

**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  
Dec 31, 2025
2. SEC Identification Number  
36359
3. BIR Tax Identification No.  
000-438-702-000
4. Exact name of issuer as specified in its charter  
BASIC ENERGY CORPORATION
5. Province, country or other jurisdiction of incorporation or organization  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
GM Building, Florida St., Barangay Wack-Wack, Greenhills East, Mandaluyong City  
Postal Code  
1556
8. Issuer's telephone number, including area code  
79178118
9. Former name or former address, and former fiscal year, if changed since last report  
UB 111 Paseo de Roxas Bldg., Paseo de Roxas Avenue, Legaspi Village, Makati City
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	14,668,643,064
Listed with the Exchange	14,218,643,064

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes       No

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

Philippine Stock Exchange; Common Shares

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  No

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

Yes  No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form

Php. 497,363,812.97 (as of March 31, 2026)

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

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

Yes  No

**DOCUMENTS INCORPORATED BY REFERENCE**

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

(a) Any annual report to security holders

-

(b) Any information statement filed pursuant to SRC Rule 20

-

(c) Any prospectus filed pursuant to SRC Rule 8.1

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*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**Basic Energy Corporation**  
**BSC**

**PSE Disclosure Form 17-1 - Annual Report**  
**References: SRC Rule 17 and**  
**Section 17.2 and 17.8 of the Revised Disclosure Rules**

For the fiscal year ended	Dec 31, 2025
Currency	PESO

**Balance Sheet**

	Year Ending	Previous Year Ending
	Dec 31, 2025	Dec 31, 2024
Current Assets	32,651,394,781	27,519,460,822
Total Assets	38,336,966,920	33,248,650,956
Current Liabilities	29,752,194,396	24,964,558,800
Total Liabilities	31,025,592,463	25,952,677,765
Retained Earnings/(Deficit)	22,528,716	(15,109,658)
Stockholders' Equity	7,311,374,457	7,295,973,191
Stockholders' Equity - Parent	3,294,122,180	3,322,594,951
Book Value Per Share	0.02	0.02

**Income Statement**

	Year Ending	Previous Year Ending
	Dec 31, 2025	Dec 31, 2024
Gross Revenue	52,180,157,059	47,956,130,028
Gross Expense	50,071,306,853	46,618,528,685
Non-Operating Income	830,396,127	812,427,510
Non-Operating Expense	2,735,829,037	2,206,208,551
Income/(Loss) Before Tax	203,417,296	(56,179,698)
Income Tax Expense	18,118,185	(84,821,589)
Net Income/(Loss) After Tax	185,299,111	28,641,891
Net Income/(Loss) Attributable to Parent Equity Holder	38,628,374	(19,901,916)
Earnings/(Loss) Per Share (Basic)	0	0
Earnings/(Loss) Per Share (Diluted)	0	0

**Financial Ratios**

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Dec 31, 2025	Dec 31, 2024
<b>Liquidity Analysis Ratios:</b>			
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.1	1.1
Quick Ratio	(Current Assets - Inventory - Prepayments) / Current Liabilities	0.84	0.89
Solvency Ratio	Total Assets / Total Liabilities	1.24	1.28
<b>Financial Leverage Ratios</b>			
Debt Ratio	Total Debt/Total Assets	0.81	0.78
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	4.24	3.56
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	1.18	0.94

<b>Asset to Equity Ratio</b>	<b>Total Assets / Total Stockholders' Equity</b>	5.24	4.56
<b>Profitability Ratios</b>			
<b>Gross Profit Margin</b>	<b>Sales - Cost of Goods Sold or Cost of Service / Sales</b>	4.04	2.79
<b>Net Profit Margin</b>	<b>Net Profit / Sales</b>	0.36	0.06
<b>Return on Assets</b>	<b>Net Income / Total Assets</b>	145.78	152.14
<b>Return on Equity</b>	<b>Net Income / Total Stockholders' Equity</b>	4.64	0.72
<b>Price/Earnings Ratio</b>	<b>Price Per Share / Earnings Per Common Share</b>	39	141

**Other Relevant Information**

Please refer to attached Annual Report as of December 31, 2025. Note 17-A file already includes Consolidated Financial Statement; Separate Financial Statement as well as the respective Statement of Management Responsibility and Sustainability Report Annexes.

**Filed on behalf by:**

<b>Name</b>	Dominique Pascua
<b>Designation</b>	Compliance Officer

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-A**

**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: 36359      3. BIR Tax Identification No.: 000-438-702
4. Exact name of issuer as specified in its charter: BASIC ENERGY CORPORATION
5. Metro Manila, Philippines      6.  (SEC Use Only)
- Province, Country or other jurisdiction      Industry Classification Code  
of incorporation or organization
7. GM Building, 240 EDSA, Barangay Wack Wack Greenhills East,      1556  
Mandaluyong City
- Address of Principal Office      Postal Code
8. +63 2 3224 4383
- Issuer's telephone number, including area code

9. 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

Title of each class	Number of shares of Common Stock Outstanding and amount of Debt Outstanding
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Common shares	14,668,643,064
Loans payable	Php18,100,333,204

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

Yes []      No []

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

Philippines Stock Exchange; Common Shares

12. Check whether the issuer:

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

Yes []                      No []

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

Yes []                      No []

State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

Php497,363,812.97 (as of March 31, 2026)

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

13. 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.

Yes []                      No []                      Not Applicable []

**DOCUMENTS INCORPORATED BY REFERENCE**

2025 Audited Financial Statements (Consolidated)

## **PART I – BUSINESS AND GENERAL INFORMATION**

### **Item 1. Business**

#### **(A) Description of Business**

##### **(1) Business Development**

The Company was organized initially as Basic Enterprises, Inc., a stock corporation on September 19, 1968 and became an oil and gas exploration and development company on April 26, 1971. A year after, it assumed a new name, Basic Petroleum and Minerals, Inc. Over the years, the Company evolved from an operating company into a holding company under the corporate name, Basic Consolidated, Inc. As a holding company, it held equity investments in the following wholly owned subsidiaries: Basic Diversified Industrial Holdings, Inc., an investment holding company, iBasic, Inc., an information technology management company and service integrator, Basic Biofuels Corporation, which is into the development of biofuels, Basic Renewables, Inc., which is into development of renewable energy, RDG Wind Energy Corporation (formerly Mabini Wind Corporation), which holds the Wind Energy Service Contract for the development of a Wind Energy Project in Mabini, Batangas, Grandway Group Limited, a Hong Kong registered company which is into investments in equities abroad and in Southwest Resources, Inc., an oil exploration company, which is owned 72.58% by the Company. It has also established San Joaquin Wind Energy Corporation, Basic Energy Cadiz 1 Corporation and Basic Energy Mariveles Corporation intended for the project implementation of Panay Onshore Wind Project, Cadiz 1 Solar Project, and Mariveles Solar Project, respectively.

The Company received the Certificate of Authority from the Department of Energy for the conduct of pre-development works for its Mariveles Solar Project and Cadiz 1 Solar Project in Mariveles, Bataan and Cadiz, Negros Occidental, respectively.

Subsequently, the Cadiz 1 Solar Project received an Offer to Subscribe the unsubscribed installation target under the Fourth Round of Green Energy Auction (GEA4) of the DOE last 09 Oct 2026, thus, the said project has selected its EPC and is expected to be commissioned and operational by end of 2026.

For the Mariveles Solar Project, the project is expected to be commissioned and operational by early 2028.

The Company has also received the Certificate of Authority from the Department of Energy for the conduct of pre-development works for its Balayan Nearshore Wind Project and Pasuquin Nearshore Wind Project located in Calatagan, Batangas and Pasuquin, Ilocos Norte, respectively.

The Iriga project is currently in the phase of undertaking permitting and various works preparatory to the drilling of exploratory wells including the preparatory for the access roads to the drilling sites. The Company has a twenty percent (20%) participating interest in the Iriga project, with Desco, Inc. as the operator.

In December 2021, the Company invested in Filoil Energy Company Inc. (FEC) for an equity interest of up to 60% of the latter's outstanding capital stock. The investment in FEC is in line with the strategic move of the Company to improve its operations. The investment in FEC gave the Company indirect participation in FEC's downstream and midstream oil and gas activities.

The Company continues to look for business opportunities for the development of other renewable energy resources such as but not limited to wind and solar power. The Company is also exploring opportunities in the EV industry with the deployment and installation of EV charging stations across the country.

## **(2) Business of the Company and its Subsidiaries**

### **Wind Energy Project, Mabini, Batangas**

The Company, through its wholly owned subsidiary, RDG Wind Energy Corporation (formerly Mabini Energy Corporation) ("**RWEC**"), has been awarded a Wind Energy Service Contract by the DOE on March 17, 2021 to explore, develop, and operate a wind energy power plant for a period of twenty-five (25) years, extensible for another twenty-five (25) years. The project shall be implemented under R.A. 9513 (Renewable Energy Act of 2008).

The exploration area to be covered is 4,860 hectares situated in Mabini, Batangas.

RWEC has completed the Wind Resource Assessment ("WRA") campaign in its contracted area last May 2024 to fully assess the viability of wind resource in the area. The WRA campaign was completed using a meteorological mast and a LIDAR to support the engineering and design of the power plant.

The Company has entered into a Joint Development and Shareholders Agreement with Renova, a publicly listed RE development company in Japan, for a 50:50 partnership for the continued development of the Mabini Wind Project. This partnership with Renova will provide RWEC with a reliable technical and commercial partner in its Mabini Wind Project.

Considering the full feasibility study of the project is completed and found the project to be viable for commercialization, RWEC has already filed its Declaration of Commerciality before the DOE, transitioning the project from pre-development to development stage. DOE is evaluating the said submission. The project is expected to be completed and commissioned by 2029.

### **Wind Energy Project – Panay Island (Iloilo and Antique)**

The Company, through its wholly owned subsidiary, San Joaquin Wind Energy Corporation (“**SJWEC**”), has been awarded with another Wind Energy Service Contract by the DOE on June 14, 2023. The contracted area covers 13,932 hectares located in San Joaquin, Iloilo and Hamtic Antique. Result of preliminary study shows that a potential of 155 MW to 200 MW power capacity can be produced in the contracted area. The project shall be implemented under R.A. 9513 (Renewable Energy Act of 2008).

The Company, through SJWEC, is preparing for the WRA campaign to fully assess the viability of wind resources in the area. A foreign wind consultant was hired to assist preparation SJWEC in wind modelling. Permits and licenses required for the WRA campaign is on-going.

### **Wind Energy Project – Calatagan, Batangas**

The Company was awarded with Wind Energy Service Contract by the DOE on June 22, 2023. The contracted area, spanning 2,835 hectares in Calatagan, Batangas, is located in shallow waters with a bathymetric depth of less than 60 meters. Result of preliminary study shows that a potential of 140 MW to 175 MW power capacity can be produced in the exploration area. The project shall be implemented under R.A. 9513 (Renewable Energy Act of 2008).

On July 30, 2025, DOE approved the conversion of the Wind Energy Service Contract to Nearshore WESC and availment of the Certificate of Authority (COA).

### **Wind Energy Project – Pasuquin, Ilocos Norte**

The Company was awarded with another Wind Energy Service Contract by the DOE on September 15, 2023. The contracted area, spanning 5,502 hectares in Pasuquin, Ilocos Norte, is located in shallow waters with a bathymetric depth of less than 60 meters. Result of preliminary study shows that a potential of 90 MW to 112 MW power capacity can be produced in the exploration area. The project shall be implemented under R.A. 9513 (Renewable Energy Act of 2008).

On July 29, 2025, DOE has approved the conversion of the Wind Energy Service Contract to Offshore WESC and availment of the Certificate of Authority (COA). However, due to issue of the Department of National Defense with regards to its objection to the installation of wind turbines near the vicinity of AFP’s Paredes Radar Station, the company is seeking a guidance to the DOE on possible actions to be taken. DOE has yet to respond on the matter.

### **Solar Energy Project – Bolinao, Pangasinan**

The Company is exploring to utilize and develop its more than 41-hectare property in Barangay Balingasay, Bolinao, Pangasinan into a solar PV ground-mounted power project. It is expected that a capacity of around 45.18 MWp can be developed in the said area based on the preliminary feasibility study done

by JGC Philippines, Inc., a consulting and engineering firm procured by the company to do such study.

The Solar Power Plant will be sent to the grid via a connection to the local electric cooperative, Pangasinan Electric Cooperative I (Panelco1), under an embedded set-up.

The Company has completed the conduct of a Distribution Impact Study (DIS) and Distribution Asset Study (DAS) to assess the existing infrastructure of PANELCO I prior to project execution. Furthermore, a favorable System Impact Study (SIS) from the NGCP was secured. The Company is currently coordinating with PANELCO 1 for implementation of the project under the embedded system.

### **Solar Energy Project – Mariveles Solar Power Plant**

The Department of Energy (DOE) has granted Basic Energy Corporation a Certificate of Authority (COA) for the Mariveles Solar Power Project. Issued under the revised Omnibus Guidelines Governing the Award and Administration of Renewable Energy Contracts (effective June 2024), the COA empowers Basic Energy Corporation to begin securing the necessary permits and tenure instruments required for the project. This certificate also allows the company to initiate procurement activities ahead of the 25-year SEOC contract term.

The Mariveles Solar Power facility will be located in Mariveles, Bataan, spanning approximately 72 hectares. According to a preliminary assessment by an independent third-party firm, the plant is expected to generate a peak output of at least 62 megawatts (MWp).

With the COA secured, the Company will now move forward with the next steps in the development process. This includes obtaining approvals from relevant national agencies and local government units.

The project had secured the NGCP approval on the required System Impact Study. Currently, the Company is securing all the necessary permits and licenses prior to its construction. The solar project is slated for completion and commissioning by end of 2027, contributing to the country's renewable energy targets.

### **Solar Energy Project – Cadiz 1 Solar Power Plant**

The Department of Energy (DOE) has granted the Company a Certificate of Authority (COA) for its proposed Solar Energy Operating Contract (SEOC) application. The COA, issued under the revised Omnibus Guidelines Governing the Award and Administration of Renewable Energy (RE) Contracts effective June 2024, allows the company to secure the necessary permits and tenurial instruments for the project. It also grants the privilege to procure these requirements outside the SEOC's 25-year contract period.

Basic Energy's proposed solar power plant will be developed in Cadiz, Negros Occidental, covering approximately 30 hectares. Based on a preliminary study conducted by an independent firm, the facility is expected to generate at least 43.41 megawatts peak (MWp) of power.

With the COA in hand and the award of the project under the GEA4 of the DOE, the Company will now begin securing approvals from relevant national agencies and local government units, approval of NGCP's SIS, as well as converting the COA to Solar Energy Service Contract (SESC). Given that an EPC company had been procured, construction will start immediately upon the financial closure activity.

The solar project is slated for completion and commissioning by the fourth quarter of 2026, given its commitment under the GEA4 program.

### **Geothermal Energy**

The Company is likewise involved in the exploration, development, and production of geothermal energy. It has been awarded service contracts for various areas by the Department of Energy ("DOE"), which prescribes the periods and programs for these service contracts pursuant to R.A. 9513 (Renewable Energy Act of 2008) for the subsequent geothermal service contract.

The Iriga Geothermal Power Project in Camarines Sur is bounded to the north by Isarog geothermal block of PNOC-RC and to the east by the highly productive Tiwi geothermal service contract area of formerly Chevron, now AP Renewables Inc. The aerial landscape is dominated by Iriga or Asog Volcano, a stratovolcano immediately southwest of Lake Buhi in southern Luzon.

In 2016, Desco Inc. entered into a Farm-in Agreement with the Company acquiring eighty (80%) percent participating interest in and operatorship of the Iriga Geothermal Project. The farm-in agreement and transfer of operatorship on the project to Desco Inc. was approved by the DOE in a letter received by the Company on November 8, 2016. In 2019, Desco Inc. received DOE's approval for the extension of its work program, which involved securing the permitting requirements for the project, NCIP certification and well site preparations for the drilling of exploratory wells. The Company has a 20% interest in the project.

Currently, the operator, Desco, is undertaking permitting and various works preparatory to the drilling of exploratory wells including the preparatory for the access roads to the drilling sites.

### **EV Charging Stations**

The Company recently entered a partnership with AC Mobility to co-develop EV charging stations across the country through existing retail fuel stations under Basic Energy Corporation's affiliated companies. The primary purpose of the partnership is to establish public EV charging stations that will be able to accommodate all EVs transgressing across the nation and will help in speeding up the deployment of EVs for private and public usage.

EV charging stations at the Total NLEX station along the northbound lane in Apalit, Pampanga and EcoOil Alabang station along Commerce Avenue in Alabang, Muntinlupa have been established and are already operating. Following the establishment of the EV charging stations in Total NLEX and Ecooil Alabang, EV charging station in Total SLEX, Ecooil EDSA Mandaluyong, and Ecooil Cainta are next in line to be established, with construction already at the early stage. The Company targets at least 20 EV charging stations to be established and begin operations by the end of 2026.

### **(3) Employees**

The Company has sixteen (16) employees, of which three (3) are executive officers and twelve (12) are assigned as technical, project, accounting, legal, administrative, IT and operations support staff. The Company will hire additional personnel or engage the services of consultants as may be needed. When the Company will pursue additional renewable energy projects, project managers, and engineering, technical and other support personnel may be required for its projects.

## **Item 2. Properties**

The Company and its subsidiary, Basic Diversified Industrial Holdings Inc., own several parcels of land located in Bolinao, Pangasinan, containing an aggregate gross area of about 426,361 square meters. The property is located approximately 4.3 kilometers southwest from the Bolinao-Bani Provincial Road and is best suited for agro-industrial land development.

The Company also owns parcels of land located at Tanay, Rizal with a total area of 35,000 square meters, near the town proper with good roads and is suitable for residential housing development or for an agricultural farm project.

The Company also owns a parcel of land located at Gutalac, Zamboanga del Norte with an area of approximately 22 hectares, suitable for agricultural farm development.

To date, the Company or its subsidiaries do not have any plan to own or acquire additional properties for its projects.

## **Item 3. Legal Proceedings**

The Company or its subsidiaries are not involved in any pending legal proceeding(s) relative to properties or property interests of the Company.

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

The following matters were submitted for approval of the stockholders at the annual stockholders meeting held on July 23, 2025, and were approved as follows:

- a) Approval of the minutes of the annual stockholders meeting held on September 18, 2024;
- b) Approval of the President's Report for 2024 and the 2024 Consolidated Audited Financial Statements of the Company;
- c) Ratification of all acts of Management and the Board for 2024;
- d) Election of the following directors for the term 2025 to 2026:

Manuel Z. Gonzalez

Oscar L. de Venecia, Jr.

Luisito V. Poblete

Beatrice Jane L. Ang

Ma. Rosette Geraldine L. Oquias

Jaime J. Martinez

Oscar S. Reyes

Alberto Emilio V. Ramos

Kim S. Jacinto-Henares - Independent Director

Andres B. Reyes, Jr. - Independent Director

Josefina Patricia A. Magpale-Asirit - Independent Director

- e) Appointment of Reyes Tacandong & Co. as External Auditors for the 2025 financial statements.

The above items were approved by the unanimous vote of all stockholders owning 10,358,177,542 shares, present and represented in the said annual stockholders meeting, constituting 70.61% of the total outstanding shares of the Company as of record date of the said annual stockholders meeting.

The Company received duly signed proxies submitted to the Corporate Secretary for purposes of this annual stockholders' meeting.

## PART II – OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market for Issuers of Common Equity and Related Stockholders Matters

#### (1) Market Information

The shares of stock of the Company are traded in the Philippine Stock Exchange. The Company's high and low closing prices for each quarter of years 2024 and 2025:

	High		Low	
	2024	2025	2024	2025
1 <sup>st</sup> Quarter	Php0.247	Php0.140	Php0.167	Php0.120
2 <sup>nd</sup> Quarter	0.172	0.170	0.135	0.112
3 <sup>rd</sup> Quarter	0.158	0.133	0.136	0.112
4 <sup>th</sup> Quarter	0.143	0.164	0.120	0.107

Further, the last trading price for the shares of the Corporation, as of December 31, 2025, was at Php0.117 per share.

#### (2) Holders

Top 20 Stockholders as of December 31, 2025:

Name	Outstanding shares	Percentage
PCD Nominee Corporation (Filipino)	13,962,165,436	95.18%
PCD Nominee Corporation (Non-Filipino)	56,115,259	0.38%
Ecology Energy Corporation	450,000,000	3.06%
Mario T. Buenconsejo or Stephen Pol B. Buenconsejo	15,000,000	0.10%
Samuel Uy	10,000,000	0.06%
Horacio Rodriguez	4,408,523	0.03%
Christine Chua	3,149,221	0.02%
East West Commodities, Inc.	3,019,498	0.02%
Paic Securities Corporation	2,025,906	0.01%
Northwest Securities, Inc.	1,977,273	0.01%
Santiago Tanchan	1,940,398	0.01%
Joseph Ong	1,602,391	0.01%
Phases Realtors Inc.	1,516,002	0.01%
Victoria Duca	1,363,249	0.01%
Aquatic Ranch Development Corp	1,353,080	0.01%
F. Yap Securities, Inc.	1,317,969	0.01%
Victoria Duca	1,279,962	0.01%

David Go Sec. Corp.	1,262,676	0.01%
Oscar L. de Venecia Jr.	1,196,666	0.01%
Ricardo Ng	1,185,000	0.01%
Christodel Phils., Inc.	1,173,745	0.01%

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The Company is compliant with the minimum public ownership requirement prescribed under existing regulations of the Securities and Exchange Commission and the Philippine Stock Exchange.

The Company's level of public float as of December 31, 2025 is 26.91% of total outstanding shares.

### **(3) Dividends**

- (a) No cash/stock dividends have been declared in 2025 and 2024.
- (b) There are no restrictions that limit the payment of dividend on common shares.

### **(4) Recent Sale of Unregistered or Exempt Securities**

#### **a. Issuance of Shares to Subscribers of Delinquent Shares Auctioned on September 12, 2023**

Of the 1,462,500,000 shares subscribed in 2007 to support the capital increase of the Company in 2007 to Php2.5 billion, 990,000,000 shares have been paid and the application for listing of these shares are still pending with the PSE. The remaining 450,000,000 shares were declared delinquent as of June 10, 2021 and were successfully auctioned on September 12, 2023. The 450 million shares (the "auctioned shares") were sold to the winning bidder, Ecology Energy Corporation, at said auction sale.

The total amount of the winning bid for the auctioned shares in the amount of Php129,982,336.67 were paid on October 27, 2023. The request for confirmation of exemption from registration of these 450,000,000 shares under Section 10.2 of the Securities Regulation Code, was approved by SEC on September 04, 2024.

## **Item 6. Management Discussion and Analysis or Plan of Operations**

### **Plan of Operations 2026**

#### **Solar Energy Operations**

For 2026, the Company will continue to focus on solar project development. In particular, the Cadiz 1 and Mariveles solar power projects are expected to be completed by end of 2026 and middle of 2027, respectively. With the Cadiz 1 Solar Project winning in GEA-4, the project is committed to achieve COD by end of 2026.

On the other hand, the Company will pursue an offtake agreement for the Mariveles Solar Project with a reputable RES company and is expected to be completed by end of the 2<sup>nd</sup> quarter of 2027.

The Company is also pursuing solar projects in San Carlos, Negros Occidental, and Bolinao, Pangasinan where it has available access to potential solar project sites.

### **Wind Energy Operations**

For 2026, the Company will still focus on wind project development. In particular, the Mabini power plant project has completed the WRA campaign in May 2024 and full feasibility study of the project is completed and found that the project to be viable for commercialization. RWEC, the SPV housing the Mabini Wind Project, has already filed the Declaration of Commerciality before the DOE, transitioning the project from pre-development to development stage.

On the other hand, the Company will pursue the implementation of WRA campaign on the three other awarded wind energy service contracts.

### **EV Charging Stations**

With our recent partnership with AC Mobility, the Company will focus on the rollout of the identified fuel retail stations where EV charging station will be established. The Company targets to rollout at least 20 EV charging stations across the country by the end of 2026. Three (3) stations, namely Total SLEX, Ecooil EDSA Mandaluyong, and Ecooil Cainta, have already been identified as viable sites for the establishment of EV charging stations in addition to the completed EV charging stations in Total NLEX and Ecooil Alabang.

### **Geothermal Energy Operations**

For 2026, the Company will continue to monitor developments in its remaining project, the Iriga Geothermal project, and the implementation of the work program as approved by the DOE and as undertaken by its operator, Desco Inc.

### **Business Development**

The Company continues to pursue business opportunities for the development of renewable energy resources whether in the Philippines or abroad.

The Company will pursue the development of the Bolinao solar ground-mounted project in its wholly owned property in Bolinao, Pangasinan. The Company is expected to provide at least 45MWp energy to the grid after 1.5 to 2 years. Furthermore, the Bolinao Solar Project has been awarded the Certificate of Authority by the Department of Energy which enables the Company to exclusively conduct pre-development activities in the project site.

The Company is also exploring the development of a floating solar power plant San Carlos, Negros Occidental. The floating solar project will be located in the 20-hectare settling pond of an affiliated company which operates a bio-ethanol plant.

The Company will also pursue BESS projects and is currently evaluating potential sites that are suitable in developing stand-alone BESS projects. The BESS projects are envisioned to be participating in the ancillary services to contribute in the stabilization of the national grid.

The Company continues to evaluate the various fuel retail stations under the affiliated companies as potential sites for EV charging stations. Together with AC Mobility, the Company expects to develop at least 20 EV charging stations within the year.

In relation to the EV charging stations project, the Company has recently launched the “Iwas Taas Pamasah E-Transport Solution Program” together with partners, AC Mobility, First Gen, and Ecology Builders Development Corporation. The program intends to roll out a nationwide Operate-to-Own program to help transport groups modernize their fleet to EV buses without the burden of upfront fees.

The above possible equity investment is part of the Company’s plans to be a major renewable energy and power company. With this objective, BEC was tasked to develop a robust portfolio of renewable energy projects such as solar, wind and biomass energy projects, in the Philippines, that will provide the Company with a continuing stream of revenues in the short and mid-terms.

## **Management’s Discussion and Analysis of Financial Condition and Results of Operations for 2025**

### **Key Performance Indicators**

The following table shows the top 5 Key Performance Indicators for the past two years:

<b>Key Performance Indicators</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Return on Investment	4.64%	0.72%	2.55%
Net Profit Margin	0.36%	0.06%	0.16%
Current Ratio	1.10	1.10	1.11
Asset Turnover	1.46	1.52	2.19
Solvency Ratios			
Debt to Equity Ratio	4.24	3.56	2.96
Asset to Equity Ratio	5.24	4.56	3.96
Interest Coverage Ratio	1.18	0.94	1.17

ROI (Net Income/Average Stockholders’ Equity) measures the profitability of stockholders’ investment. Profit Margin (Net Income/Net Revenue) measures the net

income produced by each peso of revenue. Investment in Projects as a % of Total Assets, measures how much the Company invested in its committed work programs. Current Ratio (Current Assets/Current Liabilities) measures the short-term debt paying ability of the Company. Asset Turnover (Net Revenue/Average Total Assets) measures how efficiently assets are used to produce profit.

ROI was 4.64% in 2025, 0.72% in 2024, and 2.55% in 2023. The increase in ROI in 2025 is due to the increase in net income in 2025 while the decrease in 2024 from 2023 is primarily due to the decrease in net income in 2024.

Profit Margin was 0.36% in 2025, 0.06% in 2024, and 0.16% in 2023. The increase in profit margin in 2025 is primarily due to the higher increase in revenue compared to the increase cost of sales. The decrease in profit margin in 2024 was due to the decrease in revenue in the covered periods.

Current ratio was 1.10 in 2025, 1.10 in 2024, and 1.11 in 2023. Current ratio remained almost constant throughout 2023 to 2025 except for a slight decrease from 2023 to 2024 which was due to the higher increase in current liabilities compared to current assets.

Asset turnover was 1.46 in 2025, 1.52 in 2024, and 2.19 in 2023. The further decrease in asset turnover in 2025 from 2024 even with the increase in net income in 2025 was due to the significant increase in asset compared to the increase in net income.

Debt to equity ratio was 4.24 in 2025, 3.56 in 2024, and 2.96 in 2023. The increases in debt to equity ratio in 2025 and 2024 was due to the higher increase in liability compared to the increase in equity.

Asset to equity ratio was 5.24 in 2025, 4.56 in 2024, and 3.96 in 2023. The increase to in 2025 and 2024 was due to the higher increase in assets over equity.

Interest coverage ratio was 1.18 in 2025, 0.94 in 2024, and 1.17 in 2023. The increase in interest coverage ratio in 2025 was due to the increase earnings in 2025 while the decrease in interest coverage ratio in 2024 was due to increase in finance costs due to higher interest rates.

## **2025**

For 2025, the Company's total assets stood at Php38.3 billion, an increase of around Php5.1 billion from its previous year balance of Php33.2 billion. Current assets with a balance of Php32.7 billion in 2025 increased by around Php5.1 billion from Php27.5 billion in 2024 while non-current assets decreased by Php43.6 million to Php5.7 billion in 2025. The increase in current assets is primarily attributable to the increases in cash & cash equivalents of Php842.2 million, trade & other receivables of Php2.5 billion, and inventories of Php2.3 billion.

Total liabilities in 2025 closed at Php31.0 billion, an increase of Php5.1 billion from the balance of Php26.0 billion in 2024. Current liabilities amounting to Php29.8 billion

increased by Php4.8 billion from the balance of Php25.0 billion in 2024. The increase in current liabilities is primarily attributable to the increases in trade & other payables of Php2.9 billion, and borrowings of Php1.9 billion. Noncurrent liabilities amounting to Php1.3 billion increased by Php285.3 million from the balance of Php988.1 million in 2024. This was primarily due to the increase in lease liability of Php331.6 million.

Total equity recorded in 2025 of Php7.3 billion increased by Php15.4 million from its 2024 balance. This was primarily due to the net income recognized during the year which translated into an increase in retained earnings of Php37.6 million.

For 2025, revenues generated amounted to around Php52.2 billion with cost of sales of Php50.1 billion resulting to a gross profit of Php2.1 billion. The Company recognized an increase in gross profit of Php771.2 million in 2025 compared to 2024, wherein it recognized a gross profit of Php1.3 billion from its revenues of Php48 billion and cost of sales of Php46.6 billion. The increase in net sales, cost of sales and gross profit are primarily due to the increase in sales volumes during the year. General & administrative expenses recognized during the year was at Php1.6 billion, an increase of Php374.5 million from its 2024 balance of Php1.2 billion, and finance cost of Php1.1 billion was recognized in 2025, an increase of Php155.1 million from its 2024 balance of Php993.4 million. Other income recognized during the year amounted to Php830.4 million consisting of interest income of Php114 million, share in net income of associate and a joint venture of Php10.8 million and other income of Php705.6 million.

For the year 2025, the Company recorded a consolidated net income of Php185.3 million and total comprehensive income for the year amounted to Php202.9 million, an increase of Php156.7 million and Php170.5 million, respectively.

## **2024**

For 2024, the Company's total assets stood at Php33.2 billion, an increase of around Php3.1 billion from its previous year balance of Php29.8 billion. Current assets with a balance of Php27.5 billion in 2024 increased by around Php3.7 billion from Php23.5 billion in 2023. The increase in current assets is primarily attributable to the increases in trade & other receivables of Php3.8 billion, inventory of Php6 million, excess tax credits of Php320 million, other current assets of around Php30 million and assets held for sale of Php85.2 million which were partially offset by the decrease in cash and cash equivalent of Php172.2 million. Non-current assets decreased by around Php564 million from Php6.3 billion in 2023 to Php5.7 billion in 2024 primarily due to decreases in property & equipment of Php359.9 million, receivable from sale of investment in associate net of current portion of Php148.5 million and other noncurrent assets of Php80.7 million which were partially offset by the increases in investment properties of around Php17 million, and investment in associates and joint venture of Php8.1 million.

Total liabilities in 2024 closed at Php25.9 billion, an increase of Php3.7 billion from the balance of Php22.3 billion in 2023. Current liabilities amounting to Php25 billion increased by Php3.8 billion from the balance of Php21.2 billion in 2023. The increase in current liabilities is primarily attributable to the increases in current portion of loans

payable of Php5.5 billion and liabilities held for sale of around Php14.8 million, which was partially offset by the decrease in trade and other payables of Php1.8 billion. Noncurrent liabilities amounting to Php988.1 million decreased by Php85.3 million from the balance of Php1.1 billion in 2023. This was primarily due to the decrease in lease liability – net of current portion of Php39 million and net deferred tax liability of Php117 million which were partially offset by the increase in loans payable – net of current portion of Php68.8 million.

Total equity recorded in 2024 was Php7.3 billion, a decrease of Php232.2 million from the balance of Php7.5 billion in 2023. This was primarily due to the decreases in retained earnings of Php19.9 million and equity attributable to non-controlling interest of Php215.3 million.

For 2024, revenues generated amounted to around Php48 billion with cost of sales of Php46.8 billion resulting to a gross profit of Php1.2 billion. Compared to 2023, wherein the Company recognized Php64.1 billion with cost of sales of Php62.5 billion, resulting to a gross profit of Php1.6 billion. The decreases in net sales, cost of sales and gross profit are primarily due to the decrease in sales volumes during the year. Other income and expense earned or incurred in 2024 are general & administrative expenses of Php1.1 billion, finance costs of Php993.4 million, interest income of Php142.5 million, share in net income of associate and a joint venture of Php7.5 million and other income – net of other charges of Php662.5 million.

For the year 2024, the Company recorded a consolidated net income of Php28.6 million and total comprehensive income for the year amounted to Php32.4 million.

## **2023**

For 2023, the Company's total assets stood at Php29.8 billion, an increase of Php1 billion from its previous year balance of Php28.8 billion. Current assets with a balance of Php23.5 billion in 2023 increased by Php1.64 billion from Php21.86 billion in 2022. The increase in current assets is primarily attributable to the increases in trade & other receivables of Php1.06 billion, cash and cash equivalents of Php688.6 million and other current assets of Php351.5 million which were partially offset by the decreases in inventories of Php462.7 million. Non-current assets decreased by Php649.3 million from Php6.9 billion in 2022 to Php6.3 billion in 2023 primarily due to decreases in property & equipment of Php527.3 million, receivable from sale of investment in associate net of current portion of Php136.2 million and other noncurrent assets of Php68 million which were partially offset by the increases in investment properties of Php73.1 million and investment in associates and joint venture of Php9.2 million.

Total liabilities in 2023 closed at Php22.3 billion, an increase of Php778.2 million from the balance of Php21.5 billion in 2022. Current liabilities amounting to Php21.2 billion increased by Php1.5 billion from the balance of Php19.7 billion in 2022. The increase in current liabilities is primarily attributable to the increases in current portion of loans payable of Php5.2 billion which was partially offset by the increase decrease in trade and other payables by Php2.5 billion and trust receipts payable of Php1.2 billion. Noncurrent liabilities amounting to Php1.1 billion decreased by Php696.6 from the

balance of Php1.8 billion in 2022. This was due to the decreases in loans payable – net of current portion of Php492.5 million, net deferred tax liability of Php68.8, lease liability – net of current portion of Php124.8 million and net retirement benefit liability of Php10.6 million.

Total equity recorded in 2023 was Php7.5 billion, an increase of Php213.9 million from the balance of Php7.3 billion in 2022. This was primarily due to the increases in capital stock of Php112.5 million, additional paid in capital of Php17.1 million, retained earnings of Php42.6 million and equity attributable to non-controlling interest of Php47.9 million which was partially offset by the decrease in other equity reserves of Php6.2 million.

For 2023, net sales generated amounted to Php64.1 billion with cost of sales of Php62.5 billion resulting to a gross profit of Php1.6 billion. Compared to 2022, wherein the Company recognized Php74.6 billion with cost of sales of Php72.8 billion, resulting to a gross profit of Php1.8 billion. The decreases in net sales, cost of sales and gross profit are primarily due to the decrease in sales volumes during the year. Other income and expense earned or incurred in 2023 are general & administrative expenses of Php1.3 billion, finance costs of Php660.7 million, share in net income of associates of Php9.1 million, other income – net of Php291 million and interest income of Php150.7 million.

For the year 2023, the Company recorded a consolidated net income of Php99.6 million, Php42.7 million of which is attributable to equity holders of the parent company and Php56.9 million to non-controlling interest. Including other comprehensive income of Php15.2 million, the total comprehensive income for the year amounted to Php84.4 million.

## **Item 7. Financial Statements**

The Company's Consolidated Financial Statements and Schedules to Financial Statements are filed as part of this SEC Form 17-A.

## **Item 8. Changes and Disagreements with Accountants and Financial Closure**

### **External Auditor**

Upon the recommendation of the Audit Committee and the Board of Directors, the Company's external auditor, Reyes Tacandong & Co. ("RT&Co.") was appointed at the annual stockholders' meeting on July 23, 2025 as the Company's external auditor for the year 2025.

Audit services of RT&Co. for the fiscal year ended December 31, 2025 included the examination of books and consolidated financial statements of the Corporation and its subsidiaries, assistance in the preparation of the Corporation's final income tax returns and other services related to filing of reports made with the SEC and the BIR.

There was no event in the past three (3) years where RT&Co had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

### **External Audit Fees**

The Company paid the following fees to the external auditors for professional fees rendered in the last three (3) years:

<b>Period Covered</b>	<b>Nature of Audit</b>	<b>Amount (in Php'000)</b>
31 December 2025	Annual audit for regular reportorial requirement	2,000.0
31 December 2024	Annual audit for regular reportorial requirement	1,755.0
31 December 2023	Annual audit for regular reportorial requirement	1,650.0

RT&Co. has no shareholdings in the Company or any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company, in accordance with the professional standards on independence set by the Board of Accountancy and approved by the Professional Regulation Commission.

