	3,757,513	2,862,929
Output VAT payable - net	2,593,409	5,464,665
Commission payable - current portion (Note 20)	1,964,718	1,288,410
Payable to related parties (Note 21)	743,793	383,531
Refundable deposits (Note 35)	556,371	547,123
Financial benefits payable	109,055	67,981
	₱30,966,162	₱32,244,992

Trade and other payables

Suppliers

Payable to suppliers includes liabilities to various foreign and local suppliers for open account purchases of equipment and equipment parts and supplies. These are noninterest-bearing and are normally settled on a 30 to 60-day credit terms.

Subcontractors

Payable to subcontractors arises when the Group receives progress billing from its subcontractors for the construction cost of a certain project and is recouped against monthly billings. These subcontractors were selected by the contract owners to provide materials, labor and other services necessary for the completion of a project. Payables to subcontractors are noninterest-bearing and are normally settled on 15 to 60-day credit terms.

Other payables

Other payables include retention payable on contract payments, payable to marketing agents and nickel mine right owners and current portion of lease liabilities. Retention on contract payments is being withheld from the contractors as guaranty for any claims against them. These are settled and paid once the warranty period has expired. Payables to marketing agents and nickel mine right owners are noninterest-bearing and are normally settled within one (1) year.

Accrued costs and expenses

Accrued project cost

Accrued project cost pertains to direct materials, labor, overhead and subcontractor costs for work accomplished by the suppliers and subcontractors but were not yet billed to the Group.

Payable to DOE

Liability to DOE represents the share of DOE in the gross revenue from SMPC's coal production (including accrued interest on the outstanding balance), computed in accordance with the Coal Operating Contract (see Note 31).

Accrual of various operating expenses

This include accruals for contracted services, utilities, supplies, advertising, and other administrative expenses.

Output VAT payable

Output VAT payable pertains to the VAT due on the sale of goods or services by the Group, net of input VAT.



Commission payable

Commission payable pertains to the amount payable to sales agents for each contract that they obtain for the sale of pre-completed real estate units. These are settled based on the collection from the contract with customers with various terms up to a maximum of 10 years. The noncurrent portion of commission payable is presented under “Other noncurrent liabilities” account in the consolidated statements of financial position (see Note 20).

Refundable deposits

Refundable deposits consist mainly of deposits which are refundable due to cancellation of real estate sales as well as deposits made by unit owners upon turnover of the unit which will be remitted to its utility provider.

Financial benefits payable

As mandated by R.A. 9136 or the Electric Power Industry Reform Act (EPIRA) of 2001 and the Energy Regulations No. 1-94, issued by DOE, the BOD authorized the Group on June 10, 2010 to enter and execute a Memorandum of Agreement with the DOE relative to or in connection with the establishment of Trust Accounts for the financial benefits to the host communities equal to ₱0.01 per kilowatt hour generated.

18. Contract Liabilities and Other Customers’ Advances and Deposits

	2025	2024
Contract liabilities - real estate	₱9,062,672	₱9,457,004
Billings in excess of costs and estimated earnings on uncompleted contracts (Note 7)	7,797,406	8,845,446
Other customers’ advances and deposits	5,441,348	6,251,263
	22,301,426	24,553,713
Less noncurrent portion of		
Contract liabilities - real estate	4,793,029	4,971,858
Billings in excess of costs and estimated earnings on uncompleted contracts	3,535,324	3,382,386
Current portion	₱13,973,073	₱16,199,469

Contract liabilities – real estate

Contract liabilities represent the payments of buyers which do not qualify yet for revenue recognition as real estate sales and any excess of collections over the recognized revenue on sale of real estate inventories. The movement in contract liabilities is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the buyer’s equity threshold and from increase in percentage of completion of projects.

The amount of revenue recognized from contract liabilities at the beginning of the year amounted to ₱2,038.92 million, ₱1,563.22 million and ₱2,604.86 million in 2025, 2024 and 2023, respectively.

Billings in excess of costs and estimated earnings on uncompleted contracts

This pertains to billings in excess of total costs incurred and estimated earnings recognized in the construction segment.

Other customers’ advances and deposits

Other customers’ advances and deposits represent collections from real estate customers for taxes and fees payable such as documentary stamp tax and transfer tax for the transfer of title to the buyer.



19. Long-term Debt

	2025	2024
Bank loans	₱63,480,557	₱63,813,696
Less noncurrent portion	(50,730,254)	58,907,449
Current portion	₱12,750,303	₱4,906,247

Details of the bank loans follow:

	Outstanding Balances		Maturity	Interest Rate	Payment Terms
	2025	2024			
Loans from banks and other institutions					
Term loans and corporate notes	₱56,817,579	₱56,306,762	Various maturities from 2020 to 2027	Interest rates based on applicable benchmark plus credit spread ranging from 60 to 75 basis points	Term loans: Payment shall be made on a quarterly basis Corporate notes: Payments shall be based on aggregate percentage of issue amount of each series equally divided over applicable quarters (4th/7th to 27th quarter) and the balance is payable at maturity
Peso-denominated loans	6,968,350	7,789,243	Various maturities from 2020 to 2027	Fixed interest rates ranging from 4.00% to 5.13% and floating interest rates based on applicable benchmark plus credit spread ranging from 25 to 60 basis points	Amortized/bullet
Liabilities on installment contracts receivable	1,095	74,647	Various maturities 2022 to 2029	Interest at prevailing market rates	Payable in equal and continuous monthly payment not exceeding 120 days commencing 1 month from date of execution
	63,787,024	64,170,652			
Less: Unamortized debt issuance cost	306,467	356,956			
	₱63,480,557	₱63,813,696			



The movements in unamortized debt issuance cost follow:

	2025	2024
Balance at beginning of year	₱356,956	₱223,811
Acquisition of a business (Note 4)	–	25,900
Additions	10,000	138,405
Amortization (Note 27)	(60,489)	(31,160)
Balance at end of year	₱306,467	₱356,956

Interest expense on long-term debt, net of capitalized interest, recognized under ‘Finance cost’ amounted to ₱3,901.63 million, ₱2,496.00 million and ₱719.32 million in 2025, 2024 and 2023, respectively (see Note 27).

The schedule of repayments of loans based on existing terms are provided in Note 35.

Other relevant information on the Group’s long-term borrowings are provided below:

- The loan agreements on long-term debt of certain subsidiaries provide for certain restrictions and requirements such as, among others, maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the respective subsidiaries as of December 31, 2025 and 2024.
- As discussed in Note 6, the installment contracts receivable under the receivable purchase agreements are used as collaterals in the loans payable obtained. These amounted to ₱1.10 million and ₱74.65 million as of December 31, 2025 and 2024, respectively, and these represent net proceeds from sale of portion of PDI’s installment contracts receivable to local banks pursuant to the receivable purchase agreements entered into by PDI on various dates. The agreements also provide the submission of condominium certificates of title and their related postdated checks issued by the buyers.
- All long-term debt of the Group are clean and unsecured. The Group is compliant with the respective loan covenants.

20. Other Noncurrent Liabilities

	2025	2024
Lease liabilities (Note 33)	₱3,273,380	₱3,773,697
Commission payable - noncurrent portion (Note 17)	1,506,450	1,190,791
Pension liabilities - net (Note 23)	1,028,348	791,099
Retention payable	832,851	550,606
Provision for decommissioning and site rehabilitation costs	535,908	551,689
Other payables	114,596	108,037
	₱7,291,533	₱6,965,919

Provision for decommissioning and site rehabilitation costs

The Group makes full provision for the future cost of rehabilitating the coal mine sites on a discounted basis on the development of the coal mines. These provisions were recognized based on the Group’s internal estimates. Assumptions based on the current regulatory requirements and economic environment have been made, which management believes are reasonable bases upon



which to estimate the future liability. These estimates are reviewed annually to take into account any material changes to the assumptions.

However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in return, will depend upon future ore and coal prices, which are inherently uncertain.

Provision for decommissioning and site rehabilitation costs also include cost of rehabilitation of the Group's power plants and nickel ore mine sites. Discount rates used by the Group to compute for the present value of liability for decommissioning and mine site rehabilitation costs are from 5.37% to 8.58% in 2025, 6.10% to 8.58% in 2024 and 5.96% to 8.70% in 2023. Segment breakdown of provision for decommissioning and site rehabilitation costs follows:

	2025	2024
Coal	₱361,463	₱354,061
Nickel	137,150	163,290
On-grid power	37,295	34,338
	₱535,908	₱551,689

The rollforward analysis of the provision for decommissioning and site rehabilitation costs account follows:

	2025	2024
Balance at beginning of year	₱551,689	₱469,383
Addition	34,005	80,873
Effect of change in estimates	(12,859)	16,592
Actual usage	(70,794)	(52,318)
Accretion of interest (Note 27)	33,867	37,159
Balance at end of year	₱535,908	₱551,689

The Group revised its mine work program based on the current conditions of the mining operations. Management revisited certain procedures, practices and assumptions on its existing rehabilitation plan (e.g., timing of mining operations, reforestation requirements, movement of the overburden) which resulted to adjustment in the previously estimated provision for decommissioning and mine site rehabilitation costs.

Resulting changes in estimate pertaining to the Group's minesites amounted to ₱12.86 million reduction and ₱16.59 million addition (recognized as adjustment to 'Coal mining properties and equipment' under Property, plant and equipment account) in 2025 and 2024, respectively (see Note 13).

Retention Payable

Retention payable represents amounts withheld by the Group on subcontractors' progress billings and payable upon expiration of defect liability period.

Other payables

Noncurrent trade and other payables include noninterest-bearing payable to suppliers and subcontractors and accrued expenses which are expected to be settled within two (2) to three (3) years from the reporting date.



21. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities. Transactions entered into by the Group with affiliates are made at normal commercial prices and terms. These are settled in cash, unless otherwise specified.

The significant related party transactions entered into by the Group with its related parties and the amounts included in the accompanying consolidated financial statements with respect to these transactions follow:

	2025		
	Reference	Transaction Amount	Due from (Due to)
Receivables from related parties (Note 6)			
Construction contracts	(a)	₱2,925,612	₱2,404,283
Equipment rentals	(c)	1,502	–
Sale of materials and reimbursement of shared and operating expenses	(d, g)	123,751	488,360
			₱2,892,643
Payable to related parties (Note 17)			
Shiploading, coal delivery and coal handling	(e)	₱1,607,540	(₱227,481)
Mine exploration and hauling services	(f)	454,065	(127,966)
Land, warehouse, office and parking rental	(k)	22,467	(17,016)
Aviation services	(h)	119,780	(127,372)
Freight charges	(j)	1,027,440	(243,958)
			(₱743,793)
2024			
	Reference	Transaction Amount	Due from (Due to)
Receivables from related parties (Note 6)			
Construction contracts	(a)	₱4,867,016	₱1,794,652
Sale of marine vessels	(b)	–	13,390
Equipment rentals	(c)	16,993	–
Sale of materials and reimbursement of shared and operating expenses	(d)	219,145	297,151
			₱2,105,193
Payable to related parties (Note 17)			
Shiploading, coal delivery and coal handling	(e)	₱1,507,278	(₱138,279)
Mine exploration and hauling services	(f)	574,713	(120,634)
Other general and administrative expense	(g)	20,099	(1,451)
Aviation services	(h)	223,800	(35,100)
Office and parking rental	(i)	29,927	(30,728)
Freight charges	(j)	366,533	(57,339)
			(₱383,531)



- (a) The Group provides services to its other affiliates in relation to its construction projects. Outstanding receivables lodged in “Receivables from related parties” amounted to ₱2,404.28 million and ₱1,794.65 million as of December 31, 2025 and 2024, respectively. In addition, billings in excess of costs and estimated earning on uncompleted contracts from its affiliates amounted to ₱566.38 million and ₱622.63 million as of December 31, 2025 and 2024, respectively.
- (b) In 2020, the Group sold a marine vessel to its affiliate for ₱620.58 million, of which ₱13.39 million remain uncollected as of December 31, 2024.
- (c) The Group rents out its equipment to its affiliates for their construction projects.
- (d) The Group paid for the contracted services, material issuances, diesel, rental expenses and other supplies of its affiliates.
- (e) Certain affiliate had transactions with the Group for services rendered such as shiploading, coal delivery and coal handling. Freight costs charged by the affiliate are included as part of the cost of coal inventory.
- (f) An affiliate of the Group provides labor services relating to coal operations, including those services rendered by consultants. The related expenses are included in the “Cost of sales and services” in the consolidated statements of income.
- (g) A shareholder of the Group provides maintenance of the Group’s accounting system, Navision, which is used by some of the Group’s subsidiaries. Related expenses are presented as part of “Miscellaneous” under “Operating expenses” in consolidated statements of income. In addition, the Group has reimbursable expenses for security services, professional fees, among others.
- (h) An affiliate of the Group transports visitors and employees from point to point in relation to the Group’s ordinary course of business and vice versa and bills the Group for the utilization costs of the aircrafts. The related expenses are included in “Cost of sales and services”.
- (i) An affiliate had transactions with the Group for office and parking rental of units to which related expenses are presented as part of “Operating expenses” in the consolidated statements of income.
- (j) An affiliate provides the Group various barges and tugboats for use in the delivery of nickel ore to its various customers.
- (k) An affiliate had transactions with the Group representing long-term lease on land, warehouse space and other transactions necessary for the coal operations. Rental expenses on warehouse space are included in cost of sales under ‘Outside services’, while payments related to lease of land are accounted as reduction to lease liabilities upon adoption of PFRS 16 (see Notes 25 and 33).

Terms and conditions of transactions with related parties

Outstanding balances as of December 31, 2025 and 2024, are unsecured and noninterest-bearing, and are all due within one year, normally within 30-60 day credit term.

The Group has approval process and established limits when entering into material related party transactions. The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to 10% or more of the total



consolidated assets of the Group that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

As of December 31, 2025 and 2024, the Group has not made any allowance for expected credit loss relating to amounts owed by related parties. The Group applies a general approach in calculating the ECL.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the affiliates and the economic environment.

Compensation of Key Management Personnel

Key management personnel of the Group include all directors and senior management. The aggregate compensation and benefits of key management personnel of the Group follows:

	2025	2024	2023
Short-term employee benefits	₱275,854	₱230,384	₱203,314
Post-employment benefits (Note 23)	40,432	25,158	60,900
	₱316,286	₱255,542	₱264,214

There are no agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group's pension plan.

22. Equity

Capital Stock

As of December 31, 2025 and 2024, the Parent Company's total paid-in capital are as follows:

Capital stock	₱13,287,474
Additional paid-in capital	14,662,394
	₱27,949,868

The details of the Parent Company's capital stock as of December 31, 2025 and 2024 follow:

Common Shares

	Number of Shares		Amount	
	2025	2024	2025	2024
Authorized – 19,900,000,000 shares, ₱1 par value				
<i>Issued and outstanding</i>				
At beginning and end of year	13,277,470,000	13,277,470,000	₱13,277,470	₱13,277,470



Preferred shares

	Number of Shares		Amount	
	2025	2024	2025	2024
Authorized – 100,000,000 shares, ₱1 par value				
<i>Issued and outstanding</i>				
At beginning of year	10,003,780	3,780	₱10,004	₱4
Issuance	–	10,000,000	–	10,000
Issued at end of year	10,003,780	10,003,780	10,004	10,004
Less: Treasury shares	(2,820)	(2,820)	(7,069)	(7,069)
Outstanding at end of year	10,000,960	10,000,960	₱2,935	₱2,935

On December 23, 2024, the SEC approved the issuance of the 10,000,000 Class B preferred stocks via private placement at ₱1,000 face value to Dacon Corporation.

The preferred stock is redeemable, non-voting, non-participating and cumulative with par value of ₱1.00 per share.

Below is the summary of the Parent Company’s track record of registration of securities with the SEC as of December 31, 2025:

	Number of Shares Registered (in billions)	Number of holders of securities as of year end
December 31, 2023	13.28	707
Add/(Deduct) Movement	–	29
December 31, 2024	13.28	736
Add/(Deduct) Movement	–	38
December 31, 2025	13.28	774

Retained Earnings

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company’s retained earnings available for dividend declaration as of December 31, 2025 and 2024 amounted to ₱4,233.94 million and ₱4,475.74 million, respectively.

Dividend declaration

The Parent Company’s BOD approved the declaration of cash dividends in favor of all its stockholders as follows:

	2025	2024	2023
March 25, 2025, ₱0.35 per share regular cash dividend to shareholders on record as of April 10, 2025, payable on or before April 24, 2025.	₱4,647,115	₱–	₱–
March 25, 2025, ₱0.25 per share special cash dividend to shareholders on record as of April 10, 2025, payable on or before April 24, 2025.	3,319,368	–	–

(Forward)



	2025	2024	2023
October 25, 2025 ₱0.48 per share special cash dividend to shareholders on record as of November 5, 2025, payable on or before November 21, 2025.	₱6,373,185	₱–	₱–
April 4, 2024, ₱0.46 per share regular cash dividend to shareholders on record as of April 22, 2024, payable on or before May 3, 2024.	–	6,107,636	–
April 4, 2024, ₱0.26 per share special cash dividend to shareholders on record as of April 22, 2024, payable on or before May 3, 2024	–	3,452,142	–
October 16, 2024 ₱0.48 per share special cash dividend to shareholders on record as of October 30, 2024, payable on or before November 15, 2024.	–	6,373,186	–
March 29, 2023, ₱0.61 per share regular cash dividend to shareholders on record as of April 17, 2023, payable on or before April 28, 2023.	–	–	8,099,257
March 29, 2023, ₱0.11 per share special cash dividend to shareholders on record as of April 17, 2023, payable on or before April 28, 2023.	–	–	1,460,522
October 10, 2023 ₱0.72 per share special cash dividend to shareholders on record as of October 24, 2023, payable on or before November 9, 2023.	–	–	9,559,779
	₱14,339,668	₱15,932,964	₱19,119,558

In addition, the Group paid a total of ₱400.00 million in 2025 in relation to its cumulative preferred shares.

On various dates in 2025, 2024 and 2023, partially-owned subsidiaries of the Group declared dividends amounting to ₱13,827.34 million, ₱25,505.29 million and ₱29,753.83 million, respectively, of which dividends to noncontrolling-interest amounted to ₱5,989.66 million, ₱11,055.69 million, and ₱12,898.29 million, respectively. The unpaid dividends to noncontrolling-interests amounted to ₱6.15 million and ₱3.33 million as of December 31, 2025 and 2024, respectively.

The unappropriated retained earnings include undistributed net earnings amounting to ₱87,976.51 million and ₱86,980.12 million as of December 31, 2025 and 2024, respectively, representing accumulated equity in the net earnings of consolidated subsidiaries, associates and jointly controlled entities accounted for under the equity method. These are not available for dividend declaration until declared by the subsidiaries, associates and the joint ventures representing accumulated equity.



Premium on acquisition of non-controlling-interests

SMPC bought back its own shares totaling to 14,061,670 from 2016 to 2018. This resulted to an increase in effective ownership of the Parent Company on SMPC and its subsidiaries to 56.65% and the recognition of premium on acquisition of non-controlling interest amounting to ₱817.96 million (see Note 32).

Capital Management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. There were no changes made in the Group's capital management objectives, policies or processes. The Group considers total equity attributable to equity holders of the Parent Company less net accumulated unrealized gains on equity investments designated at FVOCI, as capital.

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

23. Employee Benefits

Retirement Plans

The Group has a funded, noncontributory, defined benefit pension plan covering substantially all of its regular employees. Provisions for pension obligations are established for benefits payable in the form of retirement pensions. Benefits are dependent on years of service and the respective employee's final compensation. The Group updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary. The latest actuarial valuation report of the retirement plans was made as of December 31, 2025.

Certain entities within the Group are under the Multiemployer Retirement Plan (the Plan). The Group's retirement funds are administered by appointed trustee banks which are under the supervision of the respective Board of Trustees (BOT) of the plans. The responsibilities of the BOT, among others, include the following:

- To hold, invest and reinvest the fund for the exclusive benefits of the members and beneficiaries of the retirement plan and for this purpose the BOT is further authorized to designate and appoint a qualified Investment Manager with such powers as may be required to realize and obtain maximum yield on investment of the fund; and,
- To make payments and distributions in cash, securities and other assets to the members and beneficiaries of the Plan.

Under the existing regulatory framework, Republic Act No. 7641, *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.



The following table summarizes the components of net pension expense (included in “Salaries, wages and employee benefits” account) and pension income (included in “Other income” account) for the years ended December 31, 2025, 2024, and 2023 (see Notes 25 and 28):

Pension Expense

	2025	2024	2023
Current service cost	₱364,143	₱224,782	₱204,238
Net interest income on benefit obligation and plan assets	(21,986)	(16,084)	(122,574)
Effect of the asset limit	57,117	52,069	57,109
Total pension expense	₱399,274	₱260,767	₱138,773

Movements in the fair value of plan assets of the Group follow:

	2025	2024
Balance at beginning of year	₱4,168,107	₱3,815,642
Interest income	297,081	163,119
Remeasurement gain (loss)	(43,215)	231,853
Benefits paid - from plan assets	(233,203)	(42,507)
Contributions	95,982	-
Balance at end of year	₱4,284,752	₱4,168,107

Changes in the present value of the defined benefit obligation follow:

	2025	2024
Balances at beginning of year	₱2,962,599	₱2,301,042
Current service cost	364,143	224,782
Interest expense	275,095	147,035
Benefits paid - from plan assets	(233,203)	(42,507)
Benefits paid - direct payments	(5,697)	(95,506)
Remeasurement loss (gain) arising from:		
Financial assumptions	(13,497)	(308,386)
Demographic assumptions	(19,541)	1,952
Experience adjustments	(60,068)	138,199
Transfer	988	-
Business combinations/disposals	-	595,988
Balances at end of year	₱3,270,819	₱2,962,599

Change in relation to business combination pertains to the impact of the acquisition of CASEC shares (see Note 4).



Below is the net pension asset, which is included under Other noncurrent assets in the consolidated statements of financial position (see Note 14), for those entities within the Group with net pension asset position:

	2025	2024
Fair value of plan assets	₱2,956,218	₱3,272,922
Present value of funded defined benefit obligations	(913,937)	(1,276,315)
	2,042,281	1,996,607
Effect on asset ceiling	(953,685)	(936,210)
Net pension asset	₱1,088,596	₱1,060,397

Movements in the net pension asset follow:

	2025	2024
Net pension asset at beginning of year	₱1,060,397	₱992,028
Remeasurements gain (loss) recognized in other comprehensive income	16,819	287,946
Transfer	24,646	-
Contribution	6,542	-
Benefits paid - direct payments	-	57,899
Business combinations/disposals	-	(270,629)
Net pension income (expense)	(19,808)	(6,847)
Net pension asset at end of year	₱1,088,596	₱1,060,397

Movements in the effect of asset ceiling follow:

	2025	2024
Effect of asset ceiling at beginning of year	₱936,210	₱857,554
Interest on the effect of asset ceiling	57,117	52,069
Changes in the effect of asset ceiling	(39,642)	26,587
Effect of asset ceiling at end of year	₱953,685	₱936,210

Below is the net pension liability, which is included under Other noncurrent liabilities in the consolidated statements of financial position (see Note 20), for those entities within the Group with net pension liability position:

	2025	2024
Present value of funded defined benefit obligations	(₱2,356,882)	(₱1,686,284)
Fair value of plan assets	1,328,534	895,185
Net pension liability	(₱1,028,348)	(₱791,099)



Movements in the net pension liability follow:

	2025	2024
Net pension liability at beginning of year	(₱791,099)	(₱334,982)
Net pension income (expense)	(379,466)	(253,920)
Remeasurement gain (loss) recognized in other comprehensive income	72,714	85,555
Benefits paid - direct payments	5,697	37,607
Contributions	89,440	-
Transfer	(25,634)	-
Business combinations/disposals	-	(325,359)
Net pension liability at end of year	(₱1,028,348)	(₱791,099)

Breakdown of remeasurements recognized in other comprehensive income in 2025 and 2024 follow:

	2025	2024
Remeasurement gain (loss) on plan assets	(₱43,215)	₱231,853
Remeasurement gain on defined benefit obligations	93,106	168,235
Changes in the effect of asset ceiling	39,642	(26,587)
Net remeasurement gains (losses) on pension plans	89,533	373,501
Income tax effect	(22,383)	(93,375)
Net remeasurement gain (loss) on pension plans - net of tax	₱67,150	₱280,126

The major categories and corresponding fair values of plan assets and liabilities by class of the Group's Plan as at the end of each reporting period are as follows:

	2025	2024
Cash and cash equivalents		
Cash in banks	₱11,324	₱275,949
Time deposits	983,803	830,811
	995,127	1,106,760
Investments in stocks		
Common shares of domestic corporations		
Quoted	1,189,673	1,531,825
Unquoted	169,694	175,444
Preference shares	52,431	12,065
	1,411,798	1,719,334
Investment in government securities		
Fixed rate treasury notes (FXTNs)	1,198,572	1,007,595
Trasury bills (T-bills)	72,068	79,985
Retail treasury bonds (RTBs)	93,852	48,731
	1,364,492	1,136,311
Investment in other securities and debt instruments		
AAA rated debt securities	150,747	117,632
Not rated debt securities	319,440	56,159
	470,187	173,791
Other receivables	43,958	32,300
Accrued trust fees and other payables	(810)	(389)
Fair value of plan assets	₱4,284,752	₱4,168,107



Trust fees paid in 2025, 2024 and 2023 amounted to ₱2.16 million, ₱2.82 million and ₱2.74 million, respectively.

The composition of the fair value of the Fund includes:

- *Cash and cash equivalents* - include savings and time deposit with various banks and special deposit account with Bangko Sentral ng Pilipinas (BSP SDA).
- *Investment in stocks* - includes investment in common and preferred shares both traded and not traded in the PSE. This includes investment in SMPC shares with fair value of ₱1.81 million and ₱2.23 million as of December 31, 2025 and 2024, respectively.
- *Investment in government securities* - includes investment in Philippine RTBs and FXTNs T-bills.
- *Investments in other securities and debt instruments* - include investment in long-term debt notes and retail bonds.
- *Other receivables* - includes interest and dividends receivable generated from investments included in the plan.
- *Accrued trust fees and other payables* - pertain mainly to charges of trust or in the management of the Plan.

The overall administration and management of the plan rest upon the Plan's BOT. The voting rights on the above securities rest to the BOT for funds directly held through the Group's officers and indirectly for those entered into through other trust agreements with the trustee bank authorized to administer the investment and reinvestments of the funds.

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 pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2025	2024	2023
Discount rate	6.23% to 6.53%	6.08% to 6.13%	6.05% to 6.16%
Salary increase rate	3.00% to 10.00%	3.00% to 6.00%	3.00% to 7.00%

The weighted average duration of significant defined benefit obligation per segment are as follows (average number of years):

	2025	2024
Construction and others	5.7 years	4.6 years
Coal mining	5.7 years	5.3 years
Nickel mining	11.6 years	9.9 years
Real estate development	18.7 years	11.2 years
Power - On grid	9.9 years	13.2 years
Power - Off grid	8.8 years	10.4 years

There are no unusual or significant risks to which the Plan exposes the Group. However, in the event a benefit claim arises under the Retirement Plan and the Retirement Fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the Group to the Retirement Fund.

There was no plan amendment, curtailment, or settlement recognized for the years ended December 31, 2025 and 2024.



Sensitivity analysis on the actuarial assumptions

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

	Increase (decrease)	2025	2024
Discount rates	+100 basis points	(₱206,980)	(₱212,563)
	-100 basis points	238,307	247,054
Salary increases	+1.00%	237,351	245,903
	-1.00%	(209,986)	(215,516)

24. Costs of Sales and Services

	2025	2024	2023
Cost of Sales			
Cost of real estate held for sale and development (Note 8)	₱6,381,987	₱5,656,003	₱11,172,424
Fuel and lubricants	11,154,865	10,907,346	12,479,306
Materials and supplies	8,026,009	5,975,714	5,345,724
Depreciation and amortization (Notes 12, 13, 14 and 33)	5,515,519	4,429,705	4,120,529
Direct labor	3,648,502	3,222,732	2,601,573
Outside services	1,883,229	662,875	937,362
Hauling, shiploading and handling costs (Note 21)	1,857,518	1,804,216	2,111,778
Production overhead	1,192,427	1,332,076	1,566,306
Commission expense (Note 9)	398,981	593,770	813,984
Others	445,297	75,942	393,158
	40,504,334	34,660,379	41,542,144
Cost of Services			
Materials and supplies	10,694,560	5,309,915	6,388,265
Direct labor	6,506,816	5,340,006	3,503,916
Depreciation and amortization (Notes 12, 13, 14 and 33)	4,844,234	3,893,085	4,256,717
Outside services	3,855,118	3,079,129	3,638,538
Fuel and lubricants	3,717,661	4,362,946	3,364,844
Production overhead	2,825,138	2,986,670	2,972,844
Spot purchases of electricity	502,703	903,930	880,726
Others	480,235	123,372	622,031
	33,426,465	25,999,053	25,627,881
	₱73,930,799	₱60,659,432	₱67,170,025



Cost of real estate sales presented in the consolidated statements of income includes cost of running hotel and property management operations amounting to ₱197.95 million, ₱177.51 million and ₱155.14 million for 2025, 2024 and 2023, respectively.

Related revenue from hotel and property management operations amounted to ₱327.57 million, ₱312.18 million and ₱282.83 million in 2025, 2024 and 2023, respectively.

Depreciation, depletion and amortization included in the consolidated statements of income follow:

	2025	2024	2023
Included in:			
Cost of electricity sales	₱4,347,433	₱3,357,418	₱3,050,825
Cost of coal mining	3,593,518	3,646,595	3,882,037
Cost of construction contracts and others	496,801	535,667	695,958
Cost of real estate development	153,511	227,928	592,886
Cost of nickel mining	388,871	432,276	155,540
Cost of cement manufacturing	1,379,619	122,906	–
Operating expenses (Note 25)	652,026	611,193	253,083
	₱11,011,779	₱8,933,983	₱8,630,329
Depreciation, depletion and amortization of:			
Property, plant and equipment (Note 13)	₱12,882,245	₱9,288,241	₱9,707,448
Other noncurrent assets (Note 14)	75,945	44,705	33,830
Investment properties (Note 12)	15,155	15,155	15,155
Right-of-use assets (Note 33)	452,114	39,562	25,357
	₱13,425,459	₱9,387,663	₱9,781,790

Depreciation, depletion and amortization capitalized in ending inventories and mine properties included in 'Property, Plant and Equipment' amounted to ₱2,413.68 million, ₱453.68 million and ₱1,151.46 million in 2025, 2024 and 2023, respectively.

Salaries, wages and employee benefits included in the consolidated statements of income follow:

	2025	2024	2023
Presented under:			
Costs of sales and services	₱6,390,530	₱5,384,656	₱5,472,925
Operating expenses (Note 25)	3,788,526	3,026,724	2,349,526
	₱10,179,056	₱8,411,380	₱7,822,451

25. Operating Expenses

	2025	2024	2023
Salaries, wages and employee benefits (Note 24)	₱3,788,526	₱3,026,724	₱2,349,526
Transportation and travel	2,425,269	360,266	105,758
Outside services	2,031,358	1,522,516	1,495,586
Government share (Note 31)	1,955,301	6,379,395	10,682,608
Taxes and licenses	1,857,056	1,643,189	1,719,400

(Forward)



	2025	2024	2023
Repairs and maintenance	₱1,389,938	₱1,456,302	₱1,594,123
Insurance	1,202,750	841,947	510,434
Supplies	611,198	355,885	267,182
Advertising and marketing	587,316	470,576	429,970
Association dues	494,829	207,995	162,153
Depreciation and amortization (Note 24) (Notes 12, 13, 14, 24 and 33)	652,026	611,193	253,083
Provision for ECL and probable losses - net of reversals (Notes 6 and 9)	118,574	83,988	39,678
Entertainment, amusement and recreation	217,175	196,812	138,430
Communication, light and water	194,609	155,195	92,735
Rent (Note 33)	135,782	89,485	206,086
Loss on write-down of inventories, asset held- for- sale and property, plant and equipment - net of reversals (Notes 8, 10 and 13)	89,494	(38,981)	(3,765)
Miscellaneous	395,540	647,622	657,311
	₱18,146,741	₱18,010,109	₱20,700,298

26. Finance Income

Finance income is derived from the following sources:

	2025	2024	2023
Interest on:			
Bank savings accounts (Note 5)	₱924,895	₱1,191,013	₱1,338,601
Installment contracts receivable (Note 6)	858,738	707,060	484,920
Short-term placements (Note 5)	387,563	553,659	165,681
	₱2,171,196	₱2,451,732	₱1,989,202

27. Finance Costs

The finance costs are incurred from the following:

	2025	2024	2023
Long-term debt (Note 19)	₱3,901,632	₱2,495,998	₱719,320
Short-term debt (Note 15)	289,251	159,571	168,522
Amortization of debt issuance cost (Note 19)	60,489	31,160	42,898
Accretion on unamortized discount on provision for decommissioning and site rehabilitation costs (Note 20)	33,867	37,159	28,094
Lease liabilities (Note 33)	22,509	6,287	5,333
	₱4,307,748	₱2,730,175	₱964,167



28. Other Income (Charges) - Net

	2025	2024	2023
Forfeitures and cancellation of real estate contracts	₱2,763,042	₱2,260,508	₱1,635,979
Rental income (Note 12)	586,531	498,060	376,915
Recoveries from insurance claims	361,837	186,234	31,884
Sales of fly ash	359,219	392,167	472,005
Foreign exchange gains (losses)	106,713	(94,266)	(120,057)
Gain on sale of undeveloped parcel of land (Note 8)	50,208	259,413	141,792
Gain (loss) on sale of property, plant and equipment - net (Note 13)	(36,288)	-	55,914
Others - net (Note 13)	632,598	336,543	431,041
	₱4,823,860	₱3,838,659	₱3,025,473

Recoveries from insurance claims

Recoveries from insurance claims represent proceeds from the settlement of insurance claims, net any related deductibles, and are recognized when the receipt of the proceeds is virtually certain.

Others - net

Others include penalty charges, holding fees, fees for change in ownership, transfer fees, restructuring fees, lease facilitation fees, gain on pre-termination of option contract and lease contract modification, and others.

29. Income Tax

The provision for income tax shown in the consolidated statements of income consists of:

	2025	2024	2023
Current	₱4,404,900	₱4,418,501	₱4,042,180
Deferred	(1,068,478)	(1,573,098)	5,135
Final	234,693	270,693	270,447
	₱3,571,115	₱3,116,096	₱4,317,762

The components of net deferred tax assets as of December 31, 2025 and 2024 follow:

	2025	2024
Deferred tax assets on:		
Allowance for:		
Expected credit losses	₱540,861	₱537,420
Inventory obsolescence	86,922	57,939
NOLCO	282,598	339,294
Pension liabilities - net	195,853	258,215
Impairment	151,508	151,508
Unrealized foreign exchange loss	59,837	125,977
Lease liabilities	78,869	74,463

(Forward)



	2025	2024
Provision for decommissioning and site rehabilitation	₱102,248	₱51,570
Unrealized gross loss on construction contracts	35,494	18,813
MCIT	4,381	4,381
Accruals of expenses	56,037	–
Others	140,033	48,606
	1,734,641	1,668,186
Deferred tax liabilities on:		
Accrual of expenses	–	(23,197)
Other comprehensive income	(17,312)	(20,115)
Unrealized foreign exchange gain	(47,553)	(7,330)
	(64,865)	(50,642)
	₱1,669,776	₱1,617,544

The components of net deferred tax liabilities as of December 31, 2025 and 2024 follow:

	2025	2024
Deferred tax assets on:		
Pension liabilities – net	₱735,879	₱613,807
Allowance for expected credit losses	17,851	17,851
Unrealized gross profit on construction contracts	3,432	–
PFRS 15 adoption	–	751,230
Deferred commission expense	–	6,626
Others	26,811	184,466
	783,973	1,573,980
Deferred tax liabilities on:		
Excess of book over tax income pertaining to real estate sales	(2,556,470)	(3,600,171)
Unamortized fair value on nickel mining rights acquired	(2,322,848)	(2,604,322)
Unrealized foreign exchange gain – net	(650,485)	(587,861)
Deferred Commission expense	(104,004)	–
Pension assets - net	(82,743)	(16,446)
Mine rehabilitation	(44,544)	(11,699)
Unamortized transaction cost on loans payable	(24,694)	(41,630)
Unrealized gross profit on construction contracts	–	(25,076)
Others	(16,627)	–
	(5,802,415)	(6,887,205)
	(₱5,018,442)	(₱5,313,225)

The Group has the following deductible temporary differences, NOLCO and MCIT that are available for offset against future taxable income or tax payable for which deferred tax assets have not been recognized:

	2025	2024
NOLCO	₱12,337,470	₱10,895,079
Allowance for impairment losses	5,128	128,171
MCIT	184,363	210,880
Others	–	1,158



Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used.

The Group did not recognize deferred tax assets on NOLCO and MCIT from the following periods:

Year Incurred	NOLCO	MCIT	Expiry Year
2025	₱2,027,438	₱44,316	2028
2024	7,221,169	79,174	2027
2023	2,918,086	60,873	2026
2021	170,777	–	2026
	₱12,337,470	₱184,363	

Rollforward analysis of the Group's NOLCO and MCIT follows:

	NOLCO		MCIT	
	2025	2024	2025	2024
Balances at beginning of year	₱12,303,044	₱68,626	₱215,261	₱–
Additions	3,157,831	1,123	44,316	–
Business combination	–	12,233,295	–	215,261
Expirations and usage	(1,942,224)	–	(70,833)	–
Balances at end of year	₱13,518,651	₱12,303,044	₱188,744	₱215,261

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 of Bayanihan to Recover as One Act (Bayanihan 2) which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive years immediately following the year of such loss.

The reconciliation of the statutory income tax rate to the effective income tax rate follows:

	2025	2024
Statutory income tax rate	25.00%	25.00%
Adjustments for:		
NOLCO	3.71	–
Nondeductible expenses	0.73	0.55
Effect of OSD availment	0.07	0.12
Changes in unrecognized deferred tax assets	0.04	(0.13)
Income under income tax holiday	(9.21)	(11.33)
Nontaxable equity in net earnings of associates and joint ventures	(3.78)	(2.83)
Interest income subjected to final tax at a lower rate – net	(0.24)	(0.64)
Excess costs of construction contracts	(0.24)	(0.16)
Others	(0.52)	(0.40)
Effective income tax rate	15.56%	10.18%



Registrations with Department of Energy and BOI

a. *Certain power generation companies - Registration with the BOI*

Certain power generation companies in the Group have been registered with the BOI. Accordingly, they are entitled, among others, to ITH incentives covering 4 to 10 years. To be able to avail of the incentives, these companies are required to maintain a minimum equity level. As of December 31, 2025 and 2024, the Group have complied with the requirements.

b. *SMPC - Expanding Producer of Coal (Narra and Molave Minesite)*

On August 31, 2012 and February 24, 2016, BOI has granted SMPC Certificates of Registration as New Producer of Coal in accordance with the provisions of the Omnibus Investments Code of 1987 in relation to the operations in Narra Mine (formerly Bobog) (Certificate of Registration No. 2012-183) and Molave Mine (Certificate of Registration No. 2016-042). Pursuant thereto, SMPC shall be entitled to the following incentives for the two Certificates of Registration, among others:

- (a) ITH for four (4) years from January 2015 and January 2017 for Narra Mine and Molave Mine, respectively, or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- (b) Income qualified for ITH availment shall not exceed by more than 10% of the projected income represented by SMPC in its application provided the project's actual investments and employment match SMPC's representation in the application.

On October 24, 2019, the BOI approved the request for suspension of Narra Mine until the slope stability of the Narra Mine to resume production is ensured, as follows:

- (a) the suspension of mining operation of Narra Mine under its Certificate of Registration No. 2012-183 dated August 31, 2012, subject to the capping of ITH incentive of Molave Mine to 9,697,165 MT under BOI Certificate of Registration No. 2016-042 dated February 24, 2016, which is the highest attained production volume for the last three (3) years of operation; and,
- (b) the suspension of the corresponding ITH under its Certificate of Registration No. 2012-183 dated August 31, 2012.

On November 28, 2019, the BOI approved SMPC's application for extension for one (1) year for ITH incentive. The approved bonus year under Certificate of Registration No. 2016-042 is for the period October 15, 2020 to October 14, 2021 using the *Indigenous Raw Material Criterion* pursuant to Executive Order No. 226.

SMPC received a letter from the BOI dated February 28, 2020, stating that the BOI per Board Resolution No. 04-14, Series of 2020, approved the motion for reconsideration of SMPC and that the portion of BOI Board Resolution No. 31-07, Series of 2019, capping the incentive of Molave Mine to 9,697,165 MT be amended. The annual coal production rate of 16 million metric tons as specified in the Amended Environmental Compliance Certificate issued by the Department of Environment and Natural Resources-Environmental Management Bureau (DENR-EMB) shall be imposed upon SMPC's two (2) projects under BOI Certificate of Registration No. 2012-183 dated August 31, 2012 and BOI Certificate of Registration No. 2016-042 dated February 24, 2016 as New Producer of Coal, pursuant to the provisions under the Executive Order No. 226. Any revenue arising from the coal production in excess of 16 million metric tons annual production rate shall not be entitled to ITH incentive.