The Audit Committee reviews the audit scope and coverage, strategy, and results for the approval of the Board. It ensures that audit services rendered shall not impair or derogate the independence of the external auditors or violate SEC regulations. Likewise, the Audit Committee evaluates and determines any non-audit work performed by external auditors, including the fees therefore, and ensures that such work will not conflict with the duties of the external auditors or threaten their independence.

### **Disagreements with External Auditors on Accounting and Financial Disclosure**

There has been no event in the past three (3) years where the External Auditors and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

There were no disagreements with the Company's external auditors on any accounting and financial disclosures in the 2025 Audited Financial Statements of the Company.

The accounting policies adopted are consistent with those of the previous year, except for the adoption of amendments to PFRS Accounting Standards effective January 1, 2025. The adoption of the amendments to PFRS Accounting Standards did not materially affect the consolidated financial statements of the Group.

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective January 1, 2026 –

- Annual Improvements to PFRS Accounting Standards Volume 11:
  - Amendments to PFRS 7, Financial Instruments: Disclosures – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
  - Amendments to PAS 7, Statement of Cash Flows – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.
  - Amendments to PFRS 9, Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to ‘transaction price as defined by PFRS 15, Revenue from Contracts with Customers’ to ‘the amount determined by applying PFRS 15’ to remove potential confusion. Earlier application is permitted.

Effective January 1, 2027 -

- PFRS 18, Presentation and Disclosure in Financial Statements – This standard replaces PAS 1, Presentation of Financial Statements, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under the prevailing circumstances, the adoption of the new and amended PFRS Accounting Standards is not expected to have a material impact on the Group’s consolidated financial statements, except for PFRS 18. The Group is currently

evaluating the potential effects of PFRS 18 on the presentation and disclosure of the consolidated financial statements, including the structure of the consolidated statements of comprehensive income. Additional disclosures will be provided in the consolidated financial statements, as applicable.

## PART III – CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers of the Issuer

#### Board of Directors

The following are the members of the Board of Directors of the Company as of December 31, 2025:

Kim S. Jacinto - Henares	Chairwoman and Independent Director
Manuel Z. Gonzalez	Vice Chairman
Oscar L. de Venecia, Jr.	Vice Chairman
Luisito V. Poblete	
Beatrice Jane L. Ang	
Jaime J. Martirez	
Ma. Rosette Geraldine L. Oquias	
Alberto Emilio V. Ramos	
Josefina Patricia A. Magpale-Asirit	Independent Director

#### Background Information

The following are the names, ages, positions, and period of service in the Company of the incumbent directors and key officers of the Company:

#### Directors

**Kim S. Jacinto - Henares**, 65 years old, Filipino, is an Independent Director of Basic Energy Corporation from May 12, 2021 to the present. She is currently a Director of Reg Tek, Inc. and serves as Senior International Advisor/Consultant to various groups and projects, like Albright Stonebridge Group. She is a Board Member of the Tribute Foundation for International Tax Dispute Resolution (The Hague, Netherlands) and a Commissioner of the Independent Commission for Reform of International Corporate Taxation. She served as a Member of the United Nations Economic & Social Commission for Asia and Pacific (Eminent Expert Group on Tax Policy and Public Expenditure Management, Bangkok, Thailand) and UN Committee on Experts on International Cooperation in Tax Matters (Geneva, Switzerland). She was appointed Commissioner of the Bureau of Internal Revenue and held office from 2010 to 2016, after being a Deputy Commissioner for the Special Concerns Group of the Bureau from 2003 to 2005. Prior to BIR, she served as Governor of the Board of Investment. She was Vice Chairperson of the Ad Hoc Group for Action 15 (Multilateral Instrument to Implement Tax Treaty Related Measures to Tackle Base Erosion Action Plan (BEPS) (Paris, France). She used to be connected also with ING Bank N.V. Manila Branch as its Vice President and as Deputy to the Vice Chairman of Security Banking Corporation. She was employed by Romulo, Mabanta, Buenaventura, Sayoc & Delos Angeles Law Office as Senior Associate and by Sycip, Gorres, Velayo & Co. as Tax

Lawyer. Early in her career, she was General Manager of St. J. Square Marketing Corporation. She was also an Accounting Lecturer in De La Salle University, Manila.

She obtained her degree in Bachelor of Science in Commerce major in Accounting at De La Salle University Manila, and her Bachelor of Laws at the Ateneo de Manila University, consistently with flying colors. She further studied and obtained her degree in Master of Laws, major in International and Comparative Law at the Georgetown University (Washington DC, USA). She also attended the University of New Brunswick (Fredericton, New Brunswick, Canada), McGill University, Faculty of Law (Montreal, Quebec, Canada) and University of Toronto. Faculty of Law (Toronto, Ontario, Canada) as Fulfillment of the Requirement of the Joint Accreditation Committee. Finally, she obtained her Postgraduate Diploma in International Dispute Resolution at the Queen Mary University of London.

Having served the government as an accountant and lawyer, she was a recipient of the Lingkod Bayan Award by the Civil Service Commission and Order of Lakandula (Bayani).

**Manuel Z. Gonzalez**, 60 years old, Filipino, is the Vice Chairman of the Board of Basic Energy Corporation. He was elected as director of the Corporation on May 12, 2021 and holds that position up to the present. He is a Senior Partner in Martinez Vergara Gonzalez & Serrano Law Office since 2006 up to the present. Prior to co-founding MVGS Law, Atty. Gonzalez was a partner with the Picazo Buyco Tan Fider & Santos Law Office until 2006. Atty. Gonzalez has been involved in corporate practice for over 20 years and has extensive experience and has been recognized by “The Legal 500” for his practice in the areas of capital markets, energy, mergers & acquisitions and banking and finance. Atty. Gonzalez currently serves as Director and Corporate Secretary to many corporations including companies in the Century Pacific Group since 1995, Nomura Holdings Philippines since 2006 and ADP (Philippines) Inc. since 2010. He has attended continuing legal education programs required for the practice of law and a seminar on corporate governance in 2021. Atty. Gonzalez graduated cum laude with a Bachelor of Arts degree in Political Science and Economics from New York University and received a Bachelor of Laws from the University of the Philippines, College of Law.

**Oscar L. De Venecia Jr.**, 58 years old, Filipino, is a director and the President and CEO of the Corporation. He was the Executive Vice President & COO of the Corporation since April 04, 2007 and was appointed as President & CEO of the Corporation in August 2011. He has served the Corporation in various executive positions, namely, as SVP and COO from June, 1997 up to June 2001 and was the President and CEO from December 2002 up to November 2005. He is the President of Basic Geothermal Energy Corporation, Basic Renewables, Inc. and Basic Biofuels Corporation, and Basic Diversified Industrial Holdings, Inc., the Chairman and President of iBasic, Inc., director of Basic Consolidated International, Inc. and President of Southwest Resources, Inc.

He was the President of Forum Energy Philippines, Inc. from November 2005 to April 2007, Chairman and CEO of Blue Bamboo Solutions, Inc. from September 2002 to

December 2005, a Consultant for Strategic Alliance Development Corporation from March 2002 and moved as Business Development Manager of Stradcom Corporation from May to November 2002. He was the President of the Rotary Club of Makati East for the Rotary Year 2010-2011 and is a member of the Management Association of the Philippines. He was appointed Honorary Vice Consul of the Consulate of Ukraine in the Philippines covering the Clark-Subic Economic Zone on February 18, 2011.

He obtained his degree in Bachelor of Arts in Economics from Fordham University, New York City, in 1996.

**Luisito V. Poblete**, 67 years old, Filipino, is the Director, President and Chief Operating Officer. He started doing general management consultancy work from 2018 and continues to do so up to the present. From 2016 to 2017, he was the President & Managing Director for Total (Philippines) Corporation and previous to that stint, he was the Vice President for Operations and HSEQ from 2013 to 2016 and the Vice President for Operations from 2002-2007. He was also assigned as Health, Safety and Environmental Manager from 2007 to 2009 and as Vice President for HSEQ and Technical from 2009 to 2013 at Total Oil Asia Pacific (Singapore Regional Office).

Prior to his work at Total (Philippines) Corporation, he worked with Pilipinas Shell Petroleum Corporation from 1980 to 1997, handling various operations and engineering positions at the Pandacan installation of the said company.

He earned the degree of Bachelor of Science in Mechanical Engineering from the Mapua Institute of Technology and placed Eighth in the PRC Board of Examination for Mechanical Engineers in 1982.

**Beatrice Jane L. Ang**, Filipino, 43 years old. Dr. Ang is presently a Director and Corporate Secretary of Quindecim Holdings, Inc., a venture providing for healthcare and related services, a position she held since 2017, and the Managing Director and Treasurer of BA Securities, Inc., from 2003 up to the present. She is also the Managing Director of CLMC Group of Companies, which is into manufacturing, import and export of telecommunication facilities, software development, information technology and real estate, among others, from 2003 up to the present. Her international diplomatic experience consists of her being presently the Honorary Consul Designate of the Honorary Consulate of Ukraine and the Special Assistant to the Consul of the Honorary Consulate of Tanzania. She was the Special Assistant to the Consul General of the Honorary Consulate of Peru from 2007 to 2010. Her socio-civic work experience includes being the Administrator of the Buddhist Tzu Chi Medical Foundation Philippines, Inc., since 2019 to the present and the Commissioner of the Tzu Chi Buddhist Compassion Relief Foundation from 1995 to the present. She is an active volunteer in Sagip Bayan Foundation, Inc. since 2006 to the present and has more than 20 years of social leadership experience in various institutions such as the Red Cross, UNICEF, Habitat for Humanity, and other NGOs.

She obtained her Bachelor of Science in Biology degree from the University of the Philippines in 2004, a Doctor of Medicine degree in 2011 from St. Luke College of

Medicine and a Master of Business Administration in General Management in 2014 from the Northwestern University and Hongkong University of Science & Technology.

**Jaime J. Martinez**, 71 years old, Filipino, is a director of the Corporation and its subsidiaries since October 2007. He is the President & CEO of Unicapital Finance and Investments, Inc., Managing Director and Treasurer of Unicapital, Inc., Treasurer and Director of Unicapital Securities, Inc., Chairman, and President & CEO of Unoventure, Inc., a PEZA registered enterprise facilities provider. He is the Chairman of the Executive Committee of the Unicapital Group of Companies. He is a director in Majalco, Inc., a diversified holding corporation, in Malayan Savings Bank and in MJ Holdings, Inc., a real estate company engaged in commercial property development in the Makati Central Business District. He is a past director of the Philippine Finance Association, a member of the Makati Business Club and the European Chamber of Commerce (ECCP). He has acquired and developed professional expertise in the field of Investment Banking for the last 41 years, since 1976.

He obtained his degree in Bachelor of Science in Management from De La Salle University in 1975 and completed the academic units for a Master's degree in Business Administration from the Ateneo Graduate School of Business in 1979.

**Ma. Rosette Geraldine L. Oquias**, 58 years old, Filipino and is a director of Basic Energy Corporation since May 12, 2021. She is presently the Vice President for Corporate Affairs and Chief Finance Officer of the FilOil Logistics Corporation, a position she held since 2016. Previous to this assignment, she was Financial Consultant to FilOil Energy Company, Inc. from 2015-2016.

She previously worked with the Equis Funds Group as Business Partner to the CEO and Divisional Presidents and as Financial and Operations Manager/ Team Manager, from 2014 to 2015. She worked with MDI Systems for almost 11 years, handling Integration/Microwarehouse/Wolfpac and Microserve, and was Chief Financial Officer for Biogstar Philippines. She was also the Chief Finance Officer for 2 years in Pillsbury Philippines, Inc., and the AVP-Comptroller for Empire East Properties, Inc. for 2 years. Her prior work experiences include her work as Financial Controller at Pepsi-Cola Products Philippines Inc., as Manager for Budget Financial Planning at Fil Pacific Apparel Corporation and as Auditor at the audit firm, Carlos Valdes & Co.

She graduated with a BSBA degree from the Miriam College Foundation and studied at the Graduate School of Business and Economics of De La Salle University. She is currently a candidate for certification as Chartered Financial Analyst.

**Alberto Emilio V. Ramos** is a highly experienced professional in the banking and financial sector with over 40 years of expertise. He served as President of Malayan Savings Bank from 2020 up to March 2024.

Prior to Malayan Savings Bank, Mr. Ramos served as an Executive Vice President at China Banking Corporation ("CBC") from 2006 to 2019. Concurrently, he held various executive positions for several subsidiaries of CBC. Before his stint at CBC, he was the

President of AIG – PhilAm Asset Management Inc. from 2004 to 2006 and was a Vice President at the Bank of Philippine Islands from 1993 to 1994.

He also held significant roles in other banks, including Western State Bank and Tokai Bank in California, USA.

He holds a Bachelor of Arts and Commerce from De La Salle University (DLSU), a Master in Business Management from Asian Institute of Management (AIM) and a Certificate in General Management from University of California, Los Angeles (UCLA).

**Josefina Patricia A. Magpale-Asirit**, 59 years old, Filipino, is an Independent Director of the Corporation, with her term commencing in May 2025. She has extensive experience in the energy sector, spanning both the public and private spheres.

Her professional background includes serving as a Consultant in the Office of Rafael T. Tulfo, and as Chairperson of the Senate Committee on Energy and the Joint Congressional Energy Commission from July 2022 to June 2024. She also served as Chief of Staff of the Department of Energy from July 2010 to October 2012. In the private sector, she was engaged as a Resource Person for CSi Energy Solutions International from August 2025 to February 2026, and as Senior Advisor for the OEP-ERM Philippine Offshore Wind Workforce Assessment from October 2025 to March 2026.

At present, she serves as a Consultant for Green Tiger Market Advisory Council. She is likewise a Lecturer and Speaker at the National Electrification Administration, where she conducts orientations for newly elected members of the boards of directors of electric cooperatives on matters relating to the electric power industry. In addition, she currently serves as an Independent Director of Vivant Energy Corporation and Future Energy Storage & System Integration Alliance.

She was admitted to the Philippine Bar in April 1995. She holds a Juris Doctor degree and a Bachelor of Arts in Political Science degree, both from the University of the Philippines, where she graduated *cum laude*.

## **Officers**

**Oscar L. De Venecia Jr.**, 58 years old, Filipino, is a director and the President and CEO of the Corporation. He was the Executive Vice President & COO of the Corporation since April 04, 2007 and was appointed as President & CEO of the Corporation in August 2011. He has served the Corporation in various executive positions, namely, as SVP and COO from June, 1997 up to June 2001 and was the President and CEO from December 2002 up to November 2005. He is the President of Basic Geothermal Energy Corporation, Basic Renewables, Inc. and Basic Biofuels Corporation, and Basic Diversified Industrial Holdings, Inc., the Chairman and President of iBasic, Inc., director of Basic Consolidated International, Inc. and President of Southwest Resources, Inc.

He was the President of Forum Energy Philippines, Inc. from November 2005 to April 2007, Chairman and CEO of Blue Bamboo Solutions, Inc. from September 2002 to December 2005, a Consultant for Strategic Alliance Development Corporation from March 2002 and moved as Business Development Manager of Stradcom Corporation from May to November 2002. He was the President of the Rotary Club of Makati East for the Rotary Year 2010-2011 and is a member of the Management Association of the Philippines. He was appointed Honorary Vice Consul of the Consulate of Ukraine in the Philippines covering the Clark-Subic Economic Zone on February 18, 2011.

He obtained his degree in Bachelor of Arts in Economics from Fordham University, New York City, in 1996.

**Luisito V. Poblete**, 67 years old, Filipino, who joined the Company as Chief Operating Officer in May 2021. He started doing general management consultancy work from 2018 and continues to do so up to the present. From 2016 to 2017, he was the President & Managing Director for Total (Philippines) Corporation and previous to that stint, he was the Vice President for Operations and HSEQ from 2013 to 2016 and the Vice President for Operations from 2002-2007. He was also assigned as Health, Safety and Environmental Manager from 2007 to 2009 and as Vice President for HSEQ and Technical from 2009 to 2013 at Total Oil Asia Pacific (Singapore Regional Office).

Prior to his work at Total (Philippines) Corporation, he worked with Pilipinas Shell Petroleum Corporation from 1980 to 1997, handling various operations and engineering positions at the Pandacan installation of the said company.

He earned the degree of Bachelor of Science in Mechanical Engineering from the Mapua Institute of Technology and placed Eighth in the PRC Board of Examination for Mechanical Engineers in 1982.

**Alain S. Pangan**, 47 years old, Filipino, a Certified Public Accountant, was engaged as Vice President for Finance effective January 2018. Prior to joining the Company, he was the Investment and Treasury Manager of Enfinity Asia Pacific Holdings Limited – Manila ROHQ and Enfinity Philippines Technology Services, Inc., a renewable energy company with international activities in solar and wind energy, for more than three (3) years. He has more than seven (7) years of audit, compliance, and advisory work with reputable Philippine audit/advisory firms. He obtained his Bachelor of Science degree in Accountancy from the Far Eastern University.

**Darius Efren A. Marasigan**, 53 years old, Filipino, is the Business Development Officer of the Corporation. He rendered consultancy services on renewable energy projects for Restored Energy Development Corporation of the Armadillo Group of Companies from August 2012 to April 2014, and for PNOC Renewables Corporation from November 2010 to August 2013. He was Senior Planning Officer at the PPP Center of the Philippines of NEDA from July 2007 to October 2010. Prior thereto, he was employed as Officer-in-Charge, Contracts & Claims Unit of the Meralco Industrial Engineering Services Corporation. He graduated from the Mapua Institute of Technology with a Bachelor of Science degree in Electrical Engineering, in 1994.

**Gwyneth S. Ong**, 49 years old, Filipino, is the Corporate Secretary of the Corporation and was appointed on February 28, 2023. She is a Partner at Martinez Vergara & Gonzalez Sociedad from 2015 up to the present, with extensive experience in a broad range of securities and capital market transactions. She graduated with a Bachelor of Science degree in Management major in Legal Management from the Ateneo de Manila University and a Bachelor of Laws degree from the University of the Philippines.

**Janice L. Co**, 42 years old, Filipino, is the is the Assistant Corporate Secretary of the Corporation and was appointed on February 28, 2023. She is a partner at Martinez Vergara & Gonzalez Sociedad from 2021 up to the present. She earned her Bachelor's degree in Political Science from the Ateneo de Manila University and has a Juris Doctor degree from the Ateneo de Manila University School of Law. She was admitted to the Philippine Bar in 2009.

**Dominique P. Pascua**, 40 years old, Filipino, is the Compliance Officer of the Corporation starting July 29, 2021. He is a Junior Partner at the Calleja Peralta Jimenez San Luis Uy & Ulibas Law Firm (Calleja Law Firm); prior to his appointment as the Company's Compliance Officer, he served as the Legal Manager for Filoil Logistics Corporation from 2016 to 2020. He has also been serving the Filoil group of companies for more than seven years as its Assistant Legal Counsel.

He obtained his degree in Bachelor of Arts, major in Consular and Diplomatic Affairs, from the De La Salle College of Saint Benilde in 2004 and his degree in Bachelor of Laws from Far Eastern University in 2010.

### **Involvement in Legal Proceedings**

There were no reported pending cases, actions or proceedings, whether judicial, quasi-judicial or administrative in nature, bankruptcy petitions or proceedings filed or pending, conviction in criminal cases by final judgment, or any adverse court order decree or judgment, or violation of any securities or commodities law or regulation involving any of the directors and officers of the Company for the last five (5) years.

### **Family Relationships**

There are no family relationships, whether by consanguinity or affinity, among the other directors and executive officers of the Company.

### **Board Committees**

The members of the Audit Committee, which reviews the audit plans, report, and findings of the internal and external auditors of the Corporation, are:

Kim S. Jacinto-Henares, Independent Director	-	Chairwoman
Josefina Patricia M. Asirit, Independent Director	-	Member
Andres B. Reyes, Jr. Independent Director	-	Member
Ma. Rosette Geraldine L. Oquias	-	Member
Jaime J. Martinez	-	Member

The members of the Nominating Committee, which reviews the qualifications of nominees to the Board of Directors and the key officers of the Corporation, are:

Manuel Z. Gonzalez	-	Chairman
Oscar L. de Venecia, Jr.	-	Member
Jaime J. Martinez	-	Member
Luisito V. Poblete	-	Member
Kim S. Jacinto - Henares, Independent Director	-	Member

The members of the Risk Committee, which reviews the financial reports of the Corporation, reviews all project and investment proposals, and undertakes risk evaluation and management, are:

Josefina Patricia M. Asirit, Independent Director	-	Chairman
Kim S. Jacinto-Henares, Independent Director	-	Member
Andres B. Reyes, Jr. Independent Director	-	Member
Manuel Z. Gonzalez	-	Member
Jaime J. Martinez	-	Member

The members of the Corporate Governance Committee, which is responsible for maintaining and ensuring good governance of the Corporation, are:

Andres B. Reyes, Jr. Independent Director	-	Chairman
Kim S. Jacinto-Henares, Independent Director	-	Member
Josefina Patricia M. Asirit, Independent Director	-	Member
Manuel Z. Gonzalez	-	Member
Beatrice Jane L. Ang	-	Member

The members of the Compensation and Remuneration Committee, which is responsible for determining the salaries and other remuneration for the executives within the company, are:

Alberto Emilio V. Ramos	-	Chairman
Andres B. Reyes, Jr., Independent Director	-	Member
Josefina Patricia M. Asirit Independent Director	-	Member
Ma. Rosette Geraldine L. Oquias	-	Member
Jaime J. Martinez	-	Member

The members of the Related Third-Party Transaction (RPT) Committee, which is responsible for assessing all significant RPTs to guarantee that dealings with affiliated parties are conducted fairly and responsibly, are:

Kim S. Jacinto-Henares., Independent Director	-	Chairwoman
Andres B. Reyes, Jr., Independent Director	-	Member
Gil A. Buenaventura - Independent Director	-	Member
Jaime J. Martinez	-	Member
Josefina Patricia M. Asirit, Independent Director	-	Member
Alberto Emilio V. Ramos	-	Member

## Item 10. Executive Compensation

### Directors' Compensation

The Directors of the Corporation do not receive compensation from the Company, except per diems for attendance at Board and Committee Meetings at Php20,900.00 and Php10,500.00 per attendance, respectively. There is no existing compensatory plan or arrangement for directors of the Company.

### Executive Officers' Compensation

Name / Position	Year	Salary	Bonus	Other Compensation
Oscar L. De Venecia CEO				
Luisito V. Poblete President & COO				
Alain S. Pangan VP, Finance				
Darius A. Marasigan Ops. & Bus. Dev. Manager				
Total	2026	Php14,339,220 (estimated)	Php2,309,480 (estimated)	Php297,600 (estimated)
	2025	14,339,017	2,308,320	467,600
	2024	13,376,924	2,145,702	70,780
All other officers as a group	2026	Php3,840,000 (estimated)	Php640,000 (estimated)	
	2025	2,943,908	480,000	
	2024	2,872,830	181,598	

Except for the stock option plan as above mentioned and the existing retirement plan for officers and employees of the Corporation, there is no existing compensatory plan or arrangement covering bonuses, profit-sharing, warrants and other rights for directors and officers of the Corporation, or which will arise from the resignation, retirement, expiration of term of employment, change in control or change in the officer's responsibilities.

## Item 11. Security Ownership of Certain Beneficial Owners and Management

### (1) Security Ownership of more than Five Percent (5%) of the Company Shares

As of December 31, 2025, the entity known to the Company to be directly or indirectly the record and beneficial owner of more than five (5%) percent of the Company's common shares, is as follows:

<b>Class</b>	<b>Name, Address of Record Owner, and Relationship with Issuer</b>	<b>Name of Beneficial Owner and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares Held</b>	<b>Percentage</b>
Common Shares	Map 2000 Development Corporation (M2DC)*	Beneficial Owner: Rafaelito N. Villavicencio, Chairman of M2DC.	Filipino	9,827,990,853	67.00%

MAP 2000 Development Corporation (M2DC), formerly Map 2000 Energy, Inc., is a domestic corporation duly registered under the laws of the Republic of the Philippines and is authorized to engage in (a) real estate acquisition, real estate development, rentals, property management and related services, and (2) acquiring shares of stocks of viable corporations to actively exercise the rights of a shareholder. It owns a few real properties being leased out as fuel station lots, office establishment, production plant or commercial lands.

The current Board of Directors and Officers of M2DC are the following:

Rafaelito N. Villavicencio	- Chairman
Luisito V. Poblete	- President
Ana Lisa D. Villavicencio	- Treasurer
Manuel Z. Gonzalez	
Donna SL. Sansano	- Corporate Secretary

## (2) Security Ownership of Management

The following are the number of common shares known to the Corporation to be owned beneficially and/or of record by the incumbent directors and key officers of the Corporation, and the percentage of shareholdings of each, as of December 31, 2025:

### (a) Directors

<b>Class</b>	<b>Name of Beneficial Owner</b>	<b>Amount of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Percentage</b>
Common	Oscar L. de Venecia, Jr.	46,942,996	Filipino	0.31%
Common	Jaime J. Martirez	467,500,000	Filipino	3.19%
Common	Beatrice Jane L. Ang	150,945,248	Filipino	1.03%
Common	Manuel Z. Gonzalez	1	Filipino	0.00%
Common	Ma. Rosette Geraldine L. Oquias	1	Filipino	0.00%

Common	Kim S. Jacinto-Henares	1	Filipino	0.00%
Common	Josefina Patricia A. Magpale-Asirit	10,000	Filipino	0.00%
Common	Luisito V. Poblete	10,000	Filipino	0.00%
Common	Alberto Emilio V. Ramos	10,000	Filipino	0.00%
<b>Total</b>		<b>665,418,247</b>		<b>4.54%</b>

**(b) Employees**

<b>Class</b>	<b>Name of Beneficial Owner</b>	<b>Amount of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Percentage</b>
Common	Emelinda I. Dizon	1,000,000	Filipino	0.01%
<b>Total</b>		<b>1,000,000</b>		<b>0.01%</b>

**(c) Indirect Beneficial Ownership of Directors and Management as of December 31, 2025**

<b>Class</b>	<b>Name of Beneficial Owner</b>	<b>Amount of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Percentage</b>
Common	Oscar L. De Venecia, Jr.	45,746,330	Filipino	0.31%
Common	Jaime J. Martirez	467,500,000	Filipino	3.19%
Common	Beatrice Jane L. Ang	150,944,248	Filipino	1.03%
Common	Josefina Patricia A. Magpale-Asirit	10,000	Filipino	0.00%
Common	Alberto Emilio V. Ramos	10,000	Filipino	0.00%
<b>Total</b>		<b>664,210,578</b>		<b>4.53%</b>

(1) Voting Trust Holders of 5% or more

None of the directors and officers owns 5% or more of the outstanding capital stock of the Corporation. The Corporation is not also aware of any person holding 5% or more of the Corporation's outstanding shares under a voting trust agreement or similar agreement.

(2) Changes in Control

The Company and Map 2000 Development Corporation (M2DC) executed on December 18, 2020, a Memorandum of Agreement covering the subscription by M2DC to 9,827,990,853 primary shares of stock of the Company to be issued out of the increase in the authorized capital stock of the Company from Php2.5 billion to Php5 Billion, representing 67% of the issued and outstanding capital stock of the Company post-increase. On May

12, 2021, the Board of Directors approved the execution of the covering Subscription Agreement, subject to the fulfillment of certain conditions, including the approval by the Securities and Exchange Commission (SEC) of the application for said increase in capital. On September 10, 2021, the SEC approved the capital increase of the Company to Php5 Billion. The subscribed shares of M2DC were fully paid on December 10, 2021. These subscribed shares of M2DC represent 67% of the total outstanding capital stock of the Company, constituting more than majority control of the Company.

(3) Shares owned by Foreigners as of December 31, 2025

<b>No. of Shares</b>	<b>% Holdings</b>
60,459,450	0.41%

## **Item 12. Certain Relationships and Related Transactions**

There were no material transactions during the past two years, nor was there any material transaction, contractual or other commitments, currently on-going or being proposed, to which the Company was or is to be a party with any stockholder, incumbent director and/or executive officer of the Company, disclosed or required to be disclosed in the financial statements of the Company pursuant to SFAS/IAS No. 24. In the normal course of business, the Company has transactions with its subsidiaries consisting of non-interest-bearing advances to finance the working capital requirements of these subsidiaries, and provides assistance to its subsidiaries in carrying out certain administrative functions in connection with its business operations.

## **PART IV – CORPORATE GOVERNANCE**

### **Item 13. Corporate Governance**

The Company has an established evaluation system to determine the level of compliance of the Board and Management with its Manual on Corporate Governance, which consists of a feedback mechanism from the shareholders as well as an annual Board Performance Assessment which is accomplished by the Board through self-assessment and properly indicating the compliance rating. Said assessment includes the performance of the Chairman, the individual directors and the Committees and is conducted and monitored by the Corporate Governance Committee.

To further advance good governance, the Company – through its Board – has established its vision, objectives, policies and management of the Company based on an adequate internal control system and enterprise risk management network with the aim of ensuring integrity, transparency and proper governance in the conduct of all its affairs.

There have been no deviations from the Company's Manual on Corporate Governance and full compliance thereto has been made since the adoption of the Manual. All directors (both new and veteran) and key officers have complied with the annual continuing training program on corporate governance requirement under the Corporate Governance Code and the Company's own Manual on Corporate Governance for the year 2025, to ensure that all directors are continuously informed of the developments in the business and regulatory environment relevant to the Company. Proper disclosure of the annual compliance of Directors and Key Officers to the Corporate Governance training has been made to the respective regulatory agencies.

The Company continues to take steps further enhancing its adherence to the practice and internationally and locally accepted leading principles of good corporate governance.

### **Sustainability Report**

A copy of the Company's Sustainability Report for 2025 is attached hereto as Exhibit 3.

## PART V – EXHIBITS AND SCHEDULES

### Item 14. Exhibits and Reports on SEC Form 17C

(a) Exhibit 1 – Consolidated Financial Statements and Schedules thereto.

Additional Components:

- (a) Reconciliation of Retained Earnings Available for Dividend Declaration;
- (b) Map of Relationship of the Companies within the Group;
- (c) Schedule of Financial Soundness; and,
- (d) Schedule of All Effective Standards and Interpretations under PFRS as December 31, 2025.

(b) Exhibit 2 – Current Reports under SEC Approval of the 2025 Audited Financial Statements of Basic Energy Corporation and its Subsidiaries – after a report and recommendation from the Audit Committee and discussion among the Directors, the Board resolved to approve the 2025 Audited Financial Statements of the Company and its subsidiaries and authorize the subsequent acts of filing with the relevant regulatory agencies, as well as authorizing the respective officers to sign relevant documents – Statement of Management’s Responsibility and Income Tax Returns.

(c) Exhibit 3 – Sustainability Report

(d) SEC Form 17-C submitted during the period from January 01, 2025 to December 31, 2025.

<b>Date of Report</b>	<b>Particulars</b>
7 January 2025	Committee appointments of Director Alberto Emilio V. Ramos
22 January 2025	Completion of the Mabini Wind Power Project Wind Resource Assessment
11 February 2025	Amendments to the JDHSA with Renova, Inc.; Appointment of Mr. Luisito Poblete as authorized representative of the Company in the Special Stockholders’ Meeting of RDG Wind Energy Corporation
17 February 2025	Closing of the Joint Development and Shareholders Agreement between BEC and Renova, Inc.
23 April 2025	Passing of Director Gil A. Buenaventura
15 May 2025	Setting of the Annual Stockholders’ Meeting; Election of Attorney. Josefina Patricia A. Magpale-Asirit as Independent Director
5 June 2025	DOE Grant of Certificate of Authority for the Bolinao Solar Power Project
26 June 2025	Approval by the Board of three (3) renewable energy projects


18 July 2025	Appointment of Reyes Tacandong & Co. as external auditor for 2025; Committee appointments of Director Josefina Patricia A. Magpale-Asirit
23 July 2025	Results of Annual Stockholders' Meeting; Results of Organizational Board Meeting
24 September 2025	Resignation of Justice Andres B. Reyes as Independent Director of the Company
3 October 2025	Passing of Director Oscar S. Reyes
11 December 2025	Election of Mr. Carlos Jose P. Gatmaitan as Independent Director, effective 1 January 2026

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(e) Schedules as required by paragraph 4.e of SRC Rule 68 "Annex M"

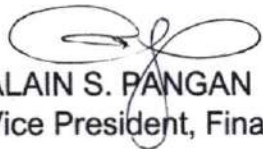
**SIGNATURE PAGE**

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 Pasig City on April 15, 2026.

By: 

OSCAR L. DE VENECIA, JR.  
Chief Executive Officer

  
LUISITO V. POBLETE  
President

  
ALAIN S. PANGAN  
Vice President, Finance

  
GWYNETH S. ONG  
Corporate Secretary

APR 15 2026

SUBSCRIBED AND SWORN to before me this 15 day of April 2026 affiant(s) exhibiting to me their TIN, as follows:

Names	TIN
Oscar L. De Venecia, Jr.	146-709-049-000
Luisito V. Poblete	136-622-576-000
Alain S. Pangan	215-611-246-000
Gwyneth S. Ong	228-017-859-000

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Series of 2026

  
**TRISHA ANNE C. YAOKASIN**  
Appointment No. 172 (2026-2027)  
Notary Public for Pasig City and Pateros  
Until December 31, 2027  
Attorney's Roll No. 80088  
33rd Floor, The Orient Square  
F. Ortigas Jr. Road, Ortigas Center, Pasig City  
PTR Receipt No. 3985625; 01.06.26; Pasig City  
IBP OR No. 567098; 12.17.25; Makati City  
MCLE Compliance VIII-0042193; 04.14.28

# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

3 6 3 5 9

## COMPANY NAME

BASIC ENERGY CORPORATION AND  
SUBSIDIARIES (A Subsidiary of Map 2000  
Development Corp.)

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

GM Building, Florida St., Barangay Wack  
Wack, Greenhills East, Mandaluyong City

Form Type

A A C F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

## COMPANY INFORMATION

Company's Email Address

basic@basicenergy.ph

Company's Telephone Number/s

(02) 8-892-9100

Mobile Number

0920-938-3647

No. of Stockholders

6,503

Annual Meeting (Month / Day)

Last Wednesday of June

Fiscal Year (Month / Day)

December 31

## CONTACT PERSON INFORMATION

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

Name of Contact Person

Alain S. Pangan

Email Address

aspangan@basicenergy.ph

Telephone Number/s

(02) 8-892-9100

Mobile Number

0999-227-8352

## CONTACT PERSON'S ADDRESS

709 Coronado St., Hulo, Mandaluyong 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 shall not excuse the corporation from liability for its deficiencies.



**"STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR CONSOLIDATED FINANCIAL STATEMENTS"**

The Management of **BASIC ENERGY CORPORATION and SUBSIDIARIES** 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 the 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, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.


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

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders for the period December 31, 2025 and 2024, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

  
Kim S. Jacinto – Henares  
Chairwoman

  
Oscar L. De Venecia Jr.  
Chief Executive Officer

  
Alain S. Pangan  
Vice President - Finance

SUBSCRIBED AND SWORN TO before me this APR 14 2026 in  
MANDALUYONG CITY, affiant exhibited to me the following identification:

Name	Valid ID	Date / Place of Issuance
Kim Jacinto-Henares	P0996070B	DFA Manila
Oscar L. de Venecia, Jr.	P8082820A	DFA Manila
Alain S. Pangan	P5631428A	DFA Manila

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**NOTARY PUBLIC**

  
JULIANNE KHRISTINA B. BELTRAN  
NOTARY PUBLIC FOR MANDALUYONG CITY  
Until December 31, 2027  
APPOINTMENT NO. 0695-26; Roll No. 84822  
PTR No. MKT10764979, January 5, 2026, Makati City  
IBP No. 569472; December 22, 2025, Quezon City  
MCLE Compliance No. VII-0029854  
240 GM Bldg. EDSA Brgy. Wack Wack  
Mandaluyong City  
Tel No. (+632) 88301800  
Email: juliannekhristinabeltran@gmail.com

DOCUMENTARY STAMP TAX PAID  
Affixed Loose Stamp  
on Notary Public's Copy  
Serial No. 12739732  
Date of Payment 14 APRIL 2026



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Basic Energy Corporation and Subsidiaries  
GM Building, Florida St.  
Barangay Wack Wack, Greenhills East  
Mandaluyong City

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the accompanying consolidated financial statements of Basic Energy Corporation and Subsidiaries, a subsidiary of MAP 2000 Development Corp. (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2025, 2024 and 2023, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the 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 the years ended December 31, 2025, 2024 and 2023 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' 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 audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the Philippines. 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 audits of the consolidated financial statements of the current period. These matters were addressed in the context of our audits 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.

#### Revenue Recognition

The Group sells and distributes petroleum products and is engaged in fuel depot, terminal and storage operations. As discussed in Notes 17 and 5 to the consolidated financial statements, revenues from sale of fuel and trade receivables of the Group amounted to ₱52,056.0 million and ₱18,161.7 million as at and for the year ended December 31, 2025, respectively. The Group recognizes sale of fuel when goods are delivered, the title to the goods has passed to the buyer, and the amount of revenue can be measured reliably. The terms of the sale of fuel ranges from 15 to 240 days.



We determined that the revenue recognition and recording of receivables of the Group is a key audit matter because of the inherent risk related to the completeness, existence and occurrence of the revenue and related receivables arising from the Group's arrangements with its key customers. We have performed an understanding of the revenue cycle and revenue recognition policy and tested the reliability of its information system in capturing transactions related to revenue and recording of receivables. Further, we have reviewed the arrangement with customers vis-à-vis its transactions during the year to determine the proper timing of revenue recognition. We have performed test of controls, substantive analytical procedures, and applicable test of details. For the receivables of the Group, we have sent confirmation letters, performed test of subsequent collections and examination of related supporting documents to validate the existence of receivables. Assessment of the adequacy of allowance for expected credit losses was also performed by testing the assumptions and computation performed including default rate, forward looking assumptions and credit enhancements including collaterals of customers.