On July 2, 2020, through Board Resolution No. 12-13, Series of 2020, the BOI approved the request for deferment of the ITH incentive availment for Molave Mine for taxable year 2020, noting that the operation has been affected or disrupted by COVID-19 pandemic and since the project has not fully enjoyed the incentives granted to it for reasons beyond SMPC's control pursuant to Article 7(14) of Executive Order No. 226, otherwise known as the Omnibus Investments Code of 1987, as amended, subject to the following:

- (1) the income tax due for the taxable year covered by the deferment period shall be paid by SMPC;
- (2) SMPC will only be entitled to ten (10) months of ITH incentive in the next taxable year since the deferment period, taxable year 2020, is the project's last year of ITH availment period;
- (3) that this deferment shall not prejudice the project's approved bonus year under Certificate of Registration No. 2016-042 for the period October 15, 2020 to October 14, 2021 using the Indigenous Raw Material Criterion pursuant to Art. 39(a)(ii) of E.O. 226 pursuant to Board Resolution No. 31-07, Series of 2019. Noting the deferment of its ITH incentive for taxable year 2020, the bonus year shall correspondingly be amended from October 15, 2021 to October 24, 2022.

On July 12, 2021, SMPC applied for another extension of one (1) year of ITH incentive for Molave Mine. On December 16, 2021, the BOI approved SMPC's application for extension for one (1) year of ITH incentive for Molave Mine. The approved bonus year under Certificate of Registration No. 2016-042 is for the period October 15, 2021 to October 14, 2022 using the *Net Foreign Exchange Earnings Criterion* pursuant to Executive Order No. 226.

In 2022, the BOI provided SMPC the option to amend the ITH incentive (bonus) expiration year for Molave Mine to October 2023 subject to SMPC paying the Taxable Year 2020 income tax due amounting to ₱897.30 million and the related interest.

In 2022, SMPC recognized ₱897.30 million of income tax due on its income in 2020, as part of its provision for current income tax.

In January 2023, SMPC settled the income tax due for the Taxable Year 2020 at ₱1,088.46 million inclusive of interest amounting to ₱191.16 million. Hence, the ITH incentive (bonus year) will expire beginning October 2023 and the income from the registered activities of the BOI project (Molave Mine Pit) after the said period will be subjected to regular corporate tax of 25%.

The BOI then corrected the ITH availment period of the BOI project pursuant to Art. 39(a)(1)(iii) of E.O. 226 under Certificate of Registration No. 2016-042 from October 15, 2021 to October 14, 2022 to October 15, 2022 to October 14, 2023.

On August 2, 2024, SMPC applied for another extension of one (1) year of ITH incentive for Narra Mine. On October 10, 2024, the BOI approved SMPC's application for extension for one (1) year of ITH incentive for Narra Mine.

The approved bonus year for Narra Mine under Certificate of Registration No. 2012-183 is for the period May 15, 2024 to May 14, 2025 using the *Indigenous Raw Material* criterion pursuant to Art. 39 (a) (1)(ii) of Executive Order No. 226 subject to the following conditions:

- (1) At the time of the ITH bonus year incentive, the ratio of the cost of indigenous raw materials shall be at least 50% of the total raw material cost; and



- (2) In relation to Memorandum Circular (MC) No. 2024-004 on Lifting of the Covid-Related Policies implemented by the Board of Investments (BOI) Pursuant to Presidential Proclamation (PP) No. 297 Providing for the Lifting of the State of Public Health Emergency Throughout the Philippines Due to Covid-19, the firm shall include in the list of CSRs for ITH Bonus Year the provision of essential goods, products, and services, including basic amenities such as food, accommodation, and transportation, to fight the effects of a pandemic; or to address the medical requirements of the community or the country during local or national public health emergency; or to use during the occurrence of natural calamities or disasters such as, but not limited to, typhoons, earthquake, volcanic eruptions.

On October 7, 2025, SMPC applied for the last bonus year of ITH incentive for Narra Mine. On December 22, 2025, under Certificate No. 2012-183, Narra mine bonus year was approved for the period May 15, 2025 to May 14, 2026 using the Net Foreign Exchange Earnings (NFEE) criterion pursuant to Art. 39 (1)(iii) of E.O. 226 subject to the following conditions:

- (1) Undertake Corporate Social Responsibilities (CSR) activities which shall be completed on the actual availment of the bonus year.
- (2) In relation to Memorandum Circular (MC) No. 2024-004 on Lifting of the Covid-Related Policies implemented by the Board of Investments (BOI) Pursuant to Presidential Proclamation (PP) No. 297 Providing for the Lifting of the State of Public Health Emergency Throughout the Philippines Due to Covid-19, the firm shall include in the list of CSRs for ITH Bonus Year the provision of essential goods, products, and services, including basic amenities such as food, accommodation, and transportation, to fight the effects of a pandemic; or to address the medical requirements of the community or the country during local or national public health emergency; or to use during the occurrence of natural calamities or disasters such as, but not limited to, typhoons, earthquake, volcanic eruptions.

SMPC availed of incentive in the form of ITH on its income under registered activities. The income under registered activities amounted to ₱7,792.78 million, ₱12,946.75 million, ₱21,559.39 million in 2025, 2024 and 2023, respectively.

30. Earnings Per Share

The following table presents information necessary to calculate basic/diluted earnings per share on net income attributable to equity holders of the Parent Company (amounts in thousands, except basic/diluted earnings per share):

	2025	2024	2023
Net income attributable to equity holders of Parent Company	₱15,094,185	₱18,976,167	₱24,722,372
Divided by weighted average number of common shares	13,277,470	13,277,470	13,277,470
Basic/diluted earnings per share	₱1.14	₱1.43	₱1.86

There were no potentially dilutive ordinary shares. Accordingly, no diluted earnings per share is presented in 2025, 2024 and 2023.



31. Coal Operating Contract with DOE

The DOE issued Coal Operating Contract No. 5 (COC) to SMPC which gives it the exclusive right to conduct exploration, development and coal mining operations in Semirara Island. In return for the mining rights granted to SMPC, the Government is entitled to receive annual royalty payments consisting of the balance of the gross income after deducting operating expenses, operator's fee and special allowance. The coal produced and used solely by SMPC to feed its power plant used directly for mining operations is excluded in determining the royalty amount due to DOE.

On May 13, 2008, the DOE granted SMPC's request for an extension of its COC for another 15-year which is set to expire on July 14, 2027.

On February 27, 2026, the DOE launched a Pre-Determined Area (PDA) Bid Round for coal development and production, offering coal areas with identified mineable reserves to support broader energy security and transition agenda under a transparent and competitive contracting process. Under the bid round, the DOE included the (10) blocks in Semirara Island, Caluya, Antique. The bidders are given (60) calendar days to submit their bid. A Pre-Submission Conference will be held twenty (20) days after the launch to address bidder inquiries and clarify requirements. The bid submission deadline will be on April 28, 2026 and contract will be awarded within 60 days from such date.

The PDA Bid Round for the continuation of coal operations in Semirara Island will be undertaken pursuant to DOE Department Circular No. 2026-02-004, within the broader policy framework of DOE Department Circular No. 2017-09-0010 governing coal operating contract. Management has undertaken an assessment of the applicable regulatory framework for the bid and award of a coal operating contract which is anchored on the proponent's ability to deliver the following:

1. Demonstrated technical competence and an optimized mine development plan;
2. Sufficient financial capability to undertake exploration, development, and rehabilitation obligations that maximizes fiscal benefits to the Government while supporting national energy security
3. A work program that ensures efficient resource utilization, environmental protection, and sustainability; and
4. A strong compliance and regulatory track record.

Management believes that SMPC is in a uniquely strong and advantageous position. As the long-standing operator in Semirara Island, SMPC has established mining infrastructure, logistics systems, equipment, and an experienced workforce. This enables immediate continuity of operations and minimizes transition risks, directly supporting the DOE's objective of ensuring uninterrupted domestic coal supply. SMPC's extensive operational history provides deep geological data and mine planning expertise, and decades of experience in managing complex engineering projects, together with its established operations, technical expertise, and extensive equipment fleet developed through its long-standing presence in Semirara Island, provide a strong competitive advantage.

The Group has also established a strong financial position, liquidity, and access to funding, which demonstrate its ability to meet capital requirements, and fulfill contractual obligations, thereby satisfying both the qualification and execution requirements under the applicable Circulars. Leveraging its existing assets and operational efficiencies, SMPC intends to submit the best technical and financial offer in the PDA Bid Round.



The events described above are considered subsequent events that provide evidence of conditions existing at the reporting date. Consequently, the Group identified these events as indicators of impairment which required the assessment of recoverability of the coal mining's nonfinancial assets including inventories and property, plant and equipment attributable to coal mining operations as of December 31, 2025.

The recoverable amount was determined based on multiple scenario-based projections reflecting Management's best estimate of future outcomes for the Group's coal mining operations. These estimates incorporate projected coal sales, margins, and the discount rate, as well as the depreciated replacement cost of coal mining assets where applicable.

Based on this assessment, no impairment was recognized as of December 31, 2025, as the recoverable amount was determined to be in excess of the carrying amount of the subject assets.

The management has also evaluated that the above does not present a material risk to SMPC's ability to continue as going concern due to the following:

- (1) Bidding advantage due to SMPC's long-standing Semirara operator experience in which SMPC possesses established infrastructure and technical expertise including its experienced workforce.
- (2) Independence of Power Generation Subsidiaries in which SCPC and SLPGC's operational maturity, remaining plant life, and strategic importance of these power generation assets provide SMPC with a stable and continuing economic base that is independent of the remaining term of SMPC's coal mining operations. These subsidiaries therefore continue to support SMPC's financial position and its ability to operate as a going concern.
- (3) Re-strategizing the role of SMPC in which it can continue to act or operate as a coal supplier, intermediary or importer to support the fuel requirements of the affiliated power plants, thereby establishing a continuing line of business for SMPC.
- (4) Opportunity for Support Services to Affiliates in which SMPC's assets may be redeployed within the group through leasing or service arrangements with affiliated companies.

Royalty dues for DOE's share under this contract, amounted to ₱1,955.30 million, ₱6,379.40 million and ₱10,682.61 million in 2025, 2024 and 2023, respectively, included under 'Operating expenses' in the consolidated statements of income (see Note 25). Receivable from DOE amounting to ₱480.42 million are included under the 'Receivables' account in the consolidated statements of financial position as of December 31, 2025 (see Note 6). Payable to DOE amounting to ₱2,098.72 million are included under the 'Trade and other payables' account in the consolidated statements of financial position as of December 31, 2024 (see Note 17).

32. Material Partly-Owned Subsidiary

The financial information of the Group's subsidiaries with material noncontrolling-interest are provided below. These information are based on amounts in the consolidated financial statements of the subsidiary.



Semirara Mining and Power Corporation (SMPC) and Subsidiaries

	2025	2024 (as restated)
Consolidated statements of financial position		
Current assets	₱29,660,678	₱30,284,270
Noncurrent assets	36,832,533	40,909,688
Total assets	66,493,211	71,193,958
Current liabilities	9,770,511	12,871,518
Noncurrent liabilities	940,951	1,803,886
Total liabilities	10,711,46	14,675,404
Equity	₱55,781,749	₱56,518,554
Consolidated statements of comprehensive income		
Revenue	₱52,232,196	₱65,194,300
Cost of sales	30,869,439	33,162,622
Gross profit	21,362,757	32,031,678
Operating expenses	(7,195,380)	(11,244,550)
Other income (charges) - net	556,386	1,019,756
Income before income tax	14,723,763	21,806,884
Provision for income tax	1,663,574	2,177,380
Net income	13,060,189	19,629,504
Other comprehensive income	17,285	14,358
Total comprehensive income	₱13,077,474	₱19,643,862
Cash flow information		
Operating	₱16,434,115	₱27,506,551
Investing	(6,102,509)	(7,426,250)
Financing	(15,463,626)	(29,626,391)
Effect of exchange rate changes on cash and cash equivalents	29,014	26,053
Net increase (decrease) in cash and cash equivalents	(₱5,103,006)	(₱9,520,037)

The accumulated balances of material noncontrolling-interest of SMPC and subsidiaries at December 31, 2025 and 2024 amounted to ₱24,489.80 million and ₱24,822.96 million, respectively. Dividends paid to noncontrolling interests amounted to ₱5,988.08 million and ₱11,054.92 million in 2025 and 2024, respectively.

Noncontrolling-interests pertain to 2016 to 2018 shares of SMPC bought back own shares totaling to 14,061,670 from 2016 to 2018. This resulted to an increase in effective ownership of the parent Company on SMPC and its subsidiaries to 56.65% and the recognition of premium on acquisition of non-controlling interest amounting to ₱817.96 million (see Note 22).



Concreat Asian South East Corporation (CASEC) and Subsidiaries

	2025	2024
Consolidated statements of financial position		
Current assets	₱8,055,713	₱11,228,234
Noncurrent assets	39,738,019	40,144,353
Total assets	47,793,732	51,372,587
Current liabilities	9,500,831	9,876,607
To Noncurrent liabilities	24,138,787	23,869,071
Total liabilities	33,639,618	33,745,678
Equity	₱14,154,114	₱17,626,909
	2025	2024
	(one year)	(one month, Note 4)
Consolidated statements of comprehensive income		
Revenue	₱15,117,551	₱1,097,127
Cost of sales	13,207,670	1,158,666
Gross profit	1,909,881	(61,539)
Operating expenses	(3,783,648)	(420,203)
Other income (charges) - net	(1,631,588)	227,974
Income before income tax	(3,505,355)	(253,768)
Provision for (benefit from) income tax	26,123	(335,379)
Net income (loss)	(3,531,478)	81,611
Other comprehensive loss	(290,295)	-
Total comprehensive income (loss)	(₱3,821,773)	₱81,611
Cash flow information		
Operating	(₱868,138)	(₱17,820,659)
Investing	(1,657,435)	746
Financing	1,582,573	16,107,537
Effect of exchange rate changes on cash and cash equivalents	1,134	-
Net decrease in cash and cash equivalents	(₱941,866)	(₱1,712,376)

33. Leases

The Group as a Lessee

The Group has lease contracts for various items of land, office spaces and foreshore leases used in its operations. Leases of land and foreshore lease generally have lease terms between five (5) and 25 years, while office spaces generally have lease terms of two (2) to seven (7) years. The Group also has certain leases of office spaces, warehouse and storage spaces which have lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.



Movements in the Group's right-of-use assets and lease liabilities follow:

Right of use assets

	Year ended December 31, 2025			Total
	Land and buildings	Office space	Machinery and equipment	
Cost				
Balances at beginning of year	₱3,654,512	₱260,032	₱106,078	₱4,020,622
Additions	74,364	–	29	74,393
Balances at end of year	3,728,876	260,032	106,107	4,095,015
Accumulated amortization				
Balances at beginning of year	31,014	161,124	–	192,138
Amortization (Note 24)	349,692	23,122	79,300	452,114
Balances at end of year	380,706	184,246	79,300	644,252
	₱3,348,170	₱75,786	₱26,807	₱3,450,763

	Year ended December 31, 2024			Total
	Land and buildings	Office space	Machinery and equipment	
Cost				
Balances at beginning of year	₱103,168	₱239,977	₱–	₱343,145
Acquisition of a business (Note 4)	3,600,451	–	83,700	3,684,151
Additions	–	69,995	22,378	92,373
Expiration	(49,107)	(49,940)	–	(99,047)
Balances at end of year	3,654,512	260,032	106,078	4,020,622
Accumulated amortization				
Balances at beginning of year	24,106	178,410	–	202,516
Amortization (Note 24)	6,908	32,654	–	39,562
Expiration	–	(49,940)	–	(49,940)
Balances at end of year	31,014	161,124	–	192,138
	₱3,623,498	₱98,908	₱106,078	₱3,828,484

On June 30, 2021, the Group purchased the parcels of land under PSALM OEN which amounted to ₱43.11 million (see Notes 13 and 37). Unused rentals as of option exercise date amounted to ₱1.13 million which was applied against the total purchase price.

Lease liabilities

	2025	2024
Beginning balance	₱3,773,697	₱89,235
Acquisition of a business (Note 4)	–	3,606,935
Additions	74,393	92,373
Payment	(597,219)	(21,133)
Accretion (Note 27)	22,509	6,287
	₱3,273,380	₱3,773,697



The following are the amounts recognized in consolidated statements of income in 2025 and 2024:

	2025	2024
Depreciation expense of right-of-use assets charged to:		
Cost of sales and services (Note 24)	₱259,731	₱15,504
Operating expenses (Note 25)	21,978	17,150
Expenses relating to short-term leases charged to operating expenses (Note 25)	260,634	209,067
Interest expense on lease liabilities (Note 27)	22,509	6,287
	₱564,852	₱248,008

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3).

Lease liabilities are included in the consolidated statements of financial position under "Accounts and other payables" and "Other noncurrent liabilities" (see Notes 17 and 20).

As of December 31, 2025 and 2024, future undiscounted minimum lease payments under operating lease are as follows:

	2025	2024
Within one year	₱23,383	₱23,112
After one year but not more than five years	49,292	63,036
More than five years	17,769	18,514
	₱90,444	₱104,662

Operating Lease - As Lessor

The Group entered into lease agreements with third parties covering its investment property portfolio (see Note 12). These leases generally provide for a fixed monthly rental with an escalation minimum of 5% upon renewal of contract.

As of December 31, 2025 and 2024, future minimum lease receivables under the aforementioned operating lease are as follows:

	2025	2024
Within one year	₱44,669	₱30,521
After one year but not more than five years	160,821	112,474
More than five years	56,286	42,569
	₱261,776	₱185,564

34. Operating Segments

Business Segment Information

For management purposes, the Group is organized into eight (8) major business units that are largely organized and managed separately according to industry. Reporting operating segments are as follows:

- Construction and others - engaged in various construction projects and construction-related businesses such as production and trading of concrete products, handling steel fabrication and electrical and foundation works.



- Coal mining - engaged in the exploration, mining and development of coal resources on Semirara Island in Caluya, Antique.
- Nickel mining - engaged primarily in mining and selling nickel ore from existing stockpile in Acoje mines in Zambales and Berong mines in Palawan.
- Real estate - focused in mid-income residential development carried under the brand name DMCI Homes. It is also engaged in hotel services and property management.
- On-grid Power - engaged in power generation through coal-fired power plants providing electricity to distribution utilities and indirect members of WESM.
- Off-grid Power - engaged in power generation through satellite power plants providing electricity to areas that are not connected to the main transmission grid.
- Water - includes share in net earnings from associates, MWHCI and Subic Water, which are engaged in water services for the west portion of Metro Manila and Olongapo City and Subic Bay Freeport, respectively.
- Cement Manufacturing - engaged in the production, marketing, distribution and sale of cement and other cement products.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Executive Officer (CEO), who is the Chief Operating Decision Maker (CODM), monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, earnings before interest, income taxes and depreciation and amortization (EBITDA) and operating profit or loss, and is measured consistently in the consolidated financial statements. The Group's management reporting and controlling systems use accounting policies that are the same as those described in Note 2 in the material accounting policy information under PFRS Accounting Standards.

EBITDA is the measure of segment profit (loss) used in segment reporting and comprises of revenues, cost of sales and services and selling and general administrative expenses before interest, taxes and depreciation and amortization.

The Group disaggregates its revenue information in the same manner as it reports its segment information. The Group, through its on-grid power segment, has electricity sales to a power distribution utility company that accounts for about 21%, 24%, and 20% of the Group's total revenue in 2025, 2024 and 2023, respectively.

Group financing (including finance costs and finance income) and income taxes are also managed per operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Business Segments

The following tables present revenue, net income and depreciation and amortization information regarding business segments for the years ended December 31, 2025, 2024 and 2023 and property, plant and equipment additions, total assets and total liabilities for the business segments as of December 31, 2025, 2024 and 2023.



Year ended December 31, 2025

	Construction and Others*	Coal Mining	Nickel Mining	Real Estate Development	Power On-Grid	Power Off-Grid	Water	Cement Manufacturing	Parent Company	Total
Revenue	₱19,148,723	₱27,128,699	₱4,093,452	₱12,645,004	₱23,316,042	₱7,601,097	₱-	₱14,719,855	₱-	₱108,652,872
Equity in net earnings of associates and joint ventures	-	-	-	(58,765)	-	-	3,766,356	-	-	3,707,591
Other income (expense)	49,731	172,805	39,730	3,872,418	622,539	23,407	-	23,387	19,843	4,823,860
	19,198,454	27,301,504	4,133,182	16,458,657	23,938,581	7,624,504	3,766,356	14,743,242	19,843	117,184,323
Cost of sales and services (before depreciation and amortization)	16,462,902	14,850,465	1,251,090	7,804,637	7,716,506	4,405,763	-	11,079,683	-	63,571,046
Government share (Note 25)	-	1,955,301	-	-	-	-	-	-	-	1,955,301
Operating expense (before depreciation and amortization)	885,924	929,675	1,174,933	3,952,541	4,090,169	953,543	-	3,431,102	121,527	15,539,414
	17,348,826	17,735,441	2,426,023	11,757,178	11,806,675	5,359,306	-	14,510,785	121,527	81,065,761
EBITDA	1,849,628	9,566,063	1,707,159	4,701,479	12,131,906	2,265,198	3,766,356	232,457	(101,684)	36,118,562
Other income (expenses)										
Finance income (cost) (Notes 26 and 27)	51,337	20,504	(60,922)	(759,787)	93,155	(167,861)	-	(1,672,146)	359,168	(2,136,552)
Depreciation and amortization (Notes 24 and 25)	(504,159)	(3,626,713)	(428,753)	(332,628)	(3,866,030)	(515,021)	-	(1,738,475)	-	(11,011,779)
Pretax income	1,396,806	5,959,854	1,217,484	3,609,064	8,359,031	1,582,316	3,766,356	(3,178,164)	257,484	22,970,231
Provision for income tax (Note 29)	194,371	127,854	329,833	1,223,164	1,494,104	104,491	-	28,838	68,460	3,571,115
Net income	1,202,435	5,832,000	887,651	2,385,900	6,864,927	1,477,825	3,766,356	(3,207,002)	189,024	19,399,116
Net income attributable to noncontrolling-interests	7,105	2,561,809	(36,618)	-	3,032,262	-	-	(1,259,627)	-	4,304,931
Net income attributable to equity holders of the Parent Company	₱1,195,330	₱3,270,191	₱924,269	₱2,385,900	₱3,832,665	₱1,477,825	₱3,766,356	(₱1,947,375)	₱189,024	₱15,094,185
Segment Assets										
Cash	₱5,455,952	₱871,967	₱900,949	₱11,352,760	₱3,491,920	₱246,934	₱-	₱788,835	₱5,968,579	₱29,077,896
Receivables and contract assets	10,380,007	2,236,129	476,398	13,882,064	3,198,690	2,965,228	-	1,014,258	471,472	34,624,246
Inventories	1,133,249	13,493,649	151,794	57,529,800	3,777,050	642,309	-	2,602,994	-	79,330,845
Investment in associates and joint venture	58,379	(79,059)	-	3,612,439	-	-	-	50,000	20,798,718	24,440,477
Fixed assets**	2,586,143	8,245,743	4,882,044	1,173,177	26,142,781	9,502,201	-	27,354,034	4,960	79,891,083
Others	6,996,856	1,091,212	1,377,128	6,855,429	1,358,179	1,169,184	-	15,352,257	162,723	34,362,968
	₱26,610,586	₱25,859,641	₱7,788,313	₱94,405,669	₱37,968,620	₱14,525,856	₱-	₱47,162,378	₱27,406,452	₱281,727,515
Segment Liabilities										
Contract liabilities	₱8,569,682	₱-	(₱25,347)	₱13,757,091	₱-	₱-	₱-	₱-	₱-	₱22,301,426
Short-term and long-term debt	220,758	279,776	1,450,000	32,158,820	716,919	7,079,424	-	24,401,150	-	66,306,847
Others	8,545,497	6,714,797	2,302,802	11,015,255	3,151,819	1,915,852	-	10,872,495	153,867	44,672,384
	₱17,335,937	₱6,994,573	₱3,727,455	₱56,931,166	₱3,868,738	₱8,995,276	₱-	₱35,273,645	₱153,867	₱133,280,657
Other disclosures										
Property, plant and equipment additions (Note 13)	₱586,911	₱5,089,277	₱697,653	₱94,210	₱421,089	₱188,538	₱-	₱1,525,381	₱3,332	₱8,606,391
Acquisition of land for future development (Note 8)	-	-	-	254,509	-	-	-	-	-	254,509

*Revenue from construction segment includes sales and service revenue from Wire Rope.

**Includes property, plant and equipment, investment properties and exploration and evaluation assets



Year ended December 31, 2024

	Construction and Others*	Coal Mining	Nickel Mining	Real Estate Development	Power On-Grid	Power Off-Grid	Water	Cement Manufacturing	Parent Company	Total
Revenue	₱15,427,865	₱39,462,717	₱2,477,387	₱11,542,627	₱24,712,156	₱7,691,650	₱-	₱1,064,146	₱-	₱102,378,548
Equity in net earnings of associates and joint ventures	-	-	-	(51,946)	-	-	3,406,027	-	-	3,354,081
Other income (expense)	39,018	(102,059)	23,556	3,175,707	929,552	(277,382)	-	94,990	(44,723)	3,838,659
	15,466,883	39,360,658	2,500,943	14,666,388	25,641,708	7,414,268	3,406,027	1,159,136	(44,723)	109,571,288
Cost of sales and services (before depreciation and amortization)	13,038,413	18,098,245	909,635	7,070,765	8,341,882	3,881,305	-	996,397	-	52,336,642
Government share (Note 25)	-	6,379,395	-	-	-	-	-	-	-	6,379,395
Operating expense (before depreciation and amortization)	796,576	788,262	855,076	3,271,461	3,885,270	933,649	-	400,566	88,661	11,019,521
	13,834,989	25,265,902	1,764,711	10,342,226	12,227,152	4,814,954	-	1,396,963	88,661	69,735,558
EBITDA	1,631,894	14,094,756	736,232	4,324,162	13,414,556	2,599,314	3,406,027	(237,827)	(133,384)	39,835,730
Other income (expenses)										
Finance income (cost) (Notes 26 and 27)	85,211	391,554	(26,983)	(1,070,741)	107,241	(203,125)	-	132,984	305,416	(278,443)
Depreciation and amortization (Notes 24 and 25)	(554,587)	(3,666,935)	(465,699)	(386,126)	(2,880,755)	(834,886)	-	(142,543)	(2,452)	(8,933,983)
Pretax income	1,162,518	10,819,375	243,550	2,867,295	10,641,042	1,561,303	3,406,027	(247,386)	169,580	30,623,304
Provision for income tax (Note 29)	121,888	246,047	24,689	985,838	1,913,936	100,546	-	(335,379)	58,531	3,116,096
Net income	₱1,040,630	₱10,573,328	₱218,861	₱1,881,457	₱8,727,106	₱1,460,757	₱3,406,027	₱87,993	₱111,049	₱27,507,208
Net income attributable to noncontrolling-interests	12,658	4,827,205	(26,685)	-	3,679,660	-	-	38,203	-	8,531,041
Net income attributable to equity holders of the Parent Company	₱1,027,972	₱5,746,123	₱245,546	₱1,881,457	₱5,047,446	₱1,460,757	₱3,406,027	₱49,790	₱111,049	₱18,976,167
Segment Assets										
Cash	₱4,356,200	₱5,203,051	₱848,325	₱9,687,607	₱4,264,017	₱574,930	₱-	₱1,968,143	₱7,396,251	₱34,298,524
Receivables and contract assets	8,882,244	4,163,605	276,183	21,934,929	1,870,722	2,807,392	-	2,114,809	464,635	42,514,519
Inventories	1,384,068	8,749,403	83,308	50,758,549	3,227,899	725,906	-	2,305,013	-	67,234,146
Investment in associates and joint venture	58,379	-	-	3,746,828	-	-	-	-	20,470,067	24,275,274
Fixed assets**	2,397,542	8,792,125	4,832,564	1,345,095	30,021,716	8,771,709	-	27,334,457	3,863	83,499,071
Others	8,050,420	1,365,647	1,259,906	6,889,619	851,862	1,125,849	-	16,878,570	68,544	36,490,417
	₱25,128,853	₱28,273,831	₱7,300,286	₱94,362,627	₱40,236,216	₱14,005,786	₱-	₱50,600,992	₱28,403,360	₱288,311,951
Segment Liabilities										
Contract liabilities	₱9,232,863	₱444,519	₱45,582	₱14,632,619	₱36,818	₱-	₱-	₱161,312	₱-	₱24,553,713
Short-term and long-term debt	357,222	502,869	900,000	35,103,629	2,131,876	5,547,436	-	23,583,190	-	68,126,222
Others	7,076,305	8,137,348	2,058,391	11,673,547	2,563,485	2,398,579	-	11,937,393	149,671	45,994,719
	₱16,666,390	₱9,084,736	₱3,003,973	₱61,409,795	₱4,732,179	₱7,946,015	₱-	₱35,681,895	₱149,671	₱138,674,654
Other disclosures										
Property, plant and equipment additions (Note 13)	₱667,562	₱5,740,494	₱847,571	₱224,766	₱901,676	₱1,517,322	₱-	₱677,561	₱1,305	₱10,578,257
Acquisition of land for future development (Note 8)	-	-	-	42,519	-	-	-	-	-	42,519

*Revenue from construction segment includes sales and service revenue from Wire Rope.

**Includes property, plant and equipment, investment properties and exploration and evaluation assets



Year ended December 31, 2023

	Construction and Others*	Coal Mining	Nickel Mining	Real Estate Development	Power On-Grid	Power Off-Grid	Water	Parent Company	Total
Revenue	₱17,115,169	₱51,633,898	₱3,386,352	₱18,587,311	₱24,692,254	₱7,414,130	₱-	₱-	₱122,829,114
Equity in net earnings of associates and joint ventures	-	-	-	64,218	-	-	2,081,159	-	2,145,377
Other income (expense)	92,925	46,117	88,662	2,281,556	512,349	1,816	-	2,048	3,025,473
	17,208,094	51,680,015	3,475,014	20,933,085	25,204,603	7,415,946	2,081,159	2,048	127,999,964
Cost of sales and services (before depreciation and amortization)	14,397,982	19,373,344	1,019,055	12,483,302	6,684,508	4,834,588	-	-	58,792,779
Government share (Note 25)	-	10,682,608	-	-	-	-	-	-	10,682,608
Operating expense (before depreciation and amortization)	616,603	810,109	979,160	2,996,697	3,176,211	1,097,496	-	88,331	9,764,607
	15,014,585	30,866,061	1,998,215	15,479,999	9,860,719	5,932,084	-	88,331	79,239,994
EBITDA	2,193,509	20,813,954	1,476,799	5,453,086	15,343,884	1,483,862	2,081,159	(86,283)	48,759,970
Other income (expenses)									
Finance income (cost) (Notes 26 and 27)	(20,401)	674,801	(9,599)	467,813	(78,965)	(153,467)	-	144,853	1,025,035
Depreciation and amortization (Notes 24 and 25)	(714,994)	(3,905,337)	(627,735)	(299,810)	(2,832,417)	(247,495)	-	(2,541)	(8,630,329)
Pretax income	1,458,114	17,583,418	839,465	5,621,089	12,432,502	1,082,900	2,081,159	56,029	41,154,676
Provision for income tax (Note 29)	202,688	107,342	212,616	1,604,847	2,036,633	124,170	-	29,466	4,317,762
Net income	₱1,255,426	₱17,476,076	₱626,849	₱4,016,242	₱10,395,869	₱958,730	₱2,081,159	₱26,563	₱36,836,914
Net income attributable to noncontrolling-interests	18,989	7,800,699	(28,403)	-	4,323,257	-	-	-	12,114,542
Net income attributable to equity holders of the Parent Company	₱1,236,437	₱9,675,377	₱655,252	₱4,016,242	₱6,072,612	₱958,730	₱2,081,159	₱26,563	₱24,722,372
Segment Assets									
Cash	₱4,576,539	₱12,130,515	₱852,807	₱4,360,494	₱6,854,481	₱214,436	₱-	₱3,168,806	₱32,158,078
Receivables and contract assets	9,965,045	6,339,750	122,881	31,241,510	2,843,413	2,889,341	-	6,647	53,408,587
Inventories	1,095,736	11,248,443	121,129	51,333,502	3,287,545	815,850	-	-	67,902,205
Investment in associates and joint venture	58,939	-	-	1,329,618	-	-	-	17,703,076	19,091,633
Fixed assets**	2,269,335	6,907,750	4,627,828	1,527,555	31,265,029	7,663,403	-	5,153	54,266,053
Others	7,472,098	1,359,213	1,101,068	8,044,486	1,834,805	1,292,992	-	64,005	21,168,667
	₱25,437,692	₱37,985,671	₱6,825,713	₱97,837,165	₱46,085,273	₱12,876,022	₱-	₱20,947,687	₱247,995,223
Segment Liabilities									
Contract liabilities	₱8,689,677	₱520,983	₱-	₱10,140,345	₱-	₱-	₱-	₱-	₱19,351,005
Short-term and long-term debt	353,269	725,661	350,000	37,374,456	5,999,489	4,666,447	-	-	49,469,322
Others	7,325,756	12,223,354	1,824,992	14,756,659	2,676,443	2,771,430	-	159,112	41,737,746
	₱16,368,702	₱13,469,998	₱2,174,992	₱62,271,460	₱8,675,932	₱7,437,877	₱-	₱159,112	₱110,558,073
Other disclosures									
Property, plant and equipment additions (Note 13)	₱210,976	₱4,043,703	₱206,936	₱321,143	₱398,264	₱712,456	₱-	₱1,289	₱5,894,776
Acquisition of land for future development (Note 8)	-	-	-	452,321	-	-	-	-	452,321

*Revenue from construction segment includes sales and service revenue from Wire Rope.

**Includes property, plant and equipment, investment properties and exploration and evaluation assets



35. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise interest-bearing loans and borrowings. The main purpose of these financial instruments is to raise financing for its operations and capital expenditures. The Group also has various significant other financial assets and liabilities, such as receivables and payables which arise directly from its operations.

The main risks arising from the use of financial instruments are liquidity risk, market risk and credit risk. The Group's BOD reviews and approves policies for managing each of these risks and they are summarized below.

a. Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations.

A significant part of the Group's financial assets that are held to meet the cash outflows include cash equivalents and accounts receivables. Although accounts receivables are contractually collectible on a short-term basis, the Group expects continuous cash inflows. In addition, although the Group's short-term deposits are collectible at a short notice, the deposit base is stable over the long term as deposit rollovers and new deposits can offset cash outflows.

Moreover, the Group considers the following as mitigating factors for liquidity risk:

- It has available lines of credit that it can access to answer anticipated shortfall in sales and collection of receivables resulting from timing differences in programmed inflows and outflows.
- It has very diverse funding sources.
- It has internal control processes and contingency plans for managing liquidity risk. Cash flow reports and forecasts are reviewed on a weekly basis in order to quickly address liquidity concerns. Outstanding trade receivables are closely monitored to avoid past due collectibles.
- The Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both on-shore and off-shore which is included in the Group's corporate planning for liquidity management.



The following table summarizes the maturity profile of the Group's financial assets and financial liabilities as of December 31, 2025 and 2024, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments.

	2025				Total
	Within 1 year	Beyond 1 year up to 2 years	Beyond 2 years up to 3 years	Beyond 3 years	
Financial assets at amortized cost					
Cash and cash equivalents	₱29,077,896	₱–	₱–	₱–	₱29,077,896
Receivables - gross					
Trade:					
Electricity sales	6,290,586	–	–	–	6,290,586
General construction	3,021,656	2,183,800	34,592	279,423	5,519,471
Real estate	3,106,810	–	–	–	3,106,810
Cement	866,541	–	–	–	866,541
Nickel mining	304,731	–	–	–	304,731
Coal mining	250,134	–	–	–	250,134
Merchandising and others	86,505	–	–	–	86,505
Receivables from related parties	2,892,643	–	–	–	2,892,643
Other receivables	4,864,802	–	–	–	4,864,802
Other assets					
Refundable deposits	167,770	649,313	1,293	35,706	854,082
Deposit in escrow fund	337,813	–	–	–	337,813
	51,267,887	2,833,113	35,885	315,129	54,452,014
Other Financial Liabilities					
Short-term debt**	6,076,900	–	–	–	6,076,900
Accounts and other payables**	30,182,336	–	–	–	30,182,336
Liabilities for purchased land	632,575	396,836	7,111	103,492	1,140,014
Long-term debt*	20,615,918	13,112,886	12,191,566	42,649,792	88,570,162
Total undiscounted financial liabilities	57,507,729	13,509,722	12,198,677	42,753,284	125,969,412
Liquidity gap	(₱6,239,842)	(₱10,676,609)	(₱12,162,792)	(₱42,438,155)	(₱71,517,398)

*Including future interest payment.
**Excluding nonfinancial liabilities.

	2024				Total
	Within 1 year	Beyond 1 year up to 2 years	Beyond 2 years up to 3 years	Beyond 3 years	
Financial assets at amortized cost					
Cash and cash equivalents	₱34,298,524	₱–	₱–	₱–	₱34,298,524
Receivables - gross					
Trade:					
Electricity sales	6,670,362	–	–	–	6,670,362
Real estate	4,188,769	–	–	–	4,188,769
General construction	1,428,557	2,052,473	150,760	83,659	3,715,449
Coal mining	1,215,282	–	–	–	1,215,282
Cement	821,841	–	–	–	821,841
Nickel mining	244,628	–	–	–	244,628
Merchandising and others	117,365	–	–	–	117,365
Receivables from related parties	2,105,193	–	–	–	2,105,193
Other receivables	6,457,373	404	–	16,607	6,474,384
Other assets					
Refundable deposits	225,784	472,634	3,532	31,210	733,160
Deposit in escrow fund	528,911	–	–	–	528,911
	58,302,589	2,525,511	154,292	131,476	61,113,868
Other Financial Liabilities					
Short-term debt**	4,571,277	–	–	–	4,571,277
Accounts and other payables**	24,276,410	–	–	–	24,276,410
Liabilities for purchased land	532,240	406,438	7,111	133,570	1,079,359
Long-term debt*	12,252,676	13,171,904	24,349,903	40,136,327	89,910,810
Total undiscounted financial liabilities	41,632,603	13,578,342	24,357,014	40,269,897	119,837,856
Liquidity gap	₱16,669,986	(₱11,052,831)	(₱24,202,722)	(₱40,138,421)	(₱58,723,988)

*Including future interest payment.
**Excluding nonfinancial liabilities.



b. *Market Risk*

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

The sensitivity analyses have been prepared on the following bases:

- Equity price risk - movements in equity indices
- Market price risk - movements in one-year historical coal prices
- Interest rate risk – movement in market interest rate on unsecured bank loans
- Foreign currency risk - yearly movement in the foreign exchange rates

The assumption used in calculating the sensitivity analyses of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at December 31, 2025 and 2024.

c. *Equity Price Risk*

The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as Equity investment designated at FVOCI.

Quoted securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each industry or sector.

The analyses below are performed for reasonably possible movements in the Philippine Stock Exchange (PSE) index for quoted shares and other sources for golf and club shares with all other variables held constant, showing the impact on equity:

	Change in variable		Effect on equity (Other comprehensive income)	
	2025	2024	2025	2024
PSE	-18.93%	-20.29%	(P126)	(P13,580)
	+18.93%	+20.29%	126	13,580
Others	+1.67%	+30.88%	11	20,670
	-1.67%	-30.88%	(11)	(20,670)

The sensitivity analyses shown above are based on the assumption that the movement in PSE composite index and other quoted equity securities will be most likely be limited to an upward or downward fluctuation of 18.93% and 1.67% in 2025 and 20.29% and 30.88% in 2024, respectively.

The Group, used as basis of these assumptions, the annual percentage change in PSE composite index and annual percentage change of quoted prices as obtained from published quotes of golf and club shares.

The impact of sensitivity of equity prices on the Group's equity excludes the impact on transactions affecting the consolidated statements of income.



d. *Commodity Price Risk*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Coal

The price that the Group can charge for its coal is directly and indirectly related to the price of coal in the world coal market. In addition, as the Group is not subject to domestic competition in the Philippines, the pricing of all of its coal sales is linked to the price of imported coal. World thermal coal prices are affected by numerous factors outside the Group's control, including the demand from customers which is influenced by their overall performance and demand for electricity. Prices are also affected by changes in the world supply of coal and may be affected by the price of alternative fuel supplies, availability of shipping vessels as well as shipping costs.

As the coal price is reset on a periodic basis under coal supply agreements, this may increase its exposure to short-term coal price volatility.

There can be no assurance that world coal prices will be sustained or that domestic and international competitors will not seek to replace the Group in its relationship with its key customers by offering higher quality, better prices or larger guaranteed supply volumes, any of which would have a materially adverse effect on the Group's profits.

To mitigate this risk, the Group continues to improve the quality of its coal and diversify its market from power industry, cement industry, other local industries and export market. This will allow flexibility in the distribution of coal to its target customers in such manner that minimum target average price of its coal sales across all its customers will still be achieved. Also, in order to mitigate any negative impact resulting from price changes, it is the Group's policy to set minimum contracted volume for customers with long term supply contracts for each given period (within the duration of the contract) and pricing is negotiated on a monthly basis to even out the impact of any fluctuation in coal prices, thus, protecting its target margin. The excess volumes are allocated to spot sales which may command different price than those contracted already since the latter shall follow pricing formula per contract.

Nevertheless, on certain cases temporary adjustments on coal prices with reference to customers following a certain pricing formula are requested in order to recover at least the cost of coal if the resulting price is abnormally low vis-à-vis cost of production (i.e., abnormal rise in cost of fuel, foreign exchange).