*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 including the sustainability report for the year ended December 31, 2025, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report including the sustainability report are expected to be made available to us after the date of this auditors' 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 audit, 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.



*Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 audits.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 auditors' 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 auditors' report is Joseph C. Bilangbilin.

**REYES TACANDONG & Co.**

JOSEPH C. BILANGBILIN

Partner

CPA Certificate No. 102884

Tax Identification No. 210-181-965-000

BOA Accreditation No. 4782/P-010; Valid until June 6, 2026

SEC Accreditation No. 102884-SEC Group A

Issued December 27, 2022

Valid for Financial Periods 2022 to 2026

BIR Accreditation No. 08-005144-011-2025

Valid until August 10, 2028

PTR No. 10764010

Issued January 2, 2026, Makati City

April 7, 2026

Makati City, Metro Manila

**BASIC ENERGY CORPORATION AND SUBSIDIARIES**  
**(A Subsidiary of Map 2000 Development Corp.)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		December 31	
	Note	2025	2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	P2,506,849,701	P1,664,685,320
Trade and other receivables - current	5	21,025,954,332	18,520,644,939
Inventories	6	7,480,636,194	5,136,991,947
Excess tax credits		1,275,989,407	1,890,370,207
Derivative assets	27	37,418,512	-
Other current assets	7	324,546,635	221,598,195
		<b>32,651,394,781</b>	<b>27,434,290,608</b>
Assets of disposal group held for sale	8	-	85,170,214
<b>Total Current Assets</b>		<b>32,651,394,781</b>	<b>27,519,460,822</b>
<b>Noncurrent Assets</b>			
Receivables - noncurrent	5	397,821,288	752,864,835
Investments in associates and joint ventures	9	267,796,153	190,982,951
Investment properties	10	1,258,460,102	359,834,102
Property and equipment	11	2,933,957,531	3,989,189,726
Right-of-use (ROU) assets	22	724,828,896	350,440,376
Net deferred tax assets	23	12,785,615	-
Other noncurrent assets	12	89,922,554	85,878,144
<b>Total Noncurrent Assets</b>		<b>5,685,572,139</b>	<b>5,729,190,134</b>
		<b>P38,336,966,920</b>	<b>P33,248,650,956</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	P11,660,587,340	P8,720,548,475
Borrowings - current	14	18,038,140,151	16,138,305,291
Lease liabilities - current	22	53,466,905	40,627,540
Derivative liabilities	27	-	50,241,984
		<b>29,752,194,396</b>	<b>24,949,723,290</b>
Liabilities of disposal group held for sale	8	-	14,835,510
<b>Total Current Liabilities</b>		<b>29,752,194,396</b>	<b>24,964,558,800</b>
<b>Noncurrent Liabilities</b>			
Borrowings - noncurrent	14	62,193,053	68,779,835
Lease liabilities - noncurrent	22	634,920,555	303,366,439
Net retirement benefit liability	21	5,433,581	1,944,889
Net deferred tax liabilities	23	570,850,878	614,027,802
<b>Total Noncurrent Liabilities</b>		<b>1,273,398,067</b>	<b>988,118,965</b>
<b>Total Liabilities</b>		<b>P31,025,592,463</b>	<b>P25,952,677,765</b>

(Forward)

		<b>December 31</b>	
	Note	2025	2024
<b>Equity</b>			
Capital stock	15	<b>₱3,667,160,766</b>	₱3,667,160,766
Additional paid-in capital		<b>370,064,055</b>	370,064,055
Retained earnings (deficit)		<b>22,528,716</b>	(15,109,658)
Treasury stock	15	-	(3,240,000)
Other equity reserves		<b>(42,501,260)</b>	(45,496,923)
Equity attributable to equity holders of the Parent Company		<b>4,017,252,277</b>	3,973,378,240
Equity attributable to non-controlling interests	16	<b>3,294,122,180</b>	3,322,594,951
<b>Total Equity</b>		<b>7,311,374,457</b>	7,295,973,191
		<b>₱38,336,966,920</b>	₱33,248,650,956

*See accompanying Notes to Consolidated Financial Statements.*

**BASIC ENERGY CORPORATION AND SUBSIDIARIES**  
(A Subsidiary of MAP 2000 Development Corp.)

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Note	Years Ended December 31		
		2025	2024	2023
<b>REVENUES</b>	17			
Sale of goods		P52,056,033,514	P47,826,086,254	P63,900,448,645
Sale of services		124,123,545	130,043,774	173,107,781
		<b>52,180,157,059</b>	<b>47,956,130,028</b>	<b>64,073,556,426</b>
<b>COST OF SALES AND SERVICES</b>	18			
Sale of goods		50,031,873,376	46,576,445,711	62,190,665,808
Sale of services		39,433,477	42,082,974	46,252,622
		<b>50,071,306,853</b>	<b>46,618,528,685</b>	<b>62,236,918,430</b>
<b>GROSS PROFIT</b>		<b>2,108,850,206</b>	<b>1,337,601,343</b>	<b>1,836,637,996</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	19	<b>(1,587,320,013)</b>	<b>(1,212,823,966)</b>	<b>(1,513,483,586)</b>
<b>FINANCE COSTS</b>	14	<b>(1,148,509,024)</b>	<b>(993,384,585)</b>	<b>(660,726,636)</b>
<b>INTEREST INCOME</b>	4	<b>114,042,815</b>	<b>142,461,509</b>	<b>150,749,706</b>
<b>SHARE IN NET INCOME OF ASSOCIATES AND JOINT VENTURES</b>	9	<b>10,790,050</b>	<b>7,483,952</b>	<b>9,092,237</b>
<b>OTHER INCOME - Net</b>	20	<b>705,563,262</b>	<b>662,482,049</b>	<b>291,030,436</b>
<b>INCOME (LOSS) BEFORE INCOME TAX</b>		<b>203,417,296</b>	<b>(56,179,698)</b>	<b>113,300,153</b>
<b>INCOME TAX EXPENSE (BENEFIT)</b>	23			
Current		81,657,267	32,671,718	78,133,216
Deferred		(63,539,082)	(117,493,307)	(64,424,567)
		<b>18,118,185</b>	<b>(84,821,589)</b>	<b>13,708,649</b>
<b>NET INCOME</b>		<b>P185,299,111</b>	<b>P28,641,891</b>	<b>P99,591,504</b>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO:</b>				
Equity holders of the Parent Company		P38,628,374	(P19,901,916)	P42,693,877
Non-controlling interests		146,670,737	48,543,807	56,897,627
		<b>P185,299,111</b>	<b>P28,641,891</b>	<b>P99,591,504</b>
<b>Basic/Diluted Income (Loss) Per Share</b>	24	<b>P0.003</b>	<b>(P0.001)</b>	<b>P0.003</b>

(Forward)

	Note	Years Ended December 31		
		2025	2024	2023
<b>NET INCOME</b>		<b>P185,299,111</b>	<b>P28,641,891</b>	<b>P99,591,504</b>
<b>OTHER COMPREHENSIVE INCOME</b>	15			
<b>To be reclassified to profit or loss</b>				
Gain (loss) on translation of foreign operations		(4,690,727)	556,179	(1,875,483)
<b>Not to be reclassified to profit or loss</b>				
Revaluation surplus, net of deferred tax		24,660,584	-	-
Unrealized gain (loss) on changes in fair value of equity securities at FVOCI		(202,641)	3,016,313	129,710
Remeasurement gains (losses) on net retirement benefit liability - net of deferred tax		(2,121,061)	192,417	(13,436,440)
		<b>17,646,155</b>	<b>3,764,909</b>	<b>(15,182,213)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P202,945,266</b>	<b>P32,406,800</b>	<b>P84,409,291</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>				
<b>ATTRIBUTABLE TO:</b>				
Equity holders of the Parent Company		P41,624,037	(P16,848,243)	P36,539,740
Non-controlling interests		161,321,229	49,255,043	47,869,551
		<b>P202,945,266</b>	<b>P32,406,800</b>	<b>P84,409,291</b>

See accompanying Notes to Consolidated Financial Statements.

**BASIC ENERGY CORPORATION AND SUBSIDIARIES**  
(A Subsidiary of MAP 2000 Development Corp.)

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

Equity Attributable to Equity Holders of the Parent Company												
Other Equity Reserves												
Other Comprehensive Income (Loss)												
	Retained Earnings (Deficit)	Revaluation Surplus (see Note 15)	Cumulative Gains (Losses) on Translation of Foreign Operations	Cumulative Unrealized Gains on Fair Value Changes of Financial Assets at FVOCI	Remeasurement Gains (Losses) on Acquisition of Non-controlling Interests	Equity Reserve on Acquisition of Non-controlling Interests	Treasury Stock (see Note 15)	Total	Equity Attributable to Non-controlling Interests	Total Equity		
Balances as at December 31, 2024	₹15,109,658	₹-	₹1,386,162	₹12,107,970	₹53,945,929	₹3,222,594,951	₹3,973,378,240	₹3,973,378,240	₹3,222,594,951	₹7,295,973,191		
Net income	38,628,374	-	-	-	-	-	-	38,628,374	146,670,737	185,299,111		
Dividends declared to holders of non-controlling interests	-	-	-	-	-	-	-	-	-	-		
Other comprehensive income (loss)	(900,000)	8,877,810	(4,504,614)	(202,641)	(1,174,892)	(189,794,000)	-	2,995,663	14,650,492	17,646,155		
Sale of treasury stock	-	-	-	-	-	-	3,240,000	2,250,000	-	2,250,000		
Balances as at December 31, 2025	₹22,528,716	₹8,877,810	₹3,118,452	₹11,905,329	₹53,945,929	₹3,294,122,180	₹4,017,252,277	₹3,294,122,180	₹3,537,999,908	₹7,311,374,457		
Balances as at December 31, 2023	₹4,792,258	₹-	₹538,237	₹9,091,657	₹4,234,561	₹3,990,226,483	₹3,240,000	₹3,990,226,483	₹3,537,999,908	₹7,528,166,391		
Net income (loss)	(19,901,916)	-	-	-	-	-	(₹3,240,000)	(19,901,916)	48,543,807	28,641,891		
Dividends declared to holders of non-controlling interests	-	-	-	-	-	-	-	-	-	-		
Other comprehensive income (loss)	-	-	847,925	3,016,313	(810,565)	-	-	3,053,673	(264,600,000)	3,764,909		
Balances as at December 31, 2024	₹15,109,658	₹-	₹1,386,162	₹12,107,970	₹53,945,929	₹3,222,594,951	₹3,973,378,240	₹3,973,378,240	₹3,222,594,951	₹7,295,973,191		
Balances as at December 31, 2022	₹37,781,619	₹-	₹2,440,838	₹8,961,947	₹146,685	₹3,824,182,406	₹3,240,000	₹3,824,182,406	₹3,490,070,357	₹7,314,252,763		
Net income	42,693,877	-	-	-	-	-	-	42,693,877	56,897,627	99,591,504		
Collection of subscription receivable	(120,000)	-	-	-	-	-	-	129,504,337	-	129,504,337		
Other comprehensive income (loss)	-	-	(1,902,601)	129,710	(4,381,246)	-	-	(6,154,137)	(9,028,076)	(15,182,213)		
Balances as at December 31, 2023	₹4,792,258	₹-	₹538,237	₹9,091,657	₹4,234,561	₹3,990,226,483	₹3,240,000	₹3,990,226,483	₹3,537,999,908	₹7,528,166,391		

**BASIC ENERGY CORPORATION AND SUBSIDIARIES**  
(A Subsidiary of MAP 2000 Development Corp.)

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Note	Years Ended December 31		
		2025	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income (loss) before income tax		P203,417,296	(P56,179,698)	P113,300,153
Adjustments for:				
Finance costs	14	1,148,509,024	993,384,585	660,726,636
Depreciation, amortization and impairment loss	11	497,771,453	343,668,540	627,220,420
Loss (gain) on:				
Early settlement of installment receivable	20	(151,419,268)	-	-
Write-off of:				
Receivable from claim for tax refund		31,609,189	-	-
Other current assets	19	13,328,410	-	-
Trade and other payables	20	(12,877,792)	-	-
Disposal of investment in subsidiary	20	(4,595,665)	-	-
Reversal of provision for probable loss	13	-	-	(39,405,712)
Termination of lease	22	-	-	(53,191)
Fair value changes on investment properties	20	(139,482,000)	(16,973,345)	(73,117,985)
Interest income	4	(114,042,815)	(142,461,509)	(150,749,706)
Provision for expected credit loss (ECL) on trade and other receivables	5	42,935,822	18,264,348	-
Unrealized fair value change of derivatives	27	(37,418,512)	(50,241,984)	93,432,781
Unrealized foreign exchange losses (gains)		20,098,738	(31,214,267)	(140,403,515)
Retirement benefit expense	21	19,566,026	20,799,041	20,190,611
Share in net income of associates and joint ventures	9	(10,790,050)	(7,483,952)	(9,092,237)
Operating income before working capital changes		1,506,609,856	1,071,561,759	1,102,048,255
Decrease (increase) in:				
Trade and other receivables		(2,005,584,592)	(3,308,688,564)	(785,641,454)
Inventories		(2,343,644,247)	(5,971,070)	462,724,388
Other current assets		(105,138,599)	(20,582,180)	195,995,814
Other noncurrent assets		(18,897,840)	34,290,425	191,631,898
Increase (decrease) in trade and other payables		3,909,099,549	(1,804,733,530)	(2,342,942,656)
Net cash generated from (used for) operations		942,444,127	(4,034,123,160)	(1,176,183,755)
Income taxes paid		(509,683,149)	(352,695,607)	(641,415,888)
Contributions to retirement plan and benefits paid from operating fund	21	(21,000,000)	(20,691,984)	(32,943,058)
Interest received from cash and cash equivalents		8,075,361	16,586,706	13,021,636
Provisions paid	13	-	-	(1,002,031)
Net cash provided by (used in) operating activities		419,836,339	(4,390,924,045)	(1,838,523,096)

(Forward)

		<b>Years Ended December 31</b>		
	Note	2025	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Additions to:				
Advances to related parties	25	(250,446,762)	(433,359,964)	(329,768,113)
Property and equipment	11	(110,468,315)	(94,380,871)	(86,834,657)
Investments in associates and joint ventures	9	(53,578,606)	-	-
ROU assets	22	(39,756,893)	-	-
Financial assets at FVOCI	12	(2,250,000)	-	-
Note receivables		(1,266,250)	-	-
Collections of:				
Installment receivable	5	248,072,946	-	-
Advances to related parties		128,698,063	247,159,964	193,535,556
Note receivables		14,626,438	-	-
Long-term placements		6,000,000	10,000,000	2,971,256
Interest receivable		-	1,962,106	3,588,891
Refundable deposit		-	26,219,816	-
Proceeds from disposal of:				
Subsidiary	8	14,165,641	-	-
Property and equipment	11	-	-	3,740,208
<b>Net cash used in investing activities</b>		<b>(46,203,738)</b>	<b>(242,398,949)</b>	<b>(212,766,859)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from:				
Availments of borrowings	30	75,767,895,266	68,100,960,618	44,277,756,000
Advances from related parties	30	15,477,496	-	134,496
Sale of treasury stock	15	2,250,000	-	-
Payments of:				
Borrowings	30	(73,422,737,828)	(62,507,945,280)	(40,814,580,831)
Finance costs	30	(1,133,851,587)	(961,056,702)	(628,353,196)
Dividends payable	30	(687,981,286)	-	-
Lease liabilities	30	(72,451,462)	(156,264,078)	(223,482,456)
Advances from related parties	30	-	(477,496)	-
Stock issuance costs		-	-	(478,000)
Collection of subscription receivable	15	-	-	129,982,337
<b>Net cash provided by financing activities</b>		<b>468,600,599</b>	<b>4,475,217,062</b>	<b>2,740,978,350</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>842,233,200</b>	<b>(158,105,932)</b>	<b>689,688,395</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>(68,819)</b>	<b>(340,556)</b>	<b>(1,075,928)</b>
<b>CASH CLASSIFIED AS HELD FOR SALE</b>	8	-	<b>(13,791,581)</b>	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>1,664,685,320</b>	<b>1,836,923,389</b>	<b>1,148,310,922</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>₱2,506,849,701</b>	<b>₱1,664,685,320</b>	<b>₱1,836,923,389</b>

See accompanying Notes to Consolidated Financial Statements.

**BASIC ENERGY CORPORATION AND SUBSIDIARIES**  
(A Subsidiary of MAP 2000 Development Corp.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2025 AND 2024**  
**AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

**1. General Information**

**Corporate Information**

Basic Energy Corporation (the Parent Company or BEC) was incorporated under the laws of the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 19, 1968. The Parent Company is a holding company with diversified business interests in various fields of renewable energy and alternative fuels, wholesale and distribution of petroleum products, and in oil and gas exploration and development.

The Parent Company shares are listed in the Philippine Stock Exchange (PSE) under the trading symbol "BSC".

The Group's ultimate Parent Company is MAP 2000 Development Corporation (M2DC or the Ultimate Parent Company).

The registered business address of the Parent Company is GM Building, Florida St., Barangay Wack Wack, Greenhills, East, Mandaluyong City.

The Parent Company and its subsidiaries are collectively referred to herein as "the Group". The details of the subsidiaries are as follows:

Subsidiaries	Nature of Business	% of Ownership					
		2025		2024		2023	
		Direct	Indirect	Direct	Indirect	Direct	Indirect
Filoil Energy Company, Inc. (FECI)	Holding company	60.00	-	60.00	-	60.00	-
• Filoil Logistics Corporation (FLC)	Distribution of petroleum products	-	30.60	-	30.60	-	30.60
• La Defense Filipinas Holdings Corporation (LDFHC)	Holding Company	-	36.00	-	36.00	-	36.00
○ Filipinas Third Millenium Realty Corporation (FTMRC)	Leasing and fuel terminalling	-	36.00	-	36.00	-	36.00
○ Map 2000 Terminals, Inc. (M2TI)	Leasing and fuel terminalling	-	36.00	-	36.00	-	36.00
○ Peninsula Land Bay Realty Corp. (PLBRC)	Management services	-	18.00	-	18.00	-	18.00
Grandway Group Limited (GGL)	Holding company	100.00	-	100.00	-	100.00	-
• PT Basic Energy Solusi (PT BES)	Oil exploration	-	95.00	-	95.00	-	95.00
Basic Diversified Industrial Holdings, Inc. (BDIHI)	Holding company	100.00	-	100.00	-	100.00	-
Basic Biofuels Corporation (BBC)	Development of biofuels	100.00	-	100.00	-	100.00	-
Basic Renewables, Inc. (BRI)	Renewable energy projects	100.00	-	100.00	-	100.00	-
iBasic, Inc. (iBasic)	Information Technology	100.00	-	100.00	-	100.00	-
Basic Energy Renewables Corporation (BERC)	Solar energy projects	100.00	-	100.00	-	100.00	-
San Joaquin Wind Energy Corporation	Renewable energy projects	100.00	-	100.00	-	100.00	-
Basic Energy Mariveles Corporation (formerly Starfish Wind Energy Corporation or BEMC)	Renewable energy projects	100.00	-	100.00	-	100.00	-
Basic Energy Cadiz 1 Corporation (formerly Pasuquin Wind Energy Corporation or BEC1C)	Renewable energy projects	100.00	-	100.00	-	100.00	-
Basic Renewable Energy Solutions Corporation (BRESC)	Renewable energy projects	100.00	-	100.00	-	-	-
Southwest Resources, Inc. (SRI)	Oil exploration	72.58	-	72.58	-	72.58	-
RDG Wind Energy Corporation (RWEC)*	Renewable energy projects	49.00	-	100.00	-	100.00	-

\*In 2025, ceased as a subsidiary of the Group. As at December 31, 2024, assets and liabilities are included as part of disposal group held for sale (see Note 8).

All subsidiaries were incorporated and domiciled in the Philippines except GGL and PT BES which were incorporated and domiciled in Hong Kong and Indonesia, respectively.

### **Status of Renewable Energy Projects**

As at December 31, 2025, the Group has various service contracts with the Philippine Government, through the Department of Energy (DOE), for the exclusive right to explore, develop and utilize energy resources within specified contract areas. The contract periods are generally 25 years and are still in the pre-development stage. Status of the Group's renewable energy projects are as follows:

Entity	SC/COA No.	Project Name	Date of Issuance	Location
BEC	SCOA 2025-05-032	Bolinao Solar Power Plant	May 28, 2025	Pangasinan
BEC1C	SCOA 2025-03-012	Cadiz 1 Solar Power Plant	March 24, 2025	Negros Occidental
BEMC	SCOA 2025-03-015	Mariveles Solar Power Project	March 14, 2025	Bataan
BEC	OsWCOA 2025-07-062	Balayan Nearshore Wind Power Project	July 30, 2025	Batangas
RWEC	WESC 2021-01-142	Mabini Wind Project	March 17, 2021	Batangas
SJWEC	WESC 2023-05-279	Panay Wind Project	June 14, 2023	Iloilo

### **Approval of the Consolidated Financial Statements**

The consolidated financial statements of the Group as at December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issuance by the Board of Directors (BOD) of the Parent Company on April 7, 2026, as reviewed and recommended for approval by the Audit Committee on the same date.

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## **2. Summary of Material Accounting Policy Information**

### **Basis of Preparation and Statement of Compliance**

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

All values are rounded to the nearest Peso, unless otherwise indicated.

### **Measurement Bases**

The consolidated financial statements are presented in Philippine Peso (Peso), the Parent Company's functional currency. The Parent Company and its subsidiaries determine their own functional currencies, which best reflect the economic substance of the underlying transactions, events and conditions relevant to each entity. The functional currency of the Parent Company and its subsidiaries is Peso except GGL and PT BES.

At each reporting date, the assets and liabilities of GGL and PT BES are translated from their functional currencies (US Dollar and Indonesian Rupiah, respectively) to the Parent Company's functional and presentation currency (Philippine Peso) using the closing rate at each reporting date, while its comprehensive income is translated using weighted average exchange rates during the year. The exchange differences arising from the translation of a foreign operation are recognized in other comprehensive income (OCI).

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The consolidated financial statements of the Group have been prepared on the historical cost basis, except for the following:

<u>Account</u>	<u>Measurement Bases</u>
Financial assets at fair value through other comprehensive income (FVOCI)	Fair Value
Investment properties	Fair Value
Derivative financial instruments	Fair Value
Net retirement asset (liability)	Fair value of plan asset less present value of the defined benefit obligation less effect of asset ceiling

The Group uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the following valuation techniques:

- Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

Further information about the assumptions made in measuring fair values is included in Note 26 to the consolidated financial statements.

#### **Adoption of Amendments to PFRS Accounting Standards**

The accounting policies adopted are consistent with those of the previous year, except for the adoption of amendments to PFRS Accounting Standards effective January 1, 2025. The adoption of the amendments to PFRS Accounting Standards did not materially affect the consolidated financial statements of the Group.

#### **New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective**

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective January 1, 2026 -

- Annual Improvements to PFRS Accounting Standards Volume 11:
  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
  - Amendments to PAS 7, *Statement of Cash Flows* – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.
  - Amendments to PFRS 9, *Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to ‘transaction price as defined by PFRS 15, *Revenue from Contracts with Customers*’ to ‘the amount determined by applying PFRS 15’ to remove potential confusion. Earlier application is permitted.

Effective January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under the prevailing circumstances, the adoption of the new and amended PFRS Accounting Standards is not expected to have a material impact on the Group’s consolidated financial statements, except for PFRS 18. The Group is currently evaluating the potential effects of PFRS 18 on the presentation and disclosure of the consolidated financial statements, including the structure of the consolidated statements of comprehensive income. Additional disclosures will be provided in the consolidated financial statements, as applicable.

#### **Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Further, the financial statements of the subsidiaries are prepared using the same reporting period of the Parent Company.

A subsidiary is an entity in which the Parent Company has control. The Parent Company controls a subsidiary if it is exposed, or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. In assessing control, the Parent Company takes into consideration potential voting rights that are currently exercisable.

Subsidiaries are consolidated from the date on which control is transferred to the Parent Company and deconsolidated from the date the Parent Company ceases to have control. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

In 2025, RWEC ceased to be a subsidiary of the Parent Company. Accordingly, the assets and liabilities of RWEC were derecognized from the consolidated financial statements as at and for the year ended December 31, 2025 (see Note 8).

#### **Non-controlling Interests**

Non-controlling interests, presented within equity, represent the share of a subsidiary's total comprehensive income and net assets that are not attributable to the Parent Company. The Group allocates the subsidiaries' total comprehensive income or loss between the Parent Company's equity holders and the non-controlling interests based on their respective ownership percentages.

#### **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.

*Date of Recognition.* The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

*"Day 1" Difference.* Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there are no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

#### **Financial Assets**

*Initial Recognition and Measurement.* Financial instruments are recognized initially at fair value, which is the fair value of the consideration given. The initial measurement of financial assets, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

*Classification.* The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at FVOCI, and (c) financial assets at FVPL. The classification of a financial asset at initial recognition largely depends on the Group's business model for managing the asset and its contractual cash flow characteristics.

*Financial Assets at Amortized Cost.* Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

As at December 31, 2025 and 2024, the Group's cash and cash equivalents, trade and other receivables (excluding nonfinancial assets), short-term placements, long-term placements, and refundable deposits are included in this category (see Notes 4, 5, 7, 12 and 22).

*Financial Assets at FVOCI - Equity Instruments.* For equity instruments that are not held for trading, the Group may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation*. This option is available and made on an instrument-by-instrument basis.

All other gains or losses from equity instruments are recognized in OCI and are presented in the equity section of the consolidated statements of financial position and are not reclassified to profit or loss in subsequent periods, but instead, these are transferred directly to retained earnings.

As at December 31, 2025 and 2024, the Group has investments in quoted equity securities which were irrevocably designated as financial assets at FVOCI (see Note 12).

*Financial Assets at FVPL.* Financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

After initial recognition, financial instruments at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

The Group uses derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gain or loss arising from changes in fair value of derivatives that do not qualify for hedge accounting is recognized in profit or loss.

A derivative embedded in a hybrid contract, with financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit of loss category.

As at December 31, 2025, the Group classified its derivative assets on outstanding foreign exchange forward contracts and embedded commodity price derivative assets under this category (see Note 27).

*Impairment of Financial Assets at Amortized Cost.* The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVPL. ECL is based on the difference between the cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's 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 trade receivables, the Group has applied the simplified approach and has calculated ECL based on lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

For other financial assets measured at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. The Group also considers reasonable and supportable information that is available without undue cost or effort and is indicative of significant increases in credit risk since initial recognition.

*Derecognition.* A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired;
- The Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) 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 right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

### **Financial Liabilities**

*Initial Recognition and Measurement.* Financial liabilities are recognized initially at fair value, which is the fair value of the consideration received. In case of financial liabilities at amortized cost, the initial measurement is net of any directly attributable transaction costs.

*Classification.* The Group classified its financial liabilities at initial recognition either financial liabilities at amortized cost or financial liabilities at FVPL.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue, and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process. As at December 31, 2025 and 2024, the Group's trade and other payables (excluding nonfinancial liabilities), borrowings and lease liabilities are classified under this category (see Notes 13, 14, and 22).

*Financial Liabilities at FVPL.* Financial liabilities at FVPL include financial liabilities that are (a) held for trading or (b) designated upon initial recognition at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

After initial recognition, financial instruments at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial liabilities at FVPL are recognized in profit or loss.

As at December 31, 2024, the Group classified its derivative liability on outstanding foreign exchange forward contracts and embedded commodity price derivative liability under this category (see Note 27).

*Derecognition.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled 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.

**Inventories**

Inventories are valued at the lower of cost and net realizable value (NRV). Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition, and it is calculated using the weighted average method.

The NRV of inventories is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale. In determining the NRV, the Group considers any adjustment necessary for obsolescence.

When the NRV of the inventories is lower than their cost, the inventories are written down to its NRV and the difference between the cost and NRV of the inventories is charged in profit or loss.

**Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, except land and construction in progress. Land and construction in progress are stated at cost less any accumulated impairment losses.

The initial cost of property and equipment consists of its purchase price after deducting trade discounts and rebates, import duties, nonrefundable purchase taxes, and any other costs directly attributable in bringing the asset to its working condition and location for its intended use. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable in bringing the assets to the working condition for their intended use, and costs of dismantling and removing the items and restoring the site on which they are located.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the year in which such 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 additional costs of property and equipment.

The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When parts of an item of property and equipment have different useful lives, these are accounted for as separate items (major components) of property and equipment.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	Number of Years
Depot and jetty facilities	22
Machineries and equipment	5 to 10
Furniture, fixtures and office equipment	2 to 5
Building and improvements	5 to 10

The estimated useful lives and depreciation method are reviewed at each reporting date to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Construction in progress represents properties under construction and is stated at cost, including costs of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for operational use.

#### **Investments in Associates and Joint Ventures**

These consist of investments in a joint arrangement classified as a joint venture and associates that are accounted for at equity method.

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. 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 joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in associates and joint ventures are accounted for under the equity method. The investments are initially recognized at cost and adjusted to recognize the Group's share in the changes in the net assets of the associates since the acquisition date. Goodwill relating to the joint venture or associate is included in the carrying amount of the investment and is not tested for impairment separately. Dividends received by the Group from the associates and joint ventures will reduce the carrying amount of the investments when such dividends have been received. Dividends received from associates and joint ventures whose carrying values have been reduced to zero are recognized as income in the consolidated statements of income. The Group recognizes its share in net income or loss of the associates in profit or loss. Any change in OCI of the associates is presented as part of the Group's OCI. In addition, where there has been a change recognized directly in equity of the associate, the Group recognizes its share in these changes, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investments in the associates or joint ventures. At each financial reporting date, the Group determines whether there is objective evidence that the investment in joint ventures or associates are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates or joint ventures and its carrying values, then recognizes the loss within share in earnings from investments in associates and joint ventures in the consolidated statements of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The financial statements of the associates are prepared in the same reporting period and using the uniform accounting policies used by the Group.

### **Investment Properties**

Investment properties pertain to land held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Investment properties are accounted for using fair value model. Under the fair value model, investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognized in profit or loss in the period in which they arise.

An investment property is derecognized either when the asset has been disposed of or when the investment property has been permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer, if any.

Transfers are made to or from investment property only when there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or ending of the construction or development. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

### **Other Nonfinancial Assets**

Other nonfinancial assets pertain to excess tax credits, advances to suppliers, prepayments, input value-added tax (VAT) and deferred input VAT.

*Excess Tax Credits.* Excess tax credits pertain to the Group's excess income tax payments. These include taxes withheld and remitted to the Bureau of Internal Revenue (BIR) by customers which can be applied to the Group's income tax payable in the same year the related income was recognized. Excess tax credits are carried forward and can be utilized in succeeding years. These are measured at face amount, less any impairment in value.

*Advances to Suppliers.* Advances to suppliers represent advance payments made in relation to purchase of raw materials and services and are carried at cost. These are to be applied against the suppliers' billing upon the receipt of materials or services.

*Prepayments.* Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and included in profit or loss when incurred. Prepayments that are expected to be utilized within 12 months after the reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

VAT. VAT is a tax on consumption levied on the sale, barter, exchange, or lease of goods or properties and services, and on importation of goods in the Philippines. It is an indirect tax, which may be shifted or passed on to the buyer, transferee or lessee of goods, properties or services.

Revenue, expenses, and assets are recognized net of the amount of VAT, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that include the amount of VAT.

The net amount of VAT recoverable from the taxation authority is presented as "Input VAT" under "Other current assets" account in the consolidated statements of financial position.

*Deferred Input VAT.* In accordance with Revenue Regulations (RR) No. 16-2005, input VAT on purchases or imports of capital goods (depreciable assets for income tax purposes) with an aggregate acquisition cost (exclusive of VAT) in each of the calendar month exceeding ₱1.0 million is claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Deferred input VAT represents the unamortized amount of input VAT on capital goods and input VAT on the unpaid portion of availed services, including the use or lease of properties.

Based on Revenue Memorandum Circular (RMC) 21-2022, effective January 1, 2022, all input tax on purchases of capital goods shall no longer be deferred, but allowed to be claimed upon purchase or payment. Remaining unutilized input VAT shall be allowed to be amortized as scheduled until fully utilized.

Deferred input VAT that are expected to be claimed against output VAT within 12 months after the reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

#### **Impairment of Nonfinancial Assets**

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. If such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

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 recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted prospectively to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

#### **Disposal Group Held for Sale**

The Group classifies assets and liabilities of disposal group as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Disposal group held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of disposal group, excluding finance costs and income tax expense.

The criteria for held for sale classification is met only when the sale is highly probable, and the disposal group 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 disposal group and the sale expected to be completed within one (1) year from the date of classification.

If the one-year period is not complied, the Group can still classify its disposal group as held for sale when:

- There are non-buyer conditions which extend the period required to complete the sale and the conditions can only be complied after a firm purchase commitment is obtained. The firm purchase commitment should be highly probable within one year.
- There are buyer or non-buyer conditions that will extend the period required to complete the sale after the Group obtains a firm purchase agreement and the Group already responded to the conditions expecting favorable resolution.
- During the one-year period, the disposal group held for sale was not sold due to the occurrence of unlikely circumstances and the Group responded to the change in circumstances within the same period. Also, the disposal group should be actively marketed at a reasonable price given the change in circumstances.

The Group recognizes an impairment loss for any initial or subsequent write-down of the disposal group to fair value less costs to sell, to the extent that it has not been recognized in the carrying amount of the disposal group before initial classification as held for sale. The Group recognizes a gain for any subsequent increase in fair value less costs to sell of disposal group, but not in excess of the cumulative impairment loss that has been recognized.

Assets and liabilities of a disposal group classified as held for sale are presented separately as current items in the consolidated statements of financial position.

#### **Advances from Customers**

Advances from customers are amounts received in advance for the sale of fuel. These are carried at face amount in the consolidated statements of financial position under "Trade and other payables" account and are recognized as revenues when the related goods are delivered to the customers.

## **Equity**

*Capital Stock.* Common stock is measured at par value for all shares issued and subscribed. Unpaid subscriptions are recognized as reduction to subscribed capital stock.

*Additional Paid-in Capital (APIC).* APIC represents the proceeds and/or fair value of consideration received in excess of the par value of the shares issued. Incremental costs directly attributable to the issuance of new common stock are recognized as a deduction from APIC, net of any tax effects.

*Retained Earnings (Deficit).* Retained earnings (deficit) represents the cumulative balance of the Group's profit or loss, net of dividend declarations.

*Treasury Stock.* Treasury stock represents the Parent Company's shares held by its subsidiary, which are carried at cost and deducted from equity until the shares are cancelled or sold.

When the shares are subsequently sold, the difference between the cost and consideration received, net of any directly attributable transaction costs, is included in equity attributable to the equity holders of the Parent Company.

*Other Equity Reserves.* Other equity reserves consist of cumulative balances of items of income and expense that are not recognized in profit or loss in accordance with PFRS Accounting Standards. Other equity reserves of the Group pertain to equity reserve on acquisition of NCI, cumulative gain (loss) on translation of investments in associates, cumulative unrealized gain on changes in fair value of financial assets at FVOCI, cumulative translation gain (loss) on consolidation of a foreign operation, and cumulative remeasurement gain (loss) on net retirement benefit asset (liability).

A change in ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. The difference between the consideration paid or transferred and equity acquired is presented as "Equity reserve on acquisition of non-controlling interest" account within equity in the consolidated financial statements.

## **Revenue Recognition**

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized.

*Sale of Fuel.* Sales revenue is recognized at the point in time when control of the asset is transferred to the customer upon delivery.

*Port service Income.* Port service income pertaining to port services is recognized over the period that the related service is provided.

*Other Income.* Income from other sources is recognized as revenue when earned.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15, *Revenues*:

*Rental Income.* Revenue on rental under non-cancellable and cancellable leases are recognized on a straight-line basis over the lease term.

*Interest Income.* Interest income is recognized as the interest accrues taking into account the effective yield on the asset, net of final tax.

#### **Expense Recognition**

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

*Cost of Sales.* Cost of sales includes the purchase price of the products sold as well as costs that are directly attributable in bringing the inventory to its intended condition and location. Costs of sales is recognized when the related goods are delivered to the customers.

*Cost of Services.* Cost of services are recognized as expense when the related services are rendered.

*General and Administrative Expenses.* General and administrative expenses constitute costs of administering the business. These are expensed when incurred.

*Finance Costs.* Finance costs are recognized in profit or loss using the effective interest method.

#### **Leases**

The Group assesses whether the contract is, or contains a lease at the commencement date. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

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

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term. The Group also assesses whether a contract contains a lease for each potential separate lease component.

*Group as Lessor.* Leases where the Group retains substantially all the risks and rewards of ownership are classified as operating leases. Rental income is recognized in profit or loss when earned upon the fulfilment of the variable considerations which are mutually agreed by the parties in the arrangement.

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

The Group elected to apply the recognition exemption on short-term leases. The related lease expenses on these lease agreements are recognized in profit or loss on a straight-line basis.

*ROU Asset.* At commencement date of the lease contracts, the Group measures ROU asset at cost. The initial measurement of ROU asset includes the following:

- The amount of the initial measurement of lease liability;
- Lease payments made at or before the commencement date less any lease incentives received;
- Initial direct costs; and
- An estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU asset is carried at cost less any accumulated amortization and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities.

ROU asset is presented under "Leases" account in the consolidated statements of financial position. Amortization is computed using the straight-line method over the estimated useful life of 25 years or the remaining useful life of the underlying asset at the commencement of the lease, whichever is shorter.

*Lease Liabilities.* At commencement date, the Group measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate (IBR).

Lease payments included in the measurement of lease liabilities comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees; and
- The exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortized cost. Interest on the lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liabilities are remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. Lease liabilities are also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

## **Employee Benefits**

*Short-term Benefits.* The Group recognizes short-term employee benefits based on contractual arrangements with employees. The unpaid portion of the short-term employee benefits is measured on an undiscounted basis and is included as part of "Trade and other payables" account in the consolidated statements of financial position.

*Retirement Benefit.* Retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of net retirement benefits costs is performed annually by a qualified actuary. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The net retirement benefit liability (asset) recognized by the Company is the aggregate of the present value of the defined benefit obligation reduced by the fair value of plan assets out of which the obligations are to be settled directly. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related net retirement benefit liability (asset).

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting the estimated future cash flows using discount rates that reflect 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 retirement benefit liability, the measurement of the resulting net retirement benefit 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 recognizes retirement benefit costs, comprising of current service cost and net interest income or expense in profit or loss. The Group determines the net interest cost by applying the discount rate to the defined benefit liability at the beginning of the reporting period, taking into account any changes in the defined benefit liability during the period as a result of benefit payments.

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

## **Foreign Currency**

### **Foreign Currency-Denominated Transactions**

Transactions denominated in foreign currencies are translated into the respective functional currencies of the Group using the exchange rate at the dates of the transaction.

Outstanding monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency using the closing exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Differences arising on settlement or translation of monetary assets and liabilities are recognized in profit or loss.

#### **Translation of a Foreign Operation**

A foreign operation is a subsidiary, associate, joint arrangement or branch whose activities are based or conducted in a country or currency other than those of the reporting entity.

At each reporting date, the assets and liabilities of the foreign operation are translated from its functional currency to the Parent Company's functional and presentation currency using the closing rate at each reporting date, while its comprehensive income is translated using weighted average exchange rates during the year.

The exchange differences arising on translation of a foreign operation are recognized in OCI. Upon disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

#### **Income Taxes**

##### **Current Tax**

Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used in the computation are those that have been enacted at the reporting date.

##### **Deferred Tax**

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

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

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

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized to equity or in OCI.

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

#### **Related Party Transactions**

Related party transactions consist of transfers of resources, services, or obligations among the Group.

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. Related parties may be individual or corporate entities. The key management personnel of the Group and post-employment benefit plans for the benefit of the Group's employees are also considered to be related parties.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

#### **Segment Reporting**

The Group reports separate information about its operating segment.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same Group) and whose operating results are regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete information is available.

#### **Provisions and Contingencies**

*Provisions.* Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, the estimated cash flows are discounted using a current pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

*Contingencies.* Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

### **Basic and Diluted Income per Share**

*Basic Income per Share.* Basic income per share is calculated by dividing the net income for the period attributable to equity holders of the Parent Company by the weighted average number of issued and outstanding shares and subscribed shares, with retroactive adjustment for any stock dividends, stock splits or reverse stock splits during the year.

*Diluted Income per Share.* Diluted income per share is calculated in the same manner as basic income per share, adjusted for the effects of any potentially dilutive, convertible securities.

### **Events After the Reporting Date**

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

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### **3. Judgments, Accounting Estimates and Assumptions**

The preparation of the consolidated financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. The judgments, accounting estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances at the reporting date.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates. The accounting estimates and underlying assumptions are reviewed on an ongoing basis.

The following are the judgments, accounting estimates and assumptions made by the Group:

#### **Judgments**

*Determining Functional and Presentation Currency.* The Group's consolidated financial statements are presented in Philippine Peso, the Parent Company's functional currency, which mainly influences labor, material and other costs of providing goods or services. The Parent Company and its subsidiaries determine their own functional currencies, which best reflect the economic substance of the underlying transactions, events and conditions relevant to each entity.

Based on the economic substance of the underlying circumstances, the functional currency of the Group's subsidiaries, except GGL and PT BES, is the Philippine Peso. The functional currency and presentation currency of GGL and PT BES are US Dollar and Indonesian Rupiah, respectively.

*Classifying and Measuring Financial Assets.* Classification and measurement of financial assets depend on the results of the contractual cash flow and the business model tests. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed.

At initial recognition, the Group designated its investments in quoted equity as financial assets at FVOCI (see Note 12).

Cash and cash equivalents, trade and other receivables (excluding nonfinancial assets), short and long-term placements, and refundable deposits were classified as financial assets at amortized cost since the Group's primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest (see Notes 4, 5, 7, 12 and 22).

*Determining Fair Values.* The fair values of securities that are actively traded in organized financial markets are determined by reference to unadjusted quoted market prices at the close of business on the reporting date.

The fair values of financial instruments that are not quoted in active markets are determined by using generally accepted valuation techniques, such as discounted cash flow models. The models are validated and periodically reviewed by qualified personnel independent of the area that created them and are approved by the BOD before these are used. The models are calculated to ensure that output reflects actual data and comparative market prices. Further, inputs used in these models are from observable data and quoted market prices in respect of similar financial instruments. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

While significant components of fair value measurement were determined using verifiable objective evidence, such as foreign exchange rates, the amount of changes in fair value would differ if the Group utilized different valuation methodologies and assumptions. Any changes in fair value of these financial assets and liabilities would affect the consolidated financial statements.

In accordance with the amendments to PFRS 7, disclosures about the level in the fair value hierarchy are required in which the fair value measurements are categorized for assets and liabilities measured in the consolidated statements of financial position.

Assumptions and methods of determining the fair values of financial instruments are presented in Note 26 to the consolidated financial statements.

*Determining Operating Lease – Group as Lessor.* The Group, as a lessor, has entered into property leases for its investment properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties. Accordingly, the leases are accounted for as operating leases.

In 2025, 2024 and 2023, the amount of rent revenues recognized by the Group are disclosed in Note 22 to the consolidated financial statements.

*Classifying Investment Properties.* The Group determines whether a property qualifies as an investment property or an item of property and equipment. In making its judgment, the Group considers whether the property is held primarily to earn rentals or capital appreciation or used for operations and administrative purposes by the Group.

The Group classifies land held to earn rentals and for capital appreciation as investment properties. The carrying amount of investment properties as at December 31, 2025 and 2024 are disclosed in Note 10 to the consolidated financial statements.

*Classifying RDG Wind Energy Corporation (RWEC) as Disposal Group Held for Sale.* The Group exercises judgment in classifying group of assets and liabilities disposal group held for sale by considering the management's commitment to sell the disposal group within one (1) year, the existence of an active program to locate a buyer, and the initiation of a plan to complete the sale.

In 2024, assets and liabilities of RWEC, previously included in the consolidated financial statements, was reclassified to "Asset held for sale" and "Liabilities held for sale" account, respectively, in the consolidated financial statements. This reclassification is in accordance with PFRS 5, *Noncurrent Asset Held for Sale and Discontinued Operations*, which requires that when a sale plan involves the loss of control of a subsidiary, the Group shall classify all the assets and liabilities of that subsidiary as held for sale, regardless of whether it will retain a non-controlling interest after the sale.

On February 14, 2025, the Group completed the sale of its 51% ownership in RWEC to a third party.

Details of the Group's sale of investments in RWEC are disclosed in Note 8 to the consolidated financial statements.

*Assessing Control of PLBRC.* The Group exercises judgment whether control has been established over an investee through consideration of all facts and circumstances to determine whether the Group is exposed or has rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

The Group considers PLBRC as a subsidiary even though it has less than 51% equity ownership because it can exercise control over the management and operations of PLBRC. Moreover, majority of PLBRC's assets are being utilized in the Group's operations. Accordingly, the consolidated financial statements of the Group include those of PLBRC.

*Determining Loss of Control over RWEC and Determining Interests in Joint Arrangements.* The Group exercises judgment in determining whether it has joint control over an arrangement. This assessment involves evaluating whether the collective agreement of all parties is required to direct the activities that most significantly affect the returns of the arrangement. Joint control exists when decisions about these relevant activities require the unanimous consent of the parties sharing control.

The Group also evaluates whether a joint arrangement should be classified as a joint operation or a joint venture. This determination is based on an analysis of the Group's rights and obligations, considering the structure and legal form of the arrangement, the terms of the contractual agreement, and, when applicable, other relevant facts and circumstances.

Management has assessed that the Group lost control over RWEC but obtained joint control over the arrangement with the third party. Although the Group holds only 49% ownership interest, joint control was established because the contractual terms require unanimous consent from all parties for decisions on significant relevant activities.

On February 14, 2025, following the sale of its 51% ownership to a third party, the Group reclassified its remaining 49% ownership over RWEC as an investment in a joint venture. The Group determined that the arrangement qualifies as a joint venture as it involves joint control over the net assets of RWEC, which is structured as a separate entity.

Furthermore, the Group determined that its interests in Mariveles Joint Venture Corporation (MJVC) also qualifies as an investment in joint venture.

Details of investments in joint ventures of the Group are disclosed in Note 9 to the consolidated financial statements.

*Determining Existence of Significant Influence over Filoil Asia Pacific, Ltd. (FAP), Ecology Insurance Agency Corp. (EIAC) and Amlan Negros Development Realty Corp. (ANDRC).* The Group assessed that it has significant influence over the investees under PAS 28, *Investments in Associates and a Joint Venture*, where significant influence is presumed over interest ownership of at least 20%. Moreover, significant influence has been established by the Group over the investees because of its participation in the decision-making process of the investees' significant activities, through its representation in the investees' BOD.

The carrying amount of investments in associates as at December 31, 2025 and 2024 are disclosed in Note 9 to the consolidated financial statements.

*Determining Lease Term of Contracts with Extension and Termination Options – Group as a Lessee.* The Group determines the term of its lease contracts as non-cancellable, 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's lease contracts includes extension and termination options subject to mutual agreement between the Group and its lessors. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive for it to exercise either the renewal or termination. The management assessed that the option to extend or terminate the lease is not reasonably certain to be exercised. Accordingly, the Group did not include the periods covered by the extension option as part of the lease term, since these are not enforceable at the reporting date.

Amortization of ROU assets and interest expense on lease liability and the carrying amounts of ROU assets and lease liabilities as at December 31, 2025 and 2024 are disclosed in Note 22 to the consolidated financial statements.

*Evaluating Adequacy of Tax Liabilities.* The Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

#### **Accounting Estimates and Assumptions**

*Assessing ECL on Trade Receivables.* The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions.

The Group adjusts historical default rates to forward-looking default rates by determining the closely related economic factor affecting each customer segment. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

Allowance for ECL and carrying amount of trade receivables as at December 31, 2025 and 2024 are disclosed in Note 5 to the consolidated financial statements.

*Assessing ECL on Other Financial Assets at Amortized Cost.* The Group determines the allowance for ECL using the general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the counterparty.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the counterparty.

For financial assets at amortized cost, the Group assessed that the ECL is not material because the transactions with respect to these financial assets were entered only with banks and counterparties with good credit standing and relatively low risk of default. Accordingly, no provision for ECL on these financial assets was recognized in 2025, 2024 and 2023.

The carrying amounts of other financial assets at amortized cost as at December 31, 2025 and 2024 are disclosed in Notes 4, 5, 7 and 12 in the consolidated financial statements.

*Determining the NRV of Inventories.* The Group writes down the cost of inventories whenever NRV becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The lower of cost or NRV is reviewed regularly to reflect the accurate valuation in the financial records. Inventory items identified to be obsolete and unusable are also written off and charged as expense for the period.

There were no inventory write-down in 2025, 2024 and 2023. The carrying amount of inventories as at December 31, 2025 and 2024 are disclosed in Note 6 to the consolidated financial statements.

*Estimating the Useful Lives of Property and Equipment.* The useful lives of property and equipment (excluding land and construction in progress) are estimated based on the period over which the assets are expected to be available for use. They are reviewed periodically and are updated if expectations differ from previous estimates. Any reduction in the estimated useful lives of these assets would increase the Company's recorded operating expenses and decrease noncurrent assets.

In 2025 and 2023, there were no changes in the estimated useful lives of property and equipment. In 2024, the Group changed the estimated useful lives of depot tanks and buildings from 10 years to 22 years based on the assessment of the Management and to align with the industry. Accordingly, the decrease in depreciation expense in 2024 are as follows:

	Before change in useful life	Impact	After change in useful life
Property and equipment	₱2,288,212,459	₱153,556,976	₱2,441,769,435
Depreciation on property and equipment	352,568,757	(153,556,976)	199,011,781

The carrying amounts of property and equipment as at December 31, 2025 and 2024 are disclosed in Note 11 to the consolidated financial statements.

*Determining the Fair Value of Investment Properties.* Land classified as part of investment properties are measured at fair values. The Group works closely with external qualified appraisers who performed the valuation using appropriate valuation techniques. The comparable market data were adjusted as necessary to reflect the specific assets' size, location and other characteristics. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 10 to the consolidated financial statements.

The fair value changes and carrying amount of investment properties as at December 31, 2025 and 2024 are disclosed in Note 26 to the consolidated financial statements.

*Assessing Nonfinancial Assets for Impairment.* The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction, less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

As disclosed in Note 11, impairment loss in property and equipment was recognized in 2025. The carrying amounts of nonfinancial assets as at December 31, 2025 and 2024 are disclosed in Notes 5, 7, 9, 10, 11,12, 22, and 23 to the consolidated financial statements.

*Determining Retirement Benefits.* The determination of the net retirement benefit asset (liability) and expense is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 21 to the consolidated financial statements and include discount rates and salary increase rates among others. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded asset (liability) in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the net retirement benefit liability.

Information about net retirement liability are disclosed in Note 21 to the consolidated financial statements.

*Estimating Incremental Borrowing Rate on Lease Liabilities.* The Group uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate 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 ROU asset in a similar economic environment. The Group estimates the incremental borrowing rate using available observable inputs (such as the prevailing Bloomberg Valuation Service interest rates) adjusted for entity-specific estimates, to reflect the terms and conditions of the lease.

The Group has applied incremental borrowing rates ranging from 3% to 7.6% for the computation of lease liabilities and ROU assets. Carrying amounts of lease liabilities and ROU assets are disclosed in Note 22 to the consolidated financial statements.

*Recognizing Deferred Tax Assets.* The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces the balance to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Information about the carrying amount of deferred tax assets as at December 31, 2025 and 2024 are disclosed in Note 23 to the consolidated financial statements.

*Assessing Provisions and Contingencies.* The Group evaluates legal proceedings to which it is involved based on analysis of potential results. Management and its legal counsels do not believe that any current proceedings will have material adverse effects on its financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to these proceedings. Details about the legal proceedings as at April 7, 2026 are disclosed in Note 28 to the consolidated financial statements.

#### 4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	P653,865	P608,823
Cash in banks	2,423,395,453	1,516,896,506
Cash equivalents	82,800,383	147,179,991
	<b>P2,506,849,701</b>	<b>P1,664,685,320</b>

Cash in banks earn interest at the prevailing bank deposit rates and are immediately available for use in the current operations:

Cash equivalents are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn annual interest at rates ranging from 0.25% to 4.00%, 0.25% to 6.25% and 0.25% to 5.20% in 2025, 2024 and 2023, respectively.

#### Interest Income

The sources of the Group's interest income are as follows:

	Note	2025	2024	2023
Cash and cash equivalents		P8,075,361	P16,586,706	P13,021,636
Notes receivables	5	26,548,116	25,914,943	27,511,539
Installment receivable	25	79,219,441	99,529,598	109,435,006
Money market placements	7	199,897	430,262	781,525
		<b>P114,042,815</b>	<b>P142,461,509</b>	<b>P150,749,706</b>

#### 5. Trade and Other Receivables

This account consists of:

	Note	2025	2024
Trade receivables from:			
A related party	25	P10,602,274,831	P10,017,913,652
Third parties		7,559,451,453	6,310,817,168
Advances to related parties	25	1,226,504,011	1,064,118,335
Receivable from claim for tax refund		612,976,205	-
Note receivables from:			
Related party	25	521,224,038	521,224,038
Third parties		285,931,445	296,291,633
Claim for tax refund under litigation		397,821,288	-
Interest receivable		109,546,270	82,798,257
Nontrade receivables	25	67,200,000	-
Installment receivable	25	-	1,000,937,781
Others		90,292,919	7,917,682
		<b>21,473,222,460</b>	<b>19,302,018,546</b>
Less allowance for ECL		<b>(49,446,840)</b>	<b>(28,508,772)</b>
		<b>P21,423,775,620</b>	<b>P19,273,509,774</b>

Trade and other receivables are presented in the consolidated financial statements as follows:

	2025	2024
Current	<b>₱21,025,954,332</b>	₱18,520,644,939
Noncurrent:		
Claim for tax refund under litigation	<b>397,821,288</b>	–
Installment receivable	–	752,864,835
	<b>397,821,288</b>	752,864,835
	<b>₱21,423,775,620</b>	₱19,273,509,774

**Trade Receivables from Third Parties**

Trade receivables from third parties are noninterest-bearing, generally subject to credit terms ranging from 15 to 240 days. These trade receivables are generally unsecured except for a certain customer with outstanding trade receivables amounting to ₱471.5 million and ₱527.9 million as at December 31, 2025 and 2024, that are secured by a chattel mortgage of shares of stocks.

Terms of arrangements with certain customers carry penalty charges for delayed payments. Details are as follows:

	Note	2025	2024	2023
Income from penalty	20	<b>₱248,402,624</b>	₱503,865,014	₱105,548,197
Penalty rates per annum		<b>7.8% to 8.5%</b>	7.0% to 7.8%	5.5% to 8.0%

Further, trade receivables amounting to ₱4,233.6 million and ₱1,883.0 million as at December 31, 2025 and 2024, are held as security for borrowings related to assignment of receivables with full recourse (see Note 14).

**Receivable from Claim for Tax Refund**

This account pertains to creditable withholding taxes applied by the Group for refund which are expected to be collected within one year.

On October 21, 2025, the Company received a notice of approval of the income tax refund of the CWT claimed for refund covering the taxable period from January 1, 2023 to December 31, 2023 amounting to ₱613.0 million of which ₱581.4 million was approved for refund. Accordingly, the Group wrote off receivable from claim for tax refund amounting to ₱31.6 million (see Note 9). On April 6, 2026, the Group collected the approved refund.

**Claim for Tax Refund under Litigation**

This account consists of creditable withholding taxes applied by the Group for refund with an ongoing case with the Court of Tax Appeals.

**Note Receivables**

Note receivables are unsecured, collectible either on demand or through equal monthly installments, and bear interest rates ranging from 3.00% to 9.03% in 2025, 2024 and 2023.

In 2025, 2024 and 2023, interest earned from note receivables from third parties and related parties amounted to ₱26.5 million, ₱25.9 million and ₱27.5 million, respectively (see Note 4).

**Interest and Other Receivables**

Interest and other receivables are generally unsecured and collectible within one year.

**Installment Receivable**

This account pertains to a receivable arising from the Group's sale of its investment in TPC Energy Corporation (TEC) (formerly Total Philippines Corporation) to Filoil Philippines Corporation (FPC), a related party under common control. The receivable is unsecured, collectible in annual installments until 2029, and was initially recognized at present value using a discount rate of 9.0% per annum. The balance of and movements in this account are as follows:

	Note	2025	2024
<b>Gross Amount</b>			
Balance at beginning of year		<b>₱1,231,576,490</b>	₱1,477,244,052
Settlement through deed of assignment		<b>(983,503,544)</b>	-
Collections		<b>(248,072,946)</b>	-
Reclassification to "Advances to a related party" account		-	(245,667,562)
Balance at end of year		-	1,231,576,490
<b>"Day 1" Difference</b>			
Balance at beginning of year		<b>230,638,709</b>	330,168,307
Gain on early settlement	20	<b>(151,419,268)</b>	-
Interest income	4	<b>(79,219,441)</b>	(99,529,598)
Balance at end of year		-	230,638,709
<b>Carrying Amount</b>	<b>25</b>	<b>₱-</b>	<b>₱1,000,937,781</b>

In 2023, interest income on installment receivable amounted to ₱109.4 million (see Note 4).

As discussed in Note 25 to the consolidated financial statements, in 2025, the Group entered into an offsetting arrangement with FPC. Installment receivable amounting to ₱983.5 million was settled through application of the Group's payable to FPC. This resulted to the recognition of gain on early settlement of the installment receivables amounting to ₱151.4 million (see Note 20).

As at December 31, 2024, receivable from sale of investment is presented in the consolidated statements of financial position as follows:

Current	₱248,072,946
Noncurrent	752,864,835
	<b>₱1,000,937,781</b>

**Allowance for ECL**

The balances of and movements in this account are as follows:

	Note	2025		Total
		Trade Receivables	Other Receivables	
Balance at beginning of year		<b>₱15,794,945</b>	<b>₱12,713,827</b>	<b>₱28,508,772</b>
Provision	19	<b>32,323,065</b>	<b>10,612,757</b>	<b>42,935,822</b>
Write-off		<b>(21,997,754)</b>	-	<b>(21,997,754)</b>
Balance at end of year		<b>₱26,120,256</b>	<b>₱23,326,584</b>	<b>₱49,446,840</b>

	Note	2024		Total
		Trade Receivables	Other Receivables	
Balance at beginning of year		₱8,143,358	₱2,101,066	₱10,244,424
Provision	19	7,651,587	10,612,761	18,264,348
Balance at end of year		₱15,794,945	₱12,713,827	₱28,508,772

## 6. Inventories

This account, consists of fuel inventories measured at cost, amounted to ₱7,480.6 million and ₱5,137.0 million as at December 31, 2025 and 2024, respectively.

Under the terms of the agreements with the banks, inventories amounting to ₱2,040.7 million and ₱2,185.5 million as at December 31, 2025 and 2024, respectively, are held as collateral for trust receipts payable included under "Borrowings" account in the consolidated statements of financial position. The Group is accountable to the banks for the trusted inventories or the corresponding sales proceeds upon maturity of the trust receipts payable (see Note 14).

In 2025, 2024 and 2023, cost of inventories charged to "Cost of sales and services" account in the consolidated statements of comprehensive income amounted to ₱50,031.9 million, ₱46,576.4 million and ₱62,190.7 million, respectively (see Note 18).

## 7. Other Current Assets

This account consists of:

	Note	2025	2024
Input VAT		₱198,532,106	₱38,932,433
Prepayments:			
Taxes and licenses		78,168,305	84,659,075
Insurance		14,433,276	27,196,551
Advances to suppliers		19,063,726	17,664,935
Short-term placements		13,258,639	–
Refundable deposits	22	945,000	25,000,000
Deferred input VAT		145,583	28,145,201
		₱324,546,635	₱221,598,195

In 2025, the Group wrote off other current assets amounting to ₱13.3 million (see Note 19).

### **Prepayments and Advances to Supplier**

Prepayments and advances to suppliers pertain to advance payments for purchase of goods and services, respectively, and are reclassified to appropriate asset or expense account when delivered or rendered by the supplier which are normally within one year.

### **Money Market Placements**

This account represents money market placements with maturity terms ranging from two (2) to five (5) years and earn annual interest at 3.0% to 4.0% in 2025 and 4.0% in 2024 and 2023.

These are presented in the consolidated statements of financial position as follows:

	Note	2025	2024
Short-term placements		<b>₱13,258,639</b>	₱-
Long-term placements	12	-	19,058,742
		<b>₱13,258,639</b>	<b>₱19,058,742</b>

In 2025, 2024 and 2023, interest earned from money market placements amounted to ₱0.2 million, ₱0.4 million and ₱0.8 million, respectively (see Note 4).

#### 8. Disposal Group Held for Sale

On April 17, 2024, the Group entered into the Joint Development and Shareholders Agreement (JDSA) with a third-party joint venture partner for the development, management and operation of an onshore wind power generation project under RWEC, which serves as the joint venture entity. Under the JDSA, the Group agreed to sell and assign 51% ownership interest in the common stock of RWEC, a former subsidiary, for an agreed purchase price with the joint venture partner.

As at December 31, 2024, the Group's management has assessed that the criteria for classification as held for sale had been met. Details of the assets and liabilities of RWEC that were classified as held for sale are as follows:

	Note	Amount
<b>Assets Held for Sale</b>		
Cash in banks	4	₱13,791,581
Property and equipment	11	64,661,788
Other current assets	7	6,716,845
		85,170,214
<b>Liability Held for Sale</b>		
Trade and other payables	13	14,835,510
<b>Net Assets Held for Sale</b>		<b>₱70,334,704</b>

On February 14, 2025, the Group completed the sale of 51% ownership over RWEC and recognized gain on disposal of subsidiary in the consolidated statements of comprehensive income as follows:

	Note	Amount
<b>Total consideration:</b>		
Cash consideration		₱14,165,641
Advances to related party arising from deconsolidation	25	51,570,045
Fair value of retained investment (49%)	9	9,194,683
		74,930,369
<b>Net assets derecognized</b>		<b>70,334,704</b>
	20	₱4,595,665

The Group did not recognize any gain or loss from measuring the retained investment in RWEC, as its fair value at the date of sale was equivalent to the carrying amount of RWEC's net assets amounting to ₱9.2 million.

The initial recognition of the investment retained in RWEC under “Investments in joint ventures” account amounting to ₱9.2 million was considered as noncash financial information in the 2025 consolidated statements of cash flows.

As at February 14, 2025, RDG had not yet started commercial operations and did not meet the definition of a discontinued operation in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*. Accordingly, the following net loss of RDG for the period January 1, 2025 to February 14, 2025, and for the year ended December 31, 2024, is included under continuing operations in the consolidated statements of comprehensive income.

## 9. Investments in Associates and Joint Ventures

Details of this account are as follows:

	2025	2024
Investments in associates	₱130,294,718	₱124,135,731
Investments in joint ventures	90,314,267	66,847,220
	<b>220,608,985</b>	190,982,951
Advances for future stock subscriptions in a joint venture	47,187,168	-
	<b>₱267,796,153</b>	<b>₱190,982,951</b>

### Investments in Associates

The Group’s investments in associates, through FECl, is accounted for using the equity method. The ownership interests over these entities are as follows:

	2025	2024	2023
ANRDC	24.00%	24.00%	24.00%
EIAC	23.75%	23.75%	23.75%
FAP	20.00%	20.00%	20.00%

FAP, an entity incorporated in Singapore, serves as one of the Group’s suppliers of petroleum products, which is considered strategic to the overall business operations of the Group. ANDRC and EIAC are entities incorporated in the Philippines and have not yet commenced commercial operations as at April 7, 2026.

The balance of and movements of investments in associates are as follows:

	December 31, 2025			December 31, 2024		
	FAP	Others	Total	FAP	Others	Total
<b>Cost</b>						
Balances at beginning and end of year	₱102,000,000	₱477,496	₱102,477,496	₱102,000,000	₱477,496	102,477,496
<b>Cumulative Share in Net Income (Loss)</b>						
Balances at beginning of year	21,304,414	(443,339)	20,861,075	16,482,804	(336,956)	16,145,848
Share in net income (loss)	2,943,281	(34,157)	2,909,124	4,821,610	(106,383)	4,715,227
Balances at end of year	24,247,695	(477,496)	23,770,199	21,304,414	(443,339)	20,861,075
<b>Cumulative Translation Gain</b>						
Balance at beginning of year	797,160	-	797,160	67,795	-	67,795
Translation gain	3,249,863	-	3,249,863	729,365	-	729,365
Balance at end of year	4,047,023	-	4,047,023	797,160	-	797,160
<b>Carrying Amounts</b>	<b>₱130,294,718</b>	<b>₱-</b>	<b>₱130,294,718</b>	<b>₱124,101,574</b>	<b>₱34,157</b>	<b>124,135,731</b>

In 2023, the Group's share in net income from associates amounted to ₱9.1 million.

The summarized financial information of the associates as at and for the year ended are as follows:

	As at December 31, 2025		As at December 31, 2024	
	FAP	Others	FAP	Others
Current assets	₱6,912,726,115	₱25,734,974	₱1,208,665,372	₱25,734,974
Noncurrent assets	46,937	69,006,251	111,766	69,006,251
Less current liabilities	6,654,808,704	72,224,664	996,269,268	72,224,664
Net assets	₱257,964,348	₱22,516,561	₱212,507,870	₱22,516,561
<b>For the Year Ended</b>			<b>FAP</b>	<b>Others</b>
<b>December 31, 2025:</b>				
Revenues		₱15,256,782,036		₱-
Net income		29,207,167		-
<b>December 31, 2024:</b>				
Revenues		6,348,823,718		7,779,849
Net income		24,108,048		-
<b>December 31, 2023:</b>				
Revenues		9,814,483,599		32,780,968
Net income		54,884,273		6,360,299

#### Investment in FAP

In 2020, FECl entered into a Memorandum of Agreement (MOA) with a third party to operate a company in Singapore. Under the Agreement, FAP will be 20%-owned by FECl and 80% will be owned by the third party. In the same year, FAP received the advances for the subscription of the 80% ownership of the third party. Under an agreement entered in December 2021, FECl cedes and waives all its rights and interests, including the fruits and income attached to such advances for the subscription of the 80% ownership in FAP, in favor of the third party. As a result of this arrangement, FECl accounted its investment in FAP at 20% effective economic interest as an associate starting at the execution of the agreement. Accordingly, the Group's effective economic interest in FAP amounted to 12%.

As at April 7, 2026, FAP is still in the process of finalizing the legal requirement for the completion of the subscription of the JV Partner.

The reconciliation of summarized financial information of FAP to the carrying amount of investment is as follows:

	2025	2024
Net assets	₱257,964,348	₱212,507,870
Ownership adjustments	102,000,000	102,000,000
Adjusted net assets	155,964,348	110,507,870
% of ownership by FECl	20.00%	20.00%
Share in net assets	31,192,870	22,101,574
Cost of investment	102,000,000	102,000,000
Elimination of unrealized profits	(2,898,152)	-
Carrying amount of investment	₱130,294,718	₱124,101,574

### **Investments in Joint Ventures**

Details of the Group's investments in joint ventures, accounted for using the equity method, and the effecting ownership interests over these entities are as follows:

	2025	2024	2023
RDG	50.00%	—%	—%
MJVC	18.00%	18.00%	18.00%

MJVC and RDG are both entities incorporated in the Philippines. MJVC provides management services for the Group-owned jetty facilities while RDG is engaged in renewable energy projects. Both activities of MJVC and RDG are considered strategic to the overall business operations of the Group.

The balance of and movements in this account are as follows:

	2025		2024	
	MJVC	RDG	Total	MJVC
<b>Cost</b>				
Balances at beginning of year	₱53,039,000	₱—	₱53,039,000	₱53,039,000
Investment retained upon derecognition as subsidiary	—	9,194,683	9,194,683	—
Additions	—	6,391,438	6,391,438	—
Balances at end of year	53,039,000	15,586,121	68,625,121	53,039,000
<b>Cumulative Share in Net Income (Loss)</b>				
Balances at beginning of year	13,808,220	—	13,808,220	12,783,597
Share in net income (loss)	8,305,765	(424,839)	7,880,926	1,024,623
Balances at end of year	22,113,985	(424,839)	21,689,146	13,808,220
<b>Carrying Amounts</b>	<b>₱75,152,985</b>	<b>₱15,161,282</b>	<b>₱90,314,267</b>	<b>₱66,847,220</b>

The key financial information of the associates as at and for the years ended, and the reconciliation to the carrying amount of investments in associates are as follows:

	December 31, 2025		December 31, 2024
	MJVC	RDG	MJVC
Current assets*	₱132,666,195	₱17,487,574	₱121,820,250
Noncurrent assets	20,490,297	108,811,506	20,699,396
Current liabilities**	27,850,522	1,602,182	8,825,206
Noncurrent liabilities	—	94,374,334	—
Net assets	125,305,970	30,322,564	133,694,440
% of ownership	50.00%	50.00%	50.00%
Carrying amounts of investments	62,652,985	15,161,282	66,847,220
Elimination adjustments	12,500,000	—	—
	<b>₱75,152,985</b>	<b>₱15,161,282</b>	<b>₱66,847,220</b>

\*MJVC includes cash and cash equivalents amounting to ₱101.5 million and ₱98.5 million as at December 31, 2025 and 2024, respectively. RDG includes cash and cash equivalents amounting to ₱9.1 million as at December 31, 2025.

\*\*RDG includes financial liabilities excluding trade and other payables amounting to ₱94.4 million as at December 31, 2025.

<b>For the Year Ended</b>	<b>MJVC</b>	<b>RDG</b>
<b>December 31, 2025:</b>		
Revenues	₱32,014,834	₱-
Depreciation	3,609,386	-
Interest income	3,876,617	14,606
Income tax expense	136,050	-
Net income	16,611,529	(550,120)
<b>December 31, 2024:</b>		
Revenues	31,986,472	-
Depreciation	3,915,193	-
Interest income	4,119,958	-
Income tax expense	6,342,620	-
Net income	5,692,352	-
<b>December 31, 2023:</b>		
Revenues	32,780,968	-
Depreciation	3,915,193	-
Interest income	4,119,958	-
Income tax expense	6,342,620	-
Net income	6,360,299	-

#### Investment in RDG

As discussed in Note 8, the Group recognized investment in a joint venture amounting to ₱9.2 million arising from the retained investment in RDG reclassified from “Assets held for sale” account. Further, the Group has additional investments in RDG of preferred shares amounting to ₱0.6 million and common shares amounting to ₱5.8 million, with an aggregate amount of ₱6.4 million.

#### Advances for Future Stock Subscriptions

This account represents the Group’s advance payment for its planned additional subscription of shares in RDG amounting to ₱47.2 million. As at December 31, 2025, RDG has not yet filed its application with the SEC to increase authorized capital stock, and the Group has not yet applied the advance payments as subscription to the additional shares.

### **10. Investment Properties**

The balance of and movements in this account, consisting of various parcels of land measured at fair value, are as follows:

	Note	2025	2024
Balances at beginning of year		₱359,834,102	₱342,860,757
Reclassification from “Property and equipment” account	11	759,144,000	-
Fair value changes	20	139,482,000	16,973,345
<b>Balance at end of year</b>		<b>₱1,258,460,102</b>	<b>₱359,834,102</b>

In 2023, gain on fair value changes of investment properties amounted to ₱73.1 million (see Note 20).

The Group earned rental income amounting to ₱69.7 million, ₱75.5 million, and ₱74.8 million from its investment properties in 2025, 2024, and 2023, respectively (see Note 17).



Depreciation, amortization and impairment loss are recognized from the following:

	Note	2025	2024	2023
Property and equipment		<b>₱439,437,289</b>	₱199,011,781	₱398,661,171
ROU assets	22	<b>58,334,164</b>	144,656,759	228,559,249
		<b>₱497,771,453</b>	₱343,668,540	₱627,220,420

Depreciation, amortization and impairment loss are distributed in the consolidated statements of comprehensive income as follows:

	Note	2025	2024	2023
Cost of sales and services	18	<b>₱22,195,344</b>	₱22,895,562	₱23,487,541
General and administrative expenses	19	<b>475,576,109</b>	320,772,978	603,732,879
		<b>₱497,771,453</b>	₱343,668,540	₱627,220,420

As at December 31, 2025 and 2024, cost of fully depreciated property and equipment still in use by the Group in its operations amounted to ₱526.4 million and ₱525.8 million, respectively.

In 2025, the Group recognized an impairment loss amounting to ₱298.9 million pertaining to assets assessed by management that are no longer used in operations.

#### Reclassifications Due to Change in Use

Effective January 1, 2025, the Group changed the use of its land previously classified as owner-occupied property to property held for leasing. According to PAS 40, *Investment Property*, if an item of property and equipment carried under the cost model is reclassified to investment property carried under the fair value model, the difference between the fair value and the carrying amount at the date of reclassification is recognized as a revaluation surplus in accordance with PAS 16, *Property, Plant and Equipment*. Accordingly, the Group recognized revaluation surplus as a result of this reclassification amounting to ₱32.9 million in the consolidated statements of comprehensive income (see Note 15).

Furthermore, the carrying amount of land reclassified from "Property and equipment" to "Investment properties" account in consolidated statements of financial position amounted to ₱759.1 million (see Note 10).

## 12. Other Noncurrent Assets

This account consists of:

	Note	2025	2024
Refundable deposits	22	<b>₱41,854,335</b>	₱22,236,963
Financial assets at FVOCI	26	<b>17,208,467</b>	15,161,108
Net retirement benefit asset	21	<b>14,040,667</b>	11,882,714
Long-term placements	7	–	19,058,742
Others		<b>16,819,085</b>	17,538,617
		<b>₱89,922,554</b>	₱85,878,144

### **Financial Assets at FVOCI**

The balance of and movements in this account, consists of investments in quoted equity securities, are as follows:

	Note	2025	2024
Balance at beginning of year		<b>₱15,161,108</b>	₱12,144,795
Additions		<b>2,250,000</b>	–
Fair value change	15	<b>(202,641)</b>	3,016,313
<b>Balance at end of year</b>		<b>₱17,208,467</b>	<b>₱15,161,108</b>

In 2023, the Group recognized fair value change amounting to ₱0.1 million (see Note 15).

Details of fair value determination of financial assets at FVOCI are disclosed in Note 26 to the consolidated financial statements.

### **13. Trade and Other Payables**

This account consists of:

	Note	2025	2024
Trade payables to:			
Third parties		<b>₱6,487,086,635</b>	₱7,234,516,461
Related parties	25	<b>4,883,387,346</b>	288,474,730
Advances from:			
Customers		<b>122,516,853</b>	15,960,560
Joint venture partner	9	<b>44,092,324</b>	–
Related parties	25	<b>15,477,496</b>	542,527,252
Dividends payable		<b>39,832,714</b>	538,020,000
Statutory payables		<b>23,673,185</b>	48,905,830
Others		<b>44,520,787</b>	52,143,642
		<b>₱11,660,587,340</b>	<b>₱8,720,548,475</b>

Trade payables, mainly consist of importation and local purchases of fuel, are generally noninterest-bearing, unsecured and to be settled within four (4) months.