Below are the details of the Group's coal sales to the domestic market and to the export market (as a percentage of total coal sales volume):

	2025	2024
Owned Plants*	29.8%	24.9%
Domestic market	24.6%	23.9%
Export market	45.6%	51.2%
	100%	100%

*Sales to Owned Plants are eliminated in the consolidated financial results.



The following table shows the effect on income before income tax should the change in the prices of coal occur based on the inventory of the Group as of December 31, 2025 and 2024 with all other variables held constant. The change in coal prices used in the simulation assumes fluctuation from the lowest and highest price based on 1-year historical price movements in 2025 and 2024.

Change in coal price	Effect on income before income tax	
	2025	2024
<i>Based on ending coal inventory</i>		
Increase by 495% in 2025 and 62% in 2024	₱1,731,419	₱290,758
Decrease by 495% in 2025 and 62% in 2024	(1,731,419)	(290,758)
<i>Based on coal sales volume</i>		
Increase by 40% in 2025 and 64% in 2024	₱6,687,317	₱4,779,123
Decrease by 40% in 2025 and 64% in 2024	(6,687,317)	(4,779,123)

e. *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt.

The following table demonstrates the sensitivity of the Group's income before income tax and equity to a reasonably possible change in interest rates, with all variables held constant, through the impact on floating rate borrowings:

	2025		
	Change in basis points	Effect on income before income tax	
		Effect on equity	
Peso floating rate borrowings	+100 bps	(₱365,982)	(₱274,486)
	-100 bps	365,982	274,486
2024			
	Change in basis points	Effect on income before income tax	
		Effect on equity	
Peso floating rate borrowings	+100 bps	(₱329,812)	(₱247,359)
	-100 bps	329,812	247,359

The sensitivity analyses shown above are based on the assumption that the interest movements will be more likely be limited to hundred basis points upward or downward fluctuation in both 2025 and 2024. The forecasted movements in percentages of interest rates used were derived based on the Group's historical changes in the market interest rates on unsecured bank loans.



f. *Foreign Currency Risk*

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's currency risks arise mainly from cash and cash equivalents, receivables, accounts and other payable, short-term loans and long-term loans of the Group which are denominated in a currency other than the Group's functional currency. The effect on the Group's consolidated statements of income is computed based on the carrying value of the floating rate receivables as at December 31, 2025 and 2024.

The following tables demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's income before income tax (due to changes in the fair value of monetary assets and liabilities):

	Increase (decrease) in foreign currency rate		Effect on income before income tax (in PHP)	
	2025	2024	2025	2024
US Dollar ¹	+0.21%	+0.14%	(P2,388)	(P881)
	-0.21%	-0.14%	2,388	881
Japanese Yen ²	+1.73%	+5.69%	939	3,848
	-1.73%	-5.69%	(939)	(3,848)
UK Pounds ³	+1.3%	+3.46%	5	11
	-1.30%	-3.46%	(5)	(11)
E.M.U. Euro ⁴	+2.26%	+5.19%	1,104	(1,431)
	-2.26%	-5.19%	(1,104)	1,431

1. The exchange rates used were P58.81 to \$1 and P58.1 to \$1 for the year ended December 31, 2025 and 2024, respectively.

2. The exchange rates used were P0.38 to ¥1 and P0.37 to ¥1 for the year ended December 31, 2025 and 2024, respectively.

3. The exchange rates used were P79.41 to £1 and P72.43 to £1 for the year ended December 31, 2025 and 2024, respectively.

4. The exchange rates used were P69.25 to €1 and P59.92 to €1 for the year ended December 31, 2025 and 2024, respectively.

Information on the Group's foreign currency-denominated monetary assets and liabilities and their Philippine Peso equivalents as of December 31, 2025 and 2024 follows:

2025

	U.S. Dollar	Japanese Yen	UK Pounds	E.M.U Euro	Equivalent in PHP
Financial assets					
Cash and cash equivalents	\$18,938	¥117,731	£5	€326	P1,180,938
Receivables	20,838	26,845	—	381	1,261,952
	39,776	144,576	5	707	2,442,890
Financial liabilities					
Accounts payable and accrued expenses	(58,689)	—	—	—	(3,451,500)
Lease Liability	(517)	—	—	—	(30,405)
	(59,206)	—	—	—	(3,481,905)
	(\$19,430)	¥144,576	£5	€707	(P1,039,015)



2024

	U.S. Dollar	Japanese Yen	UK Pounds	E.M.U Euro	Equivalent in PHP
Financial assets					
Cash and cash equivalents	\$32,644	¥156,519	£4	€564	₱1,985,677
Receivables	20,929	26,845	–	381	1,246,771
	<u>53,573</u>	<u>183,364</u>	<u>4</u>	<u>945</u>	<u>3,232,448</u>
Financial liabilities					
Accounts payable and accrued expenses	(64,605)	–	–	(1,405)	(3,831,884)
Lease Liability	(3,622)	–	–	–	(210,112)
	<u>(68,227)</u>	<u>–</u>	<u>–</u>	<u>(1,405)</u>	<u>(4,041,996)</u>
	<u>(\$14,654)</u>	<u>¥183,364</u>	<u>£4</u>	<u>(€460)</u>	<u>(₱809,548)</u>

The effect on the Group's income before tax is computed on the carrying value of the Group's foreign currency denominated financial assets and liabilities as at December 31, 2025 and 2024.

g. *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's maximum exposure to credit risk for the components of the consolidated statements of financial position at December 31, 2025 and 2024 is the carrying amounts except for real estate receivables. The Group's exposure to credit risk arises from default of the counterparties which include certain financial institutions, real estate buyers, subcontractors, suppliers and various electric companies. Credit risk management involves dealing only with recognized, creditworthy third parties. It is the Group's policy that all counterparties who wish to trade on credit terms are subject to credit verification procedures. The Treasury Department's policy sets a credit limit for each counterparty. In addition, receivable balances are monitored on an ongoing basis. The Group's financial assets are not subject to collateral and other credit enhancement except for real estate receivables. As of December 31, 2025 and 2024, the Group's exposure to bad debts is significant for the power on-grid segment and those with doubtful of collection had been provided with allowance as discussed in Note 6.

Real estate contracts

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored.

The Group uses vintage analysis approach to calculate ECLs for real estate receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability of default model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.



The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6. Title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another CTS to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default (i.e., recovery rate is more than 100%). The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The repossessed lots and residential houses are recorded back to inventory at cost under the “Real estate inventories” account and are held for sale in the ordinary course of business. The total of these inventories amounts to ₱1,890.73 million and ₱2,006.65 million as at December 31, 2025 and 2024, respectively. The Group performs certain repair activities on the said repossessed assets in order to put their condition at a marketable state. Costs incurred in bringing the repossessed assets to its marketable state are included in their carrying amounts.

Electricity sales

The Group earns substantially all of its revenue from bilateral contracts, WESM and from various electric companies. WESM and the various electric companies are committed to pay for the energy generated by the power plant facilities.

Under the current regulatory regime, the generation rate charged by the Group to WESM is determined in accordance with the WESM Price Determination Methodology (PDM) approved by the ERC and are complete pass-through charges to WESM. PDM is intended to provide the specific computational formula that will enable the market participants to verify the correctness of the charges being imposed. Likewise, the generation rate charged by the Group to various electric companies is not subject to regulations and are complete pass-through charges to various electric companies.

Impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Coal mining and nickel mining

The Group evaluates the financial condition of the local customers before deliveries are made to them. On the other hand, export sales are covered by sight letters of credit issued by foreign banks subject to the Group’s approval, hence, mitigating the risk on collection.

The Group generally offers 80% of coal delivered payable within 30 days upon receipt of billing and the remaining 20% payable within 15 days after receipt of final billing based on final analysis of coal delivered.



Impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

General construction

The credit risk for construction receivables is mitigated by the fact that the Group can resort to carry out its contractor's lien over the project with varying degrees of effectiveness depending on the jurisprudence applicable on location of the project. A contractor's lien is the legal right of the Group to take over the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects in progress is usually higher than receivables from and future commitments with the project owners. Trade and retention receivables from project owners are normally high standard because of the creditworthiness of project owners and collection remedy of contractor's lien accorded contractor in certain cases.

Cement Manufacturing

The Group has developed policies for the authorization of credit to customers. The exposure to credit risk is monitored constantly according to the behavior of payment of the debtors. Credit is assigned on a customer-by-customer basis and is subject to assessments which consider the customers' payment capacity, as well as past behavior regarding due dates, balances past due and delinquent accounts. In cases deemed necessary, the Group requires cash bonds from its customers and financial counterparties with regard to financial assets, which can be called upon if the counterparty is in default under the terms of the agreement. The Group has established a policy which analyzes the creditworthiness of each new client individually before offering the general conditions of payment terms and delivery, and the review includes external ratings, when references are available, and in some cases bank references. Threshold of credit limits are established for each client, which represent the maximum credit amount that requires different levels of approval. Customers who do not meet the levels of solvency requirements imposed by the Group can only carry out transactions by paying cash in advance.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

Generally, trade receivables are written off when deemed unrecoverable and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

With respect to the credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks that have proven track record in financial soundness.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.



The tables below present the summary of the Group's exposure to credit risk as of December 31 and show the credit quality of the assets by indicating whether the assets are subjected to the 12-month ECL or lifetime ECL.

	2025			Total
	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL Credit impaired	
Cash in bank and cash equivalents*	₱29,037,599	₱-	₱-	₱29,037,599
Receivables				
Trade				
Electricity sales	–	4,608,852	1,681,734	6,290,586
General construction	–	5,519,471	–	5,519,471
Real estate	–	3,106,810	–	3,106,810
Cement sales	–	744,918	121,623	866,541
Nickel mining	–	304,731	–	304,731
Coal mining	–	237,927	12,207	250,134
Merchandising and others	–	86,505	–	86,505
Receivable from related parties	–	2,892,643	–	2,892,643
Other receivables	–	4,612,242	252,560	4,864,802
Refundable deposits	854,082	–	–	854,082
Deposit in escrow funds	337,813	–	–	337,813
Total	₱30,229,494	₱22,114,099	₱2,068,124	₱54,411,717

*Excludes cash on hand amounting to ₱40,297

The Group did not accrue any interest income on impaired financial assets.

	2024			Total
	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL Credit impaired	
Cash in bank and cash equivalents*	₱34,249,521	₱-	₱-	₱34,249,521
Receivables				
Trade				
Electricity sales	–	5,021,368	1,648,994	6,670,362
Real estate	–	4,188,769	–	4,188,769
General construction	–	3,715,449	–	3,715,449
Coal mining	–	1,173,354	41,928	1,215,282
Cement sales	–	732,831	89,010	821,841
Nickel mining	–	244,628	–	244,628
Merchandising and others	–	117,365	–	117,365
Receivable from related parties	–	2,105,193	–	2,105,193
Other receivables	–	6,268,864	205,520	6,474,384
Refundable deposits	733,160	–	–	733,160
Deposit in escrow funds	528,911	–	–	528,911
Total	₱35,511,592	₱23,567,821	₱1,985,452	₱61,064,865

*Excludes cash on hand amounting to ₱49,003

Fair Value of Financial Instruments

The table below presents a comparison by category of carrying amounts and estimated fair values of all the Group's financial instruments as of December 31, 2025 and 2024:

	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortized cost				
Cash and cash equivalents				
Cash in banks	₱8,501,225	₱8,501,225	₱12,769,838	₱12,769,838
Cash equivalents	20,536,374	20,536,374	21,479,683	21,479,683

(Forwards)



	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Receivables - net				
Trade				
Electricity sales	₱4,608,852	₱4,608,852	₱5,021,368	₱5,021,368
General construction	5,519,471	5,519,471	3,715,449	3,715,449
Real estate	3,106,810	3,106,810	4,188,769	4,188,769
Cement	744,918	744,918	732,831	732,831
Nickel mining	304,731	304,731	244,628	244,628
Coal mining	237,927	237,927	1,173,354	1,173,354
Merchandising and others	86,505	86,505	117,365	117,365
Receivable from related parties	2,892,643	2,892,643	2,105,193	2,105,193
Other receivables	4,612,242	4,612,242	6,268,864	5,734,605
Refundable deposits	854,082	854,082	733,160	733,160
Deposit in escrow fund	337,813	337,813	528,911	528,911
	23,305,994	23,305,994	24,829,892	24,295,633
Equity investment designated at FVOCI				
Quoted securities	297,114	297,114	294,830	294,830
Unquoted securities	2,177	2,177	2,177	2,177
	299,291	299,291	297,007	297,007
	₱23,605,285	₱23,605,285	₱25,126,899	₱24,592,640
Other Financial Liabilities				
Accounts and other payables*	₱30,182,336	₱30,182,336	₱24,276,410	₱24,276,410
Liabilities for purchased land	1,140,014	1,043,999	1,079,359	1,013,086
Short-term and long-term debt	66,306,847	60,231,460	68,126,222	60,689,635
	₱97,629,197	₱91,457,795	₱93,481,991	₱85,979,131

*Excludes liabilities to the government

Financial assets

The fair values of cash and cash equivalents and receivables approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

Refundable deposits are carried at cost since these are mostly deposits to a utility company as a consequence of its subscription to the electricity services of the said utility company needed for the Group's residential units.

Financial liabilities

The fair values of accounts and other payables and accrued expenses and payables to related parties approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

Estimated fair value of long-term fixed rate loans and liabilities for purchased land are based on the discounted value of future cash flows using the applicable rates for similar types of loans with maturities consistent with those remaining for the liability being valued. For floating rate loans, the carrying value approximates the fair value because of recent and regular repricing (quarterly) based on market conditions.

The discount rates used for long-term debt range from 0.94% to 5.78% and 4.88% to 4.97% in 2025 and 2024, respectively. The discount rates used for liabilities for purchased land range from 6.10% to 6.18% in 2025 and 6.10% to 6.18% in 2024.

Fair values of receivables, long-term debt, liabilities for purchased land and investment properties are based on level 3 inputs while that of quoted Equity investment designated at FVOCI and financial assets at FVTPL are from Level 1 inputs.



36. Contingencies and Commitments

a. Effectivity of Revenue Regulations (RR) 1-2018

On January 5, 2018, RR 1-2018 took effect pursuant to the effectivity of the Tax Reform for Acceleration and Inclusion (TRAIN) law beginning January 1, 2018. Among others, the new tax law raised the excise tax rates on domestic and imported coal from ₱10.0 per metric ton (MT) to ₱50.0 per MT in the first year of implementation, ₱100.0/MT in the second year, and ₱150.0/MT in the third and succeeding years. Based also on the RR, coal produced under coal operating contracts entered into by the Government pursuant to PD No. 972, as well as those exempted from excise tax on mineral products under other laws, shall now be subject to the applicable rates beginning January 1, 2018.

On February 21, 2018, the Group requested for a clarification on this with the tax bureau and submitted a supplemental letter explaining why the excise tax provisions on coal under the TRAIN law will not apply to the Group under the terms and conditions of its COC with the DOE. In response, on December 17, 2018, Revenue Memorandum Circular (RMC) No. 105-2018 was issued, clarifying the payment of excise tax on domestic coal sales and specifically identifying the Group as merely a collecting agent (the Group collected from customers and remitted to the tax bureau). The RMC did not provide for the excise tax treatment of export coal sales (per RMC, this will be tackled in a separate revenue memorandum issuance), but management believes that the Group is similarly not liable for this under the terms of its existing COC. Given this, management believes that both the timing and the amount of excise tax on exported coal that will be due from the Group, if any, are uncertain as of December 31, 2025 and 2024 and will only be confirmed when the said issuance will be issued by the tax bureau.

b. Tax Case on Fuel Importation

On June 5, 2025, SMPC filed a Complaint for Injunction with an application for a Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction to prevent the Department of Finance (DOF), Bureau of Internal Revenue (BIR), and Bureau of Customs (BOC) from enforcing a unilateral withdrawal of SMPC's long-standing exemptions from tariff duties, compensating tax, and fuel-marking fees. These exemptions are expressly granted under Coal Operating Contract (COC) No. 5, executed pursuant to Presidential Decree (PD) No. 972, and have been consistently recognized by the government for decades.

The case is entitled "*Semirara Mining and Power Corporation (SMPC) vs. Hon. Ralph Gonzales Recto, in his capacity as Secretary of the Department of Finance (DOF); Hon. Romeo D. Lumagui, Jr., in his capacity as Commissioner of the Bureau of Internal Revenue (BIR); and Hon. Bienvenido Y. Rubio, in his capacity as Commissioner of the Bureau of Customs (BOC)*", and docketed as Civil Case No. R-MKT-25-01180-CV pending before the Regional Trial Court of Makati City, Branch 234.

The issue stemmed from a BIR Opinion dated April 30, 2025, which erroneously suggested that PD No. 972 was effectively repealed by Republic Act No. 11534 or the CREATE Law. Acting solely on this internal BIR interpretation, the DOF stopped issuing Tax Exemption Indorsements (TEIs) despite SMPC's valid Tax Exemption Certificates (TECs) issued by the Department of Energy (DOE).



SMPC's position rests on clear and well-established legal grounds:

- COC No. 5 is a valid and subsisting contract between SMPC and the DOE.
- The DOE, as the contracting party and SMPC's main government regulator fully supports SMPC's position, has not amended the fiscal regime of the contract, and continues to issue TECs in favor of SMPC.
- The Non-Impairment Clause of the Constitution protects SMPC's vested tax and tariff exemptions. The actions of the DOF violate SMPC's constitutional right.
- Neither the CREATE Law (RA 11534) nor CREATE MORE (RA 12066) contains any express or implied repeal of PD No. 972.
- The BIR Opinion is unilateral, without statutory basis, and constitutes an ultra vires act impairing a government contract.
- The exemptions under PD No. 972 are integral to the State's policy of encouraging coal development and ensuring national energy security.

Recognizing the merits and urgency of SMPC's petition, the RTC Makati issued a Temporary Restraining Order on June 17, 2025. SMPC's position was supported by the DOE in a formal letter to the DOF dated July 4, 2025, expressly stating that:

- coal operators remain exempt from tariff duties and compensating tax under Section 16(b) of PD No. 972; and
- such exemptions are key features of coal operating contracts deliberately crafted to support energy-sector development.

SMPC has submitted this DOE Letter to the trial court as further evidence.

RTC Makati subsequently issued a Writ of Preliminary Injunction on August 6, 2025 effectively directing the DOF, BIR, and BOC to refrain from implementing the withdrawal of fiscal incentives under PD No. 972. It further denied the respondents' Motion for Reconsideration.

Following the RTC's denial of the respondents' Motion for Reconsideration, the BIR elevated the matter to the Court of Tax Appeals (CTA) by filing, on December 12, 2025, a Petition for Certiorari and Prohibition with an urgent prayer for the issuance of a Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction. The Petition seeks to nullify the RTC Orders and to restrain the RTC from further proceeding with the case.

While a copy of the Petition was served upon SMPC's external counsel, SMPC itself has not yet been formally served. It is respectfully submitted that service upon external counsel does not constitute proper service upon the company. Accordingly, we believe that the CTA has not yet acquired jurisdiction over SMPC in this matter.

On December 15, 2025, the BIR likewise moved for the suspension of proceedings before the RTC Makati, which the latter granted on January 13, 2026 for a period of ninety (90) days in deference to the CTA. The RTC will resume a status hearing scheduled on April 14, 2026.

To date, the CTA has not taken any significant action on the BIR's application for a TRO/Injunction nor has formally served the Petition to SMPC.



c. Operating Lease Commitment - as a Lessee

SCPC entered an LLA with PSALM for the lease of land where the Power Plant is situated, for the period of 25 years, renewable for another 25 years upon mutual agreement. In 2009, the Group paid US\$3.19 million or its Peso equivalent ₱150.57 million as advance rental for the 25-year land lease.

Provisions of the LLA include that the Group has the option to buy the Option Assets upon issuance of an Option Existence Notice (OEN) by the lessor. Option assets are parcels of land that form part of the leased premises which the lessor offers for sale to the lessee.

SCPC was also required to deliver and submit to the lessor a performance security in the form of Stand-by Letter of Credits. As of December 31, 2023, SBLC issued for this purpose has a value of US\$0.54 million. The Performance Security shall be maintained by SCPC in full force and effect continuously without any interruption until the Performance Security expiration date. The Performance Security initially must be effective for the period of one year from the date of issue, to be replaced prior to expiration every year thereafter and shall at all times remain valid.

On various dates starting in 2010, PSALM issued OENs and granted SCPC the “Option” to purchase parcels of land (Optioned Assets) that form part of the leased premises for which SCPC has availed on selected parcels of land. This also includes the assignment of the option to purchase to the Group/SLPGC and the request to sub-lease a portion of the Calaca Leased Premises to SLPGC for the purpose of constructing and operating a power plant. These requests were approved by PSALM’s Board on February 13, 2012.

On December 27, 2023, PSALM wrote informing SCPC that certain lots with an area of 389,357 square meters may be considered for OEN issuance under the principle of “just cause of exclusive possession”. SCPC, in its letter to PSALM dated January 24, 2024, inquired if an adjustment in the final price of lots can be made since titles have yet to be issued to PSALM and since portions of the lots are submerged in seawater. PSALM replied on January 29, 2024, and reiterated the “as-is-where-is” basis. To date, SCPC has yet to consider whether to accede to the position of PSALM.

Foreshore lease

On December 29, 2011, following the execution of the Deed of Sale on the power plant between PSALM and SCPC, the National Power Corporation (NAPOCOR or “NPC”) transferred its rights over the foreshore lease with the Department of Environment and Natural Resources (DENR) to the Company through an execution of Deed of Assignment in which SCPC unconditionally agrees to assume all rights and obligations under the Foreshore Lease Contract. The Foreshore Lease Contract is entered into between NPC and DENR effective for a period of 25 years starting April 2009.

The lease payments is subject to reappraisal every 10 years. The lease rate for the first 10 years is ₱2.65 million which was reappraised to ₱3.88 million for the next 10 years starting April 2019. Refer to Note 33 for the information and related disclosures.

d. Application for Approval of the ASPA between the Group and NGCP, with Prayer for the Issuance of Provisional Authority



On July 12, 2018, SLPGC and NGCP filed an application for approval of the ASPA, with a prayer for the issuance of provisional authority, docketed as ERC Case No. 2018-074-RC, where NGCP agreed to procure, and SLPGC agreed to supply ancillary services in the form of regulating reserve under a firm and non-firm arrangement and contingency reserve and dispatchable reserve under a non-firm arrangement.

Although the ERC granted interim relief to implement the ASPA in its order dated May 20, 2019, the ERC had disallowed the recovery of the cost of minimum stable load (Pmin) Capacity of 2MW. Subsequently, on September 5, 2019, the ERC resolved to deny SLPGC's Motion for Partial Reconsideration, praying for the recovery of the cost Pmin Capacity of 2 MW, for lack of merit.

On November 22, 2019, SLPGC and NGCP filed their Joint Manifestation with Motion to Withdraw in view of the decision to terminate the ASPA.

While no supply agreement has been secured, the gas turbine plant was used by SLPGC for electricity generation and sale through WESM.

On August 2, 2022, the BOD approved the plan to decommission and sell the gas turbine plant. Following the receipt of all necessary regulatory clearances for disconnection and deregistration, the sale of the asset was finalized on March 27, 2024, with SLPGC receiving full payment upon the transfer of the asset to the buyer.

As of the reporting date, the ERC has yet to formally rule on the Joint Manifestation with Motion to Withdraw. However, SLPGC concludes that this pending administrative action has no material impact on SLPGC's financial position, as the underlying asset has been fully disposed of and the associated ASPA has been terminated.

e. DMCI Joint ventures and consortium agreements

DMCI entered into the following joint venture and consortium agreements:

2017

- *Cebu Link Joint Venture (CLJV)*, unincorporated joint venture between Acciona Construccion S.A, First Balfour, Inc and DMCI and is engaged in Engineering, Procurement and Construction contract related to the concession for the Cebu-Cordova Link Expressway. Corresponding interest of DMCI in CLJV is at 15%.

2018

- *Taisei DMCI Joint Venture (TDJV)*, unincorporated joint venture between Taisei Corporation and DMCI and is engaged to construct the elevated structures, stations and depot of the North-South Commuter Railways Project (Malolos-Tutuban; the Project). Corresponding interest of DMCI in TDJV is at 49%.
- *VA Tech Wabag-DMCI Joint Venture*, unincorporated joint venture between VA Tech Wabag Limited and DMCI and is engaged in the rehabilitation, retrofitting and process improvement of La Mesa Water Treatment Plant 2 Project. The scope of work and allocation of contract price is agreed by the partners in the consortium agreement.



2019

- *Marubeni-DMCI Consortium*, consortium between Marubeni Corporation and DMCI and is engaged for the Procurement of Trackwork, Electrical and Mechanical Systems and Integration with Existing System for LRT 2 - East (Masinag) Extension Project. The scope of work and allocation of contract price is agreed by the partners in the consortium agreement. DMCI was allocated 29% of total contract price.
- *PBD Joint Venture (PBDJV)*, unincorporated joint venture between Prime Metro BMD Corporation and DMCI and is engaged to construct the Solaire Metro North. Corresponding interest of DMCI in PBDJV is at 50%.
- *AA-DMCI Consortium*, consortium between Acciona Agua, S.A and DMCI and is engaged for the design and build of 150 MLD Laguna Lake Water Treatment Plant . The scope of work and allocation of contract price is agreed by the partners in the consortium agreement. DMCI allocated is 60% of total contract price.

2021

- *Acciona DMCI SCRPO2 JV*, unincorporated joint venture between DMCI and Acciona Construction Philippines Inc. to undertake building and civil engineering works for approximately 7.90 km of railway viaduct structure including elevated station at España, Santa Mesa and Paco in relation to DOTr's South Commuter Railway Project. The respective interests of the Parties in the Joint Venture are 65% to Acciona and 35% to DMCI. The Joint Venture was registered with the BIR on June 19, 2023.

2022

- *NCC-DMCI Joint Venture*, unincorporated joint venture between DMCI and Nishimatsu Construction Co., Ltd. The joint venture is registered with the BIR on December 15, 2022 to construct two underground stations (Quezon Avenue and East Avenue) of the Metro Manila Subway Station project of the Department of Transportation (DOTr). The respective interests of the Parties in the Joint Venture are 67% to Nishimatsu and 33% to DMCI.

2023

- On September 20, 2023, DMCI and Nishimatsu Construction Co., Ltd. entered into a joint venture agreement to undertake the construction of the two stations of the Metro Manila Subway project (Kalayaan Avenue and Bonifacio Global City) of the DOTr. The respective interests of the Parties in the Joint Venture are 67% to Nishimatsu and 33% to DMCI. The project has been awarded to the joint venture on October 29, 2025. The respective interests of the Parties in the Joint Venture are 67% to Nishimatsu and 33% to DMCI. The joint venture is expected to begin its mobilization phase by 2026 and no revenue has been recognized for the year. The joint venture was registered with the BIR on January 8, 2026.

f. Others

The Group is a party to certain proceedings and legal cases with other parties in the normal course of business. The ultimate outcome of these proceedings and legal cases cannot be presently determined. Management, in consultation with its legal counsels, believes that it has substantial legal and factual bases for its positions and is currently of the opinion that the final resolution of these claims will not have a material effect on the financial statements.



The Group is also contingently liable with respect to certain taxation matters, lawsuits and other claims which are being contested by management, the outcome of which are not presently determinable. Management believes that the final resolution of these claims will not have a material effect on the Group financial statements. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of pending assessments, lawsuits and claims.

37. Other Matters

a. Electric Power Industry Reform Act (EPIRA)

The Group's operations are governed by Republic Act No. 9136, otherwise known as the EPIRA, and its Implementing Rules and Regulations. Pursuant to Section 30 of the EPIRA, WESM serves as the centralized venue for trading electricity as a commodity.

The WESM is operated by the Independent Electricity Market Operator of the Philippines, Inc. (IEMOP). IEMOP is responsible for the centralized scheduling, dispatch, and settlement of energy transactions in the Luzon, Visayas, and Mindanao grids.

The Group participates in the WESM for the sale of its uncontracted capacity and the purchase of replacement power, where applicable.

The Group remains in compliance with the WESM Rules and Market Manuals. Any enforcement and compliance matters are monitored by Philippine Electricity Market Corporation (PEMC), acting as the governance body, while technical dispatch and reliability standards are overseen by the National Grid Corporation of the Philippines (NGCP) as the System Operator.

b. Environmental Compliance and Sustainability

Philippine Clean Air Act (R.A. 8749)

The Group's thermal power generation facilities are subject to the provisions of R.A. No. 8749, or the Philippine Clean Air Act (PCAA), and its Implementing Rules and Regulations. To ensure compliance with the National Emission Standards for Source Specific Air Pollutants (NESSAP) and Ambient Air Quality Guideline Values, the Group operates a Continuous Emission Monitoring System (CEMS).

The Group's emission data is transmitted in real-time (or periodically as required) to the Department of Environment and Natural Resources – Environmental Management Bureau (DENR-EMB) through an online database system, in compliance with EMB Memorandum Circular No. 2021-14 and other relevant issuances.

Sustainability Reporting Transition

Pursuant to Memorandum Circular No. 16, series of 2025, the Securities and Exchange Commission (SEC) has mandated the adoption of PFRS S1, *General Requirements for Disclosure of Sustainability-related Financial Information* and PFRS S2, *Climate-related Disclosures*, beginning fiscal year 2026. The Group is currently enhancing its internal reporting frameworks to include standardized disclosures of climate-related risks and Greenhouse Gas (GHG) emissions. Management believes the Group is positioned to meet these evolving reporting requirements as they become mandatory.



c. Coal Moratorium Policy

On December 22, 2020, the DOE issued an advisory on the moratorium of endorsements for greenfield coal-fired power projects in line with improving sustainability of the Philippines' electric power industry ("Coal Moratorium Policy"). Pursuant to the Coal Moratorium Policy, the DOE is enjoined from processing applications for greenfield coal-fired power generation facility projects requesting for endorsements. However, explicitly excluded from the Coal Moratorium Policy are existing and operational coal-fired power generation facilities as well as those considered as *i)* committed power projects; *ii)* existing power plant complexes which already have firm expansion plans and existing land site provision; and *iii)* indicative power projects with substantial accomplishments.

On July 19, 2024, the DOE, through its Electric Power Industry Management Bureau, clarified the coverage of the Coal Moratorium Policy and emphasized the exclusion of coal-fired plants that specifically fall under the exceptions. DOE also clarified its ministerial process in operationalizing its Coal Moratorium Policy. It stated that once a request for certification of non-coverage is applied by a project proponent, the DOE ministerially issues a confirmation after verification and in accordance with the guidelines stated in the Coal Moratorium Policy.

d. Competitive Selection Process (CSP)

Pursuant to DOE Circular No. DC2023-06-0021 and ERC Resolution No. 16, Series of 2023, all Distribution Utilities (DUs) are mandated to procure power supply for their captive market through a CSP. This framework ensures transparency and competitive pricing in the execution of Power Supply Agreements (PSAs).

As of December 31, 2025, and 2024, the Group's existing PSAs were entered into in compliance with the CSP guidelines effective at the time of execution. The Group monitors the following regulatory developments related to CSP:

New Procurement Framework

Under the 2023 CSP Policy (which repealed previous circulars from 2015, 2018, and 2021), the Group participates in bidding processes characterized by standardized pre-qualification, transparent evaluation, and ERC-mandated PSA templates.

Emergency Power Supply Agreements (EPSA)

The Group acknowledges the provisions for CSP exemptions in cases of emergency power procurement and direct negotiation, subject to strict ERC price caps and time-limited validity.

Contract Renewals

In accordance with ERC Resolution No. 16 (2023), the Group recognizes that any extension or renewal of expiring PSAs must undergo a fresh CSP, unless specifically exempted under the "Protocol for Negotiated Procurement."

The Group continues to align its business development and bidding strategies with these guidelines to ensure the long-term viability of its power supply contracts and compliance with the National Electrification Administration (NEA) and ERC oversight.



e. Retail Competition and Open Access (RCOA)

Pursuant to Section 31 of the EPIRA, Retail Competition and Open Access (RCOA) allows qualified "Contestable Customers" to choose their electricity suppliers, fostering competition in the retail market.

Omnibus Rules and Current Thresholds

On September 6, 2024, ERC Resolution No. 13, Series of 2024 (Omnibus Rules for Customer Choice Programs in the Retail Market) took effect. This resolution consolidated and streamlined the rules for various customer choice programs, effectively providing a clear regulatory framework following previous legal stay orders.

As of the reporting date, the following programs are active:

Competitive Retail Electricity Market (CREM): Allows end-users with an average monthly peak demand of at least 500kW to voluntarily enter into Retail Supply Contracts (RSCs) with licensed Retail Electricity Suppliers (RES).

Green Energy Option Program (GEOP): Enables end-users with a monthly average peak demand of at least 100kW to source their energy from renewable energy resources.

Retail Aggregation Program (RAP): Permits the joining of two or more end-users within a contiguous area to aggregate their demand to meet the 500kW threshold for contestability.

The Group monitors these programs to identify wholesale supply opportunities for licensed RES and to manage the impact on the competitive landscape.

f. Renewable Portfolio Standards (RPS)

Pursuant to Republic Act No. 9513 (the "Renewable Energy Act of 2008"), the RPS mandates energy sector participants to source a portion of their supply from renewable resources. Compliance is monitored via the Philippine Renewable Energy Market (PREM), where Renewable Energy Certificates (RECs) are issued for every megawatt-hour of generation from eligible RE facilities. While the Group's current portfolio consists of thermal generation assets providing baseload capacity, it continues to monitor RPS developments and the resulting PREM rules for any indirect impact on the long-term contracting environment and dispatch protocols within the Philippine Grid. The Group also remains committed to operational efficiency and grid reliability, providing the critical baseload power necessary to support the intermittency of the growing renewable energy sector.

g. Nickel Sales Agreement

BNC, ZDMC and ZCMCI entered into various sales agreements with different customers to sell and deliver nickel laterite ores. The selling price of the nickel laterite ores depends on its ore grading. The sales agreements are subject to price adjustments depending on the final nickel and moisture content agreed by both parties. In 2025, BNC exported a total of 0.08 million WMT (nil in 2024 and 2023). ZDMC, on the other hand, exported a total of 1.07 million WMT, 1.4 million WMT, and 1.7 million WMT in 2025, 2024 and 2023, respectively, upon lifting of suspension order in 2019. ZCMCI on its first year of operations exported a total of 0.05 million WMT. In 2025, ZCMCI exported a total of 0.78 million WMT.



h. Enhanced Fiscal Regime for Large-Scale Metallic Mining Act or Republic Act No. 12253 (RA 12253)

On September 4, 2025, Republic Act No. (RA) 12253, otherwise known as the “Enhanced Fiscal Regime for Large-Scale Metallic Mining Act”, was signed into law. It took effect 15 days after its complete publication in the Official Gazette and in newspapers of general circulation or September 20, 2025. The Implementing Rules and Regulations (IRR) of RA 12253 were promulgated on December 18, 2025, although the transitory clause provides that large-scale metallic mining contractors and/or operators shall immediately be subject to the fiscal regime provided therein after 150 days from the date of effectivity or February 17, 2026.

RA 12253 applies to large-scale metallic mining operations, or the exploration, development and utilization of metallic minerals under a mineral agreement or Financial or Technical Assistance Agreement (FTAA). Patented mining claims validly located and perfected under the Philippine Bill of L902, which have thereby been segregated from the public domain and vested with private ownership, and which have been expressly excluded from the coverage of any mineral agreement or FTAA, shall not be subject to the taxes imposed under Section 15L-A of the National Internal Revenue Code, as amended by RA 12253, except as may be otherwise determined by the Supreme Court of Philippines.

The following, among others, are the salient provisions of RA 12253:

- Income from metallic mining operations is defined as gross output less deductions directly attributable to mining operations, which include:
 - Mining, milling, transporting, and handling expenses together with smelting and refining costs incurred, which refer to ordinary and necessary costs incurred in the extraction and processing of minerals;
 - General and administrative expenses actually incurred by the metallic mining contractor or operator;
 - Environmental expenses of the metallic mining contractor or operator;
 - Expenses for the development of host and neighboring communities and of geosciences and mining technology;
 - Lease and royalty payments which shall refer to necessary payments made by the contractor or operator to claim owners, or surface landowners, and/or Indigenous Cultural Community or Indigenous People relating to the contract area during the operating period;
 - Continuing exploration and development expenses, which shall refer to costs incurred within the contract area after the pre-operating period for further exploration and development of the mining project;
 - Interest expenses which shall refer to amounts paid or incurred on loans that are necessary for mining operations, subject to the financing requirement under the mineral agreement or FTAA, provided that interest incurred on related-party debts of metallic mining contractors or operators, in excess of a quarterly related-party debt-to-equity ratio of 2:1 at any time during a taxable year shall not be allowed as a deduction under Section 3a(B) of the Tax Code, as amended;
 - Depreciation, depletion, or amortization, which shall refer to deductions representing the systematic allocation of the cost of tangible and intangible mining assets over their useful life or productive period; and
 - Duties, fees, charges, and taxes, which shall refer to compulsory payments imposed under existing laws and regulations, other than royalty as provided in this Section 151-A and the windfall profits tax under Section 151-B of the Tax Code, as amended.



- Margin, for purposes of calculating the royalty tax, is defined as the ratio of income from large-scale metallic mining operations to gross output while for purposes of calculating the windfall profits tax, 'windfall' or 'margin' is defined as the ratio of 'net income from large-scale metallic mining operations' to gross output.
- Royalty of 5% on the gross output of the minerals or mineral products extracted or produced by large-scale metallic mineral operations within mineral reservations.
- Margin-based royalty ranging from 1% to 5% on income of large-scale metallic operations outside mineral reservations. If the margin of large-scale metallic mining operations outside mineral reservations is less than or equal to 0%, a minimum royalty of 1/10 of 1% of the gross output of the minerals or mineral products extracted or produced shall be imposed
- Large-scale metallic mining operations shall be subject to a windfall profits tax on net income from metallic mining operations. The windfall profits tax rate is based on margin and ranges from 1% to 10%. For purposes of calculating the windfall profits tax, windfall or margin refers to the ratio of net income from large-scale metallic mining operations to gross output except that allowable tax deductions shall include corporate income tax and royalty tax. Further, for the purpose of computing the windfall or margin, the optional standard deduction shall not be used. The windfall profits tax shall not be deductible from taxable income as defined in Section 31 of the Code.
- For purposes of computing and paying the royalty tax and windfall profits tax, the following shall be treated as a separate taxable entity:
 - A metallic mining contractor, with respect to each mineral agreement or FTAA that it holds and/or operates
 - Where there is more than one (1) valid mining operator under the same mineral agreement or FTAA, each mining operator shall be deemed a separate taxable entity for its respective mining operations under each mineral agreement or FTAA
- The fiscal regime and revenue-sharing arrangement provided under RA 12253 shall accordingly be embodied, as appropriate, in the mineral agreements and FTAA on metallic mineral production entered into by the Philippines government. This fiscal regime and revenue-sharing arrangement shall continue to be in force and effect for the entire duration of the contracts so entered and executed after the enactment of RA 12253. Valid mineral agreements and FTAA existing prior to the effectivity of the IRR shall continue to be governed by their respective terms and conditions until the expiration of their periods, except if said agreements provide that terms and conditions resulting from the repeal or amendment of existing laws or regulations or from the enactment of new laws or regulations shall be considered written into and part of said mineral agreements and FTAAAs.

As of March 16, 2026, the revenue regulations implementing changes to the Tax Code, as amended by RA 12253, have not yet been issued by the Bureau of Internal Revenue (BIR).

RA 12253 is not considered substantively enacted as of December 31, 2025, because the transitory clause in the IRR provides that large-scale metallic mining contractors and/or operators shall be subject to the fiscal regime provided therein only on February 17, 2026.

The Group is currently assessing the impact of the amendments introduced by RA 12253 on its December 2026 financial statements based on the provisions of the IRR. The Group will reassess the impact of RA 12253 on its financial statements after the relevant revenue regulations have been issued by the BIR.



i. Concession Agreement

On February 21, 1997, Maynilad entered into a Concession Agreement with the MWSS (“Original Concession Agreement” or OCA). Under the OCA, MWSS granted Maynilad, as agent, the right to perform certain functions and to exercise certain rights and powers under the MWSS Charter, and as contractor, the sole right to manage, operate, repair, decommission and refurbish all fixed and movable assets required (except certain retained assets of MWSS) to provide water and wastewater services in the West Service Area, as defined in the OCA. This includes the right to bill and collect for water and wastewater services supplied in the West Service Area for 25 years or until May 6, 2022 (the “Expiration Date”).

In April 2011, the Expiration Date was extended for 15 years, moving it to July 31, 2037, unless the OCA is pre-terminated due to an event of default. The MWSS approved the 15-year extension of the OCA in 2009 (see Notes 7, 10 and 22) and it was duly acknowledged by the Republic of the Philippines (RoP) through a Letter of Consent and Undertaking dated March 17, 2010 (“Republic Undertaking”).

Maynilad is also tasked to manage, operate, repair, decommission and refurbish certain specified MWSS facilities in the West Service Area. The legal title to these assets remains with MWSS. However, legal title to the property, plant and equipment that Maynilad contributes to the existing MWSS system during the concession period remains with Maynilad until the Expiration Date (or on early termination date) at which time, all rights, titles and interest in such assets will automatically vest in MWSS.