Advances from customers represent payment received in advance for the delivery of fuel, which are normally delivered to the customers within one (1) month.

Accrued expenses, statutory payables and other payables are generally noninterest-bearing, unsecured and to be settled within one year. In 2025, the Group wrote off ₱12.9 million recognized under “Other income - net” account in the consolidated statements of comprehensive income (see Note 20).

**Advances from Joint Venture Partner**

As discussed in Note 8 to the consolidated financial statements, the Group shall receive development fees from the joint venture partner for the services rendered, including site prospecting, feasibility studies, and permit processing. The development fees are payable based on milestones and contractual conditions mutually agreed upon by the parties. However, any development fees received by the Group remain refundable if the JDSHA is terminated before all applicable milestones and contractual conditions are met.

As of April 7, 2026, remaining contractual commitments related to the development fees, for which the specified contractual conditions have not yet been fulfilled, amounted to ₱396.8 million.

**Provisions for Probable Losses**

Provision was reversed in 2023 due to the settlement of the legal case. There is no additional provision recognized in 2024.

The balance of and movements in provisions for probable losses as at December 31, 2023 are as follows:

	Note	Amounts
Balance at beginning of year		₱40,407,743
Payments		(1,002,031)
Reversal	20	(39,405,712)
Balance at end of year		₱-

**14. Borrowings**

This account consists of:

	Note	2025	2024
Promissory notes:			
Third parties		₱12,499,376,395	₱11,686,760,171
Related party	25	-	451,909,360
Liability arising from receivable financing		3,560,276,476	1,882,911,283
Trust receipts		2,040,680,333	2,185,504,312
		<b>₱18,100,333,204</b>	<b>₱16,207,085,126</b>

Purpose	Terms and Conditions	Effective Interest Rate	2025	2024
To finance working capital	Payable in lump sum payments within three months; Secured by continuing surety agreement with stockholders, FECl and a related party	6.5% to 7.8%, 6.9% to 7.8% and 5.0% to 7.8% in 2025, 2024 and 2023, respectively	<b>₱12,429,250,000</b>	<b>₱11,609,451,570</b>
To finance working capital	Payable in lump sum payments at various maturity dates that are co-terminus with the invoice date plus two days of the assigned trade receivables; Secured by assignment with full recourse of trade receivables with carrying amount of ₱4,233.6 million and ₱1,883.0 million as at December 31, 2025 and 2024, respectively (see Note 5)	6.9% to 7.0% and 6.9% to 7.8% in 2025 and 2024, respectively	<b>3,560,276,476</b>	<b>1,882,911,283</b>
To finance importations of inventories	Payable in lump sum payments within one to three months; Secured by inventories with carrying amount of ₱2,040.7 million and ₱2,185.5 million as at December 31, 2025 and 2024, respectively, or the corresponding sales proceeds (see Note 6)	6.8% to 7.0% and 6.9% to 7.0% in 2025 and 2024, respectively	<b>2,040,680,333</b>	<b>2,185,504,312</b>
To finance repairs and rehabilitation of depot	Payable in monthly installment payments within four to ten years; Secured by land under "Property and equipment" account with carrying amount of ₱49.4 million as at December 31, 2025 and 2024	6% to 7% in 2025, 2024 and 2023	<b>70,126,395</b>	<b>77,308,601</b>
To finance construction of depot facilities	Payable on demand; Unsecured; Through a Standby Credit Facility Agreement (SCFA) with related parties (see Note 25)	Various rates based on the 91-day treasury bill rate plus a specified margin on the date of each drawdown	<b>-</b>	<b>451,909,360</b>
			<b>₱18,100,333,204</b>	<b>₱16,207,085,126</b>

In 2025, the Group settled its promissory notes with a related party through an offset arrangement with a related party amounting to ₱451.9 million. This is considered as noncash financial information in the consolidated statements of cash flows (see Note 25).

Borrowings are presented in the consolidated statements of financial position as follows:

	2025	2024
Current	<b>₱18,038,140,151</b>	<b>₱16,138,305,291</b>
Noncurrent	<b>62,193,053</b>	<b>68,779,835</b>
	<b>₱18,100,333,204</b>	<b>₱16,207,085,126</b>

Details of the Group's finance costs recognized in the consolidated statements of comprehensive income are as follows:

Note	2025	2024	2023
Interest expense on:			
Short-term promissory notes	<b>₱817,551,422</b>	<b>₱800,373,289</b>	<b>₱628,837,827</b>
Trust receipts	<b>139,070,397</b>	<b>75,676,910</b>	<b>-</b>
Lease liabilities	<b>23,879,152</b>	<b>23,590,799</b>	<b>31,888,809</b>
Long-term promissory notes	<b>5,335,383</b>	<b>1,534,032</b>	<b>-</b>
Fees for receivable financing	<b>162,672,670</b>	<b>92,209,555</b>	<b>-</b>
	<b>₱1,148,509,024</b>	<b>₱993,384,585</b>	<b>₱660,726,636</b>

Maturity analysis of the Group's borrowings as at December 31, 2025 is as follows

2026	P18,038,140,151
2027	7,730,860
2028	7,730,860
2029	7,730,860
2030	7,730,860
After 2030	31,269,613
	P18,100,333,204

## 15. Equity

### Capital Stock

The details of the capital stock as at December 31, 2025, 2024 and 2023 are as follows:

	2025		2024		2023	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized - P0.25 par value</b>						
Balance at beginning and end of year	20,000,000,000	P5,000,000,000	20,000,000,000	P5,000,000,000	20,000,000,000	P5,000,000,000
<b>Subscribed</b>						
Balance at beginning and end of year	14,668,643,064	P3,667,160,766	14,668,643,064	P3,667,160,766	14,668,643,064	P3,667,160,766
<b>Subscription Receivable</b>						
Balance at beginning of year	-	-	-	-	-	112,500,000
Collections	-	-	-	-	-	(112,500,000)
Balance at end of year	-	-	-	-	-	-
Issued	14,668,643,064	P3,667,160,766	14,668,643,064	P3,667,160,766	14,668,643,064	P3,667,160,766
<b>Treasury Stock</b>						
Balance at beginning of year	18,000,000	P3,240,000	18,000,000	P3,240,000	18,000,000	P3,240,000
Sale	(18,000,000)	(3,240,000)	-	-	-	-
Balance at end of year	-	P-	18,000,000	P3,240,000	18,000,000	P3,240,000
<b>Outstanding</b>						
Balance at beginning of year	14,668,643,064	P3,667,160,766	P14,650,643,064	P3,663,920,766	14,650,643,064	P3,663,920,766

Pursuant to the registration statement rendered effective by the SEC on October 16, 1973, a total of 14,218,643 shares of the Parent Company were listed in the PSE. As at December 31, 2025 and 2024, the number of holders of such securities is 6,499 and 6,503, respectively.

### Sale of Delinquent Shares

On September 12, 2023, the Parent Company sold 450.0 million delinquent shares of stock through an auction sale at a bid price of P0.289 per share for a total consideration of P139.6 million recognized in the consolidated statements of financial position as follows:

Collection of subscription receivable	P112,500,000
Additional paid-in capital	17,124,337
	P129,624,337

### Treasury Stock

In 2025, 18.0 million shares of the Parent Company, held by a former subsidiary as at December 31, 2024, were sold to third parties as follows:

	Amount
Selling price	P2,250,000
Cost	3,240,000
Loss on sale	P990,000

### Other Comprehensive Income

The sources of the Group's other comprehensive income, net of deferred tax, are as follows:

For the Year Ended	Note	Cumulative Unrealized Gains on Fair Value Changes of Financial Assets at FVOCI (see Note 12)	Revaluation Surplus (see Note 11)	Cumulative Remeasurement Gains on Net Retirement Benefit Liability (see Note 21)	Cumulative Gains on Translation of Foreign Operations	Total
<b>December 31, 2025</b>						
Gross		(P202,641)	P32,880,779	(P2,764,713)	(P4,690,727)	P25,222,698
Deferred tax	23	-	(8,220,195)	643,652	-	(7,576,543)
Net		(P202,641)	P24,660,584	(P2,121,061)	(P4,690,727)	P17,646,155
<b>December 31, 2024</b>						
Gross		P3,016,313	P-	P674,157	P556,179	P4,246,649
Deferred tax	23	-	-	(481,740)	-	(481,740)
Net		P3,016,313	P-	P192,417	P556,179	P3,764,909
<b>December 31, 2023</b>						
Gross		P129,710	P-	(P13,545,935)	(P1,875,483)	(P15,291,708)
Deferred tax	23	-	-	109,495	-	109,495
Net		P129,710	P-	(P13,436,440)	(P1,875,483)	(P15,182,213)

The Group's other comprehensive income, net of deferred tax, is attributable to the following:

For the Year Ended		Cumulative Unrealized Gains on Fair Value Changes of Financial Assets at FVOCI	Revaluation Surplus	Cumulative Remeasurement Gains on Net Retirement Benefit Liability	Cumulative Gains on Translation of Foreign Operations	Total
<b>December 31, 2025</b>						
Parent Company		(P202,641)	P8,877,810	(P1,174,892)	(P4,504,614)	P2,995,663
Non-controlling interests		-	15,782,774	(946,169)	(186,113)	14,650,492
		(P202,641)	P24,660,584	(P2,121,061)	(P4,690,727)	P17,646,155
<b>December 31, 2024</b>						
Parent Company		P3,016,313	P-	(P810,565)	P847,925	P3,053,673
Non-controlling interests		-	-	1,002,982	(291,746)	711,236
		P3,016,313	P-	P192,417	P556,179	P3,764,909
<b>December 31, 2023</b>						
Parent Company		P129,710	P-	(P4,381,246)	(P1,902,601)	(P6,154,137)
Non-controlling interests		-	-	(9,055,194)	27,118	(9,028,076)
		P129,710	P-	(P13,436,440)	(P1,875,483)	(P15,182,213)

## 16. Noncontrolling Interests

The Group's non-controlling interests on net assets as at December 31, 2025 and 2024 amounting to ₱3,294.1 million and ₱3,322.6 million, respectively, pertain to the following:

Subsidiaries	Direct %	Indirect %
FECI	40.00	–
FLC	–	69.40
LDFHC	–	64.00
FTMRC	–	64.00
M2TI	–	64.00
PLBRC	–	82.00
SRI	27.42	–
PT BES	–	5.00

### Dividend Declared by Subsidiaries to the Holders of Non-controlling Interests

Details of this account for the year ended are as follows:

Subsidiary	Date of Declaration	Date of Payment	Per Share	Total Amount
<b>December 31, 2025</b>				
FECI	December 6, 2025	December 6, 2025	₱9.79	₱37,944,000
FLC	November 25, 2025	November 25, 2025	28.41	61,250,000
LDFHC	December 3, 2025	December 3, 2025	320.00	26,600,000
PLBRC	December 3, 2025	December 3, 2025	1,653.87	64,000,000
				₱189,794,000
<b>December 31, 2024</b>				
FLC	December 27, 2024	December 27, 2025	₱122.73	₱264,600,000

### Material Non-controlling Interests

As at December 31, 2025 and 2024, the Group considers FECI as a subsidiary having material non-controlling interests representing 40% ownership amounting to ₱3,438.5 million and ₱3,602.3 million, respectively. In 2025, 2024 and 2023, net income allocated to non-controlling interest in FECI amounted to ₱163.8 million, ₱49.0 million and ₱209.7 million, respectively. In 2025, FECI paid dividends to non-controlling interest amounting to ₱12.5 million.

The summarized financial information of FECI as at December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024
<b>Statements of Financial Position</b>		
Current assets	₱32,563,526,493	₱27,293,925,166
Noncurrent assets	2,693,268,856	2,822,543,562
Current liabilities	29,731,432,438	24,509,786,480
Noncurrent liabilities	592,653,432	858,356,606
Equity attributable to NCI	650,239,814	693,711,013
Equity attributable to Parent Company	₱4,282,469,665	₱4,054,614,629

	2025	2024	2023
<b>Statements of Comprehensive Income</b>			
Revenues	<b>₱52,178,933,766</b>	₱47,950,748,336	₱64,068,675,477
Net income	<b>429,774,930</b>	152,590,442	216,898,753
Total comprehensive income	<b>432,040,005</b>	154,765,027	203,918,718
<b>Statements of Cash Flows</b>			
Operating activities	<b>358,812,159</b>	(4,547,187,867)	(1,936,619,212)
Investing activities	<b>100,748,326</b>	(189,391,024)	23,291,112
Financing activities	<b>428,842,572</b>	4,666,516,713	2,538,102,471
Net increase (decrease) in cash	<b>888,403,057</b>	(70,062,178)	624,774,371
Effects of exchange rate changes on cash and cash equivalents	<b>(189,465)</b>	(41,274)	(71,860)
Cash at beginning of year	<b>1,583,800,150</b>	1,653,903,602	1,029,201,091
Cash at end of year	<b>₱2,472,013,742</b>	₱1,583,800,150	₱1,653,903,602

## 17. Revenues

This account consists of:

	Note	2025	2024	2023
Sale of fuel		<b>₱52,056,033,514</b>	₱47,826,086,254	₱63,900,448,645
Sale of services:				
Rent	22	<b>69,698,301</b>	75,473,596	74,815,947
Port service income		<b>53,201,951</b>	54,035,200	98,291,834
Others		<b>1,223,293</b>	534,978	-
		<b>124,123,545</b>	130,043,774	173,107,781
		<b>₱52,180,157,059</b>	₱47,956,130,028	₱64,073,556,426

Disaggregation of revenues based on timing of recognition is as follows:

	Note	2025	2024	2023
Contracts with customers:				
At a point in time		<b>₱52,056,033,514</b>	₱47,826,086,254	₱63,900,448,645
Over a period of time		<b>54,425,244</b>	54,570,178	98,291,834
		<b>52,110,458,758</b>	47,880,656,432	63,998,740,479
Others		<b>69,698,301</b>	75,473,596	74,815,947
		<b>₱52,180,157,059</b>	₱47,956,130,028	₱64,073,556,426

## 18. Cost of Sales and Services

This account consists of:

	Note	2025	2024	2023
Cost of goods sold	6	<b>₱50,031,873,376</b>	₱46,576,445,711	₱62,190,665,808
Cost of services:				
Depreciation and amortization	11	<b>22,195,344</b>	22,895,562	23,487,541
Others		<b>17,238,133</b>	19,187,412	22,765,081
		<b>₱50,071,306,853</b>	₱46,618,528,685	₱62,236,918,430

## 19. General and Administrative Expenses

This account consists of:

	Note	2025	2024	2023
Depreciation, amortization and impairment loss	11	<b>₱475,576,109</b>	₱320,772,978	₱603,732,879
Personnel costs	21	<b>271,947,538</b>	268,288,537	255,470,086
Taxes and licenses		<b>225,994,381</b>	140,827,530	99,769,083
Rentals	22	<b>182,291,226</b>	104,536,990	90,013,824
Outside services		<b>101,523,094</b>	104,710,276	106,394,631
Professional fees		<b>53,227,037</b>	33,586,145	35,062,512
Write-off of:				
Receivable from claim for tax refund	5	<b>31,609,189</b>	–	–
Other current assets	7	<b>13,328,410</b>	–	–
Provision for ECL	5	<b>42,935,822</b>	18,264,348	–
Transportation and travel		<b>38,001,760</b>	24,973,056	68,809,387
Repairs and maintenance		<b>37,513,533</b>	33,052,712	53,957,809
Insurance		<b>32,813,406</b>	29,423,865	41,137,000
Representation		<b>19,353,212</b>	8,844,272	10,140,561
Utilities		<b>13,532,548</b>	14,092,913	–
Business support service fees	25	–	72,000,000	105,042,546
Others		<b>47,672,748</b>	39,450,344	43,953,268
		<b>₱1,587,320,013</b>	₱1,212,823,966	₱1,513,483,586

## 20. Other Income - Net

This account consists of:

	Note	2025	2024	2023
Income from penalty	5	<b>₱248,402,624</b>	₱503,865,014	₱105,548,197
Fair value adjustments:				
Investment properties	10	<b>139,482,000</b>	16,973,345	73,117,985
Derivative instruments	27	<b>87,660,496</b>	108,016,506	(93,432,781)
Gain on:				
Early settlement of installment receivable	25	<b>151,419,268</b>	-	-
Write-off of trade and other payables	13	<b>12,877,792</b>	-	-
Disposal of investment in subsidiaries	8	<b>4,595,665</b>	-	-
Reversal of provision for probable losses	28	-	-	39,405,712
Termination of lease	22	-	-	53,191
Management fees	25	<b>60,000,000</b>	-	-
Net foreign exchange changes		<b>(8,622,576)</b>	31,211,231	140,685,273
Others		<b>9,747,993</b>	2,415,953	25,652,859
		<b>₱705,563,262</b>	₱662,482,049	₱291,030,436

## 21. Personnel Costs

This account consists of:

	Note	2025	2024	2023
Salaries and wages		<b>₱252,381,512</b>	₱247,489,496	₱235,279,475
Retirement benefits		<b>19,566,026</b>	20,799,041	20,190,611
	19	<b>₱271,947,538</b>	₱268,288,537	₱255,470,086

### Retirement Benefits

The Parent Company and FLC have funded, noncontributory defined retirement benefit plan (collectively referred herein as "the Plans") covering all of their regular employees. The Plans are based on a certain percentage of the final monthly basic salary for every year of credited service of the employees. The benefits to be received by the employees under the Plans meet the minimum mandated benefit under Republic Act No. 7641, *The Retirement Pay Law*. Annual cost is determined by using the projected unit cost method.

The latest actuarial valuation reports of the Group were as at and for the year ended December 31, 2025.

The Group's retirement benefit plan is presented in the consolidated statements of financial position as follows:

	Note	2025	2024
Net retirement benefit asset	12	<b>₱14,040,667</b>	₱11,882,714
Net retirement benefit liability		<b>(5,433,581)</b>	(1,944,889)
		<b>₱8,607,086</b>	₱9,937,825

The funded status of the Group's retirement benefit plan is as follows:

	Note	2025	2024
Fair value of plan assets (FVPA)	25	<b>₱194,223,501</b>	₱164,338,646
Present value of defined benefit obligation (PVBO)		<b>(184,715,004)</b>	(153,677,164)
Effect of the asset ceiling		<b>(901,411)</b>	(723,657)
		<b>₱8,607,086</b>	₱9,937,825

The balance of and movements in net retirement benefit asset are as follows:

	2025	2024
Balance at beginning of year	<b>₱9,937,825</b>	₱9,370,725
Retirement benefit expense	<b>(19,566,026)</b>	(20,799,041)
Contributions to plan assets	<b>21,000,000</b>	20,691,984
Remeasurement gains (losses)	<b>(2,764,713)</b>	674,157
Balance at end of year	<b>₱8,607,086</b>	₱9,937,825

In 2023, contributions to plan assets and benefits paid from operating fund amounted to ₱28.4 million and ₱4.5 million, respectively.

#### Retirement Benefit Expense

The components of this account are as follows:

	2025	2024	2023
Current service cost	<b>₱20,758,178</b>	₱22,000,796	₱22,219,816
Net interest income	<b>(1,236,223)</b>	(1,233,687)	(2,173,985)
Interest on the effect of asset ceiling	<b>44,071</b>	31,932	144,780
	<b>₱19,566,026</b>	₱20,799,041	₱20,190,611

**PVBO**

The balance of and movements in this account are as follows:

	2025	2024
Balance at beginning of year	<b>₱153,677,164</b>	₱125,768,371
Current service cost	<b>20,758,178</b>	22,000,796
Interest expense	<b>9,362,750</b>	7,758,869
Actuarial losses (gains):		
Experience adjustments	<b>3,815,491</b>	(3,168,363)
Change in demographic assumptions	<b>(206,297)</b>	(876,487)
Change in financial assumptions	<b>(980,527)</b>	2,489,978
Benefits paid from plan assets	<b>(1,711,755)</b>	(296,000)
<b>Balance at end of year</b>	<b>₱184,715,004</b>	<b>₱153,677,164</b>

In 2023, benefits paid from plan assets and interest expense amounted to ₱4.6 million and ₱5.5 million, respectively.

The principal assumptions used in determining the PVBO are as follows:

	2025	2024
Discount rate	<b>6.31% to 6.42%</b>	6.09% to 6.11%
Salary increase rate	<b>5.00% to 6.00%</b>	5.00% to 6.00%

Sensitivity analysis on the PVBO as at December 31, 2025 and 2024 are as follows:

	Change in Assumption	2025	2024
Discount rate	+1.00%	<b>(1,126,841)</b>	(982,353)
	-1.00%	<b>2,183,383</b>	1,619,148
Salary increase rate	+1.00%	<b>2,223,630</b>	1,607,115
	-1.00%	<b>(1,191,096)</b>	(989,090)

**FVPA**

The balance of and movements in this account are as follows:

	2025	2024
Balance at beginning of year	<b>₱164,338,646</b>	₱135,664,286
Contribution to plan assets	<b>21,000,000</b>	20,691,984
Interest income	<b>10,598,973</b>	8,992,556
Benefits paid from plan assets	<b>(1,711,755)</b>	(296,000)
Return on plan asset	<b>(2,363)</b>	(714,180)
<b>Balance at end of year</b>	<b>₱194,223,501</b>	<b>₱164,338,646</b>

In 2023, interest income and return on plan asset amounted to ₱8.1 million and ₱3.1 million, respectively.

The major categories of Group's plan assets as a percentage of the fair value of total plan assets are as follows:

	2025	2024
Investments in government securities	56.50%	73.29%
Other securities and debt instruments	8.20%	20.18%
Investments in unit investment trust fund	32.48%	4.20%
Others	2.82%	2.33%
	<b>100.00%</b>	<b>100.00%</b>

#### **Cumulative Remeasurement Gain (Loss) on Net Retirement Benefit Liability**

In 2025 and 2023, the Group recognized remeasurement loss on net retirement benefit liability amounting to ₱2.1 million and ₱13.4 million, respectively. In 2024, the Group recognized remeasurement gain on net retirement benefit liability amounting to ₱0.2 million (see Note 15).

#### **Risks Associated with the Retirement Plan**

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

*Investment and Interest Rate Risks.* The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the Plan's investments in debt securities, and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investments in cash and cash equivalents, equity and debt securities. Due to the long-term nature of the plan obligation, diversifying its investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

*Longevity and Salary Risks.* The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

#### **Funding Arrangements and Expected Contributions**

The Group is not required to pre-fund the future defined benefits payable under the retirement plan before they become due. For this reason, the amount and timing of contributions to the retirement fund to support the defined benefits are at the Group's discretion. However, in the event a defined benefit claim arises, and the retirement fund is insufficient to pay the claim, the shortfall will then be due and payable from the Group to the retirement fund. The Group expects to contribute ₱23.1 million to the fund in 2026.

As at December 31, 2025, the maturity analysis of the undiscounted net retirement benefit liability is as follows:

Within one (1) year	₱91,486,069
More than one (1) year to five (5) years	49,093,522
More than five (5) years to 10 years	81,671,845
More than 10 years to 15 years	22,881,090
More than 15 years to 20 years	30,757,299
More than 20 years to 25 years	22,688,784
	<b>₱298,578,609</b>

The average duration of the retirement benefit liability as at December 31, 2025 is approximately 10.57 years.

## 22. Leases

### Group as a Lessee

The Group entered into various lease agreements for the use of land, depot and plant facilities, service vehicles and office spaces. The terms of the agreements range from one (1) year to 25 years, contain either a regular escalation rate or a fixed rent provision until the end of lease term, and renewal options, subject to the approval of both parties.

The lease-related expenses (income) and total cash outflows recognized in the consolidated financial statements are as follows:

	Note	2025	2024	2023
Rent expense	19	₱182,291,226	₱104,536,990	₱90,013,824
Amortization of ROU assets	11	58,334,164	144,656,759	228,559,249
Interest expense	14	23,879,152	23,590,799	31,888,809
Gain on termination of lease	20	-	-	(53,191)
<b>Lease-related expenses</b>		<b>264,504,542</b>	<b>272,784,548</b>	<b>₱350,408,691</b>
<b>Total cash outflows</b>		<b>₱254,742,688</b>	<b>₱260,801,068</b>	<b>₱313,496,280</b>

### ROU Assets

The balances of and movements in this account are as follows:

	2025			
	Depot and Plant Facilities	Land	Others	Total
<b>Cost</b>				
Balances at beginning of year	₱815,013,588	₱95,600,664	₱190,179,355	₱1,100,793,607
Additions	299,145,660	231,155,883	448,529	530,750,072
Derecognition	(186,642,481)	-	(4,776,037)	(191,418,518)
Effect of lease modification	-	-	(98,027,388)	(98,027,388)
Balances at end of year	927,516,767	326,756,547	87,824,459	1,342,097,773
<b>Accumulated Amortization</b>				
Balances at beginning of year	739,388,366	(50,795,305)	61,760,170	750,353,231
Derecognition	(186,642,481)	-	(4,776,037)	(191,418,518)
Amortization	20,837,654	16,634,338	20,862,172	58,334,164
Balances at end of year	573,583,539	(34,160,967)	77,846,305	617,268,877
<b>Carrying Amounts</b>	<b>₱353,933,228</b>	<b>₱360,917,514</b>	<b>₱9,978,154</b>	<b>₱724,828,896</b>

	2024			
	Depot Facilities	Land	Others	Total
<b>Cost</b>				
Balances at beginning of year	₱815,013,588	₱190,085,451	₱190,179,355	₱1,195,278,394
Additions	-	1,875,436	-	1,875,436
Effect of lease modification	-	(47,785,698)	-	(47,785,698)
Derecognition	-	(48,574,525)	-	(48,574,525)
Balances at end of year	815,013,588	95,600,664	190,179,355	1,100,793,607
<b>Accumulated Amortization</b>				
Balances at beginning of year	739,388,366	67,350,193	61,760,170	868,498,729
Amortization	-	144,656,759	-	144,656,759
Derecognition	-	(262,802,257)	-	(262,802,257)
Balances at end of year	739,388,366	(50,795,305)	61,760,170	750,353,231
<b>Carrying Amounts</b>	<b>₱75,625,222</b>	<b>₱146,395,969</b>	<b>₱128,419,185</b>	<b>₱350,440,376</b>

Additions to ROU assets and lease liabilities in 2025 and 2024 amounting to ₱491.0 million and ₱1.9 million, respectively, were considered as noncash financial information in the consolidated statements of cash flows.

Further, in 2025, additions to ROU assets include payments of advance rent amounting to ₱39.8 million.

### Lease Liabilities

The balances of and movements in this account are as follows (see Note 30):

	2025	2024
Balance at beginning of year	₱343,993,979	₱522,577,520
Additions	490,993,179	1,875,436
Effect of lease modifications	(98,027,388)	(47,785,698)
Payments	(72,451,462)	(156,264,078)
Interest expense	23,879,152	23,590,799
Balance at end of year	<b>₱688,387,460</b>	<b>₱343,993,979</b>

This account is presented in the consolidated statements of financial position as follows:

	2025	2024
Current	<b>₱53,466,905</b>	₱40,627,540
Noncurrent	<b>634,920,555</b>	303,366,439
	<b>₱688,387,460</b>	₱343,993,979

Future minimum rental payments under existing non-cancellable lease payments as at December 31, 2025 are as follows:

2026	₱110,856,025
2027	106,812,667
2028	105,946,744
2029	100,985,452
2030	72,515,075
After 2030	512,024,659
	<b>₱1,009,140,622</b>

#### **Rent Expenses**

The Group has certain short-term, low value leases and leases with variable rates of which the Group applies the exemption to recognize ROU assets and lease liabilities for these leases. Details of rent expense recognized in the consolidated statements of comprehensive income are as follows:

	Note	2025	2024	2023
Variable		<b>₱169,858,542</b>	₱98,955,668	₱85,325,028
Short-term		<b>12,432,684</b>	5,581,322	4,688,796
	19	<b>₱182,291,226</b>	₱104,536,990	₱90,013,824

#### **Refundable Deposits**

The Group's refundable deposits, which are to be refunded at the end of the lease term, are presented in the consolidated statements of financial position as follows:

	Note	2025	2024
Current	7	<b>₱945,000</b>	₱25,000,000
Noncurrent	12	<b>41,854,335</b>	22,236,963
		<b>₱42,799,335</b>	₱47,236,963

#### **Group as Lessor**

The Group entered into various operating lease agreements to for the use of the Group's land classified under "Investment properties" account. The terms of the agreement range from one (1) to 10 years, contain either a regular escalation rate or a fixed rent provision until the end of lease term, and renewal options, subject to the approval of both parties.

Rent revenues recognized by the Group amounted to ₱69.7 million, ₱75.5 million, and ₱74.8 million in 2025, 2024, and 2023, respectively (see Note 17).

The Group's future minimum rental receivables under fixed non-cancellable operating leases as at December 31, 2025 are as follows:

2026	P22,038,784
2027	20,651,600
2028	18,612,915
2029	12,288,546
2030	11,330,791
After 2030	455,099,467
	<b>P540,022,103</b>

### 23. Income Taxes

The components of the Group's income tax expense (benefit) as reported in the consolidated statements of comprehensive income are as follows:

	Note	2025	2024	2023
<b>Reported in Profit or Loss</b>				
Current tax		P81,657,267	P32,671,718	P78,133,216
Deferred tax		(63,539,082)	(117,493,307)	(64,424,567)
		<b>P18,118,185</b>	<b>(P84,821,589)</b>	<b>P13,708,649</b>
<b>Deferred Tax Reported in OCI</b>				
Revaluation surplus	15	P8,220,195	P-	P-
Remeasurement losses (gains) on net retirement benefit asset	15	(643,652)	481,740	(109,495)
		<b>P7,576,543</b>	<b>P481,740</b>	<b>(P109,495)</b>

The Group's net deferred tax liabilities are presented in the consolidated statements of financial position as follows:

	2025	2024
Net deferred tax assets	P12,785,615	P-
Net deferred tax liabilities	570,850,878	614,027,802
Net amount	<b>P558,065,263</b>	<b>P614,027,802</b>

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

	2025	2024
<b>Deferred tax assets:</b>		
Allowance for impairment loss on property and equipment	₱74,724,007	₱-
NOLCO	6,683,683	19,713,062
Allowance for ECL on trade and other receivables	6,530,064	3,948,736
Unrealized foreign exchange losses	5,762,687	-
Lease liabilities over ROU assets	4,288,497	1,611,599
Derivative liability	-	12,560,496
Excess of MCIT over RCIT	-	5,326,751
Others	2,080,113	12,102,126
	<b>100,069,051</b>	<b>55,262,770</b>
<b>Deferred tax liabilities:</b>		
Fair value adjustments in property and equipment arising from business combination	636,043,198	657,840,797
Derivative assets	9,354,628	-
Revaluation Surplus	8,220,195	-
Net retirement plan assets	3,510,167	2,970,678
Unrealized foreign exchange gain	1,006,126	8,479,097
	<b>658,134,314</b>	<b>669,290,572</b>
	<b>₱558,065,263</b>	<b>₱614,027,802</b>

The details of the Group's unrecognized deferred tax assets, of which the management has assessed that there may be no sufficient future taxable income against the benefits of the deductible temporary differences and carryforward benefits can be utilized, are as follows:

	2025	2024
NOLCO	₱70,149,512	₱51,727,609
Lease liabilities over ROU assets	4,821,862	-
Unamortized past service cost	2,905,189	3,487,205
Allowance for ECL on trade receivables	5,831,646	3,178,457
Unrealized foreign exchange loss	1,072,496	2,436,200
Excess of MCIT over RCIT	1,633,442	1,478,829
Net retirement liability	1,358,395	486,222
	<b>₱87,772,542</b>	<b>₱62,794,522</b>

Details of the Group's NOLCO as at December 31, 2025 are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2025	₱87,521,372	₱-	₱-	₱87,521,372	2028
2024	114,915,631	4,441,063	-	110,474,568	2027
2023	59,521,162	-	-	59,521,162	2026
2022	22,606,763	-	22,606,763	-	2025
2021	49,815,676	-	-	49,815,676	2026
2020	38,903,452	-	38,903,452	-	2025
	<b>₱373,284,056</b>	<b>₱4,441,063</b>	<b>₱61,510,215</b>	<b>₱307,332,778</b>	

Under Revenue Regulations No. 25-2020, net operating loss incurred for the taxable years 2020 and 2021 will be carried over for the next five (5) consecutive taxable years immediately following the year such loss was incurred.

Details of the Group's excess of MCIT over RCIT as at December 31, 2025 are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2025	₱918,817	₱-	₱-	₱918,817	2028
2024	5,664,185	5,326,751	-	337,434	2027
2023	377,191	-	-	377,191	2026
2022	764,204	-	764,204	-	2025
	<b>₱7,724,397</b>	<b>₱5,326,751</b>	<b>₱764,204</b>	<b>₱1,633,442</b>	

The reconciliation of income tax expense (benefit) between statutory income tax rate and effective income tax rate is as follows:

	2025	2024	2023
At statutory income tax rate	<b>₱50,854,324</b>	<b>(₱14,044,925)</b>	<b>₱28,325,038</b>
Tax effects of:			
Income subjected to final tax	<b>(2,068,815)</b>	<b>(4,146,677)</b>	<b>(3,255,409)</b>
Nondeductible expenses	<b>26,065,191</b>	<b>4,852,666</b>	<b>5,333,210</b>
Nontaxable income	<b>(96,376,606)</b>	<b>(30,996,724)</b>	<b>(47,911,307)</b>
Recognition (reversal) of deferred tax assets	<b>(1,285,583)</b>	<b>(54,432,571)</b>	<b>21,868,627</b>
Change in unrecognized deferred tax assets	<b>24,787,916</b>	<b>13,631,148</b>	<b>8,769,517</b>
Expired NOLCO	<b>15,377,554</b>	<b>-</b>	<b>-</b>
Expired excess of MCIT over RCIT	<b>764,204</b>	<b>315,494</b>	<b>578,973</b>
At effective income tax rate	<b>₱18,118,185</b>	<b>(₱84,821,589)</b>	<b>₱13,708,649</b>

## 24. Basic and Diluted Income (Loss) per Share

The following reflects the income (loss) and share data used in the basic and diluted income (loss) per share computation:

	2025	2024	2023
Net income (loss) attributable to shareholders of the Parent Company	<b>₱38,628,374</b>	<b>(₱19,901,916)</b>	<b>₱42,693,877</b>
Divided by: Weighted average number of outstanding shares	<b>14,659,643,064</b>	<b>14,650,643,064</b>	<b>14,650,643,064</b>
Basic and diluted income (loss) per share	<b>₱0.003</b>	<b>(₱0.001)</b>	<b>₱0.003</b>

There have been no other transactions involving common shares or potential common shares between the end of financial reporting period and the date of issuance of these consolidated financial statements. There are no potential dilutive shares as of December 31, 2025, 2024 and 2023.

## 25. Related Party Transactions

In the normal course of business, the following table summarizes the related party transactions of the Group:

Nature of Relationship	Nature of Transaction	Amount of Transaction			Outstanding Balance	
		2025	2024	2023	2025	2024
<b>Trade Receivables (see Note 5)</b>						
Entity under common control	Sale of fuel	<b>₱8,626,178,007</b>	<b>₱13,168,129,860</b>	<b>₱20,942,915,755</b>	<b>₱10,599,723,620</b>	<b>₱10,017,838,455</b>
	Rent income	<b>8,990,939</b>	<b>8,990,939</b>	<b>8,990,939</b>	<b>2,551,211</b>	<b>75,197</b>
	Income from penalty	<b>-</b>	<b>257,335,304</b>	<b>12,305,362</b>	<b>-</b>	<b>-</b>
		<b>8,635,168,946</b>	<b>13,434,456,103</b>	<b>20,964,212,056</b>	<b>10,602,274,831</b>	<b>10,017,913,652</b>
	Less allowance for ECL	<b>-</b>	<b>-</b>	<b>-</b>	<b>649,265</b>	<b>1,959,362</b>
					<b>₱10,601,625,566</b>	<b>₱10,015,954,290</b>
<b>Installment Receivable (see Note 5)</b>						
Entity under common control	Sale of investment in associate	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱1,231,576,490</b>
	Interest income	<b>79,219,441</b>	<b>99,529,598</b>	<b>109,435,006</b>	<b>-</b>	<b>(230,638,709)</b>
					<b>₱-</b>	<b>₱1,000,937,781</b>
<b>Advances to Related Parties (see Note 5)</b>						
Entity under common control	To finance long-term investments	<b>₱249,146,809</b>	<b>₱431,867,563</b>	<b>₱328,378,948</b>	<b>₱1,224,973,494</b>	<b>₱1,062,729,170</b>
Associates	Working capital advances	<b>103,236</b>	<b>1,492,401</b>	<b>1,389,165</b>	<b>1,492,401</b>	<b>1,389,165</b>
	Arising from deconsolidation (see Note 8)	<b>51,570,045</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Joint venture	Working capital advances	<b>1,196,717</b>	<b>-</b>	<b>-</b>	<b>38,116</b>	<b>-</b>
					<b>₱1,226,504,011</b>	<b>₱1,064,118,335</b>
<b>Notes Receivable (see Note 5)</b>						
Entity under common control	To finance long-term investments	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱521,224,038</b>	<b>₱521,224,038</b>
<b>Interest Receivable</b>						
Entity under common control	Interest income	<b>₱15,636,721</b>	<b>₱15,636,721</b>	<b>₱15,636,721</b>	<b>₱69,272,815</b>	<b>₱53,636,094</b>
<b>Nontrade Receivable (see Note 5)</b>						
Associate	Management fees	<b>₱67,200,000</b>	<b>₱-</b>	<b>₱-</b>	<b>₱67,200,000</b>	<b>₱-</b>

Nature of Relationship	Nature of Transaction	Amount of Transaction			Outstanding Balance	
		2025	2024	2023	2025	2024
<b>Advances for Future Stock Subscription (see Note 9)</b>						
Joint venture	Deposit for future stock subscriptions	P47,187,167	P-	P-	P47,187,167	P-
<b>Trade Payables (see Note 13)</b>						
Associate	Purchase of fuel	P12,285,391,256	P6,057,230,372	P7,902,099,353	P4,883,193,319	P288,376,730
Joint Ventures	Utilities	3,928,743	2,550,767	3,953,996	109,527	98,000
	Repairs and maintenance	25,000,000	25,000,000	25,000,000	-	-
Entity under common control	Repairs and maintenance	84,500	-	-	84,500	-
					P4,883,387,346	P288,474,730
<b>Advances from Related Parties (see Note 13)</b>						
Associates	Working capital advances	P15,477,496	P-	P-	P15,477,496	P-
Entity under common control	Assignment	-	-	-	-	542,527,252
					P15,477,496	P542,527,252
<b>Dividends Payable</b>						
Entity under common control	Dividends declared	P125,794,000	P264,600,000	P-	P38,944,000	P264,600,000
	Assignment	-	-	-	-	273,420,000
					P38,944,000	P538,020,000
<b>Other Payables</b>						
Entity under common control	Business support services	P-	P72,000,000	P105,042,546	P3,403,102	P3,403,102
	Purchase of assets	-	-	758,929	1,945,779	1,945,779
	Rentals	2,560,000	-	810,000	810,000	-
Ultimate Parent Company	Rentals	984,560	-	-	-	-
					P6,158,881	P5,348,881
<b>Borrowings (see Note 14)</b>						
Entity under common control	Capital expenditures	P-	P-	P-	P-	P451,909,360
<b>Lease Liabilities</b>						
Entity under common control	Lease payments	P240,000	P-	P-	P230,913	P-
<b>Retirement Benefit Plans (see Note 21)</b>						
	Contribution	P21,000,000	P20,691,984	P28,377,358	P194,223,501	P164,338,646
<b>Key Management Personnel</b>						
	Salaries and wages	P111,990,745	P100,194,589	P99,604,802	P36,659	P36,659
	Retirement benefits	15,199,316	14,420,962	14,604,411	14,712,025	12,226,966
					P14,748,684	P12,263,625

All related party transactions are in compliance with the related party transactions policy of the Group including the required approval process. This includes review of the related party committee and approval of the BOD for transactions exceeding certain thresholds and approval criteria.