Sometime in the early part of 2019, then President Rodrigo Duterte ordered the review of the terms of the OCA of Maynilad and Manila Water. In January 2020, he caused the establishment of the Concession Agreements Review Committee (“RevCom”) to review the OCA and to submit its recommendations to the President. The RevCom was composed of the Executive Secretary, the Secretaries of the Departments of Justice and Finance, the Solicitor General, the Government Corporate Counsel and the Presidential Adviser on Flagship Programs and Projects.

On May 18, 2021, Maynilad and MWSS signed the Revised Concession Agreement (RCA), the notable provisions of which are the following:

1. Confirmation of the July 31, 2037 Expiration Date;
2. Imposition of a tariff freeze until December 31, 2022;
3. Removal of corporate income tax (CIT) from among Maynilad’s recoverable expenditures as well as the Foreign Currency Differential Adjustment (FCDA);
4. Capping of the annual inflation factor to 2/3 of the Consumer Price Index (CPI);
5. Imposition of rate caps for water and sewerage services to 1.3x and 1.5x, respectively, of the previous standard rate;
6. Removal from the Republic Undertaking of the non-interference of the Government in the rate-setting process, and the limitation of the RoP’s financial guarantees to cover only those loans and contracts that are existing as of the signing of the RCA;
7. Replacement of the market-driven Appropriate Discount Rate (ADR) with a 12% fixed nominal discount rate; and
8. Retention of the rate rebasing mechanism where, subject to the rate caps in item 5 above, the rates for the provision of water and wastewater services will be set at a level that will allow Maynilad to recover, over the term of the concession, expenditures efficiently and prudently incurred and to earn a reasonable rate of return.



The RCA was to take effect six months after its signing on May 18, 2021, or on November 18, 2021 (“Effective Date”), upon compliance with all the conditions precedent (CPs). However, the Republic Undertaking, which is among the CPs, has not yet been issued as of November 18, 2021. Hence, upon the request of the Concessionaires, the MWSS Board of Trustees (MWSS BOT), through a resolution passed on November 16, 2021, moved the RCA’s Effective Date to December 18, 2021.

Maynilad, on December 14, 2021, again requested the MWSS BOT to defer the RCA’s Effective Date by another two months (until February 16, 2022) or until the Republic Undertaking has been issued. Following the Regular Board Meeting held on February 10, 2022, MWSS issued Resolution No. 2022-015-CO to further extend the Effective Date of the RCA for thirty (30) days or until March 18, 2022. On March 9, 2022, the MWSS BOT approved to defer further the RCA Effective Date from March 18, 2022, until such time that the Republic Undertaking is issued.

On June 9, 2022, Maynilad received a copy of Resolution No. 2022-073-CO dated June 2, 2022, which approved the further extension of the Effective Date of the RCA until June 30, 2022, subject to receipt of the signed Republic Undertaking as required under Article 16.3 (iii) (c) of the RCA.

On June 30, 2022, Maynilad received MWSS’s letter of even date informing Maynilad that the DOF has issued the Republic Undertaking dated June 24, 2022, signed by the Executive Secretary and the DOF Secretary.

Maynilad wrote the MWSS on July 1, 2022, informing them that the signed Republic Undertaking did not conform to the agreed form in the RCA, and, thus, Section 16.3 (iii) (c) of the RCA has not been satisfied. Thus, Maynilad’s obligation to effect the changes in the OCA has not commenced.

Maynilad posited that the OCA, as amended by the Technical Corrections Agreement dated July 31, 1997, and Amendment No. 1 dated October 5, 2001, and extended by the Memorandum of Agreement and Confirmation dated April 22, 2010 (“2010 MOA”), and the Letter of Undertaking dated March 17, 2010 issued by the Department of Finance, remained valid and effective.

In the meantime, on January 22, 2022, Maynilad’s legislative franchise or Republic Act (RA) No. 11600 (RA 11600) took effect. RA 11600, which granted Maynilad a 25-year franchise, or until 2047, to “establish, operate and maintain a waterworks system and sewerage and sanitation services in the West Zone Service Area of Metro Manila and Province of Cavite,” recognized the OCA and the 2010 MOA that extended the term of the concession for 15 years, or until 2037.

On August 9, 2022, pursuant to RA 11600, Maynilad formally applied for a 10-year extension of the RCA with the MWSS to be able to provide affordable water to its customers and mitigate anticipated tariff increases. On September 6, 2022, Maynilad provided MWSS the preliminary tariff impact simulations and highlighted the fiscal benefits of a 10-year extension of the RCA.

In a subsequent letter dated September 14, 2022, Maynilad proposed to the MWSS certain amendments to the RCA, which include: (a) reinstatement of the FCDA mechanism; (b) reinstatement of the full CPI adjustment; and (c) review of the exclusions from the Material Adverse Government Action provision. Such request was made on account of certain events, i.e., the COVID-19 pandemic, the Ukrainian conflict and the significant depreciation of the Peso, which not only posed a challenge to Maynilad’s operations, but have also highlighted the need to ensure that the Concession Agreements are future-proof and the customers are guaranteed continuity of service.



On May 10, 2023, MWSS and Maynilad signed the Amendments to the RCA, among which include the following highlights:

1. Adjustment in the CPI factor or “C” from $\frac{2}{3}$ to $\frac{3}{4}$ of the percentage change in the CPI for the Philippines;
2. Reinstatement of the FCDA, but only with respect to the (a) MWSS loans that are being and will be serviced by Maynilad, and (b) principal payments for drawn and undrawn amounts of Maynilad’s foreign currency denominated loans existing as of June 29, 2022;
3. Introduction of a modified FCDA for Maynilad loans contracted after June 29, 2022. The FCDA and MFCDA mechanisms are based on the principle of “no over or under recovery” and does not impact the company’s revenue position. However, this mechanism may be availed of only when there is an “extraordinary inflation” or “extraordinary deflation” of the Philippine Peso (i.e., more than 20% change in the base exchange rate), and the amount that may be recovered is capped (i.e., up to 50% of actual net forex gain over a period of one year);
4. Exclusion of certain events from what may not be considered as Material Adverse Government Action such as the amendment of existing rules, regulations, and other issuances resulting from acts of the legislative and judicial branches of government and delay or inaction by the Regulatory Office (MWSS-RO) on applications relating to rate adjustments filed by the Concessionaire; and
5. Deletion of the composition and decisions of the MWSS-RO from what may not be subject to arbitration.

The Amendments to the RCA took effect retroactively on June 29, 2022, the date of effectivity of the RCA.

Along with the Amendments to the RCA, the RoP issued, on May 10, 2023, the Republic Undertaking in the form agreed on by the Parties, the effectivity of which retroacted to July 1, 2022.

Pursuant to the requirement for a public hearing, Maynilad and the MWSS-RO conducted a public hearing/consultation on December 4, 2023 at the World Trade Center in Pasay City. On December 14, 2023, MWSS approved the 10-year extension from 2037 to 2047, pending the acknowledgment by the RoP through the Secretary of Finance. This acknowledgment is required for all amendments to the RCA. In a letter dated March 3, 2025, the Company was advised by MWSS that the Department of Finance recommended that MWSS adhere to the procedures under Republic Act No. 11966, or the Public-Private Partnership Code of the Philippines (the “PPP Code”) and its implementing rules and regulations. The Department of Finance considered the 10-year extension of the RCA as a variation of an executed public-private partnership (PPP) contract, which, as a project that costs above ₱15.0 billion, requires the approval of the National Economic Development Authority (NEDA) Board in accordance with the General NEDA-Investment Coordination Committee (NEDA-ICC) Procedures as of April 25, 2024. Consequently, MWSS has informed Maynilad that a technical working group, comprising representatives from both MWSS and the Company, will be formed to prepare the necessary documentation for submission to the NEDA-ICC. Thereafter, Maynilad expect the NEDA-ICC to review the submission. There is no assurance that Maynilad will receive the approval by the NEDA Board and acknowledgement of the RoP through the Secretary of Finance to align the expiration dates of the Franchise and the RCA.

On November 17, 2025, Maynilad received the duly executed Memorandum of Agreement on and Confirmation of the Amendment to the Revised Concession dated October 10, 2025, signed and acknowledged by the Secretary of the Department of Finance.



j. RA 11600 - Maynilad's Legislative Franchise

RA 11600 grants Maynilad a 25-year franchise to “establish, operate and maintain a waterworks system and sewerage and sanitation services in the West Zone Service Area of Metro Manila and Province of Cavite.” RA 11600 affirms Maynilad's authority to provide waterworks system and sewerage and sanitation services in the West Zone Service Area of Metro Manila and the Province of Cavite. RA 11600 took effect on January 22, 2022, 15 days after its publication in the Official Gazette on January 7, 2022. The 25-year term will end on January 21, 2047.

Aside from the grant of a 25-year franchise to Maynilad, the other highlights of RA 11600 include the following:

- i. The grant of authority to the MWSS, when public interest for affordable water security so requires and upon application by Maynilad, to amend Maynilad's RCA to extend its term (i.e., 2037) to coincide with the term of the franchise. In addition, the RCA shall also act as Maynilad's Certificate of Public Convenience and Necessity for the operation of its waterworks and sewerage system. In the event the waterworks and sewerage system assets of MWSS pertaining to the Franchise Area are privatized by law, Maynilad shall have the right to match the highest compliant bid after a public bidding. The RCA between MWSS and Maynilad shall remain valid unless otherwise terminated pursuant to its terms, or invalidated when national security, national emergency or public interest so requires;
- ii. The prohibition on the passing on of corporate income tax to Maynilad customers;
- iii. The requirement to publicly list at least 30% of Maynilad's outstanding capital stock within five years from the grant of the franchise;
- iv. The completion of Maynilad's water and sewerage projects to attain 100% coverage by 2037, which shall include periodic five-year completion targets; and
- v. The grant to Maynilad of the right of eminent domain insofar as it is may be reasonably necessary for the efficient establishment, improvement, upgrading, rehabilitation, maintenance and operation of the services, subject to the limitations and procedures under the law.

RA 11600 also has an equality clause, which grants Maynilad, upon review and approval of Congress, any advantage, favor, privilege, exemption or immunity granted under existing franchises or which may be granted subsequently to water distribution utilities.

On March 21, 2022, the MWSS BOT passed Resolution No. 2022-025-RO, Series of 2022 (the “Resolution”), which deals with the tax implications following the effectivity of the legislative franchise granted to the Concessionaires.

The Resolution confirmed that beginning March 21, 2022, which was when the Concessionaires formally accepted the terms of their respective legislative franchises, the charges for water and wastewater services will no longer be subject to the 12% Value Added Tax (VAT), but will be subject to Other Percentage Tax (OPT).

The OPT, which shall be reflected as “Government Taxes” in the customers' statement of account, consists of (i) the 2% national franchise tax, and (ii) the local franchise tax implemented by the respective local government units (LGUs) where the Business Area offices of the Concessionaires are located.



38. Notes to Consolidated Statements of Cash Flows

Supplemental disclosure of noncash investing activities follows:

	2025	2024	2023
Depreciation capitalized in Inventories and Mine properties (Note 24)	₱2,413,680	₱453,680	₱1,151,461
Transfer from Inventories to property, plant and equipment (Notes 8 and 13)	1,633,425	313,723	239,372

Changes in liabilities arising from financing activities

	2025				December 31, 2025
	January 1, 2025	Cash flows	Acquisition of a business	Others	
Short-term debt	₱4,312,526	(₱1,486,236)	₱-	₱-	₱2,826,290
Long-term debt*	63,813,696	(333,139)	-	-	63,480,557
Dividends	129,712	(20,730,844)	-	20,729,323	128,191
Interest payable	217,105	(4,230,050)	-	4,190,883	177,938
Lease liabilities	3,564,357	(597,219)	-	306,242	3,273,380
Other noncurrent liabilities	7,354,343	409,932	-	(3,746,122)	4,018,153
	₱79,391,739	(₱26,967,556)	₱-	₱21,480,326	₱73,904,509

*Includes current portion

	2024				December 31, 2024
	January 1, 2024	Cash flows	Acquisition of a business	Others	
Short-term debt	₱1,547,386	2,765,140	₱-	₱-	₱4,312,526
Long-term debt*	47,921,936	8,492,479	7,399,281	-	63,813,696
Dividends	30,336	(26,988,651)	-	27,088,027	129,712
Interest payable	87,363	(3,419,443)	-	3,549,185	217,105
Lease liabilities	89,235	(21,133)	3,606,935	(110,680)	3,564,357
Other noncurrent liabilities	3,851,491	3,502,852	-	-	7,354,343
	₱53,527,747	(₱15,668,756)	₱11,006,216	₱30,526,532	₱79,391,739

*Includes current portion

	2023				December 31, 2023
	January 1, 2023	Cash flows	Acquisition of a business	Others	
Short-term debt	₱1,129,418	₱417,968	₱-	₱-	₱1,547,386
Long-term debt*	51,428,383	(3,549,345)	-	42,898	47,921,936
Dividends	47,046	(32,034,555)	-	32,017,845	30,336
Interest payable	96,132	(1,206,426)	-	1,197,657	87,363
Lease liabilities	70,701	(35,840)	-	54,374	89,235
Other noncurrent liabilities	4,068,074	(216,583)	-	-	3,851,491
	₱56,839,754	(₱36,624,781)	₱-	₱33,312,774	₱53,527,747

*Includes current portion

Other changes in liabilities above includes amortization of debt issuance cost, accretion of unamortized discount and effect of change in estimate on provision for decommissioning and site rehabilitation, change in pension liabilities and dividends declared by the Parent Company and its partially-owned subsidiaries to noncontrolling-interests.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
DMCI Holdings, Inc.
3rd Floor, Dacon Building
2281 Chino Roces Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of DMCI Holdings, Inc. and its subsidiaries (collectively, the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 16, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Jennifer D. Ticlao

Jennifer D. Ticlao

Partner

CPA Certificate No. 109616

Tax Identification No. 245-571-753

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

SEC Partner Accreditation No. 109616-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

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

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BIR Accreditation No. 08-001998-110-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10765137, January 2, 2026, Makati City

March 16, 2026



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
DMCI Holdings, Inc.
3rd Floor, Dacon Building
2281 Chino Roces Avenue
Makati City

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PTR No. 10765137, January 2, 2026, Makati City

March 16, 2026



DMCI HOLDINGS, INC.**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE
FOR DIVIDENDS DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2025**

Unappropriated retained earnings, beginning		₱4,475,742,744	
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings			
Reversal of Retained Earnings Appropriation/s		₱-	
Effect of restatements or prior-period adjustments		-	
Others (describe nature)		-	
Subtotal			-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings			
Dividend declaration during the reporting period	(₱14,739,667,600)		
Retained Earnings appropriated during the reporting period		-	
Effect of restatements or prior-period adjustments		-	
Others (describe nature)		-	
Subtotal			(14,739,667,600)
Unappropriated Retaining earnings, as adjusted			(10,263,924,856)
Add (Less): Net Income (loss) for the current			14,497,868,619
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		-	
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		-	
Subtotal			-
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		-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded		-	
Subtotal			-

(Forward)

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	P-	
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	-	
<hr/>		
Subtotal		-
Adjusted Net Income/Loss		14,497,868,619
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	P-	
Total amount of reporting relief granted during the year	-	
Others	-	
<hr/>		
Subtotal		-
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	P-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
<hr/>		
Sub-total		-
<hr/>		
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND		P4,233,943,763
		<hr/>

DMCI HOLDINGS, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

- I. Schedules required by Annex 68-J
 - A. Financial Assets
 - B. Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
 - C. Amounts Receivable from (Payable to) Related Parties which are Eliminated during
the Consolidation of Financial Statements
 - D. Long-term Debt
 - E. Indebtedness to Related Parties
 - F. Guarantees of Securities of Other Issuers
 - G. Capital Stock
 - H. External Auditor Fee-Related Information

- II. Reconciliation of Retained Earnings Available for Dividend Declaration (Annex 68-D)

- III. Schedule of Financial Soundness Indicators (Annex 68-E)

- IV. Map of the relationship of the companies within the Group

DMCI HOLDINGS, INC. AND SUBSIDIARIES**SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON REVISED SRC RULE 68****DECEMBER 31, 2025**

Philippine Securities and Exchange Commission (SEC) issued the amended Revised Securities Regulation Code Rule 68, which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by Revised SRC Rule 68, that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic consolidated financial statements.

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the consolidated statements of financial position	Value based on market quotation at end of reporting period	Income received and accrued
Golf and Club Shares*	11	₱266,600,000	₱266,600,000	₱—
Manila Electric Company	38,533	22,117,943	22,117,943	—
Mabuhay Vinyl Corp. - Class A	34,889	181,075	181,075	—
Others	1	23,608,752	23,608,752	—
	73,434	₱312,507,770	₱312,507,770	₱—

*Includes shares of stocks from golf and country clubs' memberships

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
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Not applicable. The Group's receivables from officers and employees pertain to ordinary purchases subject to usual terms, travel and expense advances and other transactions arising from the Group's ordinary course of business.

Schedule C. Amounts Receivable from/Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements

The following is the schedule of receivables from related parties, which are eliminated in the consolidated financial statements as at December 31, 2025:

Entity with Receivable Balance	Name of Entity with Payable Balance	Due from related party	Due to related party
Semirara Mining and Power Corporation	Concreat Holdings, Inc.	₱817,989,701	(₱817,989,701)
Beta Electromechanical Corporation	D.M. Consunji, Inc.	242,918,856	(242,918,856)
Semirara Mining and Power Corporation	Semirara Materials and Resources, Inc.	231,607,594	(231,607,594)
D.M. Consunji, Inc.	Beta Electromechanical Corporation	187,932,778	(187,932,778)
Semirara Mining and Power Corporation	Sem Calaca Power Corporation	181,588,757	(181,588,757)
DMCI Project Developers, Inc.	DMCI PDI Hotels, Inc.	136,946,434	(136,946,434)
Riviera Land Corporation	DMCI Project Developers, Inc.	134,783,262	(134,783,262)
Semirara Mining and Power Corporation	Southwest Luzon Power Generation Corporation	113,353,988	(113,353,988)
D.M. Consunji, Inc.	DMCI Power Corporation	100,871,669	(100,871,669)
Semirara Mining and Power Corporation	DMCI Masbate Power Corporation	72,393,387	(72,393,387)
Concreat Holdings, Inc.	D.M. Consunji, Inc.	55,425,910	(55,425,910)
DMCI Power Corporation	Semirara Mining and Power Corporation	49,037,540	(49,037,540)
D.M. Consunji, Inc.	DMCI Project Developers, Inc.	47,076,208	(47,076,208)
Semirara Mining and Power Corporation	DMCI Power Corporation	37,863,903	(37,863,903)
Semirara Mining and Power Corporation	Southeast Luzon Power Generation Corporation	17,861,563	(17,861,563)
D.M. Consunji, Inc.	DMCI Masbate Power Corporation	13,717,582	(13,717,582)
D.M. Consunji, Inc.	Concreat Holdings, Inc.	10,962,868	(10,962,868)
Semirara Mining and Power Corporation	St. Raphael Power Generation Corporation	10,510,402	(10,510,402)
DMCI Project Developers, Inc.	DMCI Power Corporation	7,841,770	(7,841,770)
Wire Rope Corporation	D.M. Consunji, Inc.	7,629,640	(7,629,640)
Semirara Mining and Power Corporation	Berong Nickel Corporation	6,851,356	(6,851,356)

Entity with Receivable Balance	Name of Entity with Payable Balance	Due from related party	Due to related party
D.M. Consunji, Inc.	Wire Rope Corporation	₱5,939,744	(₱5,939,744)
Southwest Luzon Power Generation Corporation	Sem Calaca RES Corporation	5,459,228	(5,459,228)
Berong Nickel Corporation	DMCI Power Corporation	3,577,487	(3,577,487)
D.M. Consunji, Inc.	Sem Calaca Power Corporation	2,649,061	(2,649,061)
D.M. Consunji, Inc.	St. Raphael Power Generation Corporation	2,016,498	(2,016,498)
D.M. Consunji, Inc.	DMCI Technical Training Center	2,007,919	(2,007,919)
Sem Calaca Power Corporation	Concreat Holdings, Inc.	1,756,942	(1,756,942)
DMCI Project Developers, Inc.	DMCI Homes Property Management Corporation	1,585,080	(1,585,080)
DMCI Project Developers, Inc.	Zenith Mobility Solutions Services, Inc.	1,146,346	(1,146,346)
Southwest Luzon Power Generation Corporation	Sem Calaca Power Corporation	1,117,090	(1,117,090)
Sem Calaca Power Corporation	St. Raphael Power Generation Corporation	1,042,628	(1,042,628)
Semirara Mining and Power Corporation	Semirara Energy Utilities, Inc.	887,939	(887,939)
D.M. Consunji, Inc.	Raco Haven Automation Phil. Inc.	752,120	(752,120)
Sem Calaca Power Corporation	Southwest Luzon Power Generation Corporation	737,084	(737,084)
D.M. Consunji, Inc.	Semirara Mining and Power Corporation	732,726	(732,726)
DMCI Power Corporation	St. Raphael Power Generation Corporation	626,175	(626,175)
Semirara Mining and Power Corporation	Sem-Cal Industrial Park Developers, Inc.	468,790	(468,790)
Concreat Holdings, Inc.	Semirara Mining and Power Corporation	420,834	(420,834)
Sem Calaca Power Corporation	Sem-Calaca Port Facilities, Inc.	268,110	(268,110)
Sem Calaca Power Corporation	Sem-Cal Industrial Park Developers, Inc.	122,349	(122,349)
DMCI Masbate Power Corporation	DMCI Mining Corporation	63,000	(63,000)
Wire Rope Corporation	Semirara Mining and Power Corporation	53,979	(53,979)
Semirara Mining and Power Corporation	D.M. Consunji, Inc.	23,719	(23,719)
Sem Calaca Power Corporation	Southeast Luzon Power Generation Corporation	11,931	(11,931)
Sem Calaca RES Corporation	Sem-Cal Industrial Park Developers, Inc.	2,500	(2,500)
Sem Calaca RES Corporation	Southeast Luzon Power Generation Corporation	2,000	(2,000)
Sem Calaca RES Corporation	Sem-Calaca Port Facilities, Inc.	750	(750)
Semirara Mining and Power Corporation	Sem Calaca RES Corporation	200	(200)

As of December 31, 2025, the balances above of due from and due to related parties are expected to be realized and settled within 12 months from the reporting date and are classified under current assets and liabilities. There were no amounts written off during the year.

Schedule D. Long-term Debt

Below is the schedule of long-term debt (net of unamortized debt issue cost) of the Group:

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
Term loan and corporate notes	₱56,817,578,174	₱11,702,601,506	₱45,114,976,668
Peso denominated loans	6,661,883,329	1,047,375,078	5,614,508,251
Liabilities on Installment Contract Receivable	1,095,469	326,036	769,433
Peso denominated loans	₱ 63,480,556,972	₱12,750,302,620	₱50,730,254,352

Schedule E. Indebtedness to Related Parties (Long-term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
NOT APPLICABLE		

Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the group for which this statements is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee
--	--	--	---	----------------------------

NOT APPLICABLE

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Preferred stock - ₱1 par value cumulative and convertible	100,000,000	10,000,960	–	10,000,000	–	960
Common stock - ₱1 par value	19,900,000,000	13,277,470,000	–	9,184,917,600	621,991,364	3,470,568,036
	20,000,000,000	13,287,470,960	–	9,194,917,600	621,991,364	3,470,568,996

Schedule H. External Auditor Fee-Related Information

Below are the audit and non-audit fees (exclusive of out of pocket expenses and VAT) of the Group for the years ended December 31, 2025 and 2024:

	2025	2024
Total audit fees	₱33,996,765	₱25,732,245
Non-audit service fees		
Climate change advisory services	3,170,558	2,517,500
Tax services	3,157,750	
Agreed upon procedure services	280,400	150,000
Environmental, social, and governance (ESG) services	–	200,000
Total non-audit fees	6,608,708	2,867,500
Total audit and non-audit fees	₱40,605,473	₱28,599,745

DMCI HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024**

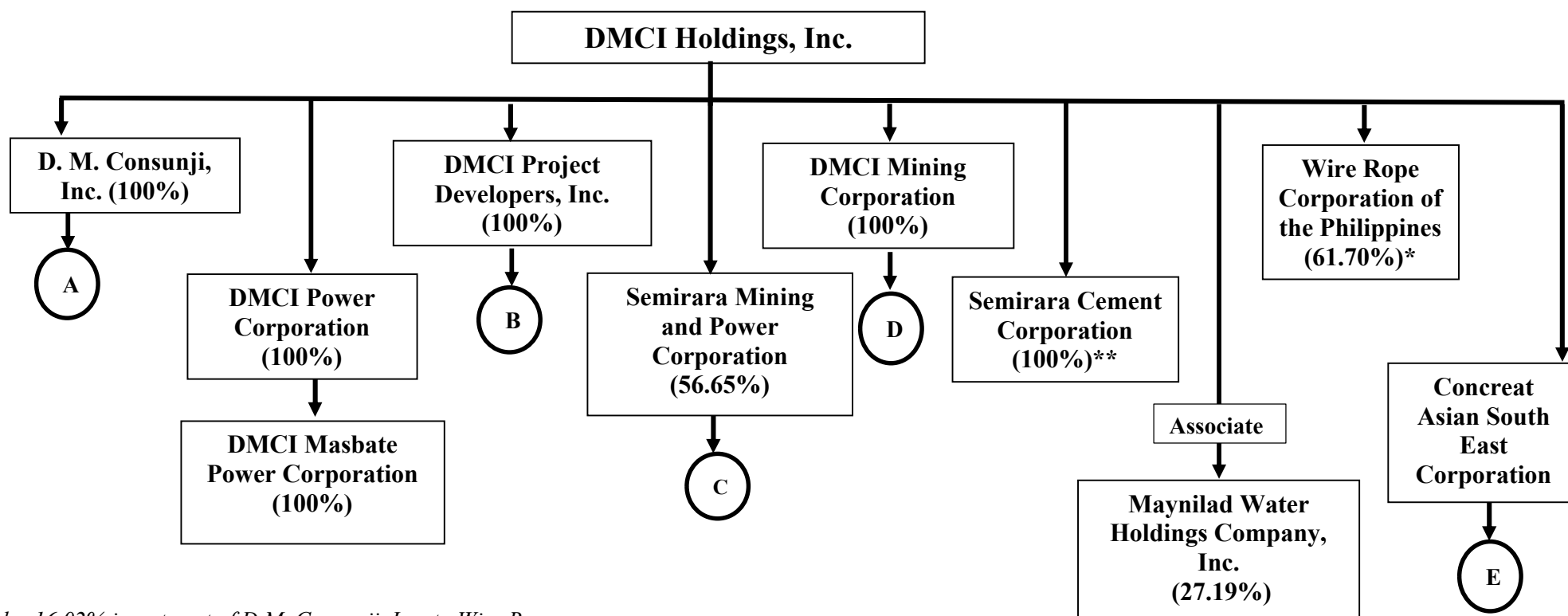
Ratio	Formula	Current Year	Prior Year (As restated)
Current ratio	Current assets/Current liabilities	246%	262%
Acid test ratio	Quick assets/Current liabilities	83%	99%
Solvency ratio	Net income plus Depreciation / Total liabilities	23%	26%
Debt-to-equity ratio	Total interest-bearing debt/Total stockholders' equity	45%	46%
Net debt-to-equity ratio	Total interest-bearing debt less Cash and cash equivalents /Total stockholders' equity	25%	23%
Asset-to-equity ratio	Total assets/Total stockholders' equity	190%	193%
Interest coverage ratio	EBIT/Interest paid during the year	6x	9x
Return on equity	Net income attributable to equity holders/Average total stockholders' equity	13%	17%
Return on assets	Net income /Average total assets	7%	10%
Net profit margin	Net income /Revenue	18%	27%

DMCI HOLDINGS, INC.

MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

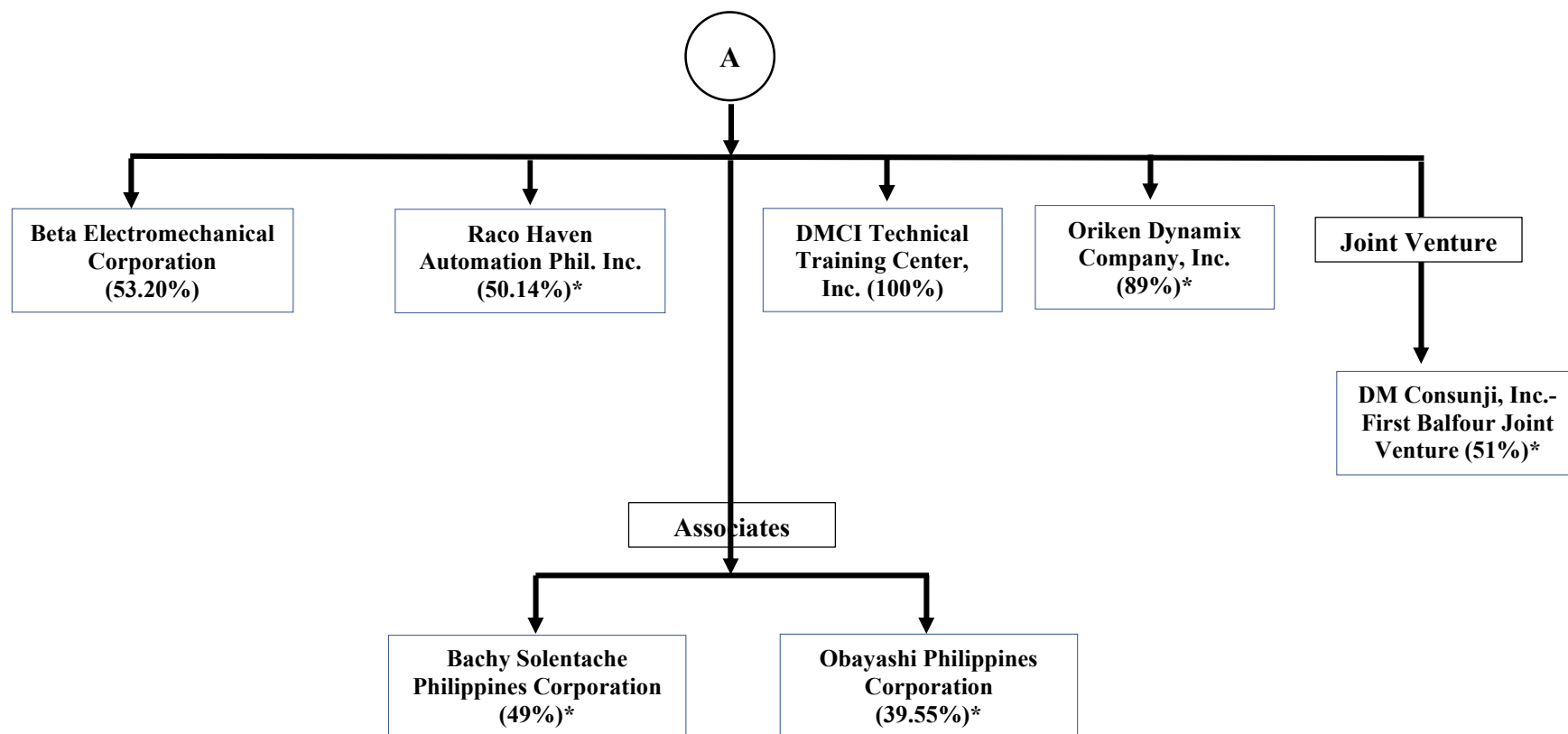
Group Structure

Below is a map showing the relationship between and among the Group as of December 31, 2025:

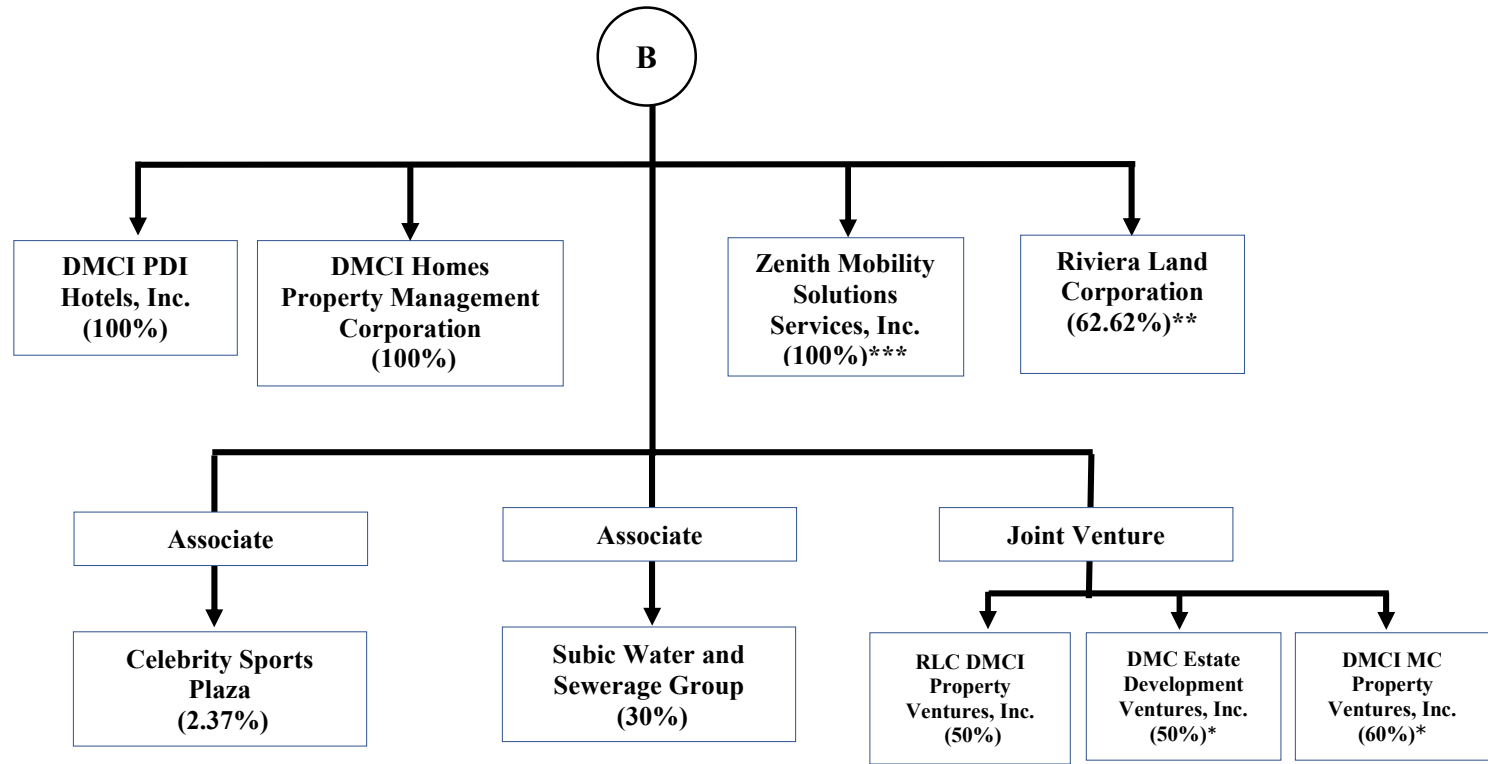


* Includes 16.02% investment of D.M. Consunji, Inc. to Wire Rope.

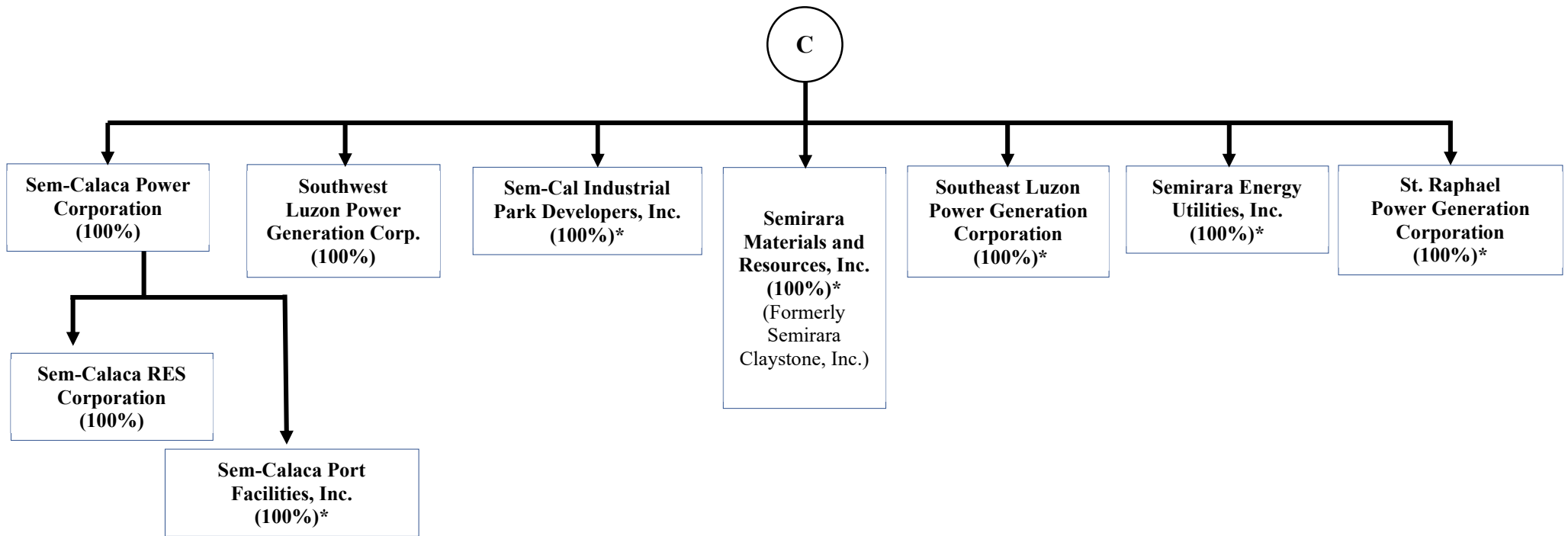
**Non-operating entity



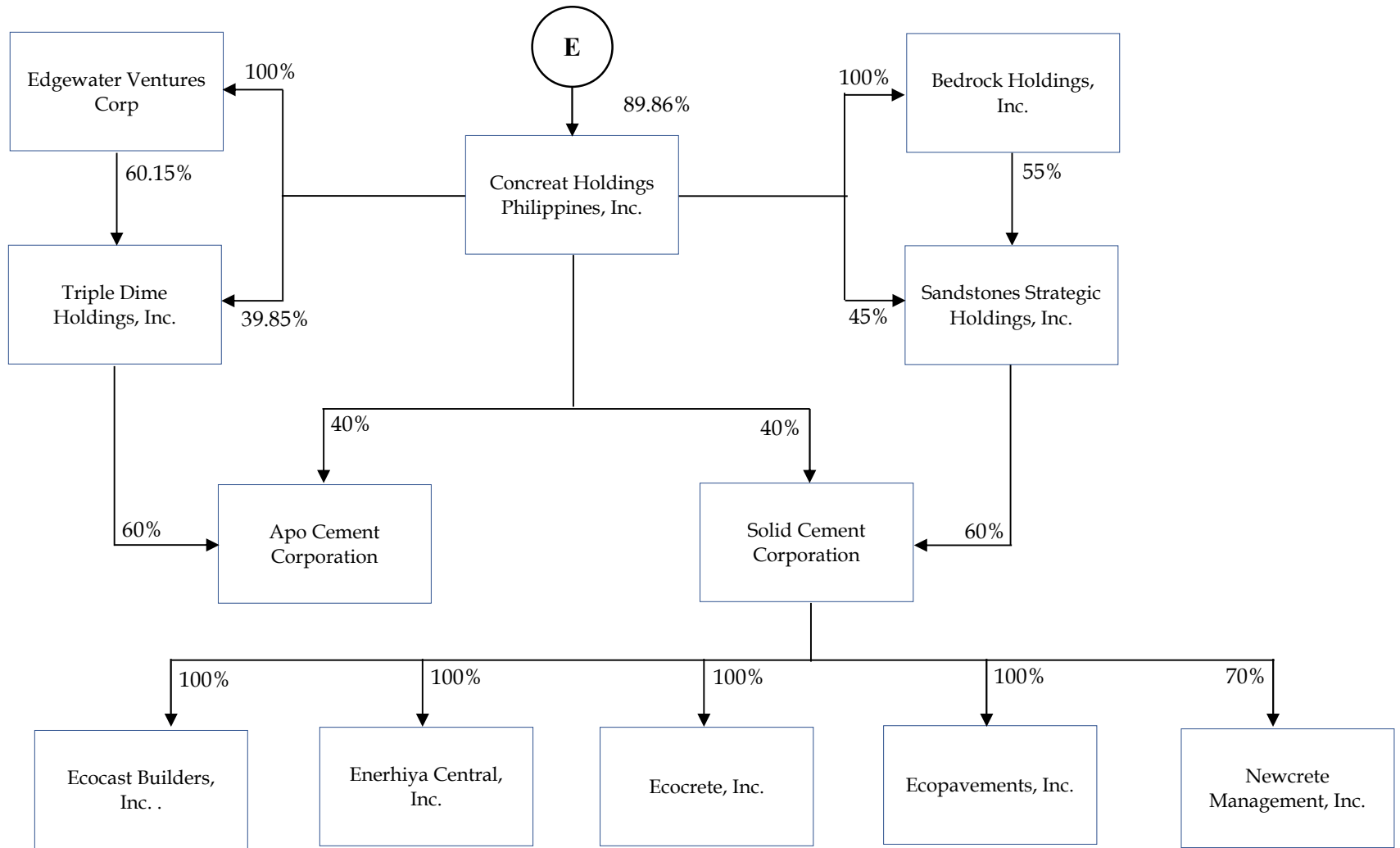
**Non-operating entities*



* Established in 2021
 ** Includes the 34.12% interest of DMCI
 *** Equity interest increased from 51% to 100% in 2020



**Non-operating entities*



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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SYCIP GORRES VELAYO & CO.