### **Trade Receivables**

Trade receivables with TEC, arising from sale of fuel, are noninterest-bearing and generally subject to credit terms ranging from 15 to 240 days.

In 2024, the Ultimate Parent Company, through a related party, effectively acquired 100% ownership over TEC from its third-party joint venture partner, thereby obtaining control over TEC's business operations.

In March 2026, the Group approved the conversion of its trade receivables from TEC amounting to P5,000.0 million to advances for future stock subscriptions in line with the Group's future plans and strategies for TEC's business operations as distributor of petroleum products.

Trade receivables with TEC, arising from rent, are noninterest bearing and generally subject to credit terms of 30 days.

**Advances and Borrowing from TEC**

The Group was extended a standby credit facility by TEC for a maximum amount of ₱1,045.0 million. The facility was available for an initial period of 18 months and renewable for the same terms as agreed upon by the parties. The loans bear interest at rates computed on the basis of 91-day treasury bill rate plus a specified margin. In July 2022, the Group temporarily cancelled the billing of interest. As at December 31, 2024, the outstanding balance of the Group's borrowings with TPC amounted to ₱451.9 million.

Further, the Group has outstanding advances from TEC amounting to ₱542.5 million as at December 31, 2024. These advances, which include accumulate accrued interest on borrowings prior July 2022, and advances obtained by virtue of a transfer agreement dated March 29, 2016 between the Group and TPC for the acquisition of depot facilities.

On December 7, 2025, TEC, by virtue of a Deed of Assignment, assigned the advances and borrowings from FPC, an affiliate amounting to ₱542.5 million and ₱451.9 million, respectively. Following the execution of the Deed of Assignment, the Group recognized total payables to FPC amounting to ₱994.4 million.

On the same date, the Group entered into an offsetting arrangement with FPC whereby the assigned total payables amounting to ₱994.4 million were applied against the following receivables of the Group from FPC:

	Note	Amount
Installment receivables	5	₱983,503,544
Advances to a related party		10,933,068
		<u>₱994,436,612</u>

These transactions are considered as noncash financial information in the consolidated statements of cash flows for the year ended December 31, 2025.

**Advances to Related Parties**

This account is unsecured, noninterest-bearing and collectible on demand.

**Note Receivables and Interest Receivables from Related Parties**

Note and interest receivables are unsecured, collectible either on demand or through equal monthly installments, and bear interest rates of 3.00% in 2025, 2024 and 2023.

**Nontrade Receivable**

In 2025, the Group entered into an agreement (the Agreement) providing management services to its associate for procurement, importation, supply chain, and distribution of petroleum products. The Agreement provides for fixed monthly management fees for one year and is automatically renewable unless terminated by both parties. Management fees earned under the Agreement are recognized under "Other income - net" in the consolidated statements of comprehensive income. Uncollected management fees are recognized as nontrade receivables.

**Advances for Future Stock Subscription**

This account is unsecured, noninterest-bearing and will be applied as subscription to the investee.

**Trade Payables**

This account is unsecured, noninterest-bearing and payable within four months.

**Advances from Other Related Parties**

This account is unsecured, noninterest-bearing and payable on demand.

**Dividends Payable**

This account consists of unpaid portions of the dividends declared by subsidiaries to the related party non-controlling interests, which are normally settled within one year.

**Accrued Expenses and Other Payables**

This account is unsecured, noninterest-bearing and generally payable within one year.

**26. Fair Value Measurement**

The following tables present the carrying amounts and fair values of the Group's assets and liabilities, measured at fair value and for which fair values are disclosed, and the corresponding fair value hierarchy:

						2025					
						Fair Value					
						Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
	Note	Carrying Amount									
<b>Assets Measured at Fair Value</b>											
Investment properties	10	P1,258,460,102	P-	P-	P1,258,460,102						
Derivative assets	27	37,418,512	-	37,418,512	-						
Financial assets at FVOCI	12	17,208,467	17,208,467	-	-						
		<b>P1,313,087,081</b>	<b>P17,208,467</b>	<b>P37,418,512</b>	<b>P1,258,460,102</b>						
<b>Assets for which Fair Value is Disclosed</b>											
Refundable deposits	22	P42,799,335	P-	P-	P40,261,334						
<b>Liability for which the Fair Value is Disclosed</b>											
Borrowings	14	P18,100,333,204	P-	P18,108,436,626	P-						
						2024					
						Fair Value					
						Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
	Note	Carrying Amount									
<b>Assets Measured at Fair Value</b>											
Investment properties	10	P359,834,102	P-	P-	P359,834,102						
Financial assets at FVOCI	12	15,161,108	15,161,108	-	-						
		<b>P374,995,210</b>	<b>P15,161,108</b>	<b>P-</b>	<b>P359,834,102</b>						
<b>Assets for which Fair Value is Disclosed</b>											
Installment receivable	25	P1,000,937,781	P-	P-	P966,732,163						
Refundable deposits	22	47,236,963	-	-	35,371,892						
Long-term placements	12	19,058,742	-	-	15,617,193						
		<b>P1,067,233,486</b>	<b>P-</b>	<b>P-</b>	<b>P1,017,721,248</b>						
<b>Liability Measured at Fair Value</b>											
Derivative Liabilities	27	P50,241,984	P-	P50,241,984	P-						
<b>Liability for which the Fair Value is Disclosed</b>											
Borrowings	14	P16,207,085,126	P-	P16,216,927,283	P-						

There were no transfers between Level 1, Level 2, and Level 3 fair value hierarchy measurements in 2025 and 2024.

#### Investment Properties

The fair values were estimated by an independent appraiser using the market data approach which involves the comparison of the properties to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element. The latest appraisal reports were dated October 14, 2025, October 17, 2025, October 24, 2025 and December 31, 2025.

The significant unobservable inputs used in the fair valuation are as follows:

	2025	2024
Price per square meter	P90 to P550,000	P98 to P14,634
Value adjustments	-10% to -45%	-20% to -30%

The estimated fair value would increase (decrease) if the prices per square meter were higher (lower) and the value adjustments were higher (lower).

The Group has determined that the highest and best use of these properties as at December 31, 2025 and 2024 would be to hold for capital appreciation.

#### Installment Receivables

The fair values were determined using the present value of the expected future cash flows discounted using the prevailing market rates of interest for instruments with similar maturities.

#### Borrowings

The fair values were determined using the present values of the expected future cash flows discounted using the prevailing market rates of interest for instruments with similar maturities.

#### Derivative Assets and Liabilities

The fair values were determined using the present value of the expected future cash flows based on projected exchange rates for contracts with similar maturity profiles.

#### Other Financial Assets and Liabilities

The table below presents the Group's financial assets and liabilities whose carrying amounts approximate their fair values due to their short-term nature or the effect of discounting is not significant as at December 31, 2025 and 2024:

	2025	2024
Financial assets at amortized cost:		
Cash and cash equivalents	P2,506,849,701	P1,664,685,320
Trade and other receivables*	21,423,775,620	19,025,436,828
	<b>23,930,625,321</b>	<b>20,690,122,148</b>
Financial liability at amortized cost -		
Trade and other payables**	P11,636,914,155	P8,671,642,645

\*Excluding current portion of installment receivables amounting to P248.1 million as at December 31, 2024.

\*\*Excluding statutory payables amounting to P23.7 million and P48.9 million as at December 31, 2025 and 2024, respectively.

## 27. Financial Risk Management Objectives and Policies

The Parent Company's BOD has overall responsibility for overseeing the Group's risk management policies and procedures. To support this role, the BOD has established a Risk Committee that assists in monitoring and evaluating the Group's risk management framework and related processes. The Risk Committee also oversees Management's activities in identifying, managing, and mitigating the Group's key financial risks arising from its financial instruments, including credit, market and liquidity risks.

The Group's financial instruments include cash and cash equivalents, trade and other receivables, refundable deposits, long-term placements and trade and other payables (excluding nonfinancial liabilities), borrowings, derivative liabilities and lease liabilities.

### Credit Risk

The Group's exposure to credit risk arises from the potential failure of counterparties to fulfill their financial obligations to the Group in accordance with the contractual terms on its financial assets at amortized cost.

The carrying amounts of these trade and other receivables, refundable deposits, and long-term placements represent the Group's maximum exposure to credit risk. The Group has a significant concentration of credit risk with one related party, which accounts for 37% and 31% of the total outstanding financial assets at amortized cost as at December 31, 2025 and 2024, respectively.

Summary of the Group's exposure to credit risk and the corresponding allowance for ECL are as follows:

	2025			
	12-month ECL	Lifetime ECL		Total
		- Not Credit Impaired	- Credit Impaired	
Cash in banks and cash equivalents	₱2,506,195,836	₱-	₱-	₱2,506,195,836
Trade and other receivables	3,311,496,176	18,161,726,284	-	21,473,222,460
Refundable deposits	42,799,335	-	-	42,799,335
Short-term placements	13,258,639	-	-	13,258,639
Gross amounts	5,873,749,986	18,161,726,284	-	24,035,476,270
Less allowance for ECL	(23,326,584)	(26,120,256)	-	(49,446,840)
Carrying amounts	₱5,850,423,402	₱18,135,606,028	₱-	₱23,986,029,430

	2024			
	12-month ECL	Lifetime ECL		Total
		- Not Credit Impaired	- Credit Impaired	
Cash in banks and cash equivalents	₱1,664,076,497	₱-	₱-	₱1,664,076,497
Trade and other receivables	2,973,287,726	16,328,730,820	-	19,302,018,546
Refundable deposits	47,236,963	-	-	47,236,963
Long-term placements	19,058,742	-	-	19,058,742
Gross amounts	4,703,659,928	16,328,730,820	-	21,032,390,748
Less allowance for ECL	(12,713,827)	(15,794,945)	-	(28,508,772)
Carrying amounts	₱4,690,946,101	₱16,312,935,875	₱-	₱21,003,881,976

### Trade Receivables

The Group has established a credit policy for its trade receivables, under which each new customer is individually assessed for creditworthiness before the Group extends standard payment and delivery terms and conditions. The credit evaluation process considers external credit ratings, financial statements, reports from credit agencies, industry data, and, when applicable, bank references. Credit limits are set for each customer and are reviewed periodically. Any credit sales that exceed these established limits require specific approval from senior management.

ECL on trade receivables are measured at each reporting date using a provision matrix. The provision rates are determined based on the number of days past due across various customer segments, which are analyzed by customer type, credit terms, and any offsetting arrangements. These historical loss rates are then adjusted for forward-looking information by identifying economic factors that are closely correlated with default risk for each customer segment. Historical default rates are updated at each reporting date, and changes in forward-looking estimates are assessed and reflected in the provision matrix.

The Group does not hold any collateral or other credit enhancements as security for its trade receivables, except for trade receivables amounting to ₱471.5 million and ₱527.9 million as at December 31, 2025 and 2024, that are fully-secured by a chattel mortgage of shares of stocks.

Details of the Group's credit risk exposure on trade receivables using a provision matrix are as follows:

	2025				
	Current	< 30 days	30-60 days	60-90 days	>91 days
Average loss rate	0%	0%	0%	0%	1%
Estimated total gross amount at default	₱10,210,007,310	₱1,570,116,773	₱1,808,899,127	₱1,413,866,707	₱3,158,836,368
ECL	₱6,374,465	₱211,208	₱538,270	₱360,188	₱40,633,878

	2024				
	Current	< 30 days	30-60 days	60-90 days	>91 days
Average loss rate	0%	0%	0%	0%	9%
Estimated total gross amount at default	₱14,469,852,837	₱833,235,402	₱816,456,534	₱109,253,416	₱99,932,631
ECL	₱7,156,399	₱-	₱-	₱-	₱8,638,546

### Other Financial Assets at Amortized Cost

The Group implements a comprehensive credit grading system that evaluates counterparties based on both financial and non-financial factors. Financial considerations include the counterparty's financial condition, while non-financial factors cover the nature of business, management profile, industry background, payment history, and the overall relationship with the Group. The Group's credit grades are defined as follows:

**High Grade.** This category includes accounts with a very low probability of default, supported by the counterparty's strong track record of stability, profitability, and business diversification. This grade includes cash and cash equivalents, and money market placements.

**Standard Grade.** This category includes accounts with satisfactory financial capacity and credit standing, based on historical data, current conditions, and the Group's forward-looking assessments over the expected life of the receivable. While generally sound, these accounts may require certain monitoring controls to mitigate potential default risk. This grade includes advances to related parties, portion of notes receivable, installment receivables, and other receivables.

**Substandard Grade.** This grade is assigned to accounts with a known history of defaults and a high probability of future delinquency. This grade includes portion of notes receivable.

### **Liquidity Risk**

Liquidity risk refers to the possibility that the Group may encounter difficulty in obtaining sufficient funds to meet its financial obligations as they fall due, and at a reasonable cost. The Group's objective of liquidity risk management is to ensure that adequate financial resources are available at all times, enabling it to meet commitments promptly without incurring unnecessary costs, while maintaining access to funding at the lowest possible cost.

To manage this risk and maintain sufficient liquidity, the Group regularly monitors its cash inflows and outflows by preparing cash position reports that track actual and projected cash flows for the succeeding month.

The table below summarizes the maturity profile of the Group's financial liabilities as at December 31, 2025 and 2024 based on contractual undiscounted payments.

	2025				Total
	1 to 3 Months	>3 to 12 Months	>1 Year to 5 Years	More than 5 Years	
<b>Non-derivative Financial Liabilities</b>					
Trade and other payables*	₱11,532,299,784	₱64,775,126	₱39,839,245	₱-	₱11,636,914,155
Lease liabilities**	26,829,348	84,026,677	398,050,819	500,233,778	1,009,140,622
Borrowings	14,471,982,398	3,566,409,736	65,164,652	23,702,786	18,127,259,572
	<b>₱26,031,111,530</b>	<b>₱3,715,211,539</b>	<b>₱503,054,716</b>	<b>₱523,936,564</b>	<b>₱30,773,314,349</b>
<b>Derivative Financial Instruments</b>					
Inflows	₱37,418,512	₱-	₱-	₱-	₱37,418,512
Outflows	-	-	-	-	-
Net	<b>₱37,418,512</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱37,418,512</b>

\*Excluding nonfinancial liabilities amounting to ₱23.7 million as at December 31, 2025.

\*\*Including future interest expense.

	2024				Total
	1 to 3 Months	>3 to 12 Months	>1 Year to 5 Years	More than 5 Years	
<b>Non-derivative Financial Liabilities</b>					
Trade and other payables*	₱7,428,894,811	₱1,242,747,834	₱-	₱-	₱8,671,642,645
Lease liabilities**	13,363,295	52,890,072	179,365,572	215,912,454	461,531,393
Borrowings	13,797,032,850	1,889,103,530	62,011,332	44,287,363	15,792,435,075
	<b>₱21,239,290,956</b>	<b>₱3,184,741,436</b>	<b>₱241,376,904</b>	<b>₱260,199,817</b>	<b>₱24,925,609,113</b>
<b>Derivative Financial Instruments</b>					
Inflows	₱-	₱-	₱-	₱-	₱-
Outflows	50,241,984	-	-	-	50,241,984
Net	<b>₱50,241,984</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱50,241,984</b>

\*Excluding nonfinancial liabilities amounting to ₱48.9 million as at December 31, 2024.

\*\*Including future interest expense.

The derivative financial instruments presented above reflect the gross undiscounted cash flows, which may be settled on either a gross or net basis.

### **Market Risks**

Market risks, including foreign currency risk, equity price risk and interest rate risk, are the risks that changes in market prices will affect the Group's income or the value of its holdings of financial instruments. The Group's objective of market risk management is to manage and control exposures within acceptable parameters while optimizing the returns.

### Foreign Currency Risk

The Group is exposed to transactional foreign currency risks arising from monetary financial instruments denominated in United States Dollar (USD) and Indonesian Rupiah (IDR). The Group's foreign currency risk exposure primarily relates to USD-denominated purchases of fuel. To manage this risk, the Group enters into foreign currency forward contracts and maintains an appropriate level of USD-denominated assets and liabilities within acceptable limits throughout the year.

The following table shows the Group's foreign currency-denominated monetary financial assets and liabilities, and their Philippine Peso equivalents:

	2025			
	USD	Peso	IDR	Peso
Financial assets:				
Cash and cash equivalents	\$2,588	₱152,149	IDR 16,428,061	₱57,498
Nontrade receivables	-	-	130,323,154	456,131
Financial liability -				
Trade payables	(169,033,505)	(9,937,479,759)	(1,020,414,570)	(3,571,451)
	(169,030,917)	(9,937,327,610)	(873,663,355)	(3,057,822)
Less forward exchange contracts	-	37,418,512	-	-
Net exposure	(\$169,030,917)	(₱9,899,909,098)	(IDR 873,663,355)	(₱3,057,822)
	2024			
	USD	Peso	IDR	Peso
Financial assets:				
Cash and cash equivalents	\$2,604	₱150,641	IDR 16,337,678	₱58,816
Nontrade receivables	-	-	125,892,500	453,213
Financial liability -				
Trade payables	(75,861,803)	(4,388,605,304)	(1,020,414,570)	(3,673,492)
	(75,859,199)	(4,388,454,663)	(878,184,392)	(3,161,464)
Less forward exchange contracts	-	(50,241,984)	-	-
Net exposure	(\$75,859,199)	(₱4,438,696,647)	(IDR 878,184,392)	(₱3,161,464)

For purposes of translating the foreign-currency-denominated monetary assets and liabilities as of December 31, the exchange rates against Peso applied were as follows:

	2025	2024
USD	₱58.79	₱57.85
IDR	0.0035	0.0036

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates, with all other variables held constant, of the Group's income before tax and equity in 2025 and 2024:

	USD		
	Increase (Decrease) in Exchange Rates	Effect on Income Before Tax	Effect on Equity
2025	1.03	(₱174,101,845)	(₱130,576,383)
	(1.03)	174,101,845	130,576,383
2024	1.14	(86,479,487)	(64,859,615)
	(1.14)	86,479,487	64,859,615

IDR			
	Increase (Decrease) in Exchange Rates	Effect on Income Before Tax	Effect on Equity
2025	0.000065	(P56,808)	(P42,606)
	(0.000065)	56,808	42,606
2024	0.000059	(51,536)	(38,652)
	(0.000059)	51,536	38,652

The Group enters into foreign exchange forward contracts to manage its foreign currency risk on its US Dollar-denominated trade payables, whereby the Group purchases certain amount of US Dollars at a fixed forward rate to facilitate the settlement of the Group's foreign-currency denominated fuel purchases.

Derivative assets as at December 31, 2025 and derivative liabilities as at December 31, 2024, arising from outstanding foreign exchange forward contracts, amounted to P20.5 million and P27.9 million, respectively.

*Commodity Price Risk.* Commodity price risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in market prices of commodities. The Group's commodity price risk results primarily from fluctuations of the commodity prices of fuel purchases from the date of delivery until the date of agreed price setting with the suppliers. The Group manages its commodity price risk on its fuel purchases by considering the agreed price with the suppliers in its price build-up for its fuel sale transactions.

Derivative assets as at December 31, 2025 and derivative liabilities as at December 31, 2024, which is embedded in outstanding fuel purchase contracts, amounted to P16.9 million and P22.3 million, respectively.

The following table demonstrates the sensitivity of income before income tax and equity for the year ended December 31, 2025 due to a reasonably possible change in commodity prices of fuel purchases, with all other variables held constant.

	Increase (Decrease)	Effect on Income Before Tax	Effect on Equity
2025	17.40%	P250,381,497	P187,786,123
	(17.40%)	(250,381,497)	(187,786,123)
2024	16.37%	P153,163,326	P114,872,494
	(16.37%)	(153,163,326)	(114,872,494)

*Interest rate risk.* The Group's exposure to the risk of changes in market interest rates is minimal since the Group's interest-bearing financial assets consist primarily of notes receivable and long-term placements which have fixed interest rates. The Group also has short-term loan arrangements with its creditors which bear annual interest rates ranging from 6.5% to 7.8% and 6.9% to 7.8% in 2025 and 2024, respectively.

The Group regularly monitors interest rate movements and on the basis of current and projected economic and monetary data, decides on the best alternative to take. No sensitivity analysis is needed as future interest rate changes are not expected to significantly affect the Group's consolidated net income.

### **Derivative Assets (Liabilities)**

This account consists of:

	Note	Foreign Exchange Forward Contracts	Embedded Derivatives on Fuel Purchases	Total
<b>2025</b>				
Balances at beginning of year		(P27,903,937)	(P22,338,047)	(P50,241,984)
Fair value adjustments:				
Unrealized		20,525,131	16,893,381	37,418,512
Realized		27,903,937	22,338,047	50,241,984
	20	48,429,068	39,231,428	87,660,496
<b>Balance at end of year</b>		<b>P20,525,131</b>	<b>P16,893,381</b>	<b>P37,418,512</b>
<b>2024</b>				
Balances at beginning of year		(P154,299,910)	(P3,958,580)	(P158,258,490)
Fair value adjustments:				
Unrealized		(27,903,937)	(22,338,047)	(50,241,984)
Realized		154,299,910	3,958,580	158,258,490
	20	126,395,973	(18,379,467)	108,016,506
<b>Balance at end of year</b>		<b>(P27,903,937)</b>	<b>(P22,338,047)</b>	<b>(P50,241,984)</b>

In 2023, unrealized loss on derivative instruments amounted to P93.4 million (see Note 20).

### **Capital Management**

The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to drive its expansion and growth in the future.

The Group considers its capital stock and additional paid-in capital aggregating to P4,037.2 million as at December 31, 2025 and 2024 as its capital employed. The Group manages the capital structure and will make adjustments when there are changes in the economic conditions, business activities, expense programs and the risk characteristics of underlying assets. No changes were made in the objectives, policies or in 2025 and 2024.

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

## **28. Provisions and Contingencies**

### **Arbitration Before the ICC Arbitral Tribunal in Singapore**

In December 2022, the Group commenced arbitration proceedings before the ICC Arbitral Tribunal in Singapore in relation to the deed of assignment of lease contract with its related party and the original lease agreement. In May 2025, the ICC Arbitral Tribunal rendered its ruling in favor of the Group.

Following the issuance of the Final Award, the Group initiated the appropriate judicial and procedural steps to secure recognition, enforcement, and implementation of the arbitral ruling, as well as to align related court proceedings with the outcome of the arbitration. Certain interim rulings were issued on procedural grounds, without prejudice to the Group's continuing right to pursue the appropriate remedies available under applicable law.

As of February 11, 2026, the Group, together with external legal counsel, continues to actively pursue the available legal and procedural remedies to enforce the Final Award and protect its rights and interests in the related proceedings.

Based on management's assessment and the advice of external legal counsel, these matters are not expected to result in a material adverse effect on the Group's financial position or results of operations, as it has been clearly conveyed by handling counsels that all legal matters are currently ongoing and the Group intends to pursue and exhaust all legal remedies available to it to enforce its rights and interest, although the ultimate outcome remains subject to the resolution of the relevant legal and administrative processes.

**Protest and Motion for Issuance of Status Quo Order**

In December 2024, the Group filed a Verified Protest and Urgent Motion (Protest and Motion) for Issuance of Status Quo Order with Community Environment and Natural Resources Office (CENRO) Bagac, Bataan in accordance with Department of Environment and Natural Resources (DENR) Administrative Order (AO) 2016-31. The Protest and Motion was filed after the Group was notified that a third party had filed an application for foreshore lease over the very same foreshore area occupied by the assets of the Group and with a pending, timely filed, albeit unacted, renewal application with DENR.

In January 2026, the Group received the Decision dated 19 December 2025 from the Regional Executive Director (RED), which denied the Group's Verified Protest. As at February 11, 2026, the Group has filed its Motion for Reconsideration of the RED's Decision and is currently awaiting the resolution of its Motion for Reconsideration. The Group continues to have additional legal remedies available as the matter may still be elevated to the DENR Secretary on appeal and further to that elevation to the Office of the President, the Court of Appeals before finally with the Supreme Court remains to be available legal remedies for the Group.

Management and its legal counsels do not believe that any current proceedings will have material adverse effects on its financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to these proceedings.

## 29. Segment Reporting

The Group is organized into one reportable segment, which is the downstream oil operations, particularly the sale of petroleum products. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial information about the sole business segment is equivalent to the consolidated financial statements of the Group.

## 30. Reconciliation of Liabilities Arising from Financing Activities

The table below details the cash and noncash changes in the Group's liabilities arising from financing activities.

	2025					Total
	Accrued Finance Costs	Dividends Payable (see Note 13)	Advances from Related Parties (see Note 25)	Borrowings (see Note 14)	Lease Liabilities (see Note 22)	
Balances at Beginning of Year	₱9,221,715	₱538,020,000	₱542,527,252	₱16,207,085,126	₱343,993,979	₱17,640,848,072
Noncash changes:						
Finance costs	1,124,629,872	-	-	-	23,879,152	1,148,509,024
Settlement through offsetting arrangement	-	-	(542,527,252)	(451,909,360)	-	(994,436,612)
Additions	-	189,794,000	-	-	490,993,179	680,787,179
Lease modifications	-	-	-	-	(98,027,388)	(98,027,388)
Cash changes:						
Availment	-	-	15,477,496	75,767,895,266	-	75,783,372,762
Payments	(1,133,851,587)	(687,981,286)	-	(73,422,737,828)	(72,451,462)	(75,317,022,163)
Balances at End of Year	₱-	₱39,832,714	₱15,477,496	₱18,100,333,204	₱688,387,460	₱18,844,030,874
	2024					
	Accrued Finance Costs	Dividends Payable (see Note 13)	Advances from Related Parties (see Note 25)	Borrowings (see Note 14)	Lease Liabilities (see Note 22)	Total
Balances at Beginning of Year	₱484,631	₱273,420,000	₱543,004,748	₱10,614,069,788	₱522,577,520	₱11,953,556,687
Noncash changes:						
Finance costs	969,793,786	-	-	-	23,590,799	993,384,585
Additions	-	264,600,000	-	-	1,875,436	266,475,436
Lease modifications	-	-	-	-	(47,785,698)	(47,785,698)
Cash changes:						
Availment	-	-	-	68,100,960,618	-	68,100,960,618
Payments	(961,056,702)	-	(477,496)	(62,507,945,280)	(156,264,078)	(63,625,743,556)
Balances at End of Year	₱9,221,715	₱538,020,000	₱542,527,252	₱16,207,085,126	₱343,993,979	₱17,640,848,072
	2023					
	Accrued Finance Costs	Dividends Payable	Advances from Related Parties	Borrowings	Lease Liabilities	Total
Balances at Beginning of Year	₱-	₱273,420,000	₱542,870,252	₱7,150,894,619	₱714,810,799	₱8,681,995,670
Noncash changes:						
Finance costs	628,837,827	-	-	-	31,888,809	660,726,636
Termination	-	-	-	-	(17,686,113)	(17,686,113)
Additions	-	-	-	-	17,046,481	17,046,481
Cash changes:						
Availment	-	-	134,496	44,277,756,000	-	44,277,890,496
Payments	(628,353,196)	-	-	(40,814,580,831)	(223,482,456)	(41,666,416,483)
Balances at End of Year	₱484,631	₱273,420,000	₱543,004,748	₱10,614,069,788	₱522,577,520	₱11,953,556,687



**REPORT OF INDEPENDENT AUDITORS  
ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE  
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors  
Basic Energy Corporation and Subsidiaries  
GM Building, Florida St.  
Barangay Wack Wack, Greenhills East  
Mandaluyong City

We have audited in accordance with the Philippine Standards on Auditing, the consolidated financial statements of Basic Energy Corporation and Subsidiaries (the Group) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 and have issued our report dated April 7, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole.

The accompanying supplementary schedules are the responsibility of the Group's management. These are presented for purpose of complying with the Revised Securities Regulation Code Rule 68 Part II, and are not part of the basic consolidated financial statements:

- Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration as at December 31, 2025
- Schedules required by Annex 68-J as at December 31, 2025
- Schedule of Financial Soundness Indicators as at and for the year ended December 31, 2025 and 2024
- Schedule of External Auditor Fee-Related Information as at December 31, 2025 and 2024
- Map of the Conglomerate as at December 31, 2025

The Schedule of Financial Soundness Indicators, including their definitions, formulas, calculations and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management.



The financial soundness indicators are not measures of operating performance defined by the Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by the other companies. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024.

**REYES TACANDONG & Co.**

  
JOSEPH C. BILANGBILIN  
Partner

CPA Certificate No. 102884

Tax Identification No. 210-181-965-000

BOA Accreditation No. 4782/P-010; Valid until June 6, 2026

SEC Accreditation No. 102884-SEC Group A

Issued December 27, 2022

Valid for Financial Periods 2022 to 2026

BIR Accreditation No. 08-005144-011-2025

Valid until August 10, 2028

PTR No. 10764010

Issued January 2, 2026, Makati City

April 7, 2026

Makati City, Metro Manila

**BASIC ENERGY CORPORATION AND SUBSIDIARIES****SCHEDULE A  
FINANCIAL ASSETS  
DECEMBER 31, 2025**

<b>Name of issuing entity and association of each issue</b>	<b>Number of shares or principal amount of bonds and notes</b>	<b>Amount shown in the balance sheet</b>	<b>Income received and accrued</b>
<b>Financial Assets at Fair Value through Other Comprehensive Income (FVOCI):</b>			
<b>Quoted Equity Securities:</b>			
Alabang Country Club, Inc	1	P15,000,000	P-
FEC Resources Inc.	1,000,000	135,217	-
Metropolitan Bank & Trust Co.	489	33,497	-
PLDT Inc.	20	25,200	-
Others	18,000,000	2,014,553	-
	<b>19,000,510</b>	<b>P17,208,467</b>	<b>P-</b>

**BASIC ENERGY CORPORATION AND SUBSIDIARIES**

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**SCHEDULE B  
AMOUNTS RECEIVABLE FROM  
DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES,  
AND PRINCIPAL STOCKHOLDERS  
DECEMBER 31, 2025**

<b>Name and Designation of debtor</b>	<b>Balance at beginning of period</b>	<b>Additions</b>	<b>Amounts collected</b>	<b>Amounts written off</b>	<b>Current</b>	<b>Noncurrent</b>	<b>Balance at end of period</b>
				Not applicable			

**BASIC ENERGY CORPORATION AND SUBSIDIARIES**

**SCHEDULE C**

**AMOUNTS RECEIVABLE FROM  
RELATED PARTIES WHICH ARE ELIMINATED DURING  
CONSOLIDATION OF FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Amounts Collected	Provision for ECL	Current	Noncurrent	Balance at End of Year
Grandway Group Limited	₱231,510,189	₱4,005,961	₱-	₱235,516,150	₱235,516,150	₱-	₱-
Basic Diversified Industrial Holdings, Inc.	23,087,821	2,391,583	-	25,479,404	25,479,404	-	-
Basic Biofuels Corporation	6,742,611	111,715	-	6,854,326	6,854,326	-	-
San Joaquin Wind Energy Corporation	2,976,220	816,356	-	-	3,792,576	-	3,792,576
Basic Energy Mariveles Corporation	713,459	1,601	-	-	715,060	-	715,060
Basic Energy Cadiz 1 Corporation	1,149,802	1,600	-	-	1,151,402	-	1,151,402
Southwest Resources, Inc.	782,495	45,464	-	827,959	827,959	-	-
Basic Energy Renewables Corporation	232,672	14,650	-	-	247,322	-	247,322
Basic Renewables, Inc.	271,976	33,850	-	305,826	305,826	-	-
iBasic, Inc.	5,000	46,383	51,383	-	-	-	-
Basic Renewables Energy Solutions Corporation	99,305	4,913,566	4,900,000	-	112,871	-	112,871
	<b>₱267,571,550</b>	<b>₱12,382,729</b>	<b>₱4,951,383</b>	<b>₱268,983,665</b>	<b>₱275,002,896</b>	<b>₱-</b>	<b>₱6,019,231</b>

**BASIC ENERGY CORPORATION AND SUBSIDIARIES**

**SCHEDULE D  
LONG-TERM DEBT  
DECEMBER 31, 2025**

<b>Title of issue and type of obligation</b>	<b>Amount authorized by indenture</b>	<b>Amount shown under caption "Current portion of loans payable" in related balance sheet</b>	<b>Amount shown under caption "Loans Payable - net of current portion" in related balance sheet</b>	<b>Interest rate</b>	<b>Maturity dates</b>
Promissory Note	79,400,000	7,933,342	62,193,053	6.98% - 7%	Monthly payments of interest, and principal payment at the end of term

**BASIC ENERGY CORPORATION AND SUBSIDIARIES**

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**SCHEDULE E**

**INDEBTEDNESS TO RELATED PARTIES**

**DECEMBER 31, 2025**

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**Name of related party**

**Balance at beginning of period**

**Balance at end of period**

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Not applicable

**BASIC ENERGY CORPORATION AND SUBSIDIARIES**

**SCHEDULE F**

**GUARANTEES OF SECURITIES AND OTHER ISSUERS**

**DECEMBER 31, 2025**

<b>Name of issuing entity of securities guaranteed by the Group for which this statement is filed</b>	<b>Title of issue of each class of securities guaranteed</b>	<b>Total amount guaranteed and outstanding</b>	<b>Amount owned by person for which statement is filed</b>	<b>Nature of guarantee</b>
---	--	--	--	----------------------------

Not applicable

**BASIC ENERGY CORPORATION AND SUBSIDIARIES**

**SCHEDULE G  
CAPITAL STOCK  
DECEMBER 31, 2025**

<b>Title of issue</b>	<b>Number of shares authorized</b>	<b>Number of shares issued and outstanding as shown under related balance sheet caption</b>	<b>Number of shares reserved for options, warrants, conversion and other rights</b>	<b>Number of shares held by related parties</b>	<b>Treasury Stock</b>	<b>Directors, officers and employees</b>	<b>Others</b>
Common stock	20,000,000,000	14,668,643,064	-	-	-	2,209,145	14,666,433,919

**BASIC ENERGY CORPORATION AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**  
**UNDER THE REVISED SECURITIES AND REGULATIONS CODE RULE 68**  
**DECEMBER 31, 2025 AND 2024**

	2025	2024
Current assets	P32,651,394,781	P27,519,460,822
Divided by: Current liabilities	29,752,194,396	24,964,558,800
Current/liquidity ratio	1.10	1.10
Net income before depreciation, amortization and impairment	P660,875,220	P349,414,869
Divided by: Total liabilities	31,025,592,463	25,952,677,765
Solvency ratio	0.02	0.01
Total liabilities	P31,025,592,463	P25,952,677,765
Divided by: Total equity	7,311,374,457	7,295,973,191
Debt to equity ratio	4.24	3.56
Quick assets	P23,532,804,033	P20,185,330,259
Divided by: Current liabilities	29,752,194,396	24,964,558,800
Quick ratio	0.79	0.81
Total assets	P38,336,966,920	P33,248,650,956
Divided by: Total equity	7,311,374,457	7,295,973,191
Asset-to-equity ratio	5.24	4.56
Net income before interest expense and taxes	P1,351,926,320	P937,204,887
Divided by: Interest expense	1,148,509,024	993,384,585
Interest rate coverage ratio	1.18	0.94
Net income before interest expense after-tax	P1,333,808,135	P1,022,026,476
Divided by: Average total assets	35,792,808,938	14,897,331,071
Return on asset ratio	0.04	0.07
Net income	P185,299,111	P28,641,891
Divided by: Average total equity	7,303,673,824	7,412,069,791
Return on equity ratio	0.025	0.004
Net income	P185,299,111	P28,641,891
Divided by: Revenues	52,180,157,059	47,956,130,028
Net profit margin	0.004	0.001

**BASIC ENERGY CORPORATION**

GM Building, Florida St., Brgy. Wack Wack, Greenhills East, Mandaluyong City

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**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION  
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

<b>Deficit, Beginning of Year</b>	<b>(P607,673,093)</b>
<b>Add: Net Loss for the Current Year</b>	<b>(26,899,437)</b>
Less: Category C: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Fair value changes in investment properties	(4,871,313)
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(3,901,894)
<b>Adjusted Net Loss</b>	<b>(35,672,644)</b>
<b>Deficit, End of the Reporting Year</b>	<b>(P643,345,737)</b>

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**BASIC ENERGY CORPORATION AND SUBSIDIARIES**

GM Building, Florida St., Barangay Wack Wack, Greenhills East, Mandaluyong City

**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION  
DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>Total Audit Fees</b>	<b>₱5,990,000</b>	<b>₱5,020,000</b>
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Non-audit Fees</b>	<b>-</b>	<b>-</b>
<b>TOTAL AUDIT AND NON-AUDIT FEES</b>	<b>₱5,990,000</b>	<b>₱5,020,000</b>



# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

3 6 3 5 9

**COMPANY NAME**BASIC ENERGY CORPORATION (A Subsidiary  
of MAP 2000 Development Corp.)**PRINCIPAL OFFICE** (No./Street/Barangay/City/Town/Province)GM Building, Florida St., Barangay Wack  
Wack, Greenhills East, Mandaluyong City

Form Type

A A S F S

Department requiring the report

C R M D

Secondary License Type, if Applicable

N / A

**COMPANY INFORMATION**

Company's Email Address

basic@basicenergy.ph

Company's Telephone Number/s

(02) 7917-8118

Mobile Number

0968-854-3822

No. of Stockholders

6,499

Annual Meeting

Last Wednesday of June

Fiscal Year (Month / Day)

December 31

**CONTACT PERSON'S INFORMATION**The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Alain S. Pangan

Email Address

aspangan@basicenergy.ph

Telephone Number/s

(02) 8-892-9100

Mobile Number

0999-227-8352

**CONTACT PERSON'S ADDRESS**

709 Coronado St., Hulo, Mandaluyong 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.

**NOTE 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 shall not excuse the corporation from liability for its deficiencies.