Jennifer D. Tielao

Jennifer D. Tielao

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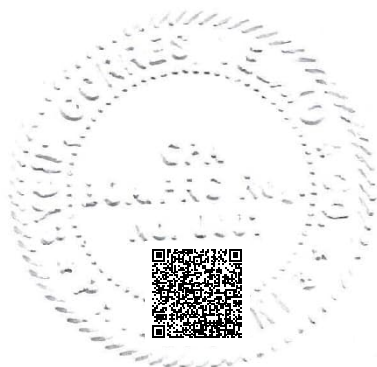
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PTR No. 10765137, January 2, 2026, Makati City

March 16, 2026



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
DMCI Holdings, Inc.
3rd Floor, Dacon Building
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March 16, 2026



DMCI HOLDINGS, INC.**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE
FOR DIVIDENDS DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2025**

Unappropriated retained earnings, beginning		₱4,475,742,744	
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings			
Reversal of Retained Earnings Appropriation/s		₱-	
Effect of restatements or prior-period adjustments		-	
Others (describe nature)		-	
Subtotal			-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings			
Dividend declaration during the reporting period	(₱14,739,667,600)		
Retained Earnings appropriated during the reporting period		-	
Effect of restatements or prior-period adjustments		-	
Others (describe nature)		-	
Subtotal			(14,739,667,600)
Unappropriated Retaining earnings, as adjusted			(10,263,924,856)
Add (Less): Net Income (loss) for the current			14,497,868,619
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		-	
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		-	
Subtotal			-
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		-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded		-	
Subtotal			-

(Forward)

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	P-	
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	-	
<hr/>		
Subtotal		-
Adjusted Net Income/Loss		14,497,868,619
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	P-	
Total amount of reporting relief granted during the year	-	
Others	-	
<hr/>		
Subtotal		-
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	P-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
<hr/>		
Sub-total		-
<hr/>		
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND		P4,233,943,763
		<hr/>

DMCI HOLDINGS, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

- I. Schedules required by Annex 68-J
 - A. Financial Assets
 - B. Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
 - C. Amounts Receivable from (Payable to) Related Parties which are Eliminated during
the Consolidation of Financial Statements
 - D. Long-term Debt
 - E. Indebtedness to Related Parties
 - F. Guarantees of Securities of Other Issuers
 - G. Capital Stock
 - H. External Auditor Fee-Related Information
- II. Reconciliation of Retained Earnings Available for Dividend Declaration (Annex 68-D)
- III. Schedule of Financial Soundness Indicators (Annex 68-E)
- IV. Map of the relationship of the companies within the Group

DMCI HOLDINGS, INC. AND SUBSIDIARIES**SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON REVISED SRC RULE 68****DECEMBER 31, 2025**

Philippine Securities and Exchange Commission (SEC) issued the amended Revised Securities Regulation Code Rule 68, which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by Revised SRC Rule 68, that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic consolidated financial statements.

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the consolidated statements of financial position	Value based on market quotation at end of reporting period	Income received and accrued
Golf and Club Shares*	11	₱266,600,000	₱266,600,000	₱—
Manila Electric Company	38,533	22,117,943	22,117,943	—
Mabuhay Vinyl Corp. - Class A	34,889	181,075	181,075	—
Others	1	23,608,752	23,608,752	—
	73,434	₱312,507,770	₱312,507,770	₱—

*Includes shares of stocks from golf and country clubs' memberships

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
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Not applicable. The Group's receivables from officers and employees pertain to ordinary purchases subject to usual terms, travel and expense advances and other transactions arising from the Group's ordinary course of business.

Schedule C. Amounts Receivable from/Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements

The following is the schedule of receivables from related parties, which are eliminated in the consolidated financial statements as at December 31, 2025:

Entity with Receivable Balance	Name of Entity with Payable Balance	Due from related party	Due to related party
Semirara Mining and Power Corporation	Concreat Holdings, Inc.	₱817,989,701	(₱817,989,701)
Beta Electromechanical Corporation	D.M. Consunji, Inc.	242,918,856	(242,918,856)
Semirara Mining and Power Corporation	Semirara Materials and Resources, Inc.	231,607,594	(231,607,594)
D.M. Consunji, Inc.	Beta Electromechanical Corporation	187,932,778	(187,932,778)
Semirara Mining and Power Corporation	Sem Calaca Power Corporation	181,588,757	(181,588,757)
DMCI Project Developers, Inc.	DMCI PDI Hotels, Inc.	136,946,434	(136,946,434)
Riviera Land Corporation	DMCI Project Developers, Inc.	134,783,262	(134,783,262)
Semirara Mining and Power Corporation	Southwest Luzon Power Generation Corporation	113,353,988	(113,353,988)
D.M. Consunji, Inc.	DMCI Power Corporation	100,871,669	(100,871,669)
Semirara Mining and Power Corporation	DMCI Masbate Power Corporation	72,393,387	(72,393,387)
Concreat Holdings, Inc.	D.M. Consunji, Inc.	55,425,910	(55,425,910)
DMCI Power Corporation	Semirara Mining and Power Corporation	49,037,540	(49,037,540)
D.M. Consunji, Inc.	DMCI Project Developers, Inc.	47,076,208	(47,076,208)
Semirara Mining and Power Corporation	DMCI Power Corporation	37,863,903	(37,863,903)
Semirara Mining and Power Corporation	Southeast Luzon Power Generation Corporation	17,861,563	(17,861,563)
D.M. Consunji, Inc.	DMCI Masbate Power Corporation	13,717,582	(13,717,582)
D.M. Consunji, Inc.	Concreat Holdings, Inc.	10,962,868	(10,962,868)
Semirara Mining and Power Corporation	St. Raphael Power Generation Corporation	10,510,402	(10,510,402)
DMCI Project Developers, Inc.	DMCI Power Corporation	7,841,770	(7,841,770)
Wire Rope Corporation	D.M. Consunji, Inc.	7,629,640	(7,629,640)
Semirara Mining and Power Corporation	Berong Nickel Corporation	6,851,356	(6,851,356)

Entity with Receivable Balance	Name of Entity with Payable Balance	Due from related party	Due to related party
D.M. Consunji, Inc.	Wire Rope Corporation	₱5,939,744	(₱5,939,744)
Southwest Luzon Power Generation Corporation	Sem Calaca RES Corporation	5,459,228	(5,459,228)
Berong Nickel Corporation	DMCI Power Corporation	3,577,487	(3,577,487)
D.M. Consunji, Inc.	Sem Calaca Power Corporation	2,649,061	(2,649,061)
D.M. Consunji, Inc.	St. Raphael Power Generation Corporation	2,016,498	(2,016,498)
D.M. Consunji, Inc.	DMCI Technical Training Center	2,007,919	(2,007,919)
Sem Calaca Power Corporation	Concreat Holdings, Inc.	1,756,942	(1,756,942)
DMCI Project Developers, Inc.	DMCI Homes Property Management Corporation	1,585,080	(1,585,080)
DMCI Project Developers, Inc.	Zenith Mobility Solutions Services, Inc.	1,146,346	(1,146,346)
Southwest Luzon Power Generation Corporation	Sem Calaca Power Corporation	1,117,090	(1,117,090)
Sem Calaca Power Corporation	St. Raphael Power Generation Corporation	1,042,628	(1,042,628)
Semirara Mining and Power Corporation	Semirara Energy Utilities, Inc.	887,939	(887,939)
D.M. Consunji, Inc.	Raco Haven Automation Phil. Inc.	752,120	(752,120)
Sem Calaca Power Corporation	Southwest Luzon Power Generation Corporation	737,084	(737,084)
D.M. Consunji, Inc.	Semirara Mining and Power Corporation	732,726	(732,726)
DMCI Power Corporation	St. Raphael Power Generation Corporation	626,175	(626,175)
Semirara Mining and Power Corporation	Sem-Cal Industrial Park Developers, Inc.	468,790	(468,790)
Concreat Holdings, Inc.	Semirara Mining and Power Corporation	420,834	(420,834)
Sem Calaca Power Corporation	Sem-Calaca Port Facilities, Inc.	268,110	(268,110)
Sem Calaca Power Corporation	Sem-Cal Industrial Park Developers, Inc.	122,349	(122,349)
DMCI Masbate Power Corporation	DMCI Mining Corporation	63,000	(63,000)
Wire Rope Corporation	Semirara Mining and Power Corporation	53,979	(53,979)
Semirara Mining and Power Corporation	D.M. Consunji, Inc.	23,719	(23,719)
Sem Calaca Power Corporation	Southeast Luzon Power Generation Corporation	11,931	(11,931)
Sem Calaca RES Corporation	Sem-Cal Industrial Park Developers, Inc.	2,500	(2,500)
Sem Calaca RES Corporation	Southeast Luzon Power Generation Corporation	2,000	(2,000)
Sem Calaca RES Corporation	Sem-Calaca Port Facilities, Inc.	750	(750)
Semirara Mining and Power Corporation	Sem Calaca RES Corporation	200	(200)

As of December 31, 2025, the balances above of due from and due to related parties are expected to be realized and settled within 12 months from the reporting date and are classified under current assets and liabilities. There were no amounts written off during the year.

Schedule D. Long-term Debt

Below is the schedule of long-term debt (net of unamortized debt issue cost) of the Group:

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
Term loan and corporate notes	₱56,817,578,174	₱11,702,601,506	₱45,114,976,668
Peso denominated loans	6,661,883,329	1,047,375,078	5,614,508,251
Liabilities on Installment Contract Receivable	1,095,469	326,036	769,433
Peso denominated loans	₱ 63,480,556,972	₱12,750,302,620	₱50,730,254,352

Schedule E. Indebtedness to Related Parties (Long-term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
NOT APPLICABLE		

Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the group for which this statements is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee
--	--	--	---	----------------------------

NOT APPLICABLE

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Preferred stock - ₱1 par value cumulative and convertible	100,000,000	10,000,960	–	10,000,000	–	960
Common stock - ₱1 par value	19,900,000,000	13,277,470,000	–	9,184,917,600	621,991,364	3,470,568,036
	20,000,000,000	13,287,470,960	–	9,194,917,600	621,991,364	3,470,568,996

Schedule H. External Auditor Fee-Related Information

Below are the audit and non-audit fees (exclusive of out of pocket expenses and VAT) of the Group for the years ended December 31, 2025 and 2024:

	2025	2024
Total audit fees	₱33,996,765	₱25,732,245
Non-audit service fees		
Climate change advisory services	3,170,558	2,517,500
Tax services	3,157,750	
Agreed upon procedure services	280,400	150,000
Environmental, social, and governance (ESG) services	–	200,000
Total non-audit fees	6,608,708	2,867,500
Total audit and non-audit fees	₱40,605,473	₱28,599,745

DMCI HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024**

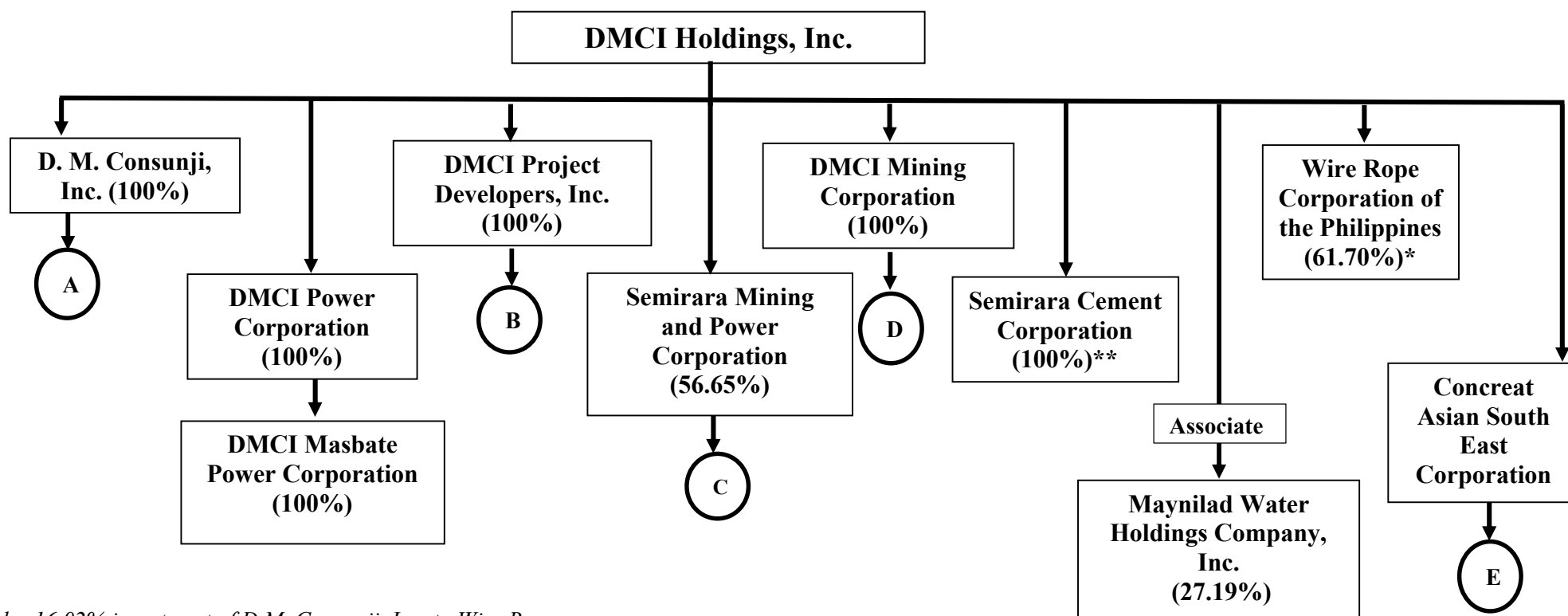
Ratio	Formula	Current Year	Prior Year (As restated)
Current ratio	Current assets/Current liabilities	246%	262%
Acid test ratio	Quick assets/Current liabilities	83%	99%
Solvency ratio	Net income plus Depreciation / Total liabilities	23%	26%
Debt-to-equity ratio	Total interest-bearing debt/Total stockholders' equity	45%	46%
Net debt-to-equity ratio	Total interest-bearing debt less Cash and cash equivalents /Total stockholders' equity	25%	23%
Asset-to-equity ratio	Total assets/Total stockholders' equity	190%	193%
Interest coverage ratio	EBIT/Interest paid during the year	6x	9x
Return on equity	Net income attributable to equity holders/Average total stockholders' equity	13%	17%
Return on assets	Net income /Average total assets	7%	10%
Net profit margin	Net income /Revenue	18%	27%

DMCI HOLDINGS, INC.

MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

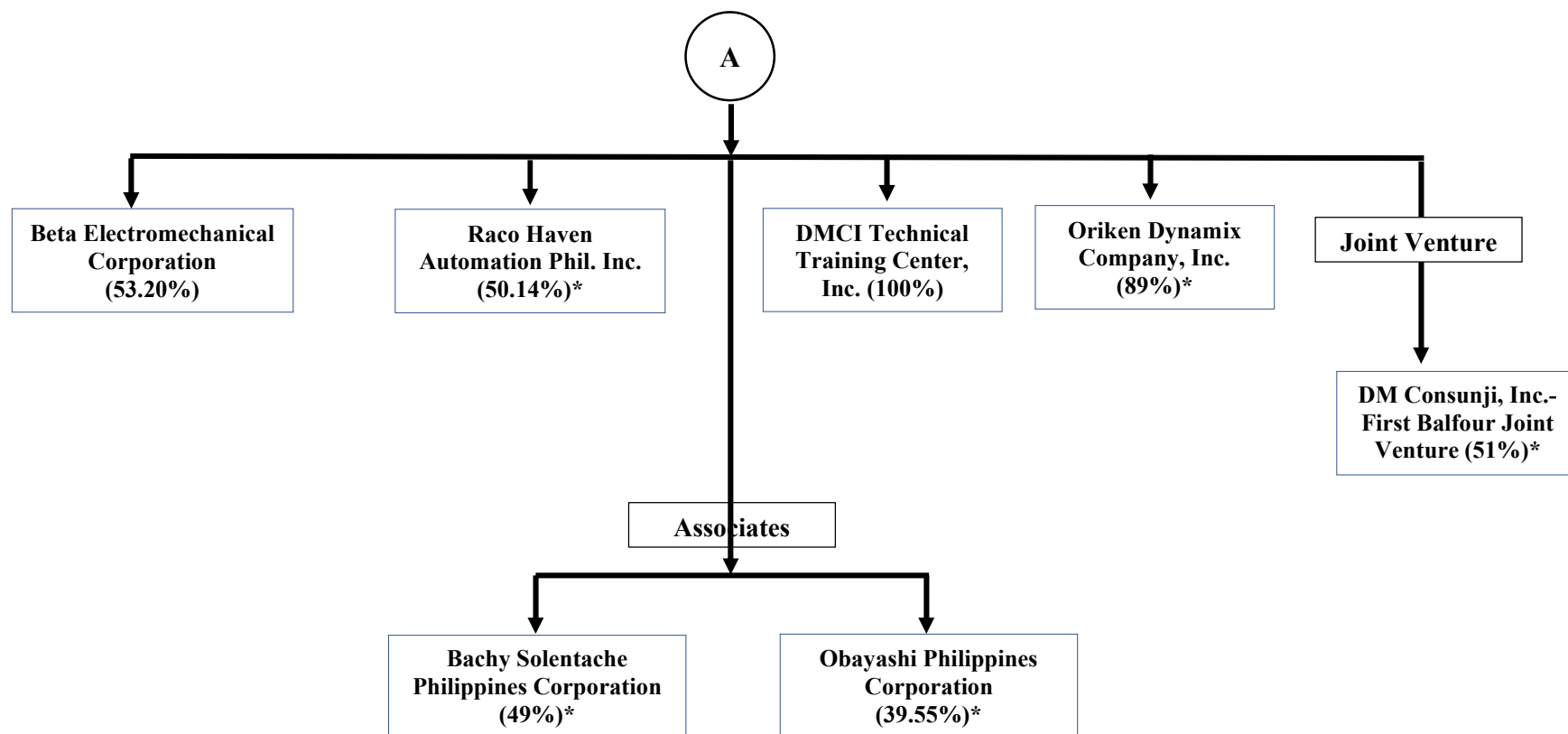
Group Structure

Below is a map showing the relationship between and among the Group as of December 31, 2025:

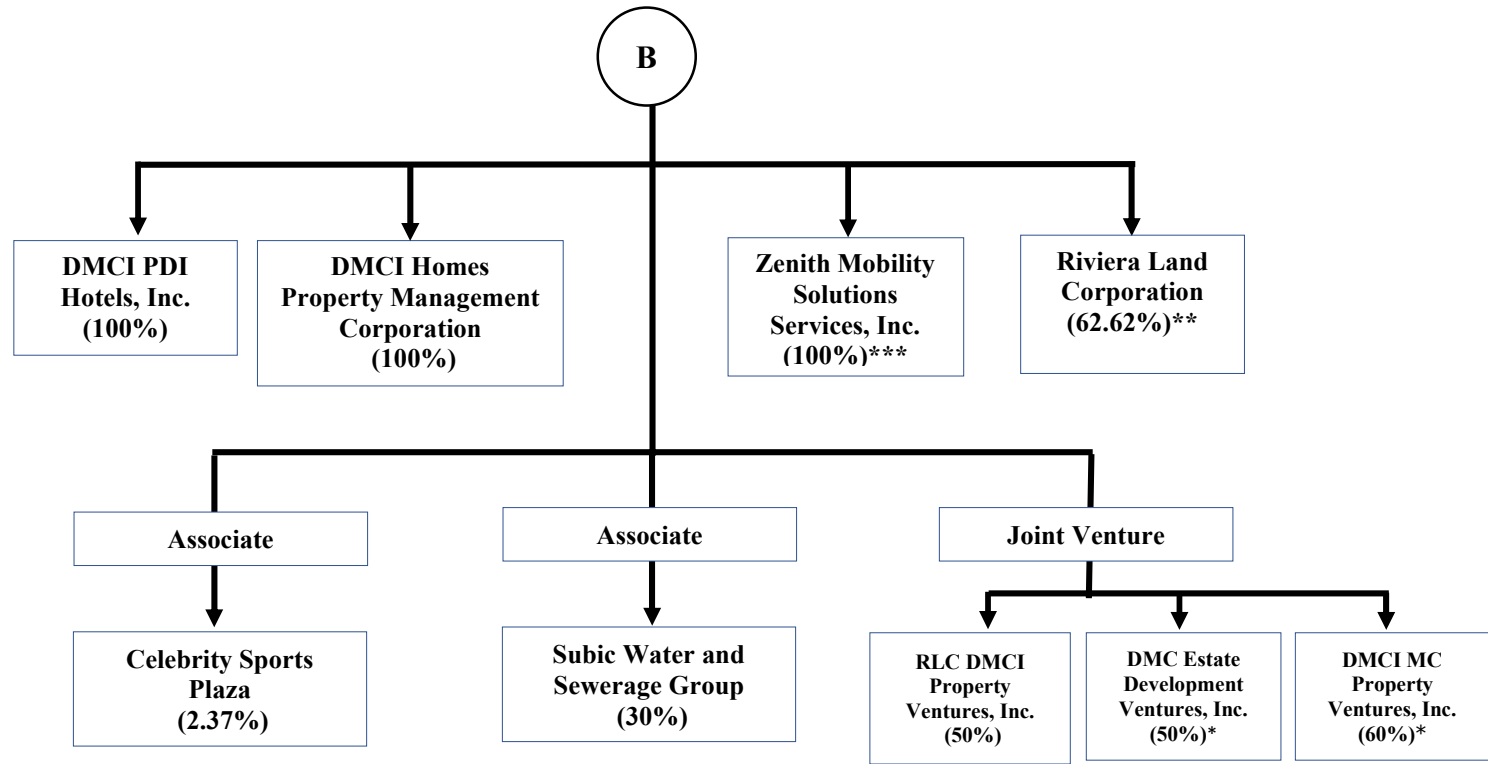


* Includes 16.02% investment of D.M. Consunji, Inc. to Wire Rope.

**Non-operating entity



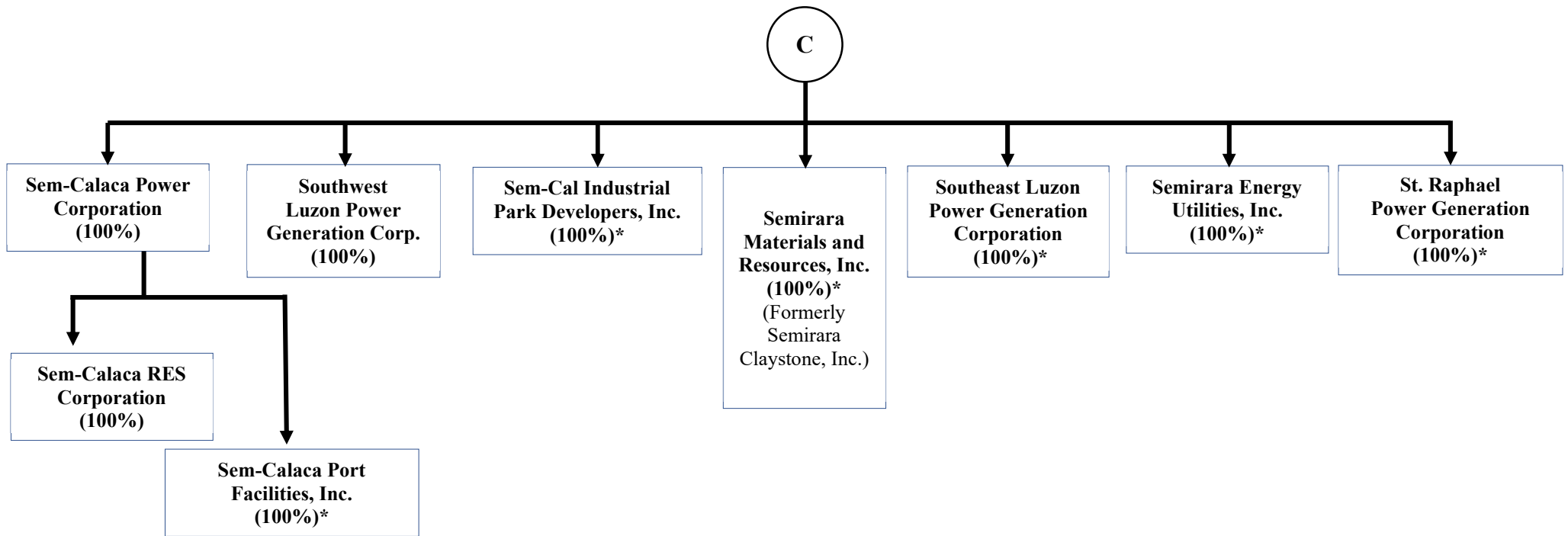
**Non-operating entities*



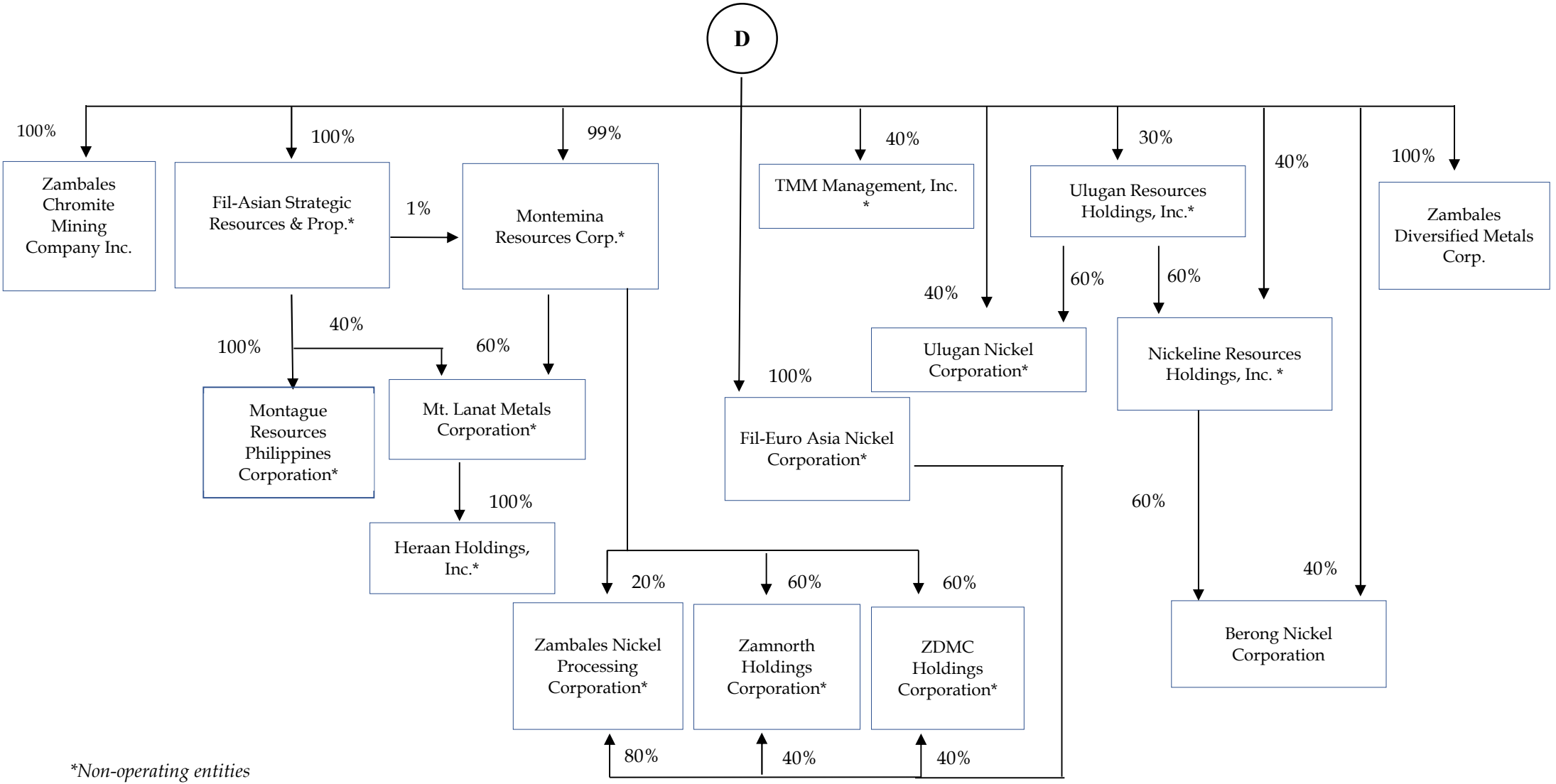
* Established in 2021

** Includes the 34.12% interest of DMCI

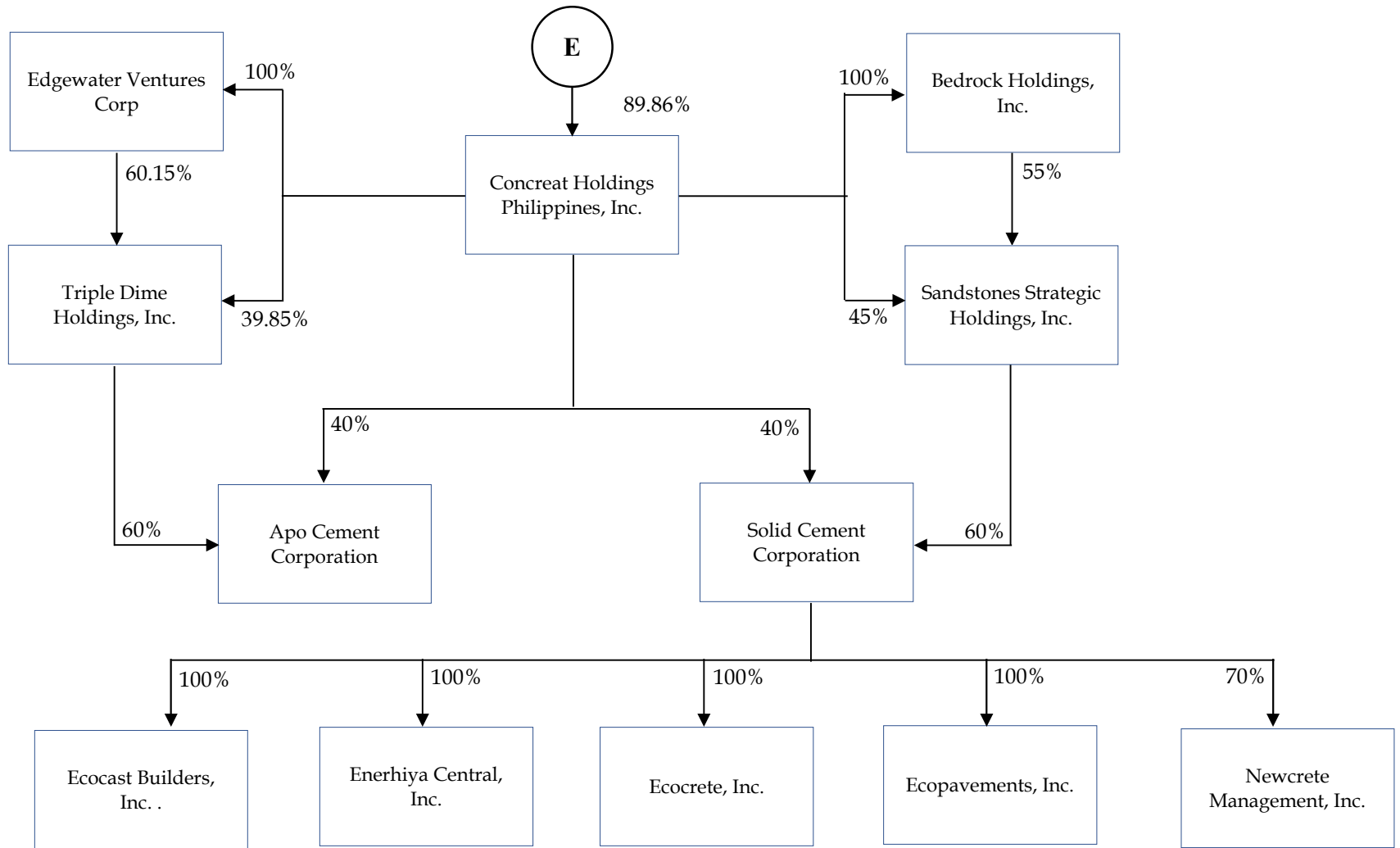
*** Equity interest increased from 51% to 100% in 2020



**Non-operating entities*



**Non-operating entities*



SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati CityTEL. NO.: 8888-3000

FAX NO.: _____

COMPANY TYPE: Holding Company

PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Consolidated Balance Sheet

FINANCIAL DATA	2025 (in P'000)	2024 Restated (in P'000)
A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10)	281,727,515	288,311,951
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	151,452,504	153,657,788
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	29,077,896	34,298,524
A.1.1.1 On hand	40,297	49,003
A.1.1.2 In domestic banks/entities	8,501,225	12,769,838
A.1.1.3 Short-term investments	20,536,374	21,479,683
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)	22,114,099	23,567,821
A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4)	22,114,099	23,567,821
A.1.2.1.1 Due from customers (trade)	16,424,778	16,973,696
A.1.2.1.2 Due from related parties	2,892,643	2,105,193
A.1.2.1.3 Others, specify	4,864,802	6,474,384
A.1.2.1.3.1 Other receivables	4,864,802	5,940,125
A.1.2.1.4 Allowance for doubtful accounts (negative entry)	(2,068,124)	(1,985,452)
A.1.2.2 Due from foreign entities, specify	-	-
A.1.2.2.1	-	-
A.1.2.2.2	-	-
A.1.2.2.3	-	-
A.1.2.2.4 Allowance for doubtful accounts (negative entry)	-	-
A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5)	79,330,845	67,234,146
A.1.3.1 Real estate held for sale and development	57,538,900	50,767,649
A.1.3.2 Coal inventory	6,477,900	1,389,505
A.1.3.3 Equipment parts, materials & supplies in transit	14,176,084	14,355,088
A.1.3.4 Cement inventory	1,048,628	690,231
A.1.3.5 Nickle Ore	89,333	31,673
A.1.3.6 Others, specify (A.1.3.5.1 + A.1.3.5.2)	-	-
A.1.3.6.1 Fuel, oil and chemical / Merchandising and Others	-	-
A.1.3.6.2 Allowance for inventory obsolescence	-	-
A.1.4 Financial Assets other than Cash/Receivables/Equity investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4 + A.1.4.5 + A.1.4.6)	299,291	297,007
A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities:	-	-
A.1.4.1.1 National Government	-	-
A.1.4.1.2 Public Financial Institutions	-	-
A.1.4.1.3 Public Non-Financial Institutions	-	-
A.1.4.1.4 Private Financial Institutions	-	-
A.1.4.1.5 Private Non-Financial Institutions	-	-
A.1.4.2 Held to Maturity Investments - issued by domestic entities:	-	-
A.1.4.2.1 National Government	-	-
A.1.4.2.2 Public Financial Institutions	-	-
A.1.4.2.3 Public Non-Financial Institutions	-	-
A.1.4.2.4 Private Financial Institutions	-	-
A.1.4.2.5 Private Non-Financial Institutions	-	-

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)

CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City

TEL. NO.: 8888-3000

FAX NO.:

COMPANY TYPE: Holding Company

PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Consolidated Balance Sheet

FINANCIAL DATA	2025 (in P'000)	2024 Restated (in P'000)
A.1.4.3 Loans and Receivables - issued by domestic entities:	-	-
A.1.4.3.1 National Government	-	-
A.1.4.3.2 Public Financial Institutions	-	-
A.1.4.3.3 Public Non-Financial Institutions	-	-
A.1.4.3.4 Private Financial Institutions	-	-
A.1.4.3.5 Private Non-Financial Institutions	-	-
A.1.4.4 Available-for-sale financial assets - issued by domestic entities:	299,291	297,007
A.1.4.4.1 National Government	-	-
A.1.4.4.2 Public Financial Institutions	-	-
A.1.4.4.3 Public Non-Financial Institutions	297,114	294,830
A.1.4.4.4 Private Financial Institutions	-	-
A.1.4.4.5 Private Non-Financial Institutions	2,177	2,177
A.1.4.5 Financial Assets issued by foreign entities: (A.1.4.5.1+A.1.4.5.2+A.1.4.5.3+A.1.4.5.4)	-	-
A.1.4.5.1 Financial Assets at Fair Value through Profit or Loss	-	-
A.1.4.5.2 Held-to-maturity Investments	-	-
A.1.4.5.3 Loans and Receivables	-	-
A.1.4.5.4 Available-for-sale Financial Assets	-	-
A.1.4.6 Allowance for decline in market value (negative entry)	-	-
A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2)	20,630,373	28,260,290
A.1.5.1 Contract assets (including costs and estimated earnings in excess of billings on uncompleted contracts)	7,510,319	13,057,803
A.1.5.2 Other current assets	13,120,054	15,202,487
A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7+ A.2.8+ A.2.9)	79,284,458	82,041,191
A.2.1 Land and Land Improvements	4,039,181	3,962,350
A.2.2 Power Plant, Buildings and Building Improvements	73,103,589	70,626,399
A.2.3 Coal Mining Properties and Equipment	54,856,966	51,386,845
A.2.4 Construction Equipment, Machinery and Tools	15,226,812	14,772,240
A.2.5 Nickel Mining Properties and Equipment	6,699,438	6,289,479
A.2.6 Cement Buildings, building improvement, properties and equipment	26,539,039	9,052,715
A.2.7 Others, specify (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5)	6,760,769	24,426,254
A.2.7.1 Office Furniture, Fixtures and Equipment	1,336,429	1,253,608
A.2.7.2 Transportation Equipment	1,396,211	1,362,057
A.2.7.3 Leasehold Improvements	804,030	498,386
A.2.7.4 Construction in Progress	3,224,099	21,312,203
A.2.7.5 Others	-	-
A.2.8 Appraisal increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3)	-	-
A.2.8.1	-	-
A.2.8.2	-	-
A.2.8.3	-	-
A.2.9 Accumulated Depreciation (negative entry)	(107,941,336)	(98,475,091)
A.2.10 Impairment Loss or Reversal (if loss, negative entry)	-	-
A.3 Investments accounted for using the equity method (A.3.1)	24,440,477	24,275,274
A.3.1 Others, specify (A.3.1.1 + A.3.1.2 + A.3.1.3 + A.3.1.4)	24,440,477	24,275,274
A.3.1.1 Investment cost	4,387,469	1,146,469
A.3.1.2 Addition	-	3,241,000
A.3.1.3 Accumulated Equity in net earnings (losses)	20,090,574	20,020,610
A.3.1.4 Accumulated impairment loss (negative entry)	(6,798)	(6,798)
A.3.1.5 Share in other comprehensive income (loss)	(30,768)	(126,007)
A.4 Investment Property	56,429	71,584
A.5 Biological Assets	-	-
A.6 Intangible Assets (A.6.1 + A.6.2)	121,522	85,422
A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2)	121,522	85,422
A.6.1.1 Software Cost	121,522	85,422
A.6.1.2 Others	-	-
A.6.2 Others, specify (A.6.2.1 + A.6.2.2)	-	-
A.6.2.1	-	-
A.6.2.2	-	-
A.7 Assets Classified as Held for Sale	-	-
A.8 Assets included in Disposal Groups Classified as Held for Sale	-	-

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)
CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City
TEL. NO.: 8888-3000 FAX NO.: _____
COMPANY TYPE: Holding Company PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Consolidated Balance Sheet