**“STATEMENT OF MANAGEMENT’S RESPONSIBILITY  
FOR ANNUAL INCOME TAX RETURN”**


The Management of **BASIC ENERGY CORPORATION** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2025. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax, withholding tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2025 and the accompanying Annual Income Tax Return are in accordance with the books and records of Basic Energy Corporation, and complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards (i.e. Philippine Financial Reporting Standards, or those applicable to Non-Publicly Accountable Entities) and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

  
Kim S. Jacinto - Henares  
Chairwoman

  
Oscar L. De Venecia Jr.  
Chief Executive Officer

  
Alain S. Rangan  
Vice President - Finance



**"STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS"**


The Management of **BASIC ENERGY CORPORATION** 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 the 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, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders for the period December 31, 2025 and 2024, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

  
Kim S. Jacinto - Henares  
Chairwoman

  
Oscar L. De Venecia Jr.  
Chief Executive Officer

  
Alain S. Pangan  
Vice President - Finance

SUBSCRIBED AND SWORN TO before me this APR 14 2026 in  
MANDALUYONG CITY, affiant exhibited to me the following identification:

Name	Valid ID	Date / Place of Issuance
Kim Jacinto-Henares	P0996070B	DFA Manila
Oscar L. de Venecia, Jr.	P8082820A	DFA Manila
Alain S. Pangan	P5631428A	DFA Manila

Doc. No. 316  
Page No. 65  
Book No. 1  
Series of 2026.



**NOTARY PUBLIC**

  
JULIANNE KHRISTINA S. BELTRAN  
NOTARY PUBLIC FOR MANDALUYONG CITY  
Until December 31, 2027  
APPOINTMENT NO. 0695-26; Roll No. 84822  
PTR No. MKT10764979, January 5, 2026, Makati City  
IBP No. 569472; December 22, 2025, Quezon City  
MCLE Compliance No. VII-0029854  
240 GM Bldg. EDSA Brgy. Wack Wack  
Mandaluyong City  
Tel No. (+632) 88301800  
Email: juliannekhristinabeltran@gmail.com

DOCUMENTARY STAMP TAX PAID  
Affixed Loose Stamp  
on Notary Public's Copy  
Serial No. 12739733  
Date of Payment 14 APRIL 2026

SUBSCRIBED AND SWORN TO before me this APR 14 2026 in  
MANDALUYONG CITY, affiant exhibited to me the following identification:

Name	Valid ID	Date / Place of Issuance
Kim Jacinto-Henares	P0996070B	DFA Manila
Oscar L. de Venecia, Jr.	P8082820A	DFA Manila
Alain S. Pangan	P5631428A	DFA Manila

Doc. No. 314  
Page No. 64  
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**NOTARY PUBLIC**

  
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MCLE Compliance No. VII-0029854  
240 GM Bldg. EDSA Brgy. Wack Wack  
Mandaluyong City  
Tel No. (+632) 88301800  
Email: juliannekhristinabeltran@gmail.com

DOCUMENTARY STAMP TAX PAID  
Affixed Loose Stamp  
on Notary Public's Copy  
Serial No. 12739734  
Date of Payment 14 APRIL 2026



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Basic Energy Corporation  
GM Building, Florida St.  
Barangay Wack Wack, Greenhills East  
Mandaluyong City

### *Opinion*

We have audited the accompanying separate financial statements of Basic Energy Corporation (a subsidiary of MAP 2000 Development Corp.) (the Company), which comprise the separate statements of financial position as at December 31, 2025 and 2024, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended and notes to separate financial statements, including a summary of material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2025 and 2024, and its separate financial performance and its separate 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 (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the separate financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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



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

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

*Auditors' Responsibilities for the Audit of the Separate Financial Statements*

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

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

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



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

**REYES TACANDONG & Co.**

**JOSEPH C. BILANGBILIN**

**Partner**

CPA Certificate No. 102884

Tax Identification No. 210-181-965-000

BOA Accreditation No. 4782/P-010; Valid until June 6, 2026

SEC Accreditation No. 102884-SEC Group A

Issued December 27, 2022

Valid for Financial Periods 2022 to 2026

BIR Accreditation No. 08-005144-011-2025

Valid until August 10, 2028

PTR No. 10764010

Issued January 2, 2026, Makati City

April 7, 2026

Makati City, Metro Manila

**BASIC ENERGY CORPORATION**  
(A Subsidiary of MAP 2000 Development Corp.)

**SEPARATE STATEMENTS OF FINANCIAL POSITION**

		December 31	
	Note	2025	2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	P16,687,750	P71,017,584
Accounts and other receivables	5	60,050,167	92,162,400
Other current assets	6	36,167,732	34,695,643
		<b>112,905,649</b>	<b>197,875,627</b>
Noncurrent asset held for sale	8	-	20,000,000
<b>Total Current Assets</b>		<b>112,905,649</b>	<b>217,875,627</b>
<b>Noncurrent Assets</b>			
Financial assets at fair value through other comprehensive income (FVOCI)	7	15,102,467	15,161,108
Investment in subsidiaries and a joint venture	9	3,176,234,419	3,069,985,814
Investment properties	10	67,423,045	62,551,732
Property and equipment	11	211,117,541	203,509,036
Other noncurrent assets		15,081,668	6,013,928
<b>Total Noncurrent Assets</b>		<b>3,484,959,140</b>	<b>3,357,221,618</b>
		<b>P3,597,864,789</b>	<b>P3,575,097,245</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liability</b>			
Accounts and other payables	12	P65,947,373	P18,992,781
<b>Noncurrent Liabilities</b>			
Net retirement benefit liability	15	5,433,581	1,944,889
Deferred tax liability	16	152,763	680,321
<b>Total Noncurrent Liabilities</b>		<b>5,586,344</b>	<b>2,625,210</b>
<b>Total Liabilities</b>		<b>71,533,717</b>	<b>21,617,991</b>
<b>Equity</b>			
Capital stock - P0.25 par value			
Authorized - 20,000,000,000 shares			
Issued and outstanding - 14,668,643,064 shares		3,667,160,766	3,667,160,766
Additional paid-in capital		372,568,759	372,568,759
Deficit		(521,650,454)	(494,751,017)
Other comprehensive income		8,252,001	8,500,746
<b>Total Equity</b>		<b>3,526,331,072</b>	<b>3,553,479,254</b>
		<b>P3,597,864,789</b>	<b>P3,575,097,245</b>

See accompanying Notes to Separate Financial Statements.

**BASIC ENERGY CORPORATION**  
(A Subsidiary of MAP 2000 Development Corp.)

**SEPARATE STATEMENTS OF COMPREHENSIVE INCOME**

		Years Ended December 31	
	Note	2025	2024
<b>INCOME</b>			
Dividend income	9	P56,916,000	P-
Gain on:			
Write-off of accounts and other payables	12	12,877,792	-
Fair value changes of investment properties	10	4,871,313	6,839,645
Sale of investment in subsidiaries	8	3,965,641	-
Net foreign exchange gain		2,980,122	2,870,266
Interest income	4	129,211	4,372,336
Rent income	13	-	4,910,714
Others		-	3,995
		<b>81,740,079</b>	<b>18,996,956</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	14	<b>91,657,229</b>	<b>49,633,223</b>
<b>PROVISION FOR IMPAIRMENT LOSSES ON RECEIVABLES</b>	5	<b>17,204,029</b>	<b>11,155,234</b>
<b>LOSS BEFORE INCOME TAX</b>		<b>(27,121,179)</b>	<b>(41,791,501)</b>
<b>INCOME TAX EXPENSE (BENEFIT)</b>	16		
Current		305,816	103,637
Deferred		(527,558)	(91,468)
		<b>(221,742)</b>	<b>12,169</b>
<b>NET LOSS</b>		<b>(26,899,437)</b>	<b>(41,803,670)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Not to be reclassified to profit or loss in subsequent periods:</i>			
Unrealized gain on changes in fair value of quoted equity securities at FVOCI	7	(58,641)	3,016,313
Remeasurement loss on net retirement benefit liability	15	(190,104)	(1,252,802)
		<b>(248,745)</b>	<b>1,763,511</b>
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(P27,148,182)</b>	<b>(P40,040,159)</b>

See accompanying Notes to Separate Financial Statements.

**BASIC ENERGY CORPORATION**

(A Subsidiary of MAP 2000 Development Corp.)

**SEPARATE STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024**

	Other Comprehensive Income						Total	Total Equity
	Capital Stock	Additional Paid-in Capital	Deficit	Cumulative Unrealized Gains on Changes in Fair Value of Financial Assets at FVOCI (see Note 7)	Cumulative Remeasurement Loss on Net Retirement Benefit Liability (see Note 15)	Total		
Balances as at December 31, 2024	P3,667,160,766	P372,568,759	(P494,751,017)	P12,107,970	(P3,607,224)	P8,500,746	P3,553,479,254	
Net loss	-	-	(26,899,437)	-	-	-	(26,899,437)	
Other comprehensive income (loss)	-	-	-	(58,641)	(190,104)	(248,745)	(248,745)	
Balances as at December 31, 2025	P3,667,160,766	P372,568,759	(P521,650,454)	P12,049,329	(P3,797,328)	P8,252,001	P3,526,331,072	
Balances as at December 31, 2023	P3,667,160,766	P372,568,759	(P452,947,347)	P9,091,657	(P2,354,422)	P6,737,235	P3,593,519,413	
Net loss	-	-	(41,803,670)	-	-	-	(41,803,670)	
Other comprehensive income (loss)	-	-	-	3,016,313	(1,252,802)	1,763,511	1,763,511	
Balances as at December 31, 2024	P3,667,160,766	P372,568,759	(P494,751,017)	P12,107,970	(P3,607,224)	P8,500,746	P3,553,479,254	

See accompanying Notes to Separate Financial Statements.

**BASIC ENERGY CORPORATION**  
**(A Subsidiary of MAP 2000 Development Corp.)**

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**SEPARATE STATEMENTS OF CASH FLOWS**

		Years Ended December 31	
	Note	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax		(P27,121,179)	(P41,791,501)
Adjustments for:			
Dividend income	9	(56,916,000)	-
Provisions for:			
Impairment loss on investments	9	36,975,000	-
ECL on accounts and other receivables	5	17,204,029	11,155,234
Gain on:			
Write-off of accounts and other payables	12	(12,877,792)	-
Fair value changes of investment properties	10	(4,871,313)	(6,839,645)
Sale of investment in subsidiaries	8	(3,965,641)	-
Disposal of property and equipment	11	-	(3,075)
Retirement benefit expense	15	3,298,588	2,916,803
Net unrealized foreign exchange gain		(2,950,760)	(2,870,266)
Depreciation	11	1,422,719	1,142,173
Interest income	4	(129,211)	(4,372,336)
Operating loss before working capital changes		(49,931,560)	(40,662,613)
Decrease (increase) in:			
Accounts and other receivables		10,328,423	(6,068,814)
Other noncurrent assets		(9,067,740)	-
Other current assets		(1,777,905)	(1,755,527)
Increase in accounts and other payables		59,361,272	464,395
Net cash used for operations		8,912,490	(48,022,559)
Interest received		129,211	4,372,336
Contributions to retirement plan asset	15	-	(1,491,984)
Income taxes paid		-	(254)
Net cash used in operating activities		9,041,701	(45,142,461)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from:			
Collections of advances to related parties		60,215,118	-
Collections of dividend income	13	15,000,000	-
Sale of investment in subsidiaries	8	14,165,641	-
Disposal of property and equipment	11	-	25,372
Additions to:			
Investment in subsidiaries and a joint venture	9	(133,423,605)	(8,515,643)
Advances to related parties	13	(9,817,443)	(47,752,654)
Property and equipment	11	(9,031,224)	(4,973,926)
Net cash used in investing activities		(62,891,513)	(61,216,851)

(Forward)

	<b>Years Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of advances from related parties	<b>(P601,384)</b>	<b>(P209,107)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(54,451,196)</b>	<b>(106,568,419)</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>121,362</b>	<b>2,383,640</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>71,017,584</b>	<b>175,202,363</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>P16,687,750</b>	<b>P71,017,584</b>

*See accompanying Notes to Separate Financial Statements.*

**BASIC ENERGY CORPORATION**  
**(A Subsidiary of MAP 2000 Development Corp.)**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

**1. General Information**

Basic Energy Corporation (the Company) was incorporated under the laws of the Republic of the Philippines and registered in the Philippine Securities and Exchange Commission (SEC) on September 19, 1968. The Company is a holding company with diversified business interests in various fields of renewable energy and alternative fuels, and in oil and gas exploration and development.

The Company is listed in the Philippine Stock Exchange (PSE) under the trading name "BSC."

The Company is 67.83% owned subsidiary of MAP 2000 Development Corp. (M2DC or the Ultimate Parent). M2DC is registered in the Philippines and is engaged in the business of real estate acquisition, development, and management, as well as investment holding.

The registered business address of the Company is GM Building, Florida St., Barangay Wack Wack, Greenhills, East, Mandaluyong City.

**Status of Renewable Energy Projects**

As at December 31, 2025, the Company has various service contracts with the Philippine Government, through the Department of Energy (DOE), for the exclusive right to explore, develop and utilize energy resources within specified contract areas. The contract periods are generally 25 years and divided into two (2) stages, which include pre-development and development or commercial stage.

As at April 7, 2026, the Company's renewable energy projects are as follows:

Entity	SC/COA No.	Project Name	Date of Issuance	Location	Status
BEC	SCOA 2025-05-032	Bolinao Solar Power Plant	May 28, 2025	Pangasinan	Pre-development
BEC1C	SCOA 2025-03-012	Cadiz 1 Solar Power Plant	March 24, 2025	Negros Occidental	Pre-development
BEMC	SCOA 2025-03-015	Mariveles Solar Power Project	March 14, 2025	Bataan	Pre-development
BEC	OsWCOA 2025-07-062	Balayan Nearshore Wind Power Project	July 30, 2025	Batangas	Pre-development
RWEC	WESC 2021-01-142	Mabini Wind Project	March 17, 2021	Batangas	Pre-development
SJWEC	WESC 2023-05-279	Panay Wind Project	June 14, 2023	Iloilo	Pre-development

**Approval of the Separate Financial Statements**

The separate financial statements of the Company as at and for the years ended December 31, 2025 and 2024 were approved and authorized for issuance by the Board of Directors (BOD) of the Company on April 7, 2026.

**2. Summary of Material Accounting Policy Information**

**Basis of Preparation and Statement of Compliance**

The separate financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

### **Measurement Bases**

The separate financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All values are rounded to the nearest Peso, unless otherwise indicated.

The separate financial statements of the Company have been prepared on the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and investment properties which are measured based at fair value and net retirement benefit liability which are measured at present value of defined benefit obligation less fair value of plan assets.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the following valuation techniques:

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level of input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values are included in Note 17 to the financial statements.

### **Adoption of Amendments to PFRS Accounting Standards**

The accounting policies adopted are consistent with those of the previous financial year. There are no amendments to PFRS Accounting Standards which are effective as at January 1, 2025 that have an impact on the Company's separate financial statements.

**New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective**

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the separate financial statements, are summarized below.

Effective January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Accounting Standards Volume 11:
  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
  - Amendments to PAS 7, *Statement of Cash Flows* – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.

Effective January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing relevant new and amendments to PFRS Accounting Standards is not expected to have any material effect on the separate financial statements of the Company except for PFRS 18. The adoption of IFRS 18 is expected to primarily affect the presentation and disclosure of the separate financial statements, including the structure of the separate statements of comprehensive income. Additional disclosures will be included in the separate financial statements, as applicable.

### **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.

The Company recognizes a financial asset or a financial liability in the separate statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

### **Financial Assets**

*Initial Recognition and Measurement.* Financial assets are recognized initially at fair value, which is the fair value of the consideration given, and include transaction cost.

*Financial Assets at Amortized Cost.* Financial assets are measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition, and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized, impaired, and through amortization process.

As at December 31, 2025 and 2024, the Company's cash and cash equivalents, and accounts and other receivables (except nonfinancial assets) are classified under this category (see Notes 4 and 5).

*Financial Assets at FVOCI - Equity Instruments.* For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation*. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and are presented in the equity section of the separate statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, but instead, these are transferred directly to retained earnings.

As at December 31, 2025 and 2024, the Company has quoted equity securities pertaining to shares of stocks of corporations and clubs which were irrevocably designated as financial assets at FVOCI (see Note 7).

*Impairment of Financial Assets at Amortized Cost.* The Company recognizes an allowance for expected credit loss (ECL) based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate.

The ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. The Company also considers reasonable and supportable information that is available without undue cost or effort and is indicative of significant increases in credit risk since initial recognition.

The Company considers a financial asset in default when contractual payments are 30 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the counterparty. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or source of income that could generate sufficient cash flows to repay the amount of financial asset for write-off. This assessment is carried out at the individual financial asset level.

*Derecognition.* A financial asset (or where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognized when:

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

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

#### **Financial Liabilities at Amortized Cost**

*Recognition and Measurement.* Financial liabilities at amortized cost are recognized initially at fair value, which is the fair value of the consideration received, net of any directly attributable transaction costs.

After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue, and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at December 31, 2025 and 2024, the Company's accounts and other payables (excluding nonfinancial liabilities) is classified under this category (see Note 12).

*Derecognition.* A financial liability is derecognized when the obligation under the liability is discharged or cancelled, 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 separate statements of comprehensive income.

#### **Noncurrent Asset Held For Sale**

The Company classifies noncurrent assets 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 measured at the lower of their 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 are met only when the sale is highly probable, and the asset or disposal group 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 expected to be completed within one (1) year from the date of classification.

The Company recognizes an impairment loss for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell, to the extent that it has not been recognized in the carrying amount of the noncurrent asset before initial classification as held for sale. The Company recognizes a gain for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognized

Assets and liabilities classified as held for sale are presented separately as current items in the separate statements of financial position.

#### **Investments in Subsidiaries**

The Company's investments in subsidiaries are carried in the separate statements of financial position at cost, less any impairment in value.

A subsidiary is an entity in which the Company has control. The Company controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Company takes into consideration potential voting rights that are currently exercisable.

#### **Investment in a Joint Venture**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. 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 joint control are similar to those necessary to determine control over subsidiaries.

Investment in a joint venture is accounted for using cost method in the Company's separate financial statements as allowed under PAS 27, *Separate Financial Statements*. The Company may opt to apply the equity method because the Company also prepares consolidated financial statements.

**Advances for Future Stock Subscriptions**

Advances for future stock subscriptions represent funds paid in advance for future acquisition of the investee's capital stocks which is measured at cost less any allowance for impairment. These are to be reclassified as investments in subsidiaries when the shares of stocks of the investee have been actually subscribed by the Company.

**Investment Properties**

Investment properties pertain to parcels of land held for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Investment properties are accounted for using fair value model. Investment properties are initially measured at cost which pertains to the purchase price and any directly attributable costs related to the acquisition. Subsequent to initial recognition, investment properties are carried at fair value, which is determined using market data approach by an independent real estate appraiser. Gains or losses arising from changes in the fair values of investment property are recognized in separate statements of comprehensive income in the period in which they arise.

Investment property is derecognized either when the asset has been disposed of or when the investment property has been permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in separate statements of comprehensive income in the year of retirement or disposal.

**Property and Equipment**

The following property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses:

- Machineries and equipment; and
- Office equipment, furniture and fixtures.

The initial cost of property and equipment consists of its purchase price after deducting trade discounts and rebates, import duties, non-refundable purchase taxes, and any other costs directly attributable in bringing the asset to its working condition and location for its intended use.

The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable in bringing the assets to the working condition for their intended use and costs of dismantling and removing the items and restoring the site on which they are located.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year 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 additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When parts of an item of property and equipment have different useful lives, these are accounted for as separate items (major components) of property and equipment.

Depreciation of property and equipment begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	Number of Years
Machineries and equipment	10
Office equipment, furniture, and fixtures	3

The estimated useful lives and depreciation method are reviewed at each reporting date to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully-depreciated assets are retained in the accounts until they are no longer in use.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Construction in progress and equipment for installation pertains to properties under construction and equipment acquired but not yet installed and are stated at cost less any accumulated impairment losses. Cost includes costs of construction, costs of equipment acquisition, installation and other direct costs. Construction in progress and equipment for installation are not depreciated until such time that the relevant assets are completed and ready for operational use.

#### **Other Current Assets**

*Input VAT.* VAT is a tax on consumption levied on the sale, barter, exchange, or lease of goods or properties and services, and on importation of goods in the Philippines. It is an indirect tax, which may be shifted or passed on to the buyer, transferee or lessee of goods, properties or services.

Revenue, expenses, and assets are recognized net of the amount of VAT, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from the taxation authority is presented as "Input VAT" under "Other current assets" account in the separate statements of financial position.

*Excess Tax Credits.* Excess tax credits pertain to the Company's excess income tax payments. This includes taxes withheld and remitted to the Bureau of Internal Revenue (BIR) by customers which can be applied to the Company's income tax payable in the same year the related income was recognized. Excess tax credits are carried forward and can be utilized in succeeding years.

### **Impairment of Nonfinancial Assets**

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. If such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

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 recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted prospectively to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

### **Equity**

*Capital Stock.* Capital stock is measured at par value for all shares issued and subscribed.

*Additional Paid-in Capital (APIC).* APIC represents the proceeds and/or fair value of consideration received in excess of the par value of the shares issued.

*Deficit.* Deficit represents the cumulative balance of the Company's profit or loss less any dividends declared.

*Other Comprehensive Income.* Other comprehensive income consists of cumulative balances of items of income and expense that are not recognized in profit or loss in accordance with PFRS Accounting Standards. Other comprehensive income of the Company pertain to cumulative unrealized gains on financial assets at FVOCI and cumulative remeasurement loss on net retirement benefit liability.

### **Dividend Income**

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

### **Interest Income**

Interest income is recognized as the interest accrues taking into account the effective yield on the asset, net of final tax.

### **Expense Recognition**

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. General and administrative expenses constitute costs of administering the business. These are recognized in profit or loss, as incurred.

### **Leases**

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

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

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

*Company as a Lessor.* Leases where the Company retains substantially all the risks and rewards 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 basis as rental income. Rental income is recognized on a straight-line basis over the lease term.

### **Employee Benefits**

*Short-term Employee Benefits.* The Company recognizes short-term employee benefits based on contractual arrangements with employees. The unpaid portion of the short-term employee benefits is measured on an undiscounted basis and is included as part of "Accounts and other payables" account in the separate statements of financial position.

*Retirement Benefits.* Retirement benefits expense are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of net retirement benefit liability is performed annually by a qualified actuary. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The net retirement benefit liability recognized by the Company is the aggregate of the present value of the defined benefit obligation reduced by the fair value of plan assets out of which the obligations are to be settled directly. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related net retirement benefit liability.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting the estimated future cash flows using discount rates that reflect 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 retirement benefits liability, the measurement of the resulting net retirement benefit 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 Company recognizes retirement expense, comprising current service cost and net interest expense (income) in profit or loss. The Company determines the interest cost by applying the discount rate to the defined benefit liability at the beginning of the reporting period, taking into account any changes in the defined benefit liability during the period as a result of benefit payments.

Remeasurements of the net retirement benefit liability, which comprise of actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods.

#### **Foreign Currency-Denominated Transactions**

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the reporting date. Differences arising on settlement or translation of monetary assets and liabilities are recognized in profit or loss.

#### **Income Taxes**

*Current Tax.* Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used in the computation are those that have been enacted at the reporting date.

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

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

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

Deferred tax is recognized in profit or loss except to items directly recognized to equity or in OCI.

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

### **Related Party Transactions and Relationships**

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. Related parties may be individual or corporate entities. The key management personnel of the Company and post-employment benefit plans for the benefit of the Company's employees are also considered to be related parties.

### **Provisions and Contingencies**

*Provisions.* Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

*Contingencies.* Contingent liabilities are not recognized in the separate financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the separate financial statements but are disclosed in the notes to separate financial statements when an inflow of economic benefits is probable.

### **Events After the Reporting Date**

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

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## **3. Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the separate financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the separate financial statements and related notes. The significant judgments, accounting estimates and assumptions used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances at the reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The following are the significant judgments, accounting estimates and assumptions made by the Company:

### **Judgments**

*Classifying and Measuring Financial Assets.* Classification and measurement of financial assets depend on the results of the contractual cash flow and the business model tests. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed.

The Company classifies its financial assets at FVOCI as its business model is achieved through both collecting contractual cash flows that are solely payments of principal and interest (SPPI) on the outstanding principal and selling financial assets (see Note 7).

Cash and cash equivalents, and accounts and other receivables (excluding nonfinancial assets) were classified as financial assets at amortized cost since the Company's primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest (see Notes 4 and 5).

*Classifying Investment Properties.* The Company determines whether a property qualifies as an investment property. In making its judgment, the Company considers whether the property is held primarily to earn rentals or capital appreciation or used for operations and administrative purposes by the Company.

The Company classified the parcels of land as investment properties. The carrying amounts of investment properties are disclosed in Note 10 to the separate financial statements.

*Classifying Investments in RDG Wind Energy Corporation (RWEC) as Noncurrent Asset Held for Sale.* The Company exercises judgment in classifying assets as noncurrent assets held for sale by considering the management's commitment to sell the asset within one (1) year, the existence of an active program to locate a buyer, and the initiation of a plan to complete the sale.

In 2024, the Company's 100% investment in RWEC, previously accounted for as a subsidiary, was reclassified to "Noncurrent asset held for sale" account under "Current assets" section of the separate financial statements. This reclassification is in accordance with PFRS 5, *Noncurrent Asset Held for Sale and Discontinued Operations*, which requires that when a sale plan involves the loss of control of a subsidiary, the Company shall classify all the assets of that subsidiary as held for sale, regardless of whether it will retain a non-controlling interest after the sale.

On February 14, 2025, the Company completed the sale of its 51% ownership in RWEC to a third party. The remaining 49% ownership retained by the Company was reclassified as an investment in a joint venture.

Details of the Company's sale of investments in RWEC are disclosed in Note 8 to the separate financial statements.

*Determining Loss of Control over RWEC and Obtaining Joint Control after the Sale.* The Company exercises judgment in determining whether it has joint control over an arrangement. This assessment involves evaluating whether the collective agreement of all parties is required to direct the activities that most significantly affect the returns of the arrangement. Joint control exists when decisions about these relevant activities require the unanimous consent of the parties sharing control.

The Company also evaluates whether a joint arrangement should be classified as a joint operation or a joint venture. This determination is based on an analysis of the Company's rights and obligations, considering the structure and legal form of the arrangement, the terms of the contractual agreement, and, when applicable, other relevant facts and circumstances.

On February 14, 2025, following the sale of its 51% ownership to a third party, the Company reclassified its remaining 49% ownership over RWEC as an investment in a joint venture.

Management has assessed that the Company lost control over RWEC but obtained joint control over the arrangement with the third party. Although the Company holds only 49% ownership interest, joint control was established because the contractual terms require unanimous consent from all parties for decisions on significant relevant activities. Furthermore, the Company determined that the arrangement qualifies as a joint venture as it involves joint control over the net assets of RWEC, which is structured as a separate entity.

Details of investment in a joint venture are disclosed in Note 9 to the separate financial statements.

#### **Accounting Estimates and Assumptions**

*Determining Fair Value of Financial Instruments and Investment Properties.* For fair values of financial instruments, these are investments in equity securities that are actively traded in organized financial markets are determined by reference to quoted market prices at the close of business at the reporting date.

For investment properties, the Company engaged an independent appraiser to assess the fair value of investment properties as at December 31, 2025 and 2024. These were valued based on comparable market data adjusted as necessary to reflect the specific assets' location, condition and other characteristics.

The assumptions and methods used in determining the fair values of financial instruments and investment properties are presented in Note 17 to the separate financial statements.

*Assessing ECL on Financial Assets at Amortized Cost.* The Company determines the allowance for ECL using the general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the counterparty.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant increase in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the counterparty.

In 2025 and 2024, the Company recognized provision for ECL on accounts receivables and advances to related parties. No provision for ECL was recognized on the other financial assets.

The details of the Company's allowance for ECL, cash in banks, cash equivalents, and accounts and other receivables (excluding nonfinancial assets) are disclosed in Notes 4 and 5 to the separate financial statements.

*Estimating Useful Lives of Property and Equipment.* The Company estimates the useful lives of its property and equipment based on the period over which the assets are expected to be available for use. The Company reviews the estimated useful lives of property and equipment at each reporting date based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes, anticipated use of the assets, and experience with similar assets.

There were no changes in the estimated useful lives of property and equipment in 2025 and 2024.

*Assessing Impairment of Nonfinancial Assets.* The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or Company of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In 2025 and 2024, no impairment loss on nonfinancial assets was recognized except for investment in subsidiaries.

The details of Company's investment in subsidiaries and the related allowance for impairment loss are disclosed in Note 9 to the financial statements. The carrying amounts of other nonfinancial assets (other current assets, noncurrent asset held for sale, investments in subsidiaries and a joint venture, property and equipment and other noncurrent assets) are disclosed in Notes 6, 8, 9 and 11 to the separate financial statements.

*Determining Retirement Benefits.* The determination of the net retirement benefit liability and expense is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 15 to the separate financial statements and include discount rates and salary increase rates among others. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded liability in such future periods. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the net retirement benefit liability (asset).

The details of the Company's retirement benefits are disclosed in Note 15 to the separate financial statements.

*Recognizing Deferred Tax Assets.* The Company reviews the carrying amount of deferred tax assets at each reporting date and reduces the balance to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The management assessed that there may be no sufficient future taxable income against which benefits of the deferred tax assets can be utilized. The Company's unrecognized deferred tax assets are disclosed in Note 16 to the separate financial statements.

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#### 4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	P17,236	P4,327
Cash in banks	16,670,514	19,947,745
Cash equivalents	-	51,065,512
	<b>P16,687,750</b>	<b>P71,017,584</b>

Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the current operations.

Cash equivalents earn annual interest rates ranging from 0.25% to 6.13% in 2025 and 2024.

Interest income earned from cash and cash equivalents amounted to P0.1 million and P4.4 million in 2025 and 2024, respectively.

## 5. Accounts and Other Receivables

This account consists of:

	Note	2025	2024
Accounts receivable from:			
Third parties		<b>₱25,429,689</b>	₱25,583,867
Related party	13	–	10,450,000
Advances to related parties	13	<b>275,040,595</b>	321,688,420
Dividend receivable		<b>41,916,000</b>	–
Nontrade receivables		<b>9,458,891</b>	9,306,847
Advances to employees		<b>515,241</b>	131,438
Others		–	108,048
		<b>352,360,416</b>	367,268,620
Less allowance for ECL		<b>292,310,249</b>	275,106,220
		<b>₱60,050,167</b>	₱92,162,400

Accounts receivable, nontrade receivables and other receivables are unsecured, noninterest-bearing and collectible within one (1) year.

Advances to employees are subject to liquidation within 14 days after the date of the related transaction.

The balance of and movement in the allowance for ECL are as follows:

	2025		
	Accounts Receivable	Advances to Related Parties (see Note 13)	Total
Balance at beginning of year	<b>₱12,713,827</b>	<b>₱262,392,393</b>	<b>₱275,106,220</b>
Provision	<b>10,612,757</b>	<b>6,591,272</b>	<b>17,204,029</b>
Balance at end of year	<b>₱23,326,584</b>	<b>₱268,983,665</b>	<b>₱292,310,249</b>

	2024		
	Accounts Receivable	Advances to Related Parties (see Note 13)	Total
Balance at beginning of year	<b>₱2,101,066</b>	<b>₱261,849,920</b>	<b>₱263,950,986</b>
Provision	<b>10,612,761</b>	<b>542,473</b>	<b>11,155,234</b>
Balance at end of year	<b>₱12,713,827</b>	<b>₱262,392,393</b>	<b>₱275,106,220</b>

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**6. Other Current Assets**

This account consists of:

	2025	2024
Input VAT	P33,211,804	P31,989,004
Excess tax credits	1,707,501	2,013,317
Others	1,248,427	693,322
	<b>P36,167,732</b>	<b>P34,695,643</b>

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**7. Financial Assets at FVOCI**

The balance of and movements in the Company's financial assets at FVOCI, which pertain to quoted equity securities, are as follows:

	2025	2024
Balance at beginning of year	P15,161,108	P12,144,795
Net unrealized gain during the year	(58,641)	3,016,313
Balance at end of year	<b>P15,102,467</b>	<b>P15,161,108</b>

The balance of and movements in cumulative unrealized gains on financial assets at FVOCI are as follows:

	2025	2024
Balance at beginning of year	P12,107,970	P9,091,657
Net unrealized gain during the year	(58,641)	3,016,313
Balance at end of year	<b>P12,049,329</b>	<b>P12,107,970</b>

Details of fair value determination of financial assets at FVOCI are disclosed in Note 17 to the separate financial statements.

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**8. Noncurrent Asset Held for Sale**

On April 17, 2024, the Company entered into the Joint Development and Shareholders Agreement (JDSHA) with a third-party joint venture partner for the development, management and operation of an onshore wind power generation project under RWEC, which serves as the joint venture entity.

Under the JDSHA, the Company shall receive development fees from the joint venture partner for the services rendered, including site prospecting, feasibility studies, and permit processing. The development fees are payable based on milestones and contractual conditions mutually agreed upon by the parties. However, any development fees received by the Company remain refundable if the JDSHA is terminated before all applicable milestones and contractual conditions are met.

As at December 31, 2025, development fees received by the Company, presented as part of "Advances from joint venture partner" under the "Accounts and other payables" account in the separate financial statements, amounted to P44.1 million (see Note 12).

Remaining contractual commitments related to the development fees, for which the specified contractual conditions have not yet been fulfilled, amounted to ₱396.8 million as at December 31, 2025.

As provided in the JDSHA, the Company agreed to sell and assign its 51% ownership interest in the common stock of RWEC to the third-party joint venture partner for agreed consideration. As at December 31, 2024, the Company's management has assessed that the criteria for classification as held for sale had been met. Accordingly, the Company's investment in RWEC amounting to ₱20.0 million, previously accounted for as a subsidiary, was reclassified to "Noncurrent asset held for sale" account under "Current assets" section of the separate financial statements on the same date.

No impairment loss was recognized on the carrying amount of noncurrent asset held for sale in 2024.

On February 14, 2025, the Company completed the sale of 51% ownership interest in RWEC to the third-party joint venture partner as follows:

Consideration	₱14,165,641
Cost of investment sold	10,200,000
<b>Gain on sale</b>	<b>₱3,965,641</b>

On the same date, the Company's remaining 49% ownership interest in RWEC, with a carrying amount of ₱9.8 million, was reclassified as an investment in a joint venture. This reclassification adjustment is considered as non-cash transaction in the 2025 separate statement of cash flows (see Note 9).