FINANCIAL DATA	2025 (in P'000)	2024 Restated (in P'000)
A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)	4,999,828	5,888,895
A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3)	4,999,828	5,888,895
A.9.1.1 Contract assets	4,999,828	5,888,895
A.9.1.2	-	-
A.9.1.3	-	-
A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3)	-	-
A.9.2.1	-	-
A.9.2.2	-	-
A.9.2.3	-	-
A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)	-	-
A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4)	21,372,297	22,291,797
A.10.1 Deferred Tax Assets - net	1,669,776	1,617,544
A.10.2 Pension Assets	1,088,596	1,060,397
A.10.3 Trademarks	5,492,744	5,492,744
A.10.4 Goodwill	1,731,435	1,731,435
A.10.5 Others, specify (A.10.5.1 + A.10.5.2 + A.10.5.3 + A.10.5.4+A.10.5.5)	11,389,746	12,389,677
A.10.5.1 Exploration and evaluation asset	550,195	1,386,296
A.10.5.2 Right of use asset	3,450,763	3,828,484
A.10.5.3 Other Noncurrent Assets	7,388,788	7,174,897
A.10.5.4 Allowance for write-down of deferred charges/bad accounts (negative entry)	-	-
B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)	133,280,657	138,674,654
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6)	61,404,636	58,586,698
B.1.1 Trade and Other Payables to Domestic Entities (B.1.1.1 + B.1.1.2 + B.1.1.3 + B.1.1.4)	30,966,162	32,244,992
B.1.1.1 Suppliers and Subcontractors	17,439,192	16,067,711
B.1.1.2 Other Trade Payables	537,059	460,051
B.1.1.3 Accruals, specify material items (B.1.1.3.1 + B.1.1.3.2 + B.1.1.3.3)	7,022,565	7,965,520
B.1.1.3.1 Project costs	2,221,511	2,003,556
B.1.1.3.2 Payable to Department of Energy	-	2,098,715
B.1.1.3.3 Others	4,801,054	3,863,249
B.1.1.4 Others, specify (B.1.1.4.1 + B.1.1.4.2 + B.1.1.4.3 + B.1.1.4.4)	5,967,346	7,751,710
B.1.1.4.1 Output VAT Payable	2,593,409	5,464,665
B.1.1.4.2 Commission Payable	1,964,718	1,288,410
B.1.1.4.3 Payable to Related Parties	743,793	383,531
B.1.1.4.4 Others	665,426	615,104
B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1 + B.1.2.2 + B.1.2.3)	-	-
B.1.2.1	-	-
B.1.2.2	-	-
B.1.2.3	-	-
B.1.3 Provisions	-	-
B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions) (B.1.4.1 + B.1.4.2 + B.1.4.3)	16,209,168	9,751,012
B.1.4.1 Short-term Debt	2,826,290	4,312,526
B.1.4.2 Current Portion of Long-term Debt	12,750,303	4,906,247
B.1.4.3 Current Portion of Liabilities for Purchased Land	632,575	532,239
B.1.5 Liabilities for Current Tax	256,233	391,225
B.1.6 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions) (B.1.6.1 + B.1.6.2 + B.1.6.3)	13,973,073	16,199,469
B.1.6.1 Contract liabilities (including billings in excess of costs and estimated earnings on uncompleted contracts)	8,531,725	9,948,206
B.1.6.2 Other customers' advances and deposits	5,441,348	6,251,263
B.1.6.3 Any other current liability in excess of 5% of Total Current Liabilities, specify: (B.1.6.3.1 + B.1.6.3.2 + B.1.6.3.3)	-	-
B.1.6.3.1	-	-
B.1.6.3.2	-	-
B.1.6.3.3	-	-

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)
CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City
TEL. NO.: 8888-3000 FAX NO.: _____

COMPANY TYPE : Holding Company PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Consolidated Balance Sheet

FINANCIAL DATA		2025 (in P'000)	2024 Restated (in P'000)
B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5)		50,730,254	58,907,449
B.2.1 Domestic Public Financial Institutions		-	-
B.2.2 Domestic Public Non-Financial Institutions		-	-
B.2.3 Domestic Private Financial Institutions		50,730,254	58,907,449
B.2.4 Domestic Private Non-Financial Institutions		-	-
B.2.5 Foreign Financial Institutions		-	-
B.3 Indebtedness to Affiliates and Related Parties (Non-Current)		-	-
B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale		-	-
B.5 Other Liabilities (B.5.1 + B.5.2 + B.5.3 + B.5.4)		21,145,767	21,180,507
B.5.1 Liabilities for Purchased Land - net of current portion		507,439	547,119
B.5.2 Contract Liabilities		8,328,353	8,354,244
B.5.3 Deferred Tax Liabilities		5,018,442	5,313,225
B.5.4 Others, specify (B.5.4.1 + B.5.4.2)		7,291,533	6,965,919
B.5.4.1 Pension		1,028,348	791,099
B.5.4.2 Other Noncurrent Liabilities		6,263,185	6,174,820
C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10)		148,446,858	149,637,297
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2+C.1.3)		20,000,000	20,000,000
C.1.1 Common shares	19,900,000,000 shares, P1.00 par value	19,900,000	19,900,000
C.1.2 Preferred Shares	100,000,000 shares, P1.00 par value	100,000	100,000
C.1.3 Others		-	-
C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3)		-	-
C.2.1 Common shares		-	-
C.2.2 Preferred Shares		-	-
C.2.3 Others		-	-
C.3 Paid-up Capital Stock (C.3.1 + C.3.2)		13,287,474	13,287,474
C.3.1 Common shares	13,277,470,000 issued and outstanding	13,277,470	13,277,470
C.3.2 Preferred Shares	3,780 issued shares, 10,000,960 shares outstanding	10,004	10,004
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus		14,662,394	14,662,394
C.5 Non-controlling Interests		28,036,571	29,717,992
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3 + C.6.4)		649,966	513,501
C.6.1 Premium on Acquisition of Non-controlling Interests		(817,958)	(817,958)
C.6.2 Remeasurements on Retirement Plans - net of tax		1,246,682	1,182,835
C.6.3 Net Accumulated Unrealized Gains on AFS Financial Assets		244,318	242,034
C.6.4 Other equity		(23,076)	(93,410)
C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus		-	-
C.8 Retained Earnings (C.8.1 + C.8.2)		91,817,522	91,463,005
C.8.1 Appropriated		-	-
C.8.2 Unappropriated		91,817,522	91,463,005
C.9 Head / Home Office Account (for Foreign Branches only)		-	-
C.10 Cost of Preferred Stocks Held in Treasury (negative entry)		(7,069)	(7,069)
TOTAL LIABILITIES AND EQUITY (B + C)		281,727,515	288,311,951

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)
 CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City
 TEL. NO.: 8888-3000 FAX NO.: _____
 COMPANY TYPE: Holding Company PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Consolidated Income Statement

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)	2023 (in P'000)
A. REVENUE / INCOME (A.1 + A.2 + A.3 + A.4)	119,355,519	112,023,020	129,989,166
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity)	108,652,872	102,378,548	122,829,114
A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for using the Equity Method	3,707,591	3,354,081	2,145,377
A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5)	4,341,390	3,487,278	2,915,940
A.3.1 Forfeitures and cancellation of contracts	2,763,042	2,260,508	1,635,979
A.3.2 Rental income	586,531	498,060	376,915
A.3.3 Others, specify (A.3.3.1 + A.3.3.2 + A.3.3.3)	991,817	728,710	903,046
A.3.3.1 Sale of fly ash	359,219	392,167	472,005
A.3.3.2 Others	632,598	336,543	431,041
A.3.3.3			
A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4)	2,653,666	2,803,113	2,098,735
A.4.1 Interest Income	2,171,196	2,451,732	1,989,202
A.4.2 Recoveries from insurance claims	361,837	186,234	31,884
A.4.3 Gain / (Loss) from selling of Assets, specify (A.4.3.1 + A.4.3.2)	13,920	259,413	197,706
A.4.3.1 Gain on sale of underdeveloped land	50,208	259,413	141,792
A.4.3.2 Gain on sale of property, plant and equipment - net	(36,288)		55,914
A.4.3.3 Gain on Financial Asset at Fair Value			-
A.4.4 Others, specify	106,713	(94,266)	(120,057)
A.4.4.1 Foreign exchange gain (loss)	106,713	(94,266)	(120,057)
B. COST OF GOODS SOLD (B.1 + B.2 + B.3)	-	-	-
B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5)	-	-	-
B.1.1 Direct Material Used	-	-	-
B.1.2 Direct Labor	-	-	-
B.1.3 Other Manufacturing Cost / Overhead	-	-	-
B.1.4 Goods in Process, Beginning	-	-	-
B.1.5 Goods in Process, End (negative entry)	-	-	-
B.2 Finished Goods, Beginning	-	-	-
B.3 Finished Goods, End (negative entry)	-	-	-
C. COST OF SALES (C.1+ C.2 +C.3+ C.4+ C.5+ C.6 +C.7 +C.8 +C.9 +C.10 +C.11)	40,504,334	34,660,379	41,542,144
C.1 Cost of real estate inventory	6,381,987	5,656,003	11,172,424
C.2 Fuel and lubricants	11,154,865	10,907,346	12,479,306
C.3 Materials and supplies	8,026,009	5,975,714	5,345,724
C.4 Depreciation and amortization	5,515,519	4,429,705	4,120,529
C.5 Direct labor	3,648,502	3,222,732	2,601,573
C.6 Commission	398,981	593,770	813,984
C.7 Outside services	1,883,229	662,875	937,362
C.8 Production overhead	1,192,427	1,332,076	1,566,306
C.9 Hauling, shiploading and handling costs	1,857,518	1,804,216	2,111,778
C.10 Provision for decommissioning and site rehabilitaton	-	-	-
C.11 Others	445,297	75,942	393,158
D. COST OF SERVICES (D.1 + D.2 + D.3 + D.4 + D.5 + D.6 + D.7 + D.8 + D.9)	33,426,465	25,999,053	25,627,881
D.1 Materials and supplies	10,694,560	5,309,915	6,388,265
D.2 Depreciation and amortization	4,844,234	3,893,085	4,256,717
D.3 Direct labor	6,506,816	5,340,006	3,503,916
D.4 Outside services	3,855,118	3,079,129	3,638,538
D.5 Production overhead	2,825,138	2,986,670	2,972,844
D.6 Fuel and lubricants	3,717,661	4,362,946	3,364,844
D.7 Spot purchases of electricity	502,703	903,930	880,726
D.8 Others	480,235	123,372	622,031
E. GROSS PROFIT (A - B - C - D)	45,424,720	51,363,588	62,819,141

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)
CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City
TEL. NO.: 8888-3000 FAX NO.: _____
COMPANY TYPE : Holding Company PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Consolidated Income Statement

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)	2023 (in P'000)
F. OPERATING EXPENSES (F.1 + F.2 + F.3 + F.4)	18,146,741	18,010,109	20,700,298
F.2 Salaries, wages and employee benefits	3,788,526	3,026,724	2,349,526
F.1 Government share	1,955,301	6,379,395	10,682,608
F.3 Depreciation and amortization	652,026	611,193	253,083
F.4 Other Expenses, specify (F.4.1 + F.4.2 + F.4.3 + F.4.4 + F.4.5 + F.4.6 + F.4.7 + F.4.8 + F.4.9 + F.4.10 + F.4.11 + F.4.12 + F.4.13 + F.4.14 + F.4.15)	11,750,888	7,992,797	7,415,081
F.4.1 Taxes and licenses	1,857,056	1,643,189	1,719,400
F.4.3 Outside services	2,031,358	1,522,516	1,495,586
F.4.2 Repairs and maintenance	1,389,938	1,456,302	1,594,123
F.4.4 Insurance	1,202,750	841,947	510,434
F.4.6 Rent	135,782	89,485	206,086
F.4.5 Advertising and marketing	587,316	470,576	429,970
F.4.7 Communication, light and water	194,609	155,195	92,735
F.4.9 Entertainment, amusement and recreation	217,175	196,812	138,430
F.4.8 Transportation and travel	2,425,269	360,266	105,758
F.4.11 Supplies	611,198	355,885	267,182
F.4.10 Allowance for expected credit losses and probable losses assets	118,574	84,027	35,913
F.4.13 Association dues	494,829	207,995	162,153
F.4.14 Commission	-	-	-
F.4.12 Loss on writedown of ppe and other noncurrent assets	89,494	-	-
F.4.15 Miscellaneous	395,540	608,602	657,311
G. FINANCE COSTS	4,307,748	2,730,175	964,167
H. OTHER EXPENSES			
H.1 Impairment of goodwill	-	-	-
I. NET INCOME (LOSS) BEFORE TAX (E - F - G - H)	22,970,231	30,623,304	41,154,676
J. INCOME TAX EXPENSE (negative entry)	(3,571,115)	(3,116,096)	(4,317,762)
J. INCOME(LOSS) AFTER TAX	19,399,116	27,507,208	36,836,914
K. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on the Measurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any)	-	-	-
L. PROFIT OR LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	4,304,931	8,531,041	12,114,542
M. PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	15,094,185	18,976,167	24,722,372
N. EARNINGS (LOSS) PER SHARE			
N.1 Basic	1.14	1.43	1.86
N.2 Diluted	1.14	1.43	1.86

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION:

DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)

CURRENT ADDRESS:

3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City

TEL. NO.:

8888-3000

FAX NO.:

PSIC:

PSIC:

PSIC:

#REF!

COMPANY TYPE :

Holding Company

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

FINANCIAL DATA	(Amount in P'000)											
	Capital Stock	Additional Paid-in Capital	Treasury Shares Preferred	Unappropriated Retained Earnings	Appropriated Retained Earnings	Premium on Acquisition of Non-controlling Interest	Remeasurements on Retirement Plans	Net Accumulated Gains (Loss) on equity investments (FVOCI)	Other Equity	TOTAL	Attributable to Non-controlling Interests	TOTAL
A. Balance, 2022	13,277,474	4,672,394	(7,069)	85,194,218	-	(817,958)	975,442	131,613	25,290	103,451,404	29,218,230	132,669,634
B. Comprehensive Income	-	-	-	24,722,372	-	-	(76,159)	43,085	95	24,689,393	12,095,968	36,785,361
B.1 Net Income (Loss) for the Period	-	-	-	24,722,372	-	-	-	-	-	24,722,372	12,114,542	36,836,914
B.2 Other Comprehensive income	-	-	-	-	-	-	(76,159)	43,085	95	(32,979)	(18,574)	(51,553)
C. Dividends (negative entry)	-	-	-	(19,119,558)	-	-	-	-	-	(19,119,558)	(12,898,287)	(32,017,845)
D. Appropriation for (specify)	-	-	-	-	-	-	-	-	-	-	-	-
D.1 Capacity expansion and additional investment	-	-	-	-	-	-	-	-	-	-	-	-
D.2 Reversal of appropriation	-	-	-	-	-	-	-	-	-	-	-	-
E. Others	-	-	-	-	-	-	-	-	-	-	-	-
E.1 Acquisition of Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
E.2 Redemption of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-
F. Balance, 2023	13,277,474	4,672,394	(7,069)	90,797,032	-	(817,958)	899,283	174,698	25,385	109,021,239	28,415,911	137,437,150
G. Effect of full adoption of PFRS 15	-	-	-	(2,377,230)	-	-	-	-	-	(2,377,230)	-	(2,377,230)
H. Comprehensive Income	-	-	-	18,976,167	-	-	283,552	67,336	(118,795)	19,208,260	8,527,615	27,735,875
H.1 Net Income (Loss) for the Period	-	-	-	18,976,167	-	-	-	-	-	18,976,167	8,531,041	27,507,208
H.2 Other Comprehensive income	-	-	-	-	-	-	283,552	67,336	(118,795)	232,093	(3,426)	228,667
I. Issuance of preferred shares	10,000	9,990,000	-	-	-	-	-	-	-	10,000,000	-	10,000,000
J. Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	3,830,153	3,830,153
K. Dividends (negative entry)	-	-	-	(15,932,964)	-	-	-	-	-	(15,932,964)	(11,055,687)	(26,988,651)
L. Appropriation for (specify)	-	-	-	-	-	-	-	-	-	-	-	-
L.1 Capacity expansion and additional investment	-	-	-	-	-	-	-	-	-	-	-	-
L.2 Reversal of appropriation	-	-	-	-	-	-	-	-	-	-	-	-
M. Others	-	-	-	-	-	-	-	-	-	-	-	-
M.1 Acquisition of Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
M.2 Redemption of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-
N. Balance, 2024 as restated	13,287,474	14,662,394	(7,069)	91,463,005	-	(817,958)	1,182,835	242,034	(93,410)	119,919,305	29,717,992	149,637,297
O. Comprehensive Income	-	-	-	15,094,185	-	-	63,847	2,284	70,334	15,230,650	4,308,234	19,538,884
O.1 Net Income (Loss) for the Period	-	-	-	15,094,185	-	-	-	-	-	15,094,185	4,304,931	19,399,116
O.2 Other Comprehensive income (loss)	-	-	-	-	-	-	63,847	2,284	70,334	136,465	3,303	139,768
P. Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Q. Dividends (negative entry)	-	-	-	(14,739,668)	-	-	-	-	-	(14,739,668)	(5,989,655)	(20,729,323)
R. Appropriation for (specify)	-	-	-	-	-	-	-	-	-	-	-	-
R.1 Capacity expansion and additional investment	-	-	-	-	-	-	-	-	-	-	-	-
R.2 Reversal of appropriation	-	-	-	-	-	-	-	-	-	-	-	-
S. Others	-	-	-	-	-	-	-	-	-	-	-	-
S.1 Acquisition of Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
T. Balance, 2025	13,287,474	14,662,394	(7,069)	91,817,522	-	(817,958)	1,246,682	244,318	(23,076)	120,410,287	28,036,571	148,446,858

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)

CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City

TEL. NO.: 8888-3000

FAX NO.: _____

COMPANY TYPE: Holding Company

PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Consolidated Cash Flow Statements

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)	2023 (in P'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss) Before Tax	22,970,231	30,623,304	41,154,676
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
Depreciation, depletion and amortization	11,011,779	8,933,983	8,630,329
Amortization, specify:			
Others, specify: Finance costs	4,307,748	2,730,175	964,167
Unrealized market loss (gain) on financial assets at FVPL			
Loss on writedown of ppe and other noncurrent assets		-	76,095
Net movement in retirement asset	298,583	762,391	80,460
Equity in net earnings of associates and joint ventures	(3,707,591)	(3,354,081)	(2,145,377)
Finance income	(2,171,196)	(2,451,732)	(1,989,202)
Loss (Gain) on sale property, plant and equipment	36,288	-	(55,914)
Net unrealized foreign exchange loss (gain)	105,754	202,606	217,125
Impairment of goodwill		-	-
Gain on sale of undeveloped land	(50,208)	(259,413)	(141,792)
Recoveries from insurance claims and claims from third party settlement	(361,837)	(186,234)	(31,884)
Changes in Assets and Liabilities:			
Decrease (Increase) in:			
Receivables and contract assets	7,443,598	9,175,967	3,224,211
Inventories	(11,361,432)	(1,418,175)	(4,866,708)
Other current assets	2,082,433	1,262,180	(1,898,943)
Others, specify:			
Increase (Decrease) in:			
Accounts payable and accrued expenses	(599,551)	(18,033,909)	2,184,747
Others, specify: Contract liabilities and other customers' advances and deposits	(2,252,287)	5,192,707	3,431,596
Liabilities for purchased land	60,656	(211,909)	(513,434)
Others, specify:			
Interest received	2,171,196	2,451,732	1,504,282
Income taxes paid	(4,774,585)	(4,515,741)	(3,998,389)
Interest paid and capitalized as cost of inventory		-	(1,858,629)
A. Net Cash Provided by Operating Activities (sum of above rows)	25,209,579	30,903,851	43,967,416
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Acquisition of business- net of cash		(8,060,913)	
Property, plant and equipment	(7,209,173)	(12,647,025)	(5,460,280)
Investments in associates, jointly controlled entity and others		(3,241,000)	-
Exploration and evaluation asset	(729,311)	(880,783)	(43,965)
Available-for-sale financial assets			-
Proceeds from disposals of:			
Property and equipment	65,157	-	86,777
Undeveloped land	95,196	1,821,219	1,339,286
Investment properties			-
Available-for-sale financial assets		110,103	603,115
Insurance claims and claims from third party settlement	361,837	186,234	31,884
Others, specify: Dividends received	3,067,519	1,278,113	915,551
	446,675		
Decrease (Increase) in other noncurrent assets	545,203	(1,686,651)	(774,131)
Interest paid and capitalized as cost of property, plant and equipment		-	(74,143)
B. Net Cash Provided by Investing Activities (sum of above rows)	(3,356,897)	(23,120,703)	(3,375,906)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Issuance of preferred shares		10,000,000	
Short-term debt	1,278,957	2,765,140	917,968
Long-term debt	5,619,617	16,781,719	4,466,250
Payments of:			
Short-term debt	(2,765,193)	-	(500,000)
Long-term debt	(5,952,756)	(8,289,240)	(8,015,595)
Dividends paid to equity holders of DMCI Holdings, Inc	(14,749,006)	(15,932,964)	(19,119,558)
Dividends paid to non-controlling interests	(5,981,838)	(11,055,687)	(12,914,997)
Interest	(4,230,050)	(3,419,443)	(1,206,426)
Lease liabilities	(597,219)	(21,133)	(35,840)
Others, specify (negative entry):			
Purchase of non-controlling interest			-
Redemption of preferred shares			-
Increase (Decrease) in Other noncurrent liabilities	409,932	3,502,852	(216,583)
C. Net Cash Used in Financing Activities (sum of above rows)	(26,967,556)	(5,668,756)	(36,624,781)
D. Effects of Exchange Rate Changes on Cash and Cash Equivalents	(105,754)	26,054	(217,125)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D)	(5,220,628)	2,140,446	3,749,604
Cash and Cash Equivalents			
Beginning of year	34,298,524	32,158,078	28,408,474
End of year	29,077,896	34,298,524	32,158,078

FW: Your BIR AFS eSubmission uploads were received

From: eafs@bir.gov.ph <eafs@bir.gov.ph>
Sent: Tuesday, April 14, 2026 3:27 PM
To: April C. Ancheta <acancheta@dmcinet.com>
Cc: April C. Ancheta <acancheta@dmcinet.com>
Subject: Your BIR AFS eSubmission uploads were received

Hi DMCI HOLDINGS, INC.,

Valid files

- EAFS004703376ITRTY122025.pdf
- EAFS004703376AFSTY122025.pdf
- EAFS004703376RPPTY122025.pdf
- EAFS004703376OTHTY122025.pdf

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Transaction Code: **AFS-0-31V4V3RM03NX4VVNXMYPT4SZN0QW122W4X**
Submission Date/Time: **Apr 14, 2026 03:26 PM**
Company TIN: **004-703-376**

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

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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April 14, 2026 3:26:42 PM	ITR	EAFS004703376ITRTY122025.pdf	2.169833	7	✓
April 14, 2026 3:26:44 PM	AFS	EAFS004703376AFSTY122025.pdf	36.295047	44	✓
April 14, 2026 3:26:41 PM	OTHER	EAFS004703376OTHTY122025.pdf	2.740451	8	✓
April 14, 2026 3:26:43 PM	RPT	EAFS004703376RPTTY122025.pdf	11.669851	44	✓

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DMCI HOLDINGS
INCORPORATED

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

3rd floor
DACON Building
2281 Don Chino Races Ave.
(formerly Pasong Tamo Ext.)
Makati City 1231, Philippines

{632} 8888 . 3000
E-MAIL
investors@dmcinet.com
WEBSITE
www.dmciholdings.com

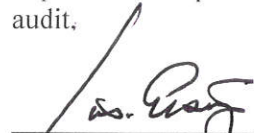
The management of **DMCI HOLDINGS, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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


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

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

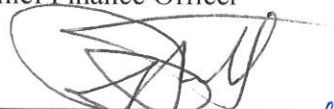
Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



Isidro A. Consunji
Chairman of the Board/
President



Herbert M. Consunji
Executive Vice President/
Chief Finance Officer



Joseph Adelbert V. Legasto
Deputy Chief Finance Officer

Signed this March 16, 2026

Subsidiaries:

D.M. Consunji, Inc.
DMCI Project Developers, Inc.
DMCI Power Corporation
DMCI Mining Corporation
Concrete Asian Southeast Corporation
Semirara Mining and Power Corporation
Maynilad Water Holdings, Inc.
Wire Rope Corporation of the Phils

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in
MAKATI CITY, this day of 26 MAR 2026.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
Notarial Seal on the date and place above written.

Doc No. 427
Page No. 87
Book No. XIV
Series No. 7026

ATTY. RENE MA. M. VILLA
NOTARY PUBLIC OF MAKATI CITY
APPOINTMENT NO M-110
(REN) (2025 - 2026)
UNTIL DECEMBER 31, 2026
PTR NO. 10766722; 01-05-2026; MAKATI CITY
IBP LIFETIME No. 015595; 12-27-2013; I.C.
RON NO. 37226
MCLE COMPLIANCE NO. VIII-0012759; 03-27-2024
GROUND FLOOR, MAKATI TEPRADES CONDOMINIUM
3650 DAVIDS ST, TEJEROS, MAKATI CITY

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
DMCI Holdings, Inc.
3rd Floor, Dacon Building
2281 Chino Roces Avenue
Makati City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of DMCI Holdings, Inc. (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2025 and 2024, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for 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 Parent 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 Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of financial statements of public interest entities in the Philippines, 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 Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Parent Company or to cease operations, or has no realistic alternative but to do so.



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

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

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

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

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

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



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

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

The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of DMCI Holdings, Inc. in a separate schedule. Such information is not a required part of the basic parent company financial statements. The information is also not required by Revised Securities Regulation Code Rule 68. Our opinion on the basic parent company financial statements is not affected by the presentation of the information in a separate schedule.

SYCIP GORRES VELAYO & CO.

Jennifer D. Ticlao

Jennifer D. Ticlao

Partner

CPA Certificate No. 109616

Tax Identification No. 245-571-753

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

SEC Partner Accreditation No. 109616-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

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

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-110-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10765137, January 2, 2026, Makati City

March 16, 2026



DMCI HOLDINGS, INC.**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2025	2024 (As Restated – Note 6)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱5,968,578,535	₱7,396,251,292
Receivables (Notes 5 and 11)	524,798,127	1,064,636,008
Other current assets (Note 8)	23,489,110	20,174,265
Total Current Assets	6,516,865,772	8,481,061,565
Noncurrent Assets		
Investments in subsidiaries and associate (Note 6)	25,463,752,285	24,041,077,090
Net pension asset (Note 12)	43,732,770	35,376,217
Property and equipment (Note 7)	4,960,075	3,862,996
Other noncurrent assets (Note 8)	310,488,747	10,488,747
Total Noncurrent Assets	25,822,933,877	24,090,805,050
	₱32,339,799,649	₱32,571,866,615
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 9)	₱140,580,286	₱138,297,483
Income tax payable	248	27,448
Total Current Liabilities	140,580,534	138,324,931
Noncurrent Liabilities		
Deferred tax liability - net (Note 15)	16,423,430	9,427,085
Subscription payable (Note 11)	1,000,000	1,000,000
Total Noncurrent Liabilities	17,423,430	10,427,085
Total Liabilities	158,003,964	148,752,016
Equity		
Capital stock (Note 10)	13,287,473,780	13,287,473,780
Additional paid-in capital (Note 10)	14,662,393,925	14,662,393,925
Treasury shares - preferred (Note 10)	(7,068,577)	(7,068,577)
Retained earnings (Note 10)	4,235,885,098	4,482,811,321
Remeasurement gain (loss) on retirement plan - net of tax (Note 12)	3,111,459	(2,495,850)
Total Equity	32,181,795,685	32,423,114,599
	₱32,339,799,649	₱32,571,866,615

See accompanying Notes to Parent Company Financial Statements.



DMCI HOLDINGS, INC.**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
	2025	2024
REVENUE		
Dividend income (Notes 6 and 11)	₱14,308,845,161	₱18,425,652,752
Interest income (Notes 4 and 14)	359,167,721	305,415,780
	14,668,012,882	18,731,068,532
OTHER INCOME (EXPENSES)		
Foreign exchange gain (loss)	18,962,665	(45,867,497)
Others	–	255,725
	18,962,665	(45,611,772)
	14,686,975,547	18,685,456,760
COSTS AND EXPENSES (Note 13)	120,647,008	90,224,578
INCOME BEFORE INCOME TAX	14,566,328,539	18,595,232,182
PROVISION FOR INCOME TAX (Note 15)	73,587,162	58,602,187
NET INCOME	14,492,741,377	18,536,629,995
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Item not to be reclassified to profit or loss in subsequent periods</i>		
Remeasurement gain (loss) on retirement plan (Note 12)	7,476,412	(1,097,137)
Income tax effect	(1,869,103)	274,284
	5,607,309	(822,853)
TOTAL COMPREHENSIVE INCOME	₱14,498,348,686	₱18,535,807,142
Basic/Diluted Earnings per share (Note 10)	₱1.09	₱1.40

See accompanying Notes to Parent Company Financial Statements.



DMCI HOLDINGS, INC.

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 10)	Additional Paid-in Capital (Note 10)	Treasury Shares - Preferred (Note 10)	Retained Earnings (Note 10)	Remeasurement Gain (Loss) on Retirement Plans - net (Note 12)	Total
For the Year Ended December 31, 2024						
Balances as of January 1, 2025	₱13,287,473,780	₱14,662,393,925	(₱7,068,577)	₱4,482,811,321	(₱2,495,850)	₱32,423,114,599
Net income	–	–	–	14,492,741,377	–	14,492,741,377
Other comprehensive income (Note 12)	–	–	–	–	5,607,309	5,607,309
Total comprehensive income	–	–	–	14,492,741,377	5,607,309	14,498,348,686
Cash dividends declared – Common (Note 10)	–	–	–	(14,339,667,600)	–	(14,339,667,600)
Cash dividends declared – Preferred (Note 10)	–	–	–	(400,000,000)	–	(400,000,000)
Balances as of December 31, 2025	₱13,287,473,780	₱14,662,393,925	(₱7,068,577)	₱4,235,885,098	₱3,111,459	₱32,181,795,685

For the Year Ended December 31, 2024						
Balances as of January 1, 2024	₱13,277,473,780	₱4,672,393,925	(₱7,068,577)	₱1,879,145,326	(₱1,672,997)	₱19,820,271,457
Issued capital stock (Note 10)	10,000,000	9,990,000,000	–	–	–	10,000,000,000
Net income	–	–	–	18,536,629,995	–	18,536,629,995
Other comprehensive loss (Note 12)	–	–	–	–	(822,853)	(822,853)
Total comprehensive income	–	–	–	18,536,629,995	(822,853)	18,535,807,142
Cash dividends declared – Common (Note 10)	–	–	–	(15,932,964,000)	–	(15,932,964,000)
Balances as of December 31, 2024	₱13,287,473,780	₱14,662,393,925	(₱7,068,577)	₱4,482,811,321	(₱2,495,850)	₱32,423,114,599

See accompanying Notes to Parent Company Financial Statements.



DMCI HOLDINGS, INC.**PARENT COMPANY STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱14,566,328,539	₱18,595,232,182
Adjustments for:		
Dividend income (Notes 6 and 11)	(14,308,845,161)	(18,425,652,752)
Interest income (Notes 4 and 14)	(359,167,721)	(305,415,780)
Depreciation and amortization (Notes 7 and 13)	2,234,658	2,452,358
Net pension income (Note 12)	(880,141)	(888,719)
Unrealized foreign currency exchange loss (gain)	(18,965,844)	662,984
Gain on sale of property and equipment (Note 7)	–	(255,725)
Operating loss before changes in working capital	(119,295,670)	(133,865,452)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	(15,851)	88,215
Other current assets	(3,314,845)	(2,959,345)
Increase (decrease) in accounts and other payables	11,620,844	(1,224,480)
Net cash used for operations	(111,005,522)	(137,961,062)
Interest received	352,346,258	294,013,643
Income tax paid	(68,487,120)	(58,530,632)
Net cash provided by operating activities	172,853,616	97,521,949
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received (Notes 5 and 11)	14,408,845,161	19,075,652,752
Collection of purchase price adjustment on acquisition of subsidiary (Note 6)	446,675,195	–
Investment in subsidiaries (Note 6)	(1,422,675,195)	(9,037,914,773)
Acquisition of bonds (Note 8)	(300,000,000)	–
Acquisitions of property and equipment (Note 7)	(3,331,737)	(1,304,806)
Proceeds from sale of property and equipment (Note 7)	–	398,202
Net cash provided by investing activities	13,129,513,424	10,036,831,375
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for dividends (Notes 9, 10 and 18)	(14,749,005,641)	(15,906,245,437)
Proceed from issuance of preferred shares (Note 10)	–	10,000,000,000
Net cash used in financing activities	(14,749,005,641)	(5,906,245,437)
EFFECT OF FOREIGN CURRENCY RATE CHANGES IN CASH AND CASH EQUIVALENTS		
	18,965,844	(662,984)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,427,672,757)	4,227,444,903
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,396,251,292	3,168,806,389
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱5,968,578,535	₱7,396,251,292

See accompanying Notes to Parent Company Financial Statements.



DMCI HOLDINGS, INC.

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

DMCI Holdings, Inc. (the Parent Company) was incorporated on March 8, 1995 and is domiciled in the Philippines. The Parent Company's registered office address and principal place of business is at 3rd Floor, Dacon Building, 2281 Chino Roces Avenue, Makati City.

The Parent Company is a holding company which has investments in companies primarily engaged in general construction, coal and nickel mining, power generation, real estate development, and manufacturing of certain construction materials. In addition, the Parent Company has equity ownership in water concession business.

The Parent Company's shares of stock are listed and are currently traded at the Philippine Stock Exchange (PSE). The Parent Company is 50.01%-owned by Dacon Corporation as of December 31, 2025 and 2024.

The accompanying parent company financial statements were approved and authorized for issue by the Board of Directors (BOD) on March 16, 2026.

2. Material Accounting Policy Information

Basis of Preparation

The accompanying parent company financial statements have been prepared using the historical cost basis and are presented in Philippine Peso (₱), which is also the Parent Company's functional currency. All amounts are rounded to the nearest Peso, except for earnings per share and par value information or unless otherwise indicated.

Statement of Compliance

The parent company financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as adopted by the Financial and Sustainability Reporting Standards Council (FSRSC).

The Parent Company also prepares and issues consolidated financial statements for the same period and presented in compliance with PFRS Accounting Standards as adopted by the FSRSC.

The consolidated financial statements are available at the registered office address of the Parent Company.

New Standards, Interpretations and Amendments

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



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

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

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

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- 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*

Material Accounting Policies

The material accounting policies that have been used in the preparation of parent company financial statements are summarized below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.



Recognition and Measurement of Financial Instruments

Financial assets

a. Initial recognition

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Parent Company's business model for managing them. The Parent Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

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

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

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

The Parent Company's financial assets comprise of financial assets at amortized cost.

b. Subsequent measurement – Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Parent Company's business model, the objective of which is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Parent Company classified cash and cash equivalents, receivables (excluding receivables from officers and employees) and refundable deposits as financial assets at amortized cost.

c. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired; or
- the Parent Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third



party under a pass-through arrangement; and either (i) the Parent Company has transferred substantially all the risks and rewards of the asset, or (ii) the Parent Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Parent Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Parent Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Parent Company has retained.

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

Financial liabilities

a. Initial recognition

Financial liabilities are classified, at initial recognition, either as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Parent Company's financial liabilities comprise of financial liabilities at amortized cost which includes accounts and other payables (except for statutory payables).

b. Subsequent measurement – Payables, loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

c. Derecognition

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



Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the parent company statements of financial position, if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the asset and settle the liability simultaneously. The Parent Company assesses that it has a currently enforceable right to offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Parent Company and all of the counterparties.

Impairment of Financial Assets

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

For receivables, except for receivables from wholly owned subsidiaries where the Parent Company applies general approach, the Parent Company applies a simplified approach in calculating ECLs.

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

For receivable from wholly owned subsidiaries and refundable deposits, 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 next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

In addition, the Parent Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



Investments in Subsidiaries and Associate

The Parent Company's investments in its subsidiaries and associate are accounted for using the cost method in the parent company financial statements.

Investment in subsidiaries

A subsidiary is an entity over which the Parent Company has control. Control is achieved when the Parent Company is exposed, or has rights to, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Parent Company controls an investee if and only if the Parent Company has:

- a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- b) exposure, or rights, to variable returns from its involvement with the investee; and
- c) the ability to use its power over the investee to affect its returns.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary.

The Parent Company recognizes income from the investment only to the extent that the Parent Company receives distributions from accumulated profits of the investee arising after the date of acquisition. The Parent Company recognizes dividend from a subsidiary in profit or loss when its right to receive the dividend is established. Distributions received in excess of such profits are regarded as recovery of investment and are recognized as a reduction from the cost of the investment.

Investment in an associate

An associate is an entity in which the Parent Company has significant influence, and which is neither a subsidiary nor a joint venture. An allowance is set up for any substantial and presumably permanent decline in the aggregate carrying value of the investment.

The Parent Company recognizes income from the investment only to the extent that it receives distributions from accumulated profits of the associate. The Parent Company recognizes dividend from an associate in profit or loss when its right to receive the dividend is established.

Other Assets

Other current and noncurrent assets, which are carried at cost, pertain to resources controlled by the Parent Company as a result of past events and from which future economic benefits are expected to flow to the Parent Company.

Prepaid expenses

Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for annual membership dues paid by the Parent Company in advance.

Value-added tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable. When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the parent company statements of financial position. When input VAT exceeds output VAT, the excess is recognized as an asset in the parent company statements of financial position to the extent of the recoverable amount.



The net amount of VAT recoverable from, or payable to, the taxation authority within 12 months from end of reporting period is presented as current; otherwise, the amount is presented as noncurrent.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment comprises its purchase price, including non-refundable import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged against expenses in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment. All other repair and maintenance expenses are charged against current operations as incurred.

Depreciation of property and equipment commences once the assets are put into operational use. Depreciation is calculated on a straight-line method over the following estimated useful lives (EUL) of the respective assets:

	Years
Office furniture, fixtures and equipment	1-3
Transportation equipment	5
Leasehold improvement	5 or lease term, whichever is shorter

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

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

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged against current operations.

Impairment of Nonfinancial Assets

This accounting policy applies to the Parent Company's investment in subsidiaries and associate and property and equipment. The Parent Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Parent Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.



For investment in subsidiaries and associate, the Parent Company considers certain indications of impairment such as significant decline in financial performance of the subsidiary and associate and significant negative industry or economic trends.

An assessment is 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 Parent Company makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss.

After such 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.

Equity

Capital stock and additional paid-in capital

Common and preferred shares are recognized at par value

Additional paid-in capital pertains to the excess of the total contributions received over the aggregate par values of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are deducted from contributions received.

Retained earnings

Retained earnings represent accumulated earnings of the Parent Company, and any other adjustment required by other standards, less dividends declared.

Treasury shares

Treasury shares pertains to own equity instruments which are reacquired and are subsequently retired by the Parent Company. No gain or loss is recognized in the profit or loss upon on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value is debited to additional paid-in capital recognized when the shares were issued and to retained earnings for the remaining balance.

Other comprehensive income (OCI)

OCI are the remeasurements, which consist of the actuarial gains and losses during the year on the defined benefit obligations.

Revenue Recognition

The Parent Company operates as a holding company and derives its revenue from dividends and interests.

Revenues from contracts with customers are recognized when control of the services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for services. The Parent Company assessed that dividend income and interest income are not considered as revenue from contracts with customers.



Dividend income

Dividend income is recognized when the Parent Company's right to receive payment is established, which is generally when shareholders approve the dividend. This is recognized as dividend income in the parent company statements of comprehensive income.

Interest income

Revenue is recognized as interest accrues (using the EIR that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Other income

Other income is recognized when earned.

Costs and Expenses

The Parent Company's costs and expenses are of the nature of general and administrative expenses that arise in the course of the ordinary operations of the Parent Company. These are recognized in the parent company statements of comprehensive income when incurred and are measured at the amount paid or payable.

Pension Expense

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a 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.

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

Defined benefit costs comprise the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements 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 profit or loss. 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 profit or loss.

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



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

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

Income Taxes

Current tax

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

Deferred tax

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

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

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

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized, or the liability is settled, based on tax rate and tax laws that have been enacted or substantially enacted at the financial reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period.

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



Foreign Currency Transactions and Translations

The Parent Company financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. However, monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the financial reporting date. All differences are taken to profit or loss during the period of retranslation.

Rent Expense

Short-term lease

The Parent Company applies the short-term lease recognition exemption to its rental of storage space that has lease term of 12 months or less from the initial application date and do not contain a purchase option. Lease payments on this short-term lease are recognized as expense on a straight-line basis over the lease term.

Contingencies

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

Events After the Reporting Date

Post year-end events up to the date of the auditor's report that provide additional information about the Parent Company's position at financial reporting date (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the parent company financial statements when material.

3. Material Accounting Estimates and Assumptions

The preparation of the accompanying parent company financial statements in conformity with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the parent company financial statements and accompanying notes. The judgements, estimates and assumptions used in the accompanying parent company financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the parent company financial statements. Actual results could differ from such estimates.

Management's Use of Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimating allowance for impairment losses on receivables

The Parent Company used a provision matrix to calculate ECLs for receivables, except for receivables from wholly owned subsidiaries. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.



The provision matrix is initially based on the Parent Company's historically observed default rates. The Parent Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and foreign exchange rates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed. The above assessment did not result to additional allowance for expected credit losses.

Deferred taxes

Significant judgment is required to determine the amount of deferred tax assets that can be recognized based upon likely timing and level of future taxable income together with future planning strategies.

The Parent Company did not recognize deferred tax assets for NOLCO and temporary difference as management believes that there is no taxable profit or taxable temporary difference that will reverse before the expiration of NOLCO. The unrecognized deferred tax assets of the Parent Company amounted to ₱0.70 million and ₱0.73 million as of December 31, 2025 and 2024, respectively (see Note 15).

Impairment assessment of investments in subsidiaries and associate

The Parent Company assesses the impairment of investments in subsidiaries and associate whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Parent Company considers important which could trigger an impairment review include the following:

- a. deteriorating or poor financial condition;
- b. recurring net losses; and,
- c. significant charges with an adverse effect on the subsidiaries or associate.

When indicators exist, an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

The Parent Company has an investment in Maynilad Water Holdings Company, Inc. (MWHCI), more than 90% of net income of which is derived from Maynilad Water Services, Inc. (MWSI).

On May 18, 2021, the Revised Concession Agreement (RCA) has been executed and signed by the representative parties of MWSI and Metropolitan Waterworks and Sewerage System (MWSS). On December 10, 2021, Republic Act 11600 was signed into law. On December 14, 2021, Maynilad Water again requested the MWSS Board to defer the RCA's Effective Date by another two months (until February 16, 2022) or until the Republic Letter of Undertaking is issued. On June 30, 2022, Maynilad received MWSS's letter of even date informing Maynilad Water that the Department of Finance ("DOF") has issued the Republic Undertaking dated June 24, 2022 signed by the Executive Secretary and the DOF Secretary.

Maynilad Water wrote the MWSS on July 1, 2022 informing them that the signed Republic Letter of Undertaking does not conform to the agreed form in the RCA, and, thus, Section 16.3 (iii) (c) of the RCA has not been satisfied.



On May 10, 2023, MWSS and Maynilad signed the Amendments to the RCA which took effect retroactively on June 29, 2022. Along with the Amendments to the RCA, the Letter of Undertaking in the form agreed by the parties was also issued. The Letter of Undertaking's effectivity retroacts to July 1, 2022. On December 14, 2023, MWSS approved the 10-year extension from 2037 to 2047, pending the acknowledgment by the Republic of the Philippines (RoP) through the Secretary of Finance. On November 17, 2025, Maynilad received the duly executed Memorandum of Agreement on and Confirmation of the Amendment to the Revised Concession dated October 10, 2025, signed and acknowledged by the Secretary of the Department of Finance.

On November 7, 2025, MWSI conducted an Initial Public Offering (IPO), offering up to 1,660.3 million common shares in a primary offer and up to 24.9 million primary common shares in a preferential offer. Additionally, there was an overallotment option of up to 249.0 million primary common shares, with a potential upside option of up to 354.7 million secondary common shares, all priced at ₱15.00 per share, intended for listing and trading on the Main Board of The Philippine Stock Exchange, Inc.

Estimating pension obligation and other retirement benefits

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. These assumptions are described in Note 12 and include among others, 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 assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases are based on expected future inflation rates for the specific country and other relevant factors. As of December 31, 2025, and 2024, net pension assets amounted to ₱43.73 million and ₱35.38 million, respectively (see Note 12).

4. Cash and Cash Equivalents

	2025	2024
Cash on hand and in banks	₱50,755,242	₱290,538,111
Cash equivalents	5,917,823,293	7,105,713,181
	₱5,968,578,535	₱7,396,251,292

Cash in banks earn interests at the respective bank deposit rates. Cash equivalents are short-term placements made for varying periods of up to three (3) months, depending on the immediate cash requirements of the Parent Company, and earn annual interest ranging from 1% to 6% and from 4.75% to 6.1% in 2025 and 2024, respectively.

Interest income earned from cash and cash equivalents amounted to ₱359.17 million and ₱305.42 million in 2025 and 2024, respectively (see Note 14). As of December 31, 2025 and 2024, accrued interest from cash and cash equivalents amounted to ₱22.07 million and ₱15.25 million, respectively (see Note 5).



5. Receivables

	2025	2024 (As Restated - Note 6)
Dividends receivable (Note 11)	₱500,000,000	₱600,000,000
Accrued interest receivable (Note 4)	22,071,659	15,250,196
Receivable from wholly owned subsidiaries (Note 11)	2,593,366	2,593,366
Receivables from officers and employees	360,647	407,296
Other receivables (Notes 6 and 11)	2,587,213	449,199,908
	527,612,885	1,067,450,766
Less allowance for impairment losses	(2,814,758)	(2,814,758)
	₱524,798,127	₱1,064,636,008

Dividends receivable pertains to the dividend income from the Parent Company's subsidiaries and associate that are yet to be collected (see Note 11).

Accrued interest receivable pertains to the accrual of interest from cash equivalents. These are expected to be collected upon maturity of the short-term placements (see Note 4).

Receivables from wholly owned subsidiaries and other receivables are composed of reimbursements and organization costs from subsidiaries (see Note 11).

Receivables from officers and employees pertain to uncollected advances which are collected through salary deduction.

Other receivables include receivable from the post-completion adjustment on the acquisition of a subsidiary (see Note 6).

The Parent Company's receivables are expected to be realized and fall due within one year after the reporting period.

As of December 31, 2025 and 2024, the allowance for impairment losses relates to receivables from a wholly owned subsidiary amounting to ₱2.46 million and other receivables amounting to ₱0.35 million.

6. Investments in Subsidiaries and Associate

This account consists of the following investments accounted for under the cost method and related percentages of ownership as of December 31, 2025 and 2024:

2025	Principal Activity	Effective Ownership (In Percentage)	Amount
Subsidiaries			
Concreat Asian South East Corporation (CASEC)*	Cement Manufacturing	56.75%	₱8,591,239,578
Semirara Mining and Power Corporation (SMPC)	Mining and power generation	56.65%	4,375,297,241
DMCI Project Developers, Inc. (PDI)	Real estate developer	100.00	4,139,930,031
D.M. Consunji, Inc. (DMCI)	General construction	100.00	2,860,168,269

(Forward)



2025	Principal Activity	Effective Ownership (In Percentage)	Amount
DMCI Mining Corporation (DMC)	Mining	100.00	₱2,077,086,632
DMCI Power Corporation (DPC)	Power generation	100.00	1,000,000,000
Wire Rope Corporation of the Philippines (Wire Rope)**	Steel wire manufacturing	45.60	22,010,775
Semirara Cement Corporation (SemCem)***	Cement manufacturing	100.00	1,999,400
Associate			
Maynilad Water Holding Company, Inc. (MWHCI)	Investment holding for water concessionaire	27.19	2,396,020,359
			₱25,463,752,285

*Excludes 6.31% indirect ownership from SMPC's 11.13% ownership interest

**Includes 16.02% ownership interest of DMCI

***Incorporated on January 29, 1998 and has not yet started commercial operations.

2024	Principal Activity	Effective Ownership (In Percentage)	Amount (As Restated)
Subsidiaries			
Concreat Asian South East Corporation (CASEC)*	Cement Manufacturing	56.75%	₱8,591,239,578
Semirara Mining and Power Corporation (SMPC)	Mining and power generation	56.65%	4,375,297,241
DMCI Project Developers, Inc. (PDI)	Real estate developer	100.00	3,463,930,031
D.M. Consunji, Inc. (DMCI)	General construction	100.00	2,113,493,074
DMCI Mining Corporation (DMC)	Mining	100.00	2,077,086,632
DMCI Power Corporation (DPC)	Power generation	100.00	1,000,000,000
Wire Rope Corporation of the Philippines (Wire Rope)**	Steel wire manufacturing	45.60	22,010,775
Semirara Cement Corporation (SemCem)***	Cement manufacturing	100.00	1,999,400
Associate			
Maynilad Water Holding Company, Inc. (MWHCI)	Investment holding for water concessionaire	27.19	2,396,020,359
			₱24,041,077,090

* Excludes 6.31% indirect ownership from SMPC's 11.13% ownership interest.

**Includes 16.02% ownership interest of DMCI

***Incorporated on January 29, 1998 and has not yet started commercial operations.

In 2025, capital infusion amounting to ₱746.68 million and ₱676.00 million were made to DMCI and PDI, respectively.

The subsidiaries and associate are all incorporated in the Philippines. The voting rights held by the Parent Company in these subsidiaries and associate are in proportion of its ownership interest.

Dividend income from the Parent Company's subsidiaries and associate amounted to ₱14,308.85 million and ₱18,425.65 million in 2025 and 2024, respectively (see Note 11).

Acquisition of CASEC shares

On April 25, 2024, the Parent Company, SMPC and Dacon Corporation entered into a share purchase agreement with Cemex Asia B.V. (Cemex) for the sale and purchase of its 100% interest in Concreat Asian South East Corporation (CASEC; formerly, Cemex Asian South East Corporation), equivalent to a total of 42,140,266 shares. CASEC owns 89.86% of Concreat Holdings Philippines, Inc. (CHP; formerly, Cemex Holdings Philippines, Inc.), a cement company listed in the Philippine Stock Exchange under the ticker name, CHP. The Parent Company acquired 56.75% or 23,914,601 shares of CASEC.



On December 2, 2024, the transaction was completed with the Parent Company, SMPC and Dacon Corporation acquiring 56.75%, 11.13% and 32.12% ownership interest in CASEC, respectively. The total consideration paid by the Parent Company amounted to ₱9,037.91 million. As of December 2, 2024, the Parent Company's effective interest in CASEC and CHP is 63.06% and 56.66%, respectively.

The share purchase agreement includes provision allowing post-completion adjustments on the considerations to be agreed by the parties. On August 1, 2025, the parties to the share purchase agreement finalized the post-completion adjustment, resulting in a total reduction of ₱446.68 million for the Parent Company. The final total consideration for the Parent Company amounted to ₱8,591.24 million. The consideration reduction of ₱446.68 million was recognized as part of "Receivables" as a restatement in the parent company statement of financial position as of December 31, 2024, considering the one-year measurement period as allowed under PFRS 3. The Parent Company received the purchase price reduction from Cemex on December 18, 2025.

The impact of the post-completion adjustment in the parent company statement of financial position as of December 31, 2024 are as follows:

	As previously reported	Adjustments	As restated
Assets			
Receivables	₱617,960,813	₱446,675,195	₱1,064,636,008
Investments in subsidiaries and associate	24,487,752,285	(446,675,195)	24,041,077,090

7. Property and Equipment

Rollforward of the account follow:

	2025			
	Office Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Total
Cost				
Balances at beginning of year	₱12,171,141	₱10,026,103	₱13,619,002	₱35,816,246
Additions	740,755	2,590,982	-	3,331,737
Disposals	(118,925)	(1,356,785)	-	(1,475,710)
Balances at end of year	12,792,971	11,260,300	13,619,002	37,672,273
Accumulated depreciation				
Balances at beginning of year	10,749,102	7,605,915	13,598,233	31,953,250
Depreciation (Note 13)	862,075	1,351,814	20,769	2,234,658
Disposals	(118,925)	(1,356,785)	-	(1,475,710)
Balances at end of year	11,492,252	7,600,944	13,619,002	32,712,198
Net Book Value	₱1,300,719	₱3,659,356	₱-	₱4,960,075



	2024			
	Office Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Total
Cost				
Balances at beginning of year	₱12,061,020	₱11,543,960	₱13,619,002	₱37,223,982
Additions	1,304,806	–	–	1,304,806
Disposals	(1,194,685)	(1,517,857)	–	(2,712,542)
Balances at end of year	12,171,141	10,026,103	13,619,002	35,816,246
Accumulated depreciation				
Balances at beginning of year	11,023,313	7,642,066	13,405,578	32,070,957
Depreciation (Note 13)	801,254	1,458,449	192,655	2,452,358
Disposals	(1,075,465)	(1,494,600)	–	(2,570,065)
Balances at end of year	10,749,102	7,605,915	13,598,233	31,953,250
Net Book Value	₱1,422,039	₱2,420,188	₱20,769	₱3,862,996

In 2024, the Parent Company disposed property and equipment for ₱398,202. Gain recognized from the sale amounted to ₱255,725 in 2024. There are no property and equipment pledged as security to any of the Parent Company's liabilities as of December 31, 2025 and 2024.

8. Other Assets

Other Current Assets

	2025	2024
Input VAT	₱18,052,911	₱15,008,408
Refundable deposits (Notes 16)	3,294,829	2,687,405
Prepaid expenses	2,141,370	2,478,452
	₱23,489,110	₱20,174,265

Other Noncurrent Assets

	2025	2024
Investments in bonds	₱300,000,000	₱–
Development cost	8,289,674	8,289,674
Golf club share	1,757,500	1,757,500
Others – net	441,573	441,573
	₱310,488,747	₱10,488,747

Prepaid VAT - Input pertains to the 12% indirect tax paid by the Parent Company in the course of the trade or business on local purchase of goods or services.

Refundable deposits pertain to the security deposit made by the Parent Company to its lessor which is due and demandable upon expiration of the related lease contract.

Prepaid expenses consist mainly of prepayments for annual membership fees in Golf shares.

Investment in bonds pertains to a three-year fixed rate bond that carries annual interest rate of 5.875%, with interest payable on a quarterly basis.



Development cost pertains to the expenses incurred from the research and analysis of possible new business venture.

Golf club share consists of the share owned by the company in Golf and Country Club.

Others pertain to the Parent Company's deferred charges.

9. Accounts and Other Payables

	2025	2024
Dividends payable (Notes 10 and 18)	₱117,043,772	₱126,381,813
Accrued professional fees	8,391,480	5,980,617
Trade payables	1,871,333	1,871,333
Others	13,273,701	4,063,720
	₱140,580,286	₱138,297,483

Dividends payable pertains to the amount declared for dividend distributions that remains outstanding as of December 31, 2025 and 2024. These are expected to be settled within one (1) year from the date of declaration. The Parent Company paid cash dividends amounting to ₱14,749.01 million and ₱15,906.25 million in 2025 and 2024, respectively.

Accrued professional fees relate to accruals of legal and audit fees that are noninterest-bearing and are normally settled within the next 12 months.

Trade payables comprised of unclaimed checks of various suppliers or service providers subject to reissuances upon compliance to the requirements of the Parent Company. These are noninterest-bearing and are normally settled within one (1) year.

Others include statutory obligations such as withholding taxes and other liabilities.

10. Equity

Capital Stock

As of December 31, 2025 and 2024, the Parent Company's total paid-in capital are as follows:

Capital stock	₱13,287,473,780
Additional paid-in capital	14,662,393,925
	₱27,949,867,705

The details of the Parent Company's capital stock as of December 31, 2025 and 2024 follow:

Common Shares

	Number of Shares		Amount	
	2025	2024	2025	2024
Authorized – 19,900,000,000 shares, ₱1 par value				
<i>Issued and outstanding</i>				
At beginning and end of year	13,277,470,000	13,277,470,000	₱13,277,470,000	₱13,277,470,000



Preferred shares

	Number of Shares		Amount	
	2025	2024	2025	2024
Authorized – 100,000,000 shares, ₱1 par value				
<i>Issued and outstanding</i>				
At beginning of year	10,003,780	3,780	₱10,003,780	₱3,780
Issuance	–	10,000,000	–	10,000,000
Issued at end of year	10,003,780	10,003,780	10,003,780	10,003,780
Less: Treasury shares	(2,820)	(2,820)	(7,068,577)	(7,068,577)
Outstanding at end of year	10,000,960	10,000,960	₱2,935,203	₱2,935,203

The preferred stock is redeemable at the sole option of the Parent Company, non-voting, non-participating and cumulative with par value of ₱1.00 per share.

On December 23, 2024, the SEC approved the issuance of the 10,000,000 Class B preferred stocks via private placement at ₱1,000 face value to Dacon Corporation.

Below is the summary of the Parent Company’s track record of registration of securities with the SEC as of December 31, 2025:

	Number of Shares Registered (in billions)	Number of holders of securities as of year end
December 31, 2023	13.28	707
Add/(Deduct) Movement	–	29
December 31, 2024	13.28	736
Add/(Deduct) Movement	–	38
December 31, 2025	13.28	774

Retained Earnings

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company’s retained earnings available for dividend declaration as of December 31, 2025 and 2024 amounted to ₱4,233.94 million and ₱4,475.74 million, respectively.

Dividend declaration

The Parent Company’s BOD approved the declaration of cash dividends in favor of all its stockholders as follows:

	2025	2024
March 25, 2025; ₱0.35 per share regular cash dividend to shareholders on record as of April 10, 2025, payable on or before April 24, 2025.	₱4,647,114,500	₱–
March 25, 2025, ₱0.25 per share special cash dividend to shareholders on record as of April 10, 2025, payable on or before April 24, 2025.	3,319,367,500	–
October 25, 2025; ₱0.48 per share special cash dividend to shareholders on record as of November 5, 2025, payable on or before November 21, 2025.	6,373,185,600	–

(Forward)



	2025	2024
April 4, 2024; ₱0.46 per share regular cash dividend to shareholders on record as of April 22, 2024, payable on or before May 3, 2024.	₱—	₱6,107,636,200
April 4, 2024; ₱0.26 per share special cash dividend to shareholders on record as of April 22, 2024, payable on or before May 3, 2024	—	3,452,142,200
October 16, 2024; ₱0.48 per share special cash dividend to shareholders on record as of October 30, 2024, payable on or before November 15, 2024.	—	6,373,185,600
	₱14,339,667,600	₱15,932,964,000

As of December 31, 2025, and 2024, outstanding dividends payable of the Parent Company to shareholders amounted to ₱117.04 million and ₱126.38 million, respectively (see Note 9).

In addition, the Parent Company paid total dividends of ₱400.00 million in 2025 in relation to its cumulative preferred shares.

Capital Management

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

The Parent Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Parent Company is not subject to any externally imposed capital requirements.

The following table shows the component of the Parent Company's capital as of December 31, 2025 and 2024.

	2025	2024
Total paid-up capital	₱27,949,867,705	₱27,949,867,705
Retained earnings	4,235,885,098	4,482,811,321
	₱32,185,752,803	₱32,432,679,026

Earnings per share - basic/diluted are computed as follows:

	2025	2024
Net income	₱14,492,741,377	₱18,536,629,995
Weighted average number of shares	13,277,470,000	13,277,470,000
Basic/diluted earnings per share	₱1.09	₱1.40

The Parent Company does not have potential dilutive common stock equivalents in 2025 and 2024.



11. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making the financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Transactions with related parties are generally settled in cash, unless otherwise specified.

In the regular course of business, the Parent Company's significant transactions with related parties include the following:

2025				
	Transaction Amount	Outstanding Balance	Terms	Conditions
a) Receivable from wholly owned subsidiary	P-	P2,593,366	Noninterest-bearing; due and demandable	Unsecured, with impairment
b) Dividends (Note 6)	14,308,845,161	500,000,000	Noninterest-bearing; due and demandable	Unsecured, no impairment
c) Other Receivables	-	2,523,644	Noninterest-bearing; due and demandable	Unsecured, with impairment
Receivables (Note 5)		P505,117,010		
d) Subscription payable (Note 9)	-	P1,000,000	Noninterest-bearing; due and demandable	Unsecured, no impairment

2024				
	Transaction Amount	Outstanding Balance	Terms	Conditions
a) Receivable from wholly owned subsidiary	P-	P2,593,366	Noninterest-bearing; due and demandable	Unsecured, with impairment
b) Dividends (Note 6)	18,425,652,752	600,000,000	Noninterest-bearing; due and demandable	Unsecured, no impairment
c) Other Receivables	-	2,523,644	Noninterest-bearing; due and demandable	Unsecured, with impairment
Receivables (Note 5)		P605,117,010		
d) Subscription payable (Note 9)	-	P1,000,000	Noninterest-bearing; due and demandable	Unsecured, no impairment

Significant transactions with related parties follow:

- (a) Receivable from a wholly owned subsidiary consists of reimbursements and organization costs. Gross receivables from these subsidiaries amounted to P2.59 million as of December 31, 2025 and 2024.
- (b) Dividend income from the Parent Company's subsidiaries and associate recognized in the parent company statements of comprehensive income amounted to P14,308.85 million and P18,425.65 million in 2025 and 2024, respectively.
- (c) Other receivables pertain to the Parent Company's advances for subsidiary's pre-operating costs amounting to P2.52 million as of December 31, 2025 and 2024.
- (d) As of December 31, 2025 and 2024, outstanding subscription payable to a subsidiary amounted to P1.00 million, and was presented as "Subscription payable" in the Parent Company's statements of financial position.



Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

The Parent Company has approval process and established limits when entering into material related party transactions. The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to 10% or more of the total assets of the Group that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

The Parent Company applies a general approach in calculating the ECL. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel

The key management personnel of the Parent Company include all directors, executive and non-executive, and senior management personnel. The details of the compensation and benefits of key management personnel for 2025 and 2024 follows:

	2025	2024
Short-term employee benefits	₱14,032,681	₱16,043,747
Post-employment benefits*	(7,270,004)	186,107
	₱6,762,677	₱16,229,854

*includes amount in other comprehensive income

There are no agreements between the Parent Company and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Parent Company's pension plan.

12. Employee Benefits

The Parent Company has a funded, noncontributory, defined benefit plan covering substantially all of its regular employees.

Provisions for pension obligations are established for benefits payable in the form of retirement pensions. Benefits are dependent on years of service and the respective employee's final compensation. The Parent Company updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary. The latest actuarial valuation report of the retirement plans was made as of December 31, 2025.

The Parent Company is a participant to the DMCI Multiemployer Retirement Plan (the Plan) which is administered separately by an appointed trustee bank and under the supervision of the Board of Trustees (BOT) of the Plan. The responsibilities of the BOT, among others, include the following:

- To hold, invest and reinvest the fund for the exclusive benefits of the members and beneficiaries of the retirement plan and for this purpose the BOT is further authorized to designate and appoint a qualified Investment Manager with such powers as may be required to realize and obtain maximum yield on investment of the fund; and,



- To make payments and distributions in cash, securities and other assets to the members and beneficiaries of the Plan.

Under the existing regulatory framework, Republic Act 7641, *Retirement Pay Law*, 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.

Components of net pension expense (included in "Salaries, wages and employee benefits" account) and net pension income:

	2025	2024
Current service cost	₱1,256,934	₱1,278,386
Interest on the effect of asset ceiling	5,037,420	3,943,294
Net interest income	(7,174,495)	(6,110,399)
Net pension income (Note 13)	(₱880,141)	(₱888,719)

Net pension assets for the retirement plan follow:

	2025	2024
Fair value of plan assets	₱184,378,842	₱177,624,961
Present value of defined benefit obligation	(65,113,036)	(59,803,243)
Surplus	119,265,806	117,821,718
Effect of asset ceiling	(75,533,036)	(82,445,501)
Net pension assets	₱43,732,770	₱35,376,217

Movements in the fair value of plan assets follow:

	2025	2024
Balance at beginning of year	₱177,624,961	₱157,085,172
Interest income	10,828,473	9,566,487
Benefits paid	(799,092)	-
Remeasurement gains (losses)	(3,275,500)	10,973,302
Balance at end of year	₱184,378,842	₱177,624,961

Changes in the present value of the defined benefit obligation follow:

	2025	2024
Balance at beginning of year	₱59,803,243	₱56,750,219
Interest expense	3,653,978	3,456,088
Current service cost	1,256,934	1,278,386
Benefits paid	(799,092)	-
Remeasurement losses (gains) arising from:		
Changes in financial assumptions	2,510,981	(1,032,199)
Changes in demographic assumptions	62,934	80,861
Experience adjustments	(1,375,942)	(730,112)
Balance at end of year	₱65,113,036	₱59,803,243



Movements in the effect of asset ceiling follow:

	2025	2024
Balance at beginning of year	₱82,445,501	₱64,750,318
Interest on the effect of asset ceiling	5,037,420	3,943,294
Changes in the effect of asset ceiling	(11,949,885)	13,751,889
Balance at end of year	₱75,533,036	₱82,445,501

Movements in net pension assets follow:

	2025	2024
Balance at beginning of year	₱35,376,217	₱35,584,635
Net pension income recognized in profit and loss	880,141	888,719
Remeasurement gain (loss) recognized in OCI	7,476,412	(1,097,137)
Balance at end of year	₱43,732,770	₱35,376,217

As of December 31, 2025 and 2024, the Parent Company's plan assets consist primarily of the following:

	2025	2024
Cash and cash equivalents		
Cash in banks		
Time deposits	₱1,880,664	₱48,687,002
Investments in stocks		
Quoted preference shares of domestic corporations	74,452,176	79,984,520
Investment in government securities		
Fixed rate treasury notes (FXTNs)	45,652,201	47,035,090
Retail treasury bonds (RTBs)	-	-
Treasury bills (T-bills)	60,586,887	515,112
	106,239,088	47,550,202
Other receivables	1,806,914	1,403,237
Fair value of plan assets	₱184,378,842	₱177,624,961

Trust fees paid amounted to ₱0.02 million and ₱0.40 million in 2025 and 2024, respectively.

The composition of the fair value of the plan assets includes:

- *Cash and cash equivalents* - include savings and time deposit with affiliated bank and special deposit account with Bangko Sentral ng Pilipinas Special Deposit Account (BSP SDA).
- *Investment in stocks* - includes investment in common and preferred shares traded in the Philippine Stock Exchange.
- *Investment in government securities* - include investment in Philippine RTBs and FXTNs.
- *Other receivables* - pertain to interest and dividends receivable on the investments in the fund.



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 assumptions used to determine pension benefits of the Parent Company follow:

	2025	2024
Discount rate	6.34%	6.11%
Salary rate increase	8.00%	5.00%

The average duration (average number of years) of the defined benefit obligation is 1.7 years and 1.6 years as of December 31, 2025 and 2024, respectively.

The Parent Company does not expect to contribute into the pension fund for the next 12 months.

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the defined benefit obligation at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the defined benefit obligation.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

	2025	
		Increase (decrease) in defined benefit liability
Discount rates	+100 basis points	(₱1,026,708)
	-100 basis points	1,213,955
Future salary increases	+100 basis points	1,181,777
	-100 basis points	(1,020,872)
	2024	
Discount rates	+100 basis points	(₱877,944)
	-100 basis points	1,009,577
Future salary increases	+100 basis points	1,010,698
	-100 basis points	(894,542)

The BOT of the Plan ensures that its assets are available to fulfill its obligation of paying retirement as it falls due. This is done by ensuring that its assets are easily disposable and can easily be converted to cash. The Parent Company is not required to pre-fund the future benefits under the Plan before they come due. For that reason, the amount and timing of contributions to the Retirement Fund are at the Parent Company's discretion. However, in the event a benefit claim arises and the Retirement Fund is insufficient to pay the claim, the shortfall will then be due and payable from the Parent Company to the Retirement Fund.



Shown below is the maturity analysis of the undiscounted benefit payments as of December 31:

	2025	2024
Less than 1 year	₱54,986,115	₱50,729,044
More than 1 year to 5 years	5,697,961	5,472,546
More than 5 years to 10 years	1,196,324	1,484,199
	₱61,880,400	₱57,685,789

There are no plan amendments, curtailments or settlements in 2025 and 2024.

13. Costs and Expenses

This account consists of the following general and administrative expenses:

	2025	2024
Professional fees	₱50,828,904	₱28,998,028
Salaries, wages and employee benefits	32,317,279	18,196,567
Taxes and licenses	9,735,075	18,675,904
Contribution and donation	5,160,000	2,398,000
Rent	4,474,211	3,756,341
Regulatory fee	3,500,000	2,000,000
Depreciation and amortization (Note 7)	2,234,658	2,452,358
Communication, light and water	1,895,653	2,299,225
Advertising and promotions	1,821,100	749,955
Entertainment, amusement and recreation	1,806,797	3,198,655
Contracted services	1,486,003	1,195,859
Repairs and maintenance	556,745	712,132
Supplies	530,226	595,327
Fuel and oil	482,183	583,331
Transportation and travel	217,722	601,295
Pension income (Note 12)	(880,141)	(888,719)
Miscellaneous	4,480,593	4,700,320
	₱120,647,008	₱90,224,578

14. Interest Income

	2025	2024
Time deposit	₱359,080,164	₱305,309,048
Bank savings accounts	87,557	106,732
	₱359,167,721	₱305,415,780



15. Income Tax

The provision for income tax shown in the parent company statements of comprehensive income consists of:

	2025	2024
Final	₱68,459,920	₱58,481,822
Current	–	76,008
Deferred	5,127,242	44,357
	₱73,587,162	₱58,602,187

The current provision for income tax in 2024 represents regular corporate income tax (RCIT).

The components of the net deferred tax liabilities as of December 31, 2025 and 2024 follow:

	2025	2024
Recognized as part of profit or loss		
Deferred tax asset on:		
Unrealized foreign exchange loss	₱–	₱165,746
Deferred tax liabilities on:		
Pension assets	(10,534,477)	(9,847,165)
Unrealized foreign exchange gain	(4,741,461)	–
	(15,275,938)	(9,681,419)
Recognized in other comprehensive income		
Deferred tax asset (liability) on:		
Remeasurement loss (gain) on retirement plan	(1,147,492)	254,334
	(₱16,423,430)	(₱9,427,085)

The Parent Company did not recognize deferred tax assets pertaining to the following:

	2025	2024
Allowance for impairment losses (Note 5)	₱2,814,758	₱2,814,758
NOLCO	–	75,305

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 of Bayanihan to Recover as One Act (Bayanihan 2) which states that the NOLCO incurred for taxable years 2021 ad 2020 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2025, the Parent Company has NOLCO incurred in taxable year 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year Incurred	Amount	Applied/ Expired	Balance	Year of Expiry
2020	₱75,305	(₱75,305)	₱–	2025



The reconciliation of the statutory income tax rate to the effective income tax rate follows:

	2025	2024
Statutory income tax rate	25.00%	25.00%
Tax effects of:		
Interest income subjected to final tax	(0.15%)	(0.10%)
Nondeductible expenses	0.22%	0.19%
Intercorporate dividends	(24.56%)	(24.77%)
Effective income tax rate	0.51%	0.32%

16. Financial Risk Management Objectives and Policies

The Parent Company's principal financial liabilities comprise accounts and other payables (excluding statutory liabilities) and subscription payable (presented under accounts and other payables) as of December 31, 2025 and 2024. The Parent Company has various financial assets such as cash and cash equivalents, receivables, investment in bonds and golf club shares, which arise directly from its operations. The main risks arising from the use of financial instruments are credit risk and liquidity risk.

The BOD reviews and agrees with policies for managing each of these risks. The Parent Company monitors all financial instruments and regularly report financial management activities and the results of these activities to the BOD.

The Parent Company's risk management policies are summarized below. The exposure to risk and how they arises, as well as the Parent Company's objectives, policies and processes for managing the risk and the methods used to measure the risk did not change from prior years.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Parent Company's exposure to credit risk arises from default of the counterparties, which include certain receivable from wholly owned subsidiaries. Credit risk management involves dealing only with recognized, creditworthy third parties. It is the Parent Company's policy that all counterparties who wish to trade on credit terms are subject to credit verification procedures. The Treasury Department's policy sets a credit limit for each counterparty. In addition, receivable balances are monitored on an ongoing basis. The Parent Company's financial assets are not subject to collateral and other credit enhancement.

With respect to the credit risk arising from the financial assets of the Parent Company, which comprise cash and cash equivalents (excluding cash on hand), receivables, refundable deposits, and the Parent Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Parent Company transacts only with institutions or banks that have proven track record in financial soundness.

The carrying values of financial assets at amortized cost represent the maximum exposure to credit risk.

Impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customer segments with similar loss patterns (i.e., by geographical region, payment scheme, type of customers, etc.). The calculation reflects the probability-weighted outcome and reasonable and supportable



information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Parent Company applies a general approach in calculating the ECL on receivables from related parties. In 2025 and 2024, no provision for expected credit losses were recognized using this approach.

The tables below present the summary of the Parent Company's exposure to credit risk as of December 31, 2025 and 2024 and show the credit quality of the assets by indicating whether the assets are subjected to the 12-month ECL or lifetime ECL.

	2025			
	12-month ECL	Lifetime ECL		Total
		Not credit impaired	Credit impaired	
Cash in banks and cash equivalents*	P5,968,568,535	P-	P-	P5,968,568,535
Dividends receivable	500,000,000	-	-	500,000,000
Accrued interest receivable	22,071,659	-	-	22,071,659
Receivable from wholly owned subsidiaries	479,722	-	2,113,644	2,593,366
Other receivables**	2,236,144	-	350,000	2,586,144
Refundable deposits	3,294,829	-	-	3,294,829
Investment in bonds	300,000,000	-	-	300,000,000
	P6,796,650,889	P-	P2,463,644	P6,799,114,533

*excludes cash on hand amounting to P10,000

**excludes advances to suppliers amounting to P1,069

	2024			
	12-month ECL	Lifetime ECL		Total
		Not credit impaired	Credit impaired	
Cash in banks and cash equivalents*	P7,396,241,292	P-	P-	P7,396,241,292
Dividends receivable	600,000,000	-	-	600,000,000
Accrued interest receivable	15,250,196	-	-	15,250,196
Receivable from wholly owned subsidiaries	479,722	-	2,113,644	2,593,366
Other receivables**	448,848,839	-	350,000	449,198,839
Refundable deposits	2,687,405	-	-	2,687,405
	P8,463,507,454	P-	P2,463,644	P8,465,971,098

*excludes cash on hand amounting to P10,000

**excludes advances to suppliers amounting to P1,069

As of December 31, 2025 and 2024, the aging analysis of the Parent Company's financial assets at amortized cost presented is as follows:

	2025			
	Neither past due nor Impaired	Past due but not Impaired	Impaired Financial Assets	Total
	Cash in banks and cash equivalents	P5,968,568,535	P-	P-
Receivables:				
Dividend receivable	500,000,000	-	-	500,000,000
Accrued interest receivable	22,071,659	-	-	22,071,659
Receivable from wholly owned subsidiaries	479,722	-	2,113,644	2,593,366
Other receivables	2,236,144	-	350,000	2,586,144
Refundable deposits	3,294,829	-	-	3,294,829
	P6,496,650,889	P-	P2,463,644	P6,499,114,533



	2024			
	Neither past due nor Impaired	Past due but not Impaired	Impaired Financial Assets	Total
Cash in banks and cash equivalents	₱7,396,241,292	₱–	₱–	₱7,396,241,292
Receivables				
Dividend receivable	600,000,000	–	–	600,000,000
Accrued interest receivable	15,250,196	–	–	15,250,196
Receivable from wholly owned subsidiaries	479,722	–	2,113,644	2,593,366
Other receivables	448,848,839	–	350,000	449,198,839
Refundable deposits	2,687,405	–	–	2,687,405
	₱8,463,507,454	₱–	₱2,463,644	₱8,465,971,098

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Parent Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Parent Company's policy is to maintain a level of cash and cash equivalents deemed sufficient to fund its monthly cash requirements, at least for the next four to six months. A significant part of the Parent Company's financial assets that are held to meet the cash outflows include cash and cash equivalents, receivables (other than receivable from officers and employees) and refundable deposits. As part of its liquidity risk management, the Parent Company regularly evaluates its projected and actual cash flows. The Parent Company also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both on-shore and off-shore. Moreover, the Parent Company considers the following as mitigating factors for liquidity risk:

- Available lines of credit that it can access to answer anticipated shortfall in sales and collection of receivables resulting from timing differences in programmed inflows and outflows.
- Diverse funding sources.
- Internal control processes and contingency plans for managing liquidity risk. Cash flow reports and forecasts are reviewed on a weekly basis in order to quickly address liquidity concerns. Outstanding trade receivables are closely monitored to avoid past due collectibles.

As part of its liquidity risk management, the Parent Company regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities.

The table summarizes the maturity profile of the Parent Company's financial assets and financial liabilities as of December 31, 2025 and 2024 based on contractual undiscounted payments:

	2025		
	Within 1 year	More than 1 year	Total
Financial assets at amortized cost			
Cash and cash equivalents	₱5,968,578,535	₱–	₱5,968,578,535
Receivables*	524,665,025	–	524,665,025
Refundable deposits	3,294,829	–	3,294,829
Investment in bonds	–	300,000,000	300,000,000
	6,496,538,389	300,000,000	6,796,538,389

(Forward)



	2025		Total
	Within 1 year	More than 1 year	
Other financial liabilities			
Accounts and other payables**			
Dividends payable	₱117,043,772	₱-	₱117,043,772
Accrued expenses	8,391,480	-	8,391,480
Trade payables	1,871,333	-	1,871,333
Others	6,184,165	-	6,184,165
	133,490,750	-	133,490,750
	₱6,363,047,639	₱300,000,000	₱6,663,047,639

*excludes receivable from officers and employees

**excludes statutory liabilities

	2024		Total
	Within 1 year	More than 1 year	
Financial assets at amortized cost			
Cash and cash equivalents	₱7,396,251,292	₱-	₱7,396,251,292
Receivables*	617,903,562	-	617,903,562
Refundable deposits	2,687,405	-	2,687,405
	8,016,842,259	-	8,016,842,259
Other financial liabilities			
Accounts and other payables**			
Dividends payable	126,381,813	-	126,381,813
Accrued expenses	5,980,617	-	5,980,617
Trade payables	1,871,333	-	1,871,333
Others	3,818,522	-	3,818,522
	138,052,285	-	138,052,285
	₱7,878,789,974	₱-	₱7,878,789,974

*excludes receivable from officers and employees

**excludes statutory liabilities

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables, refundable deposits, accounts and other payables approximate their fair values due to the relative short-term nature of the transactions.

17. Commitments and Contingencies

Contingencies

The Parent Company is contingently liable for lawsuits or claims filed by third parties and taxation matters, which are either pending decision by the courts or are under negotiation, the outcomes of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits, claims and assessment, if any, will not have a material effect on the parent company financial statements.

The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims and assessments. No provisions were made as at December 31, 2025 and 2024.



18. **Note to Parent Company Statements of Cash Flows**

Changes in liabilities arising from financing activities follow:

	2025	2024
Dividends payable at beginning of year	₱126,381,813	₱99,663,250
Cash flows	(14,749,005,641)	(15,906,245,437)
Noncash	14,739,667,600	15,932,964,000
Dividends payable at end of year (Note 9)	₱117,043,772	₱126,381,813

Noncash changes pertain to dividend declaration (see Note 10).



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
DMCI Holdings, Inc.
3rd Floor, Dacon Building
2281 Chino Roces Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the parent company financial statements of DMCI Holdings, Inc. (the Parent Company) as at December 31, 2025 and 2024 and for the years then ended, and have issued our report thereon dated March 16, 2026. Our audits were made for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Parent Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic parent company financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic parent company financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Jennifer D. Tielao

Jennifer D. Tielao

Partner

CPA Certificate No. 109616

Tax Identification No. 245-571-753

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

SEC Partner Accreditation No. 109616-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

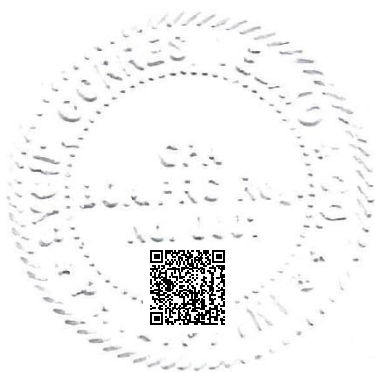
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-110-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10765137, January 2, 2026, Makati City

March 16, 2026



DMCI HOLDINGS, INC.

INDEX TO THE SUPPLEMENTARY SCHEDULES

DECEMBER 31, 2025

- I. Schedules required by Annex 68-J
 - A. Financial Assets
 - B. Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
 - C. Amounts Receivable from Related Parties which are Eliminated during
the Consolidation of Financial Statements
 - D. Long-term Debt
 - E. Indebtedness to Related Parties
 - F. Guarantees of Securities of Other Issuers
 - G. Capital Stock

- II. Reconciliation of Retained Earnings Available for Dividend Declaration (Annex 68-D)

- III. Map of the relationship of the companies under the Parent Company

DMCI HOLDINGS, INC.

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED UNDER REVISED SECURITIES REGULATION CODE (SRC) RULE 68 DECEMBER 31, 2025

Below are the additional information and schedules required by Revised SRC Rule 68 that are relevant to the Parent Company. This information is presented for purposes of filing with the SEC and is not required part of the basic parent company financial statements.

Schedule A. Financial Assets in Equity Securities

The Parent Company has no financial assets in equity securities as of December 31, 2025 and 2024.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

There were no advances to employees of the Parent Company with balances above ₱100,000 as of December 31, 2025 and 2024.

Schedule C. Amounts Receivable from/Payables to Related Parties which are eliminated during the Consolidated of Financial Statements

This schedule is not applicable.

Schedule D. Long-term Debt

The Parent Company has no long-term debt as of December 31, 2025 and 2024.

Schedule E. Indebtedness to Related Parties (Long Term Loans from Related Companies)

The Parent Company has no indebtedness to related parties as of December 31, 2025 and 2024.

Schedule F. Guarantees of Securities of Other Issuers

As at December 31, 2025 and 2024, the Parent Company does not guarantee any securities.