## 9. Investments in Subsidiaries and a Joint Venture

Details of this account, carried at costs, are as follows:

	2025	2024
Investments in subsidiaries	₱3,112,855,814	₱3,069,985,814
Investment in a joint venture	63,378,605	-
	<b>₱3,176,234,419</b>	<b>₱3,069,985,814</b>

### Investments in Subsidiaries

Details of investments in subsidiaries are as follows:

	Ownership %	Nature of Business	Amount	
			2025	2024
Cost:				
Filoil Energy Company, Inc. (FECI)	60.00	Holding company	₱3,000,000,000	₱3,000,000,000
Basic Diversified Industrial Holdings, Inc. (BDIH)	100.00	Investment holding	227,085,800	227,085,800
Southwest Resources Inc. (SRI)	72.58	Exploration and development of petroleum	75,341,250	75,341,250
Basic Biofuels Corporation (BBC)	100.00	Development of biofuels	64,000,000	64,000,000
Basic Renewables, Inc. (BRI)	100.00	Development of renewable energy sources	56,975,000	56,975,000
iBasic, Inc. (iBasic)	100.00	Information technology	53,547,840	53,547,840
Basic Renewable Energy Solutions Corporation (BRESC)	100.00	Development of renewable energy resources	15,100,000	5,000,000
Basic Energy Renewables Corporation (BERC)	100.00	Solar energy projects	2,500,000	2,500,000

	Ownership %	Nature of Business	Amount	
			2025	2024
Basic Energy Cadiz 1 Corporation (formerly Pasuquin Wind Energy Corporation or BEC1C)	100.00	Wind energy projects	1,500,000	1,500,000
San Joaquin Wind Energy Corporation (SIWEC)	100.00	Wind energy projects	1,500,000	1,500,000
Basic Energy Mariveles Corporation (formerly Starfish Wind Energy Corporation or BEMC)	100.00	Wind energy projects	1,500,000	1,500,000
Grandway Group Limited (Grandway)	100.00	Investment holding	76,561	76,561
<b>Carrying amounts</b>			<b>₱3,022,100,000</b>	<b>₱3,048,975,000</b>

The balance of and movements in this account are as follows:

	Note	2025	2024
<b>Cost</b>			
Balance at beginning of year		₱3,489,026,451	₱3,500,510,808
Additions		10,100,000	8,515,643
Reclassification to noncurrent asset held for sale from investment in subsidiaries	8	–	(20,000,000)
<b>Balance at end of year</b>		<b>3,499,126,451</b>	<b>3,489,026,451</b>
<b>Allowance for Impairment Loss</b>			
Balance at beginning of year		440,051,451	440,051,451
Impairment loss during the year	14	36,975,000	–
<b>Balance at end of year</b>		<b>477,026,451</b>	<b>440,051,451</b>
<b>Carrying Amount</b>		<b>3,022,100,000</b>	<b>3,048,975,000</b>
<b>Advances for Future Stock Subscriptions</b>			
Balance at beginning of year		21,010,814	21,010,814
Additions	13	69,745,000	–
<b>Balance at end of year</b>		<b>90,755,814</b>	<b>21,010,814</b>
		<b>₱3,112,855,814</b>	<b>₱3,069,985,814</b>

All subsidiaries were incorporated and domiciled in the Philippines except Grandway, which was incorporated and domiciled in Hong Kong.

In 2025, the Company recognized dividend income from FECl amounting to ₱56.9 million (see Note 13).

Moreover, in 2025, the Company recognized provision for impairment loss amounting to ₱37.0 million on its investment in BRI.

#### **Additional Investments**

In 2024, the Company subscribed to 100% ownership interest in BRESC for a consideration of ₱5.0 million. In 2025, the Company made an additional investment of ₱10.1 million, resulting in a total investment amounting to ₱15.1 million.

Furthermore, in 2024, the Company has additional investments in BEMC, SJWEC and BEC1C amounting to ₱1.4 million, ₱1.3 million, and ₱0.8 million, respectively. These investments did not result in acquisition of additional interests, as the Company already owns 100% equity in these subsidiaries.

**Investment in a Joint Venture**

This account represents the Company's investment in RWEC, an entity incorporated and domiciled in the Philippines. The balance of and movements in this account are as follows:

	Note	Amount
<b>Cost</b>		
Reclassification to investment in a joint venture from noncurrent asset held for sale	8	₱9,800,000
Additions		6,391,438
Balance at end of year		16,191,438
<b>Advances for Future Stock Subscriptions</b>		
Additions and balance at end of year	13	47,187,167
		<b>₱63,378,605</b>

In 2025, following the sale of 51% ownership interest in the common stock of RWEC to the joint venture partner the Company subscribed to the preferred stock and common stock in RWEC amounting to ₱0.4 million and ₱5.9 million, respectively.

The key financial information of RWEC as at December 31, 2025 and for the period February 14, 2025 to December 31, 2025 are as follows:

Current assets*	₱17,487,574
Noncurrent assets	108,811,506
Current liabilities**	95,999,988
Net assets	<b>₱30,299,092</b>

\*Includes cash amounting to ₱9.1 million.

\*\*Includes financial liabilities (excluding trade payables) amounting to ₱1.6 million.

Revenues	₱14,606
Net loss	<b>₱550,120</b>

**Advances for Future Stock Subscriptions**

Details of this account as at December 31 are as follows:

Investee	Date of Payment	Type of Subscription	2025	2024
SWEC	2025	Common	<b>₱69,745,000</b>	₱-
RWEC	2025	Preferred	<b>47,187,167</b>	-
BERC	2023	Common	<b>21,010,814</b>	21,010,814
			<b>₱137,942,981</b>	<b>₱21,010,814</b>

As at December 31, 2025, all investees have not yet submitted their application with the SEC to increase authorized capital stock, and the Company has not yet subscribed to the additional shares.

## 10. Investment Properties

The balance of and movement in this account are as follows:

	2025	2024
Balance at beginning of year	P62,551,732	P55,712,087
Fair value changes	4,871,313	6,839,645
<b>Balance at end of year</b>	<b>P67,423,045</b>	<b>P62,551,732</b>

Direct operating expenses incurred amounted to P44,800 and P53,544 in 2025 and 2024, respectively.

Details of fair value determination of investment properties are disclosed in Note 17 to the separate financial statements.

## 11. Property and Equipment

The balances of and movements in this account are as follows:

		2025			
		Machineries and Equipment	Office Equipment, Furniture and Fixtures	Construction in Progress and Equipment for Installation	Total
	Note				
<b>Cost</b>					
Balances at beginning of year		P6,138,780	P2,904,012	P197,197,670	P206,240,462
Additions		-	465,160	8,566,064	9,031,224
<b>Balances at end of year</b>		<b>6,138,780</b>	<b>3,369,172</b>	<b>205,763,734</b>	<b>215,271,686</b>
<b>Accumulated Depreciation</b>					
Balances at beginning of year		1,103,388	1,628,038	-	2,731,426
Depreciation	14	830,647	592,072	-	1,422,719
<b>Balances at end of year</b>		<b>1,934,035</b>	<b>2,220,110</b>	<b>-</b>	<b>4,154,145</b>
<b>Carrying Amounts</b>		<b>P4,204,745</b>	<b>P1,149,062</b>	<b>P205,763,734</b>	<b>P211,117,541</b>
		2024			
		Machineries and Equipment	Office Equipment, Furniture and Fixtures	Construction in Progress and Equipment for Installation	Total
	Note				
<b>Cost</b>					
Balances at beginning of year		P6,138,780	P2,886,691	P192,268,743	P201,294,214
Additions		-	44,999	4,928,927	4,973,926
Disposal		-	(27,678)	-	(27,678)
<b>Balances at end of year</b>		<b>6,138,780</b>	<b>2,904,012</b>	<b>197,197,670</b>	<b>206,240,462</b>
<b>Accumulated Depreciation</b>					
Balances at beginning of year		484,538	1,110,096	-	1,594,634
Depreciation	14	618,850	523,323	-	1,142,173
Disposal		-	(5,381)	-	(5,381)
<b>Balances at end of year</b>		<b>1,103,388</b>	<b>1,628,038</b>	<b>-</b>	<b>2,731,426</b>
<b>Carrying Amounts</b>		<b>P5,035,392</b>	<b>P1,275,974</b>	<b>P197,197,670</b>	<b>P203,509,036</b>

In 2024, the Company sold office equipment with carrying amount of ₱22,297 for ₱25,372, resulting in a gain of ₱3,075 included as part of "Other income" account in the separate statements of comprehensive income.

The Company entered into a lease agreement with a related party for the use of lidar equipment with carrying amounts of ₱4.2 million and ₱5.0 million as of 2025 and 2024, respectively. The agreement has a term of one year and renewable upon agreement by both parties. In 2024, the lease agreement was terminated. In 2024, the Company recognized rent income amounting to ₱4.9 million (see Note 13).

## 12. Accounts and Other Payables

This account consists of:

	Note	2025	2024
Accounts payable		<b>₱15,212,122</b>	₱12,993,807
Advances from:			
Joint venture partner	8	<b>44,092,324</b>	–
Related parties	13	<b>314,880</b>	916,264
Accrued expenses			
Professional fees		<b>3,418,723</b>	1,302,241
Rental		<b>866,243</b>	–
Personnel costs		–	749,949
Statutory payables		<b>1,154,367</b>	1,786,374
Others		<b>888,714</b>	1,244,146
		<b>₱65,947,373</b>	₱18,992,781

Accounts payable, accrued expenses and other payables are normally settled within one year. In 2025, the Company wrote off accounts payable amounting to ₱12.9 million. This is considered as noncash financial information in the separate statements of cash flows for the year ended 2025.

Advances from joint venture partner represent development fees received by the Company under the JDSHA related to an onshore power generation project. These amounts are expected to be recognized as revenue within one year once the required contractual conditions are satisfied. However, they remain refundable until all applicable milestones and contractual conditions are met. As at April 7, 2026, the Company has not yet met the required milestones and contractual conditions necessary to recognize these advances as revenue.

Statutory payables are normally settled within one to three months.

### 13. Related Party Transactions

The following table summarizes the related party transactions and balances of the Company:

Nature of Relationship	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2025	2024	2025	2024
<b>Accounts Receivable (see Note 5)</b>					
Joint venture	Rent income	P-	P4,910,714	P-	P10,450,000
<b>Advances to Related Parties (see Note 5)</b>					
Subsidiaries	Working capital advances	P8,620,726	P5,483,129	P275,002,479	P267,569,953
Joint venture	Working capital advances	1,196,717	42,269,525	38,116	54,118,467
				275,040,595	321,688,420
				268,983,665	262,392,393
				P6,056,930	P59,296,027
<b>Dividend Receivable (see Note 9)</b>					
Subsidiary	Dividend income	P56,916,000	P-	P41,916,000	P-
<b>Advances for Future Stock Subscriptions (see Note 9)</b>					
Subsidiaries	Deposit for future investment	P69,745,000	P-	P90,755,814	P21,010,814
Joint Venture	Deposit for future investment	47,187,167	-	47,187,167	-
				P137,942,981	P21,010,814
<b>Advances from Related Parties (see Note 12)</b>					
Subsidiaries	Working capital advances	P1,800,000	P-	P314,780	P366,164
Joint Venture	Working capital advances	-	-	100	550,100
				P314,880	P916,264
<b>Accrued Expenses</b>					
Entity under common control -	Rental	P2,560,000	P-	P810,000	P-
<b>Fair Value of Plan Asset (see Note 15)</b>					
Plan asset	Plan contribution	P-	P1,491,984	P17,495,329	P17,111,019
<b>Personnel Costs</b>					
Key management personnel	Retirement benefits	P2,932,491	P2,593,079	P14,712,025	P12,226,966
	Short-term benefits	2,952,300	1,628,900	36,659	36,659
				P14,748,684	P12,263,625

#### Accounts Receivable

Accounts receivable pertains to the rent income from the lease of machinery to a related party for P0.6 million monthly, inclusive of VAT, which was terminated in October 2024. Accounts receivable are unsecured, noninterest-bearing and generally collected within one (1) year.

#### Advances to Related Parties

Outstanding balances are unsecured, noninterest-bearing, due on demand and to be collected in Philippine Peso, except for the advances to Grandway which are to be collected in United States (US) Dollar.

The balance of and movements in the allowance for ECL on advances to related parties are as follows:

	2025	2024
Balance at beginning of year	P262,392,393	P261,849,920
Provision	6,591,272	542,473
Balance at end of year	P268,983,665	P262,392,393

**Advances from Related Parties**

Advances from related parties are unsecured, noninterest-bearing, due on demand and to be settled in Philippine Peso. Details are as follows:

	2025	2024
Balance at beginning of year	P916,264	P1,125,371
Payments	(601,384)	(209,107)
Balance at end of year	P314,880	P916,264

**14. General and Administrative Expenses**

This account consists of:

	Note	2025	2024
Provision for Impairment on investments	9	P36,975,000	P-
Personnel costs	15	29,427,896	31,432,791
Professional fees		9,932,557	6,342,461
Rent		3,404,799	3,586,770
Taxes and licenses		1,943,477	1,955,071
Depreciation	11	1,422,719	1,142,173
Insurance		1,208,178	1,364,274
Transportation and travel		1,114,077	1,380,303
Meetings and trainings		582,499	580,947
Communications		516,374	651,910
Utilities		311,006	336,811
Others		4,818,647	859,712
		<b>P91,657,229</b>	<b>P49,633,223</b>

The Company, as a lessee, has lease agreements for the use of office spaces that are renewable every year at the option of both parties.

**15. Personnel Costs**

This account consists of:

	Note	2025	2024
Salaries and wages		P17,897,075	P19,523,279
Other employee benefits		8,232,233	8,992,709
Retirement benefits		3,298,588	2,916,803
	14	<b>P29,427,896</b>	<b>P31,432,791</b>

**Retirement Benefits**

The Company has a funded, noncontributory defined retirement benefits plan (the Plan) covering substantially all of its employees. The retirement benefits are based on a certain percentage of the final monthly basic salary for every year of credited service of the employees. The benefits to be received by the employees meet the minimum mandated benefit under Republic Act No. 7641, *The Retirement Pay Law*.

The defined benefit obligation under the defined benefit retirement plan is determined using the projected unit credit method. The latest actuarial valuation report of the Company was as at and for the year ended December 31, 2025.

#### Retirement Benefit Expense

The components of the retirement expense are as follows:

	2025	2024
Current service cost	P3,179,755	P3,018,687
Net interest expense (income)	118,833	(101,884)
	<b>P3,298,588</b>	<b>P2,916,803</b>

#### Net Retirement Benefit Liability

The funded status of the Company's net retirement benefit liability are as follows:

	2025	2024
Present value of defined benefit obligation (PVBO)	P22,928,910	P19,055,908
Fair value of plan assets (FVPA)	(17,495,329)	(17,111,019)
	<b>P5,433,581</b>	<b>P1,944,889</b>

Movements in net retirement benefit liability recognized in the separate statements of financial position are as follows:

	2025	2024
Balance at beginning of year	P1,944,889	(P732,732)
Retirement benefit expense	3,298,588	2,916,803
Remeasurement loss recognized in OCI	190,104	1,252,802
Contributions paid	-	(1,491,984)
Balance at end of year	<b>P5,433,581</b>	<b>P1,944,889</b>

#### PVBO

The balances of and movements in the PVBO are as follows:

	2025	2024
Balance at beginning of year	P19,055,908	P13,845,846
Current service cost	3,179,755	3,018,687
Interest expense	1,164,316	953,979
Actuarial losses (gains) recognized in OCI:		
Change in financial assumptions	(339,751)	2,497,230
Experience adjustments	(131,318)	(1,259,834)
Balance at end of year	<b>P22,928,910</b>	<b>P19,055,908</b>

The principal assumptions used in determining the PVBO are as follows:

	2025	2024
Discount rate	6.31%	6.11%
Salary increase rate	6.00%	6.00%

Sensitivity analysis on the PVBO are as follows:

	Change in Assumption	Effect on PVBO	
		2025	2024
Discount rate	+1.00%	<b>(P1,589,964)</b>	(P1,460,553)
	-1.00%	<b>1,811,236</b>	1,669,940
Salary increase rate	+1.00%	<b>P1,908,980</b>	P1,655,084
	-1.00%	<b>(1,705,556)</b>	(1,474,993)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on PVBO as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

As at December 31, 2025, the maturity analysis of the undiscounted benefit payments is as follows:

Within one (1) year	P2,780,622
One (1) year to five (5) years	10,248,400
Five (5) years to less than 10 years	17,584,007
10 years to 15 years	22,881,090
15 years to 20 years	30,757,299
20 years to 25 years	22,688,784
	<b>P106,940,202</b>

The average duration of the retirement benefit liability as at December 31, 2025 is approximately 10.57 years.

#### FVPA

The balances of and movements in the FVPA are as follows:

	Note	2025	2024
Balance at beginning of year		<b>P17,111,019</b>	P14,578,578
Interest income		<b>1,045,483</b>	1,055,863
Remeasurement loss		<b>(661,173)</b>	(15,406)
Contributions	13	-	1,491,984
Balance at end of year		<b>P17,495,329</b>	P17,111,019

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2025	2024
Investment in unit investment trust fund	<b>62.73%</b>	29.12%
Investment in government securities	<b>29.54%</b>	59.84%
Other securities and debt instruments	<b>6.83%</b>	11.04%
Others	<b>0.90%</b>	0.00%
	<b>100.00%</b>	100.00%

**Risks Associated with the Retirement Plan**

The plan exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk, and salary risk.

*Investment and Interest Rate Risks.* The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the Plan’s obligation. However, this will be partially offset by an increase in the return on the Plan’s investments in debt securities, and if the return on plan asset falls below this rate, it will create a deficit in the Plan. Currently, the Plan has relatively balanced investments in equity securities and government securities. Due to the long-term nature of the Plan obligation, diversifying its investments is an appropriate element of the Company’s long-term strategy to manage the Plan efficiently.

*Longevity and Salary Risks.* The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

**Funding Arrangements and Expected Contributions**

The Company is not required to pre-fund the future defined benefits payable under the retirement plan before they become due. For this reason, the amount and timing of contributions to the retirement fund to support the defined benefits are at the Company’s discretion. However, in the event a defined benefit claim arises and the retirement fund is insufficient to pay the claim, the shortfall will then be due and payable from the Company to the retirement fund.

**Cumulative Remeasurement Loss**

The balance of and movements in cumulative remeasurement loss on net retirement benefit liability, included under the “Other comprehensive income” account in the separate statements of financial position are as follows:

	2025	2024
Balance at beginning of year	P3,607,224	P2,354,422
Remeasurement loss	190,104	1,252,802
Balance at end of year	P3,797,328	P3,607,224

**16. Income Taxes**

The components of income tax expense (benefit) as reported in the separate statements of comprehensive income are as follows:

	2025	2024
Current - MCIT	P305,816	P103,637
Deferred	(527,558)	(91,468)
	(P221,742)	P12,169

As at December 31, 2025 and 2024, the Company has the following unrecognized deferred tax assets:

	2025	2024
NOLCO	<b>₱44,657,060</b>	₱50,072,092
Allowance for ECL on accounts receivable	<b>5,831,646</b>	3,178,457
Unamortized past service cost	<b>2,905,189</b>	3,487,205
Cumulative unrealized foreign exchange loss	<b>1,012,049</b>	1,681,388
Net retirement benefit liability	<b>1,358,395</b>	486,222
Excess of MCIT over RCIT	<b>575,816</b>	566,890
	<b>₱56,340,155</b>	₱59,472,254

The management assessed that there may be no sufficient future taxable income against which benefits of the deductible temporary differences and carryforward benefits can be utilized.

As at December 31, 2025 and 2024, the Company's deferred tax liability amounting to ₱152,763 and ₱680,321 pertains to unrealized foreign exchange gain.

Details of the Company's NOLCO as at December 31, 2025 are as follows:

Year Incurred	Beginning Balance	Incurred	Expired	Balance	Year of Expiration
2025	₱-	₱37,811,090	₱-	₱37,811,090	2028
2024	46,160,668	-	-	46,160,668	2027
2023	46,653,151	-	-	46,653,151	2026
2022	20,950,297	-	20,950,297	-	2025
2021	48,003,326	-	-	48,003,326	2026
2020	38,520,924	-	38,520,924	-	2025
	<b>₱200,288,366</b>	<b>₱37,811,090</b>	<b>₱59,471,221</b>	<b>₱178,628,235</b>	

Under Revenue Regulations No. 25-2020, net operating loss incurred for the taxable years 2021 and 2020 will be carried over for the next five (5) consecutive taxable years immediately following the year such loss was incurred.

Details of the Company's excess of MCIT over RCIT as at December 31, 2025 are as follows:

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Year of Expiration
2025	₱-	₱305,816	₱-	₱305,816	2028
2024	103,637	-	-	103,637	2027
2023	166,363	-	-	166,363	2026
2022	296,890	-	296,890	-	2025
	<b>₱566,890</b>	<b>₱305,816</b>	<b>₱296,890</b>	<b>₱575,816</b>	

The reconciliation between the provision for income tax based on statutory income tax rate and effective income tax rate is as follows:

	2025	2024
Income tax benefit at statutory tax rate	(P6,780,295)	(P10,447,875)
Increase (decrease) in income tax resulting from:		
Nontaxable income	(16,438,238)	(1,676,630)
Expired NOLCO	14,867,805	-
Nondeductible expenses	11,044,024	206,130
Expired excess of MCIT over RCIT	296,890	9,781
Interest income subjected to final tax	(32,303)	(1,093,084)
Change in unrecognized deferred tax assets	(3,179,625)	13,013,847
	<b>(P221,742)</b>	<b>P12,169</b>

## 17. Fair Value Measurements

The following tables present the carrying amounts and fair values of the Company's assets measured at fair value and the corresponding fair value hierarchy:

2025					
Fair Value					
		Carrying	Quoted Prices	Significant	Significant
	Note	Amount	in Active	Observable	Unobservable
			Markets	Inputs	Inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets at FVOCI -					
Quoted equity securities	7	P15,102,467	P15,102,467	P-	P-
Investment properties	10	67,423,045	-	-	67,423,045
		<b>P82,525,512</b>	<b>P15,102,467</b>	<b>P-</b>	<b>P67,423,045</b>

2024					
Fair Value					
		Carrying	Quoted Prices	Significant	Significant
	Note	Amount	in Active	Observable	Unobservable
			Markets	Inputs	Inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets at FVOCI -					
Quoted equity securities	7	P15,161,108	P15,161,108	P-	P-
Investment properties	10	62,551,732	-	-	62,551,732
		<b>P77,712,840</b>	<b>P15,161,108</b>	<b>P-</b>	<b>P62,551,732</b>

The Company used the following techniques to determine fair value measurements:

*Financial Assets at FVOCI.* The Company's financial assets at FVOCI as at December 31, 2025 and 2024 are carried at fair values based on quoted market prices or bidding dealer price quotations from active markets at the reporting date. This fair valuation is classified under the Level 1 category.

*Investment Properties.* The Company engaged an independent appraiser to determine the fair value of the investment properties as at December 31, 2025. The latest appraisal valuation reports dated October 14, 2025 and October 17, 2025 were prepared using the “Market Approach,” which is based on the assumption that no prudent purchaser will buy more than what it will cost to acquire an equally desirable substitute parcel or site. Fair value of investment properties is categorized under Level 3 (significant unobservable inputs).

Considering the foregoing and such factors as property location, desirability, neighborhood, utility, size, terrain and time element involved, the market value of the appraised land is estimated at ₱752 to ₱1,000 per square meter, and at ₱696 to ₱930 per square meter as at December 31, 2025 and 2024, respectively.

Highest and best use is the most probable use of the property, which is financially feasible and which results in the highest value of the property. Based upon the latest appraisal reports dated October 14 and 17, 2025, an agro-industrial poultry or piggery and residential subdivision or a resort development would represent the highest and best use, respectively. Currently, the land remains idle as management has no definite plans for its use.

*Sensitivity Analysis.* Generally, significant increases (decreases) in price per sqm and any value adjustments would result in a significantly higher (lower) fair value measurement. Choosing comparable with different inputs would result in a significantly different fair value measurement.

There were no transfers between Level 1, Level 2, and Level 3 fair value measurements in 2025 and 2024.

The table below presents the financial assets and liabilities whose carrying amounts approximate their fair values due to their short-term nature as at December 31, 2025 and 2024:

	2025	2024
Financial assets at amortized cost:		
Cash and cash equivalents	₱16,687,750	₱71,017,584
Accounts and other receivables*	59,534,926	92,030,962
	<b>₱76,222,676</b>	<b>₱163,048,546</b>
Financial liabilities at amortized cost -		
Accounts and other payables**	₱64,793,006	₱17,206,407

\*Excluding nonfinancial assets amounting to ₱0.5 million and ₱0.1 million as at December 31, 2025 and 2024, respectively.

\*\*Excluding nonfinancial liabilities amounting to ₱1.2 million and ₱1.8 million as at December 31, 2025 and 2024, respectively.

## 18. Financial Risk and Capital Management Objectives and Policies

### Financial Risk Management

The Company’s financial instruments consist of cash and cash equivalents, accounts and other receivables (excluding nonfinancial assets), financial assets at FVOCI, and accounts and other payables (excluding nonfinancial liabilities).

The main financial risks arising from the Company's use of financial instruments include credit risk, liquidity risk, and market risks. The BOD regularly reviews and approves the appropriate policies for managing these financial risks, as summarized below.

### Credit Risk

The Company's exposure to credit risk arises from the failure of its counterparty in fulfilling its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist primarily of financial assets at amortized cost.

The carrying amounts of financial assets at amortized cost represent the Company's maximum credit exposure.

#### Financial Assets at Amortized Cost

The Company limits its exposure to credit risk by depositing its cash and cash equivalents only with banks that have good credit standing and reputation in the local and international banking industry. In addition, accounts and other receivables (excluding nonfinancial assets) are transacted with counterparties with good credit standing and a relatively low risk of default.

The Company also monitors its exposure to credit risk on its accounts and other receivables (excluding nonfinancial assets) based on its existing and forecasted changes in business and financial condition. The Company recognized provision for ECL on its accounts and other receivables of ₱17.2 million and ₱11.2 million in 2025 and 2024, respectively (see Note 5).

The Company's policy to measure ECL on the above instruments are discussed in Note 3 to the financial statements.

The following tables show the amounts of financial assets at amortized cost as at December 31, 2025 and 2024:

	2025			Total
	12-month ECL	Lifetime ECL - Not Credit impaired	Lifetime ECL - Credit Impaired	
Cash in banks*	₱16,670,514	₱-	₱-	₱16,670,514
Accounts and other receivables**	-	₱59,534,926	₱292,310,249	₱351,845,175
	₱16,670,514	₱59,534,926	₱292,310,249	₱368,515,689

\*Excluding cash on hand amounting to ₱17,236 as at December 31, 2025.

\*\*Excluding nonfinancial assets amounting to ₱0.5 million as at December 31, 2025.

	2024			Total
	12-month ECL	Lifetime ECL - Not Credit impaired	Lifetime ECL - Credit Impaired	
Cash in banks and cash equivalents*	₱71,013,257	₱-	₱-	₱71,013,257
Accounts and other receivables**	-	₱92,030,962	₱275,107,545	₱367,138,507
	₱71,013,257	₱92,030,962	₱275,107,545	₱438,151,764

\*Excluding cash on hand amounting to ₱4,327 as at December 31, 2024.

\*\*Excluding nonfinancial assets amounting to ₱0.1 million as at December 31, 2024.

The credit quality of financial assets is being managed by the Company using internal credit ratings. The credit quality of the Company's financial assets at amortized cost are as follows:

**High Grade.** It pertains to accounts with a very low probability of default as demonstrated by the borrower's long history of stability, profitability and diversity. It includes deposits to reputable banks and companies with good credit standing. High grade financial assets include cash in banks.

*Standard Grade.* It pertains to receivables from counterparties with satisfactory financial capability and credit standing based on historical data, current conditions and the Company's view of forward-looking information over the expected lives of the receivables. Standard grade financial assets include accounts and other receivables (excluding nonfinancial assets).

*Substandard Grade.* It pertains to accounts with history of default and include financial assets that are collected on their due dates provided that the Company made a persistent effort to collect them.

The Company has significant concentration of credit risk with a counterparty which comprises 76% and 63% of total financial assets as at December 31, 2025 and 2024, respectively.

#### **Liquidity Risk**

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising adequate funds to meet its financial commitments at a reasonable cost. The Company's objectives in effectively managing its liquidity are: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

To manage this exposure and to ensure sufficient liquidity levels, the Company closely monitors its collections and expenditures by preparing cash position reports that present actual and projected cash flows for the subsequent month.

The maturity profile of the accounts and other payables amounting to ₱64.8 million and ₱17.2 million, excluding nonfinancial liabilities amounting to ₱1.2 million and ₱1.8 million of the Company, is based on remaining contractual undiscounted obligations or on the estimated timing of net cash flows which are within one (1) year as at December 31, 2025 and 2024, respectively.

#### **Market Risks**

The Company is exposed to market risks, primarily those related to foreign currency risk and equity price risk.

*Foreign Currency Risk.* Foreign currency risk arises on financial instruments that are denominated in a foreign currency other than the functional currency.

The Company's transactional currency exposures arise from its transactions denominated in US Dollar. The Company periodically reviews the trend of the changes in foreign exchange rates to address its exposure to foreign currency risk. The Company's policy is to maintain foreign currency exposure within acceptable limits and within the existing regulatory guidelines.

The following table shows the Company's foreign currency-denominated monetary financial assets and liability and their Philippine Peso equivalents:

	2025	
	Original Currency	Philippine Peso
Cash and cash equivalents	US\$40,468	₱2,387,598
Advances to related parties	4,006,058	235,516,150
Nontrade receivables	160,893	9,458,891
Advances from joint venture partners	(749,997)	(44,092,324)
	<b>US\$3,457,422</b>	<b>₱203,270,315</b>

	2024	
	Original Currency	Philippine Peso
Cash and cash equivalents	US\$983,642	₱56,903,664
Advances to related parties	4,001,906	231,508,864
Nontrade receivable	160,893	9,306,847
	<b>US\$5,146,441</b>	<b>₱297,719,375</b>

For purposes of translating the Company's foreign currency-denominated monetary assets to Philippine Peso, the exchange rates applied were ₱58.79 and ₱57.85 per US\$1 as at December 31, 2025 and 2024, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rates, with all other variables held constant, of the Company's income (loss) before income tax and equity in 2025 and 2024.

	Increase (Decrease) in Exchange Rates	Effect on Loss Before Income Tax	Effect on Equity
<b>2025</b>	<b>1.03</b>	<b>₱3,561,145</b>	<b>₱2,670,859</b>
	<b>(1.03)</b>	<b>(3,561,145)</b>	<b>(2,670,859)</b>
<b>2024</b>	<b>1.14</b>	<b>₱5,866,943</b>	<b>₱4,400,207</b>
	<b>(1.14)</b>	<b>(5,866,943)</b>	<b>(4,400,207)</b>

*Equity Price Risk.* Equity price risk is the risk that the Company will incur economic losses due to adverse changes in a particular stock or stock index. The Company's equity price risk arises from its equity securities which are traded in the Philippine Stock Exchange (PSE).

The Company's policy is to maintain the risk to an acceptable level. The movements in stock prices are monitored regularly to determine the impact on the Company's financial position.

The table below sets forth the impact of changes in PSE index (PSEI) and GG&A Club shares in the Company's equity as at December 31, 2025 and 2024:

	2025		2024	
Changes in market value	<b>16.68%</b>	<b>(16.68%)</b>	15.34%	(15.34%)
Financial assets at FVOCI:				
Telecommunications	<b>₱2,000</b>	<b>(₱2,000)</b>	₱3,439	(₱3,439)
Banks	<b>4,768</b>	<b>(4,768)</b>	2,557	(2,557)
Proprietary shares -				
Ayala Alabang country club	<b>2,501,927</b>	<b>(2,501,927)</b>	2,300,324	(2,300,324)
	<b>₱2,508,695</b>	<b>(₱2,508,695)</b>	<b>₱2,306,320</b>	<b>(₱2,306,320)</b>

**Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains strong and healthy financial position to drive its expansion and growth in the future.

The Company considers its capital stock and additional paid-in capital as its capital employed. The Company manages the capital structure and will make adjustments when there are changes in the economic conditions, business activities, expense programs and the risk characteristics of underlying assets. No changes were made in the objectives, policies or processes during the years ended December 31, 2025 and 2024.



**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE  
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors  
Basic Energy Corporation  
GM Building, Florida St.  
Barangay Wack Wack, Greenhills East  
Mandaluyong City

We have audited the accompanying separate financial statements of Basic Energy Corporation (a subsidiary of MAP 2000 Development Corp.) (the Company) as at and for the years ended December 31, 2025 and 2024, on which we have rendered our report dated April 7, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has 6,055 and 6,078 stockholders owning 100 or more shares each as at December 31, 2025 and 2024, respectively.

**REYES TACANDONG & Co.**

JOSEPH C. BILANGBILIN

Partner

CPA Certificate No. 102884

Tax Identification No. 210-181-965-000

BOA Accreditation No. 4782/P-010; Valid until June 6, 2026

SEC Accreditation No. 102884-SEC Group A

Issued December 27, 2022

Valid for Financial Periods 2022 to 2026

BIR Accreditation No. 08-005144-011-2025

Valid until August 10, 2028

PTR No. 10764010

Issued January 2, 2026, Makati City

April 7, 2026  
Makati City, Metro Manila



**REPORT OF INDEPENDENT AUDITORS  
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
Basic Energy Corporation  
GM Building, Florida St.  
Barangay Wack Wack, Greenhills East  
Mandaluyong City

We have audited in accordance with the Philippine Standards on Auditing, the separate financial statements of Basic Energy Corporation (a subsidiary of MAP 2000 Development Corp.) (the Company) as at and for the years ended December 31, 2025 and 2024 and have issued our report thereon dated April 7, 2026. Our audits were made for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The accompanying Supplementary Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management.

The schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic separate financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic separate financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the basic separate financial statements or to the separate financial statements themselves. In our opinion, the information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

**REYES TACANDONG & Co.**

JOSEPH C. BILANGBILIN

Partner

CPA Certificate No. 102884

Tax Identification No. 210-181-965-000

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Issued January 2, 2026, Makati City

April 7, 2026

Makati City, Metro Manila

**BASIC ENERGY CORPORATION**

**GM Building, Florida St., Barangay Wack Wack, Greenhills East, Mandaluyong City**

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION  
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

	Amount
<b>Deficit, Beginning of Year</b>	(P607,673,093)
<b>Add: Net loss for the Current Year</b>	(26,899,437)
Less: Category C: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Fair value changes in investment properties	(4,871,313)
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(3,901,894)
<b>Adjusted Net Loss</b>	(35,672,644)
<b>Deficit, End of the Reporting Period</b>	(P643,345,737)

# Annex A:

## Contextual information

Company details	
Name of Organization	Basic Energy Corporation
Location of Headquarters	GM Building, 240 EDSA, Barangay Wack Wack Greenhills East, Mandaluyong City
Location of Operations	GM Building, 240 EDSA, Barangay Wack Wack Greenhills East, Mandaluyong City
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Basic Energy Corporation
Business Model, including Primary Activities, Brands, Products, and Services	<p>Basic Energy Corporation is a holding company with diversified business interest in various fields of renewable energy and alternative fuels, and in oil and gas exploration and development.</p> <p>As of the end of 2024, the Company's existing energy service contracts with the DOE are still in the exploratory and/or pre-development stage.</p>
Reporting Period	January 01, 2025 to December 31, 2025
Highest Ranking Person responsible for this report	Dominique P. Pascua Compliance Officer

## Materiality process

Material topics
<p>In determining the topics that are material to our stakeholders, management took into consideration the current operating status of the Company. For the year 2024, the Company's existing energy service contracts are still in the exploratory and/or pre-development stage.</p> <p>In consideration of the current operation of the Company, management identified the following stakeholders that would be affected in terms of the Company's economic, social and environmental performance for the reporting period.</p> <ol style="list-style-type: none"> <li>1. Directors</li> <li>2. Employees</li> <li>3. Regulators</li> <li>4. Shareholders</li> </ol> <p>Our materiality assessment identified material topics for our 2023 Sustainability Report resulted in the corresponding items:</p> <ul style="list-style-type: none"> <li>▪ Economic <ul style="list-style-type: none"> <li>— Economic Performance: Direct Economic Value Generated and Distributed</li> <li>— Anti-Corruption: Training on Anti-Corruption Policies and Procedures</li> </ul> </li> <li>▪ Social</li> </ul>

- Employee Management: Employee Hiring Benefits
- Employee Management: Employee Training and Development
- Employee Management: Diversity and Equal Opportunity
- Data Security

**ECONOMIC**

**Economic performance**

**Direct economic value generated and distributed**

Disclosure	Amount	Unit
Direct economic value generated (revenue)	2,108,850,206	Php
Direct economic value distributed:		Php
a. Operating costs	270,085,734	Php
b. Employee wages and benefits	253,381,512	Php
c. Payments to suppliers, other operating costs	53,227,037	Php
d. Dividends given to stockholders and interest payments to loan providers	1,119,294,489	Php
e. Taxes given to government	209,444,138	Php
f. Investments to community (e.g. donations, CSR)		Php

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<p>1. Economic value distributed by the company for employee wages and benefits was around Php253.38 million.</p> <p>2. Operating cost of around Php270.08 million are mostly attributed to the company's maintenance of its service contracts and submission of necessary reportorial requirements to the Department of Energy ("DOE"), Securities and Exchange Commission ("SEC"), and Philippine Stock Exchange ("PSE"). Through the maintenance of these service contracts, the Company was able to contribute additional information to the DOE on the potential energy sources of the service areas while disclosures from the company have guided shareholders on the direction of the company. A portion of the costs are also attributable to the exploration of potential projects that can contribute to the company's growth.</p> <p>3. The Company paid taxes amounting to Php209.44 million. Payment of tax is a</p>	<p>1. Employees</p> <p>2. Shareholders and Regulators</p> <p>3. Creditors and Regulators</p>	<p>1. The company policy adheres to existing