Schedule G. Capital Stock

As at December 31, 2025 and 2024, the breakdown of the Parent Company's capital stock is as follows:

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Preferred stock – ₱1 par value cumulative and convertible	100,000,000	10,000,960	–	10,000,000	–	960
Common stock – ₱1 par value	19,900,000,000	13,277,470,000	–	9,184,917,600	621,991,664	3,470,568,036
	20,000,000,000	13,287,470,960	–	9,194,917,600	621,991,664	3,470,568,996

DMCI HOLDINGS, INC.**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE
FOR DIVIDENDS DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2025**

Unappropriated retained earnings, beginning		₱4,475,742,744	
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings			
Reversal of Retained Earnings Appropriation/s		₱-	
Effect of restatements or prior-period adjustments		-	
Others (describe nature)		-	
Subtotal			-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings			
Dividend declaration during the reporting period	(₱14,739,667,600)		
Retained Earnings appropriated during the reporting period		-	
Effect of restatements or prior-period adjustments		-	
Others (describe nature)		-	
Subtotal			(14,739,667,600)
Unappropriated Retaining earnings, as adjusted			(10,263,924,856)
Add (Less): Net Income (loss) for the current			14,497,868,619
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		-	
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		-	
Subtotal			-
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		-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded		-	
Subtotal			-

(Forward)

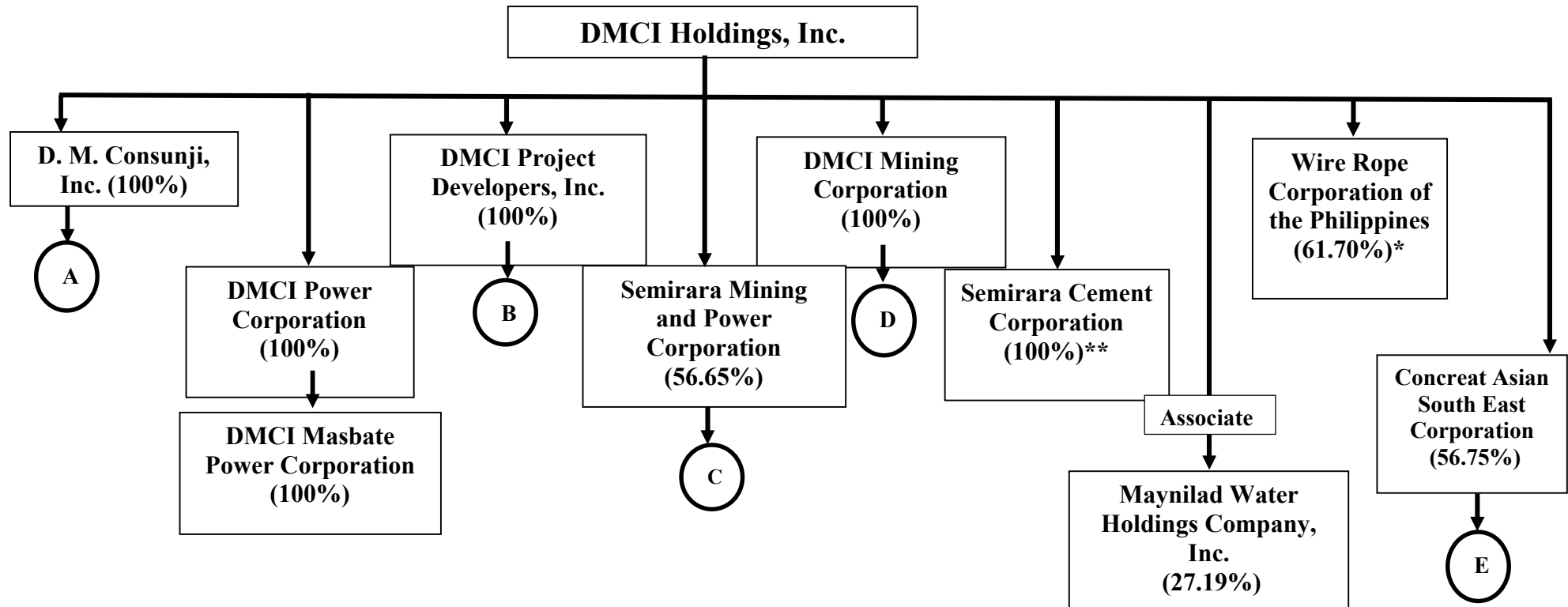
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	P-	
Reversal of previously recorded fair value adjustment (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	-	
<hr/>		
Subtotal		-
Adjusted Net Income/Loss		14,497,868,619
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	P-	
Total amount of reporting relief granted during the year	-	
Others	-	
<hr/>		
Subtotal		-
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	P-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
<hr/>		
Sub-total		-
<hr/>		
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND		P4,233,943,763
<hr/>		

DMCI HOLDINGS, INC.

MAP OF RELATIONSHIPS OF THE COMPANIES UNDER THE PARENT COMPANY

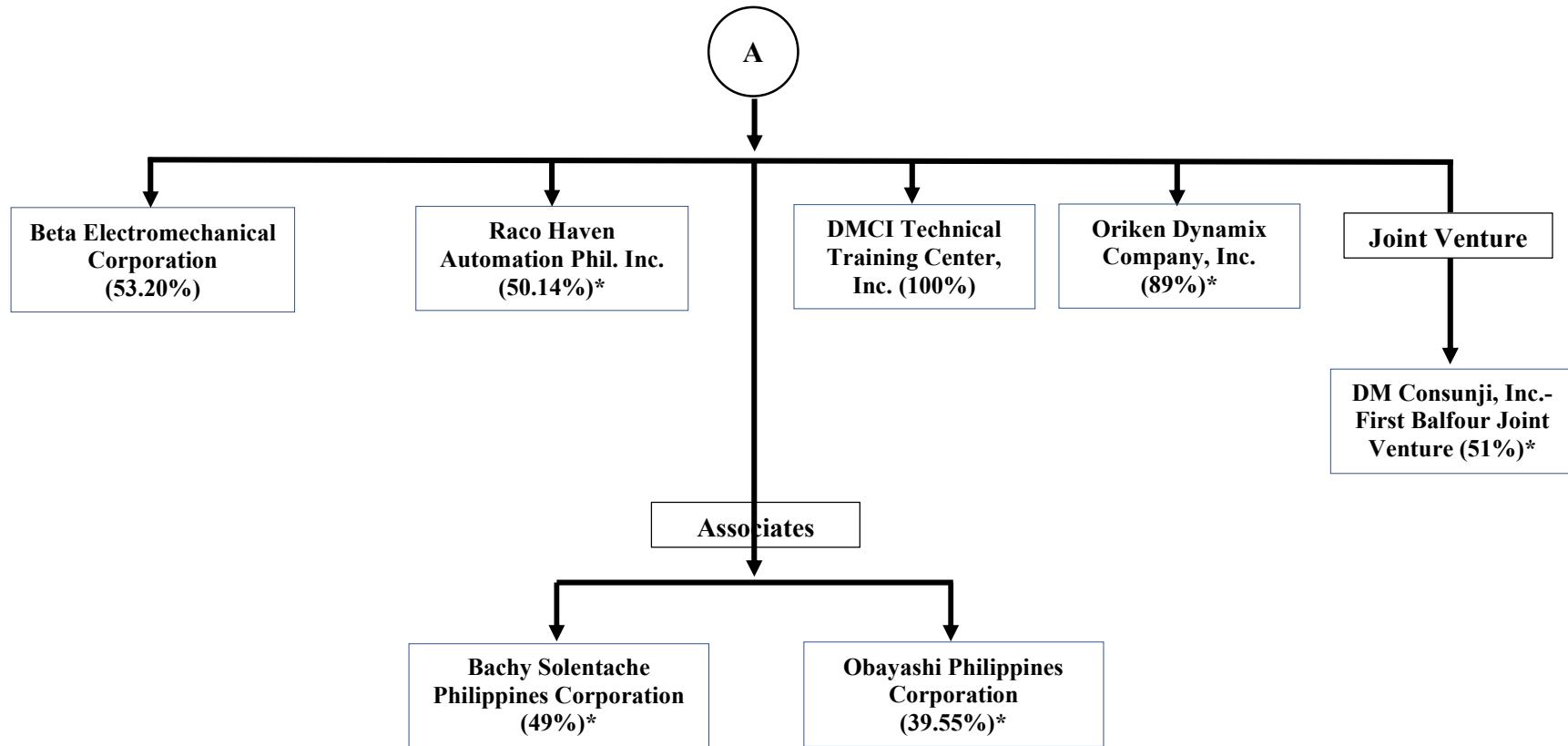
Group Structure

Below is a map showing the relationship between the Parent Company and the following companies as of December 31, 2025:

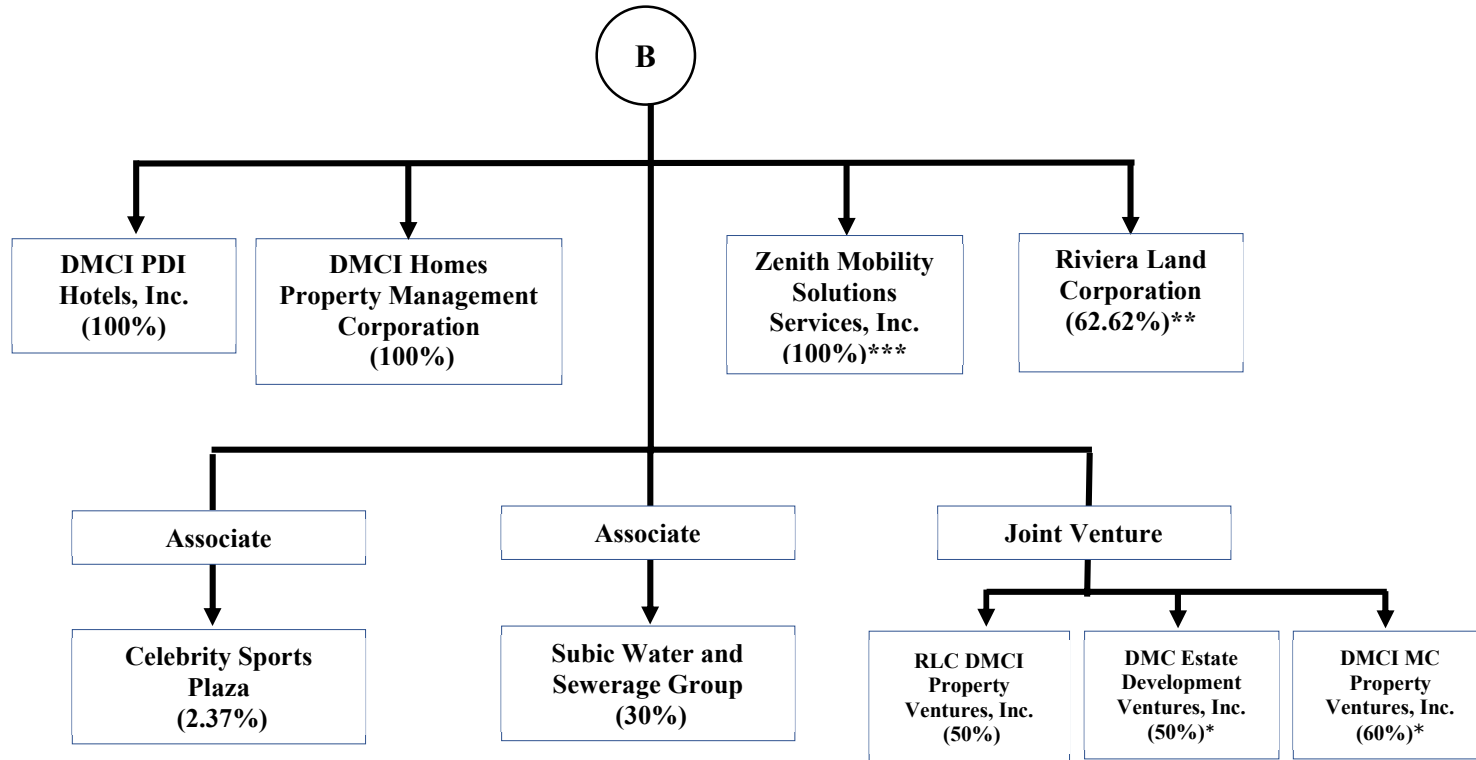


* Includes 16.02% investment of D.M. Consunji, Inc. to Wire Rope.

**Non-operating entity



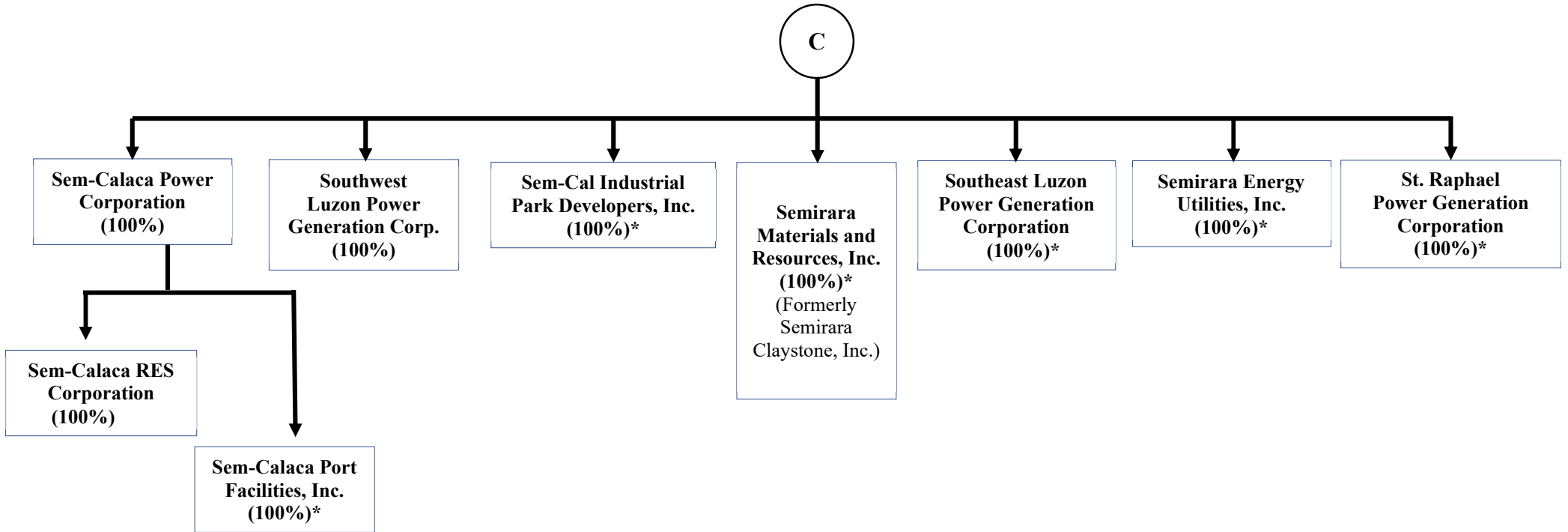
**Non-operating entities*



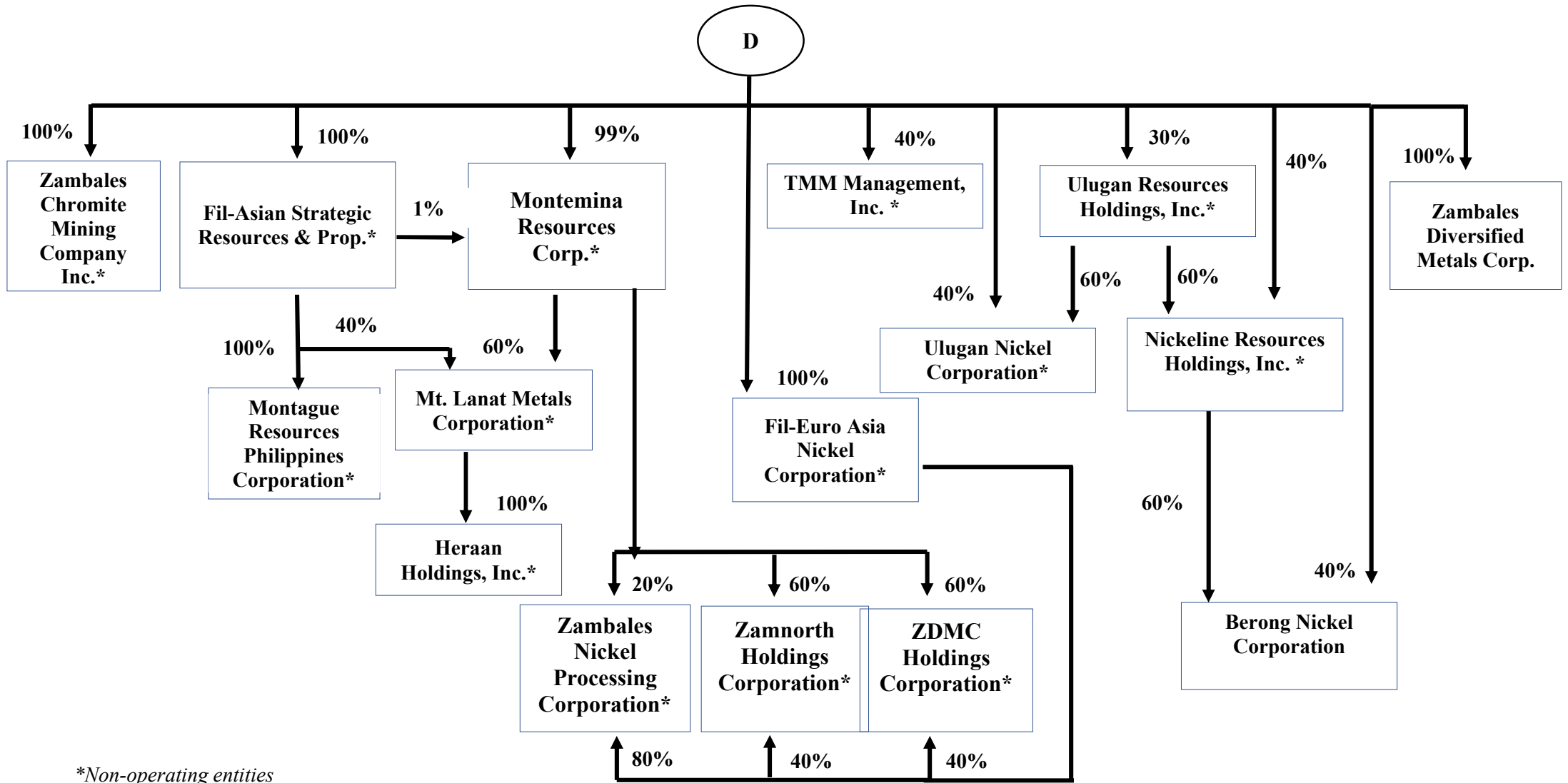
* Established in 2021

** Includes the 34.12% interest of DMCI

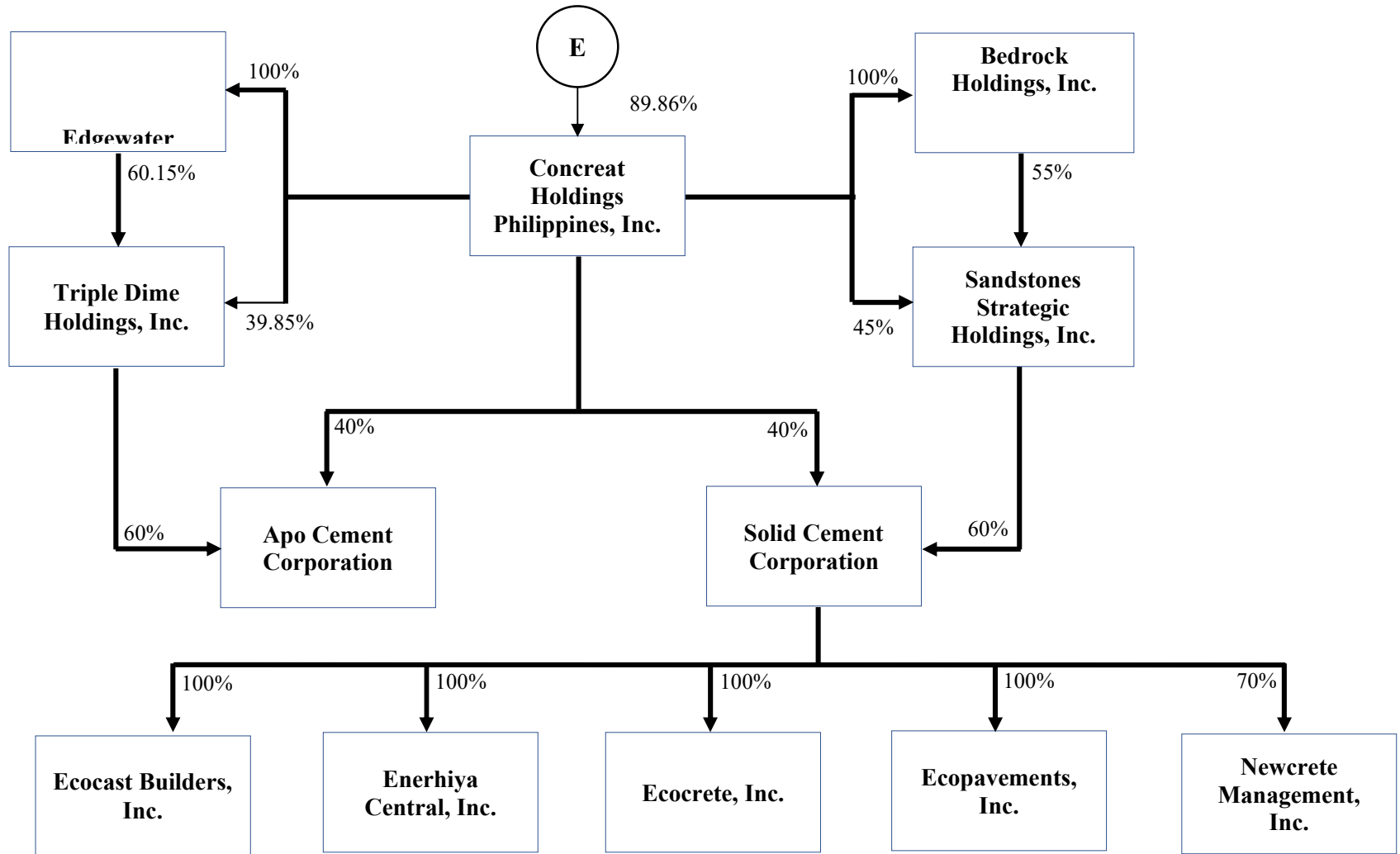
*** Equity interest increased from 51% to 100% in 2020



**Non-operating entities*



**Non-operating entities*



SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC.

CURRENT ADDRESS: 2281 Don Chino Roces Avenue, Makati City

TEL. NO.: 8888-3000

FAX NO.: _____

COMPANY TYPE: HOLDING COMPANY

PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

FINANCIAL DATA	2025 (in Php)	2024 (in Php)
A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6+A.7+A.8+A.9+A.10)	32,339,799,649	32,571,866,615
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	6,516,865,772	8,034,386,370
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	5,968,578,535	7,396,251,292
A.1.1.1 On hand	10,000	10,000
A.1.1.2 In domestic banks/entities	50,745,242	290,528,111
A.1.1.3 Short-term investments	5,917,823,293	7,105,713,181
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)	524,798,127	617,960,813
A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3)	524,798,127	617,960,813
A.1.2.1.1 Due from related parties	502,593,366	602,593,366
A.1.2.1.2 Others, specify (A.1.2.1.2.1+A.1.2.1.2.2 +A.1.2.1.2.3)	25,019,519	18,182,205
A.1.2.1.2.1 Interest receivable	22,071,659	15,250,196
A.1.2.1.2.2 Advances to officers and employees	360,647	407,296
A.1.2.1.2.3 Others	2,587,213	2,524,713
A.1.2.1.3 Allowance for doubtful accounts (negative entry)	(2,814,758)	(2,814,758)
A.1.2.2 Due from foreign entities, specify (A.1.2.2.1 + A.1.2.2.2 + A.1.2.2.3)	-	-
A.1.2.2.1	-	-
A.1.2.2.2	-	-
A.1.2.2.3 Allowance for doubtful accounts (negative entry)	-	-
A.1.3 Inventories (A.1.3.1 + A.1.3.2)	-	-
A.1.3.1	-	-
A.1.3.2 Others, specify (A.1.3.2.1+A.1.3.2.2)	-	-
A.1.3.2.1	-	-
A.1.3.2.2	-	-
A.1.4 Financial Assets other than Cash/Receivables/Equity investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4+A.1.4.5+A.1.4.6)	-	-
A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities (A.1.4.1.1 + A.1.4.1.2 + A.1.4.1.3 + A.1.4.1.4 + A.1.4.1.5)	-	-
A.1.4.1.1 National Government	-	-
A.1.4.1.2 Public Financial Institutions	-	-
A.1.4.1.3 Public Non-Financial Institutions	-	-
A.1.4.1.4 Private Financial Institutions	-	-
A.1.4.1.5 Private Non-Financial Institutions	-	-
A.1.4.2 Held to Maturity Investments - issued by domestic entities (A.1.4.2.1 + A.1.4.2.2 + A.1.4.2.3 + A.1.4.2.4 + A.1.4.2.5)	-	-
A.1.4.2.1 National Government	-	-
A.1.4.2.2 Public Financial Institutions	-	-
A.1.4.2.3 Public Non-Financial Institutions	-	-
A.1.4.2.4 Private Financial Institutions	-	-
A.1.4.2.5 Private Non-Financial Institutions	-	-

NOTE:

This special form is applicable to Investment Companies and Publicly-held Companies (enumerated in Section 17.2 of the Securities Regulation Code (SRC), except banks and insurance companies). As a supplemental form to PHFS, it shall be used for reporting Consolidated Financial Statements of Parent corporations and their subsidiaries.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: **DMCI HOLDINGS, INC.**
CURRENT ADDRESS: **2281 Don Chino Roces Avenue, Makati City**
TEL. NO.: **8888-3000** FAX NO.: _____
COMPANY TYPE : **HOLDING COMPANY** PSIC: _____
If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2025 (in Php)	2024 (in Php)
A.1.4.3 Loans and Receivables - issued by domestic entities: (A.1.4.3.1 + A.1.4.3.2 + A.1.4.3.3 + A.1.4.3.4 + A.1.4.3.5)	-	-
A.1.4.3.1 National Government	-	-
A.1.4.3.2 Public Financial Institutions	-	-
A.1.4.3.3 Public Non-Financial Institutions	-	-
A.1.4.3.4 Private Financial Institutions	-	-
A.1.4.3.5 Private Non-Financial Institutions	-	-
A.1.4.4 Available-for-sale financial assets - issued by domestic entities: (A.1.4.4.1 + A.1.4.4.2 + A.1.4.4.3 + A.1.4.4.4 + A.1.4.4.5)	-	-
A.1.4.4.1 National Government	-	-
A.1.4.4.2 Public Financial Institutions	-	-
A.1.4.4.3 Public Non-Financial Institutions	-	-
A.1.4.4.4 Private Financial Institutions	-	-
A.1.4.4.5 Private Non-Financial Institutions	-	-
A.1.4.5 Financial Assets issued by foreign entities: (A.1.4.5.1+A.1.4.5.2+A.1.4.5.3+A.1.4.5.4)	-	-
A.1.4.5.1 Financial Assets at fair value through profit or loss	-	-
A.1.4.5.2 Held-to-maturity investments	-	-
A.1.4.5.3 Loans and Receivables	-	-
A.1.4.5.4 Available-for-sale financial assets	-	-
A.1.4.6 Allowance for decline in market value (negative entry)	-	-
A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3)	23,489,110	20,174,265
A.1.5.1 Prepaid expenses	2,141,370	2,478,452
A.1.5.2 Input value added tax	18,052,911	15,008,408
A.1.5.3 Refundable deposits	3,294,829	2,687,405
A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6)	4,960,075	3,862,996
A.2.1 Office Furniture, Fixture and Equipment	12,792,971	12,171,141
A.2.2 Transportation Equipment	11,260,300	10,026,103
A.2.3 Leasehold Improvement	13,619,002	13,619,002
A.2.4 Appraisal increase, specify (A.2.4.1 + A.2.4.2)		-
A.2.4.1		-
A.2.4.2		-
A.2.5 Accumulated Depreciation (negative entry)	(32,712,198)	(31,953,250)
A.2.6 Impairment Loss or Reversal (if loss, negative entry)		-
A.3 Investments accounted for using the cost method (A.3.1 + A.3.2 + A.3.3)	25,763,752,285	24,487,752,285
A.3.1 Investments in domestic subsidiaries/associates/affiliates	25,463,752,285	24,487,752,285
A.3.2 Investments in foreign subsidiaries/associates/affiliates	-	-
A.3.3 Others, specifv (A.3.3.1)	300,000,000	-
A.3.3.1 Investment in Bonds	300,000,000	-
A.4 Investment Property	-	-
A.5 Biological Assets	-	-
A.6 Intangible Assets (A.6.1 + A.6.2)	-	-
A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2)		-
A.6.1.1		-
A.6.1.2		-
A.6.2 Others, specifv (A.6.2.1 + A.6.2.2)		-
A.6.2.1		-
A.6.2.2		-
A.7 Assets Classified as Held for Sale	-	-
A.8 Assets included in Disposal Groups Classified as Held for Sale	-	-

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: **DMCI HOLDINGS, INC.**
 CURRENT ADDRESS: **2281 Don Chino Roces Avenue, Makati City**
 TEL. NO.: **8888-3000** FAX NO.: _____
 COMPANY TYPE : **HOLDING COMPANY** PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2025 (in Php)	2024 (in Php)
A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)	-	-
A.9.1. From domestic entities, specify (A.9.1.1 + A.9.1.2)	-	-
A.9.1.1	-	-
A.9.1.2	-	-
A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2)	-	-
A.9.2.1	-	-
A.9.2.2	-	-
A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)	-	-
A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4+A.10.5)	54,221,517	45,864,964
A.10.1 Pension assets	43,732,770	35,376,217
A.10.2 Deferred charges	441,573	441,573
A.10.3 Refundable deposits	-	-
A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3)	10,047,174	10,047,174
A.10.4.1 Development Cost	8,289,674	8,289,674
A.10.4.2 Other Asset - G&W Club Share	1,757,500	1,757,500
A.10.4.3 Right of use asset	-	-
A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry)	-	-
B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)	152,876,723	148,752,016
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7)	141,580,535	139,324,931
B.1.1 Trade and Other Payables to Domestic Entities (B.1.1.1 + B.1.1.2 + B.1.1.3 + B.1.1.4)	141,580,287	139,297,483
B.1.1.1 Trade	1,871,333	1,871,333
B.1.1.2 Accrued professional fees	8,391,481	5,980,617
B.1.1.3 Payables to Related Parties, specify (B.1.1.3.1 + B.1.1.3.2)	-	-
B.1.1.3.1	-	-
B.1.1.3.2	-	-
B.1.1.4 Others, specify (B.1.1.4.1 + B.1.1.4.2)	131,317,473	131,445,533
B.1.1.4.1 Dividends payable	117,043,772	126,381,813
B.1.1.4.2 Others	14,273,701	5,063,720
B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1+B.1.2.2+B.1.2.3+B.1.2.4)	-	-
B.1.2.1	-	-
B.1.3 Provisions	-	-
B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions) (B.1.4.1)	-	-
B.1.4.1 Lease liability	-	-
B.1.5 Liabilities for Current Tax	248	27,448
B.1.6 Deferred Tax Liabilities	-	-
B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions)	-	-
B.1.7.1	-	-
B.1.7.6 Any other current liability in excess of 5% of Total Current Liabilities, specify: (B.1.7.6.1 + B.1.7.6.2 + B.1.7.6.3 + B.1.7.6.4)	-	-
B.1.7.6.1	-	-

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF DMCI HOLDINGS, INC.
CURRENT ADDRESS: 2281 Don Chino Roces Avenue, Makati City
TEL. NO.: 8888-3000 FAX NO.: _____

COMPANY TYPE : HOLDING COMPANY PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2025	2024
B.2 Long-term Debt - Net of current portion (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5)	-	-
B.2.1 Domestic Public Financial Institutions	-	-
B.2.2 Domestic Public Non-Financial Institutions	-	-
B.2.3 Domestic Private Financial Institutions	-	-
B.2.4 Domestic Private Non-Financial Institutions	-	-
B.2.5 Foreign Financial Institutions	-	-
B.3 Indebtedness to Affiliates and Related Parties (Non-Current)	-	-
B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale	-	-
B.5 Other Liabilities (B.5.1 + B.5.2)	11,296,188	9,427,085
B.5.1 Non-current portion liability for purchased land	-	-
B.5.2 Others,	11,296,188	9,427,085
B.5.2.2 Deferred tax liability - net	11,296,188	9,427,085
B.5.2.5 Others	-	-
C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8)	32,186,922,926	32,423,114,599
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2)	20,000,000,000	20,000,000,000
C.1.1 Common shares, Php1 par value, 19,900,000,000 authorized capital shares	19,900,000,000	19,900,000,000
C.1.2 Preferred Shares, Php 1 par value, 100,000,000 authorized capital shares	100,000,000	100,000,000
C.2 Subscribed Capital Stock (no. of shares, par value and total value)	-	-
C.2.1 Common shares	-	-
C.2.2 Preferred Share	-	-
C.3 Paid-up Capital Stock (C.3.1 + C.3.2)	13,287,473,780	13,287,473,780
C.3.1 Common share:	13,287,470,000	13,287,470,000
C.3.2 Preferred Share	3,780	3,780
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus	14,662,393,925	14,662,393,925
C.5 Others, specify (C.5.1)	3,111,459	(2,495,850)
C.5.1 Remeasurement losses on retirement plan - net	3,111,459	(2,495,850)
C.7 Retained Earnings (C.7.1 + C.7.2)	4,241,012,339	4,482,811,321
C.7.1 Appropriated	-	-
C.7.2 Unappropriated	4,241,012,339	4,482,811,321
C.8 Cost of Stocks Held in Treasury (negative entry)	(7,068,577)	(7,068,577)
D. TOTAL LIABILITIES AND EQUITY (B + C)	32,339,799,649	32,571,866,615

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SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF DMCI HOLDINGS, INC.
CURRENT ADDRESS: 2281 Don Chino Roces Avenue, Makati City
TEL. NO.: 8888-3000 FAX NO.: _____
COMPANY TYPE : HOLDING COMPANY PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2025	2024
A. REVENUE / INCOME (A.1 + A.2 + A.3 + A.4)	14,689,112,622	18,685,456,760
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity)	-	-
A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for using the Equity Method	-	-
A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3)	14,308,845,161	18,425,652,752
A.3.1 Dividend income	14,308,845,161	18,425,652,752
A.3.2 Management fee	-	-
A.3.3 Others, specify (A.3.3.1)	-	-
A.3.3.1	-	-
A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4)	380,267,461	259,804,008
A.4.1 Interest Income	359,167,721	305,415,780
A.4.2 Gain / (Loss) from selling of Assets, specify (A.4.2.1 + A.4.2.2 + A.4.2.3)	-	255,725
A.4.3.1 Gain on sale of investment property	-	-
A.4.3.2 Gain on sale of property and equipment	-	255,725
A.4.3.3 Others	-	-
A.4.3 Unrealized Gain / (Loss) on Foreign Exchange (A.4.3.1)	18,962,665	(45,867,497)
A.4.3.1 Foreign Exchange gain or loss	18,962,665	(45,867,497)
A.4.4 Others, specify (A.4.4.1 + A.4.4.2)	2,137,075	-
A.4.4.1 Pension income	-	-
A.4.4.2 Miscellaneous Income	2,137,075	-
B. COST OF GOODS SOLD (B.1 + B.2 + B.3)	-	-
B.1 Cost of Goods Manufactured	-	-
B.2 Finished Goods, Beginning	-	-
B.3 Finished Goods, End (negative entry)	-	-
C. COST OF SALES (C.1 + C.2 + C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9)	-	-
C.1 Fuel and lubricants	-	-
C.2 Cost of real estate inventory	-	-
C.3 Materials and supplies	-	-
C.4 Depreciation and amortization	-	-
C.5 Outside services	-	-
C.6 Hauling, shiploading and handling costs	-	-
C.7 Direct labor	-	-
C.8 Production overhead	-	-
C.9 Others	-	-
D. COST OF SERVICES, SPECIFY (D.1 + D.2 + D.3 + D.4 + D.5 + D.6+ D.7+ D.8+ D.9)	-	-
D.1 Materials and supplies	-	-
D.2 Outside services	-	-
D.3 Direct labor	-	-
D.4 Spot purchases	-	-
D.5 Production overhead	-	-
D.6 Depreciation and amortization	-	-
D.7 Fuel and lubricants	-	-
D.8 Hauling, shiploading and handling costs	-	-
D.9 Others	-	-

Control No.: _____
 Form Type: GFFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC.
 CURRENT ADDRESS: 2281 Don Chino Roces Avenue, Makati City
 TEL. NO.: 8888-3000 FAX NO.: _____
 COMPANY TYPE : HOLDING COMPANY PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2025	2024
E. OTHER DIRECT COSTS, SPECIFY (E.1 + E.2 + E.3 + E.4 + E.5 + E.6)	-	-
E.1	-	-
E.2	-	-
E.3	-	-
E.4	-	-
E.5	-	-
E.6	-	-
F. GROSS PROFIT (A - B - C - D - E)	14,689,112,622	18,685,456,760
G. OPERATING EXPENSES (G.1 + G.2 + G.3 + G.4)	122,784,083	90,224,578
G.1 Professional fees	50,828,905	28,998,028
G.2 Salaries, wages and employee benefits	32,317,279	18,196,567
G.3 Taxes and licenses	9,735,074	18,675,904
G.4 Other Expenses, specify (G.4.1 + G.4.2 + G.4.3 + G.4.4 + G.4.5 + G.4.6 + G.4.7 + G.4.8 + G.4.9 + G.4.10 + G.4.11 + G.4.12+ G.4.13)	29,902,825	24,354,079
G.4.1 Depreciation	2,234,658	2,452,358
G.4.2 Advertising and promotion	1,821,100	749,955
G.4.3 Entertainment, amusement and recreation	1,806,797	3,198,655
G.4.4 Supplies	530,227	595,327
G.4.5 Contributrion and donation	5,160,000	2,398,000
G.4.6 Communication, light and water	1,895,652	2,299,225
G.4.7 Contracted services	1,486,003	1,195,859
G.4.8 Rent	4,474,211	3,756,341
G.4.9 Repairs and maintenance	556,745	712,132
G.4.10 Fuel and oil	482,183	583,331
G.4.11 Transportation and travel	217,722	601,295
G.4.12 Provision for doubtful accounts		
G.4.13 Miscellaneous	7,980,593	6,700,320
G.4.14 Unrealized foreign exchange loss		
G.4.15 Pension expense (income)	1,256,934	(888,719)
H. FINANCE COSTS	-	-
I. NET INCOME (Loss) BEFORE TAX (F - G - H)	14,566,328,539	18,595,232,182
J. INCOME TAX EXPENSE (negative entry)	(73,587,162)	(58,602,187)
K. INCOME AFTER TAX	14,492,741,377	18,536,629,995
L. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on the Measurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation	-	-
L.1 Gain from sale of discontinued operation	-	-
L.2 Net income from discontinued operation	-	-
M. Profit or Loss Attributable to Minority Interest	-	-
N. Profit or Loss Attributable to Equity Holders of the Parent	-	-

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF DMCI HOLDINGS, INC.
CURRENT ADDRESS: 2281 Don Chino Roces Avenue, Makati City
TEL. NO.: 8888-3000 FAX NO.: _____
COMPANY HOLDING COMPANY PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

FINANCIAL DATA	2025 (in Php)	2024 (in Php)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss) from Continuing Operations Before Tax and Extraordinary Items	14,566,328,539	18,595,232,182
Net Income (Loss) from Discontinued Operations Before Tax and Extraordinary Items	-	-
Net Income (Loss) Before Tax and Extraordinary Items	14,566,328,539	18,595,232,182
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation & Amortization	2,234,658	2,452,358
Others, specify: Unrealized foreign currency exchange gain	(18,965,844)	662,984
Interest expense on lease liability (under operating expense)		-
Gain on sale of property plant and equipment and investment properties		(255,725)
Net Pension (Income) Expense	(880,141)	(888,719)
Finance income	(359,167,721)	(305,415,780)
Dividend income	(14,308,845,161)	(18,425,652,752)
Changes in Assets and Liabilities:		
Decrease (Increase) in:		
Receivables	(15,851)	88,215
Other Current Assets	(3,314,845)	(2,959,345)
Other noncurrent assets		-
Increase (Decrease) in:		
Accounts and Other Payables	11,620,844	(1,224,480)
Interest received	352,346,258	294,013,643
Income taxes paid	(68,487,120)	(58,530,632)
A. Net Cash used in Operating Activities (sum of above rows)	172,853,616	97,521,949
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property, Plant, and Equipment	(3,331,737)	(1,304,806)
Acquisition of shares of a subsidiary	(1,422,675,195)	(9,037,914,773)
Others, spec: Collection of purchase price adjustment on acquisition of subsidiary	446,675,195	-
Proceeds from sale of property and equipment	-	398,202
Dividend received	14,408,845,161	19,075,652,752
Acquisition of bonds	(300,000,000)	-
Decrease in other noncurrent assets		
B. Net Cash Provided by Investing Activities (sum of above rows)	13,129,513,424	10,036,831,375
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of preferred shares		10,000,000,000
Payments of:	-	-
Redemption of preferred shares	-	-
Dividends	(14,749,005,641)	(15,906,245,437)
Increase (decrease) in:		
Other noncurrent liabilities	-	-
Payable to related parties	-	-
Others, specify (negative entry):	-	-
C. Net Cash Used in Financing Activities (sum of above rows)	(14,749,005,641)	(5,906,245,437)
D. Effect of exchange rate changes on cash & cash equivalents	18,965,844	(662,984)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	(1,427,672,757)	4,227,444,903
Cash and Cash Equivalents		
Beginning of year	7,396,251,292	3,168,806,389
End of the year	5,968,578,535	7,396,251,292

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC.
 CURRENT ADDRESS: 2281 Don Chino Roces Avenue, Makati City
 TEL. NO.: 8888-3000 FAX NO.: _____
 COMPANY TYPE : HOLDING COMPANY PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

FINANCIAL DATA	Capital Stock	Additional Paid-in Capital	Treasury Shares- Preferred	Unappropriated Retained Earnings	Appropriated Retained Earnings	Remeasurement Gains (Losses) on Retirement Plans	TOTAL
Balance, December 31, 2024	13,287,473,780	14,662,393,925	(7,068,577)	4,482,811,321	-	(2,495,850)	32,423,114,599
Issued Capital Stock	-	-	-	-	-	-	-
Comprehensive Income	-	-	-	14,492,741,377	-	5,607,309	14,498,348,686
Net income for the year	-	-	-	14,492,741,377	-	-	14,492,741,377
Other Comprehensive income	-	-	-	-	-	5,607,309	5,607,309
Dividends (negative entry)	-	-	-	(14,739,667,600)	-	-	(14,739,667,600)
Cash Dividends declared - Common	-	-	-	(14,339,667,600)	-	-	(14,339,667,600)
Cash Dividends declared - Preferred	-	-	-	(400,000,000)	-	-	(400,000,000)
Balance, December 31, 2024	13,287,473,780	14,662,393,925	(7,068,577)	4,235,885,098	-	3,111,459	32,181,795,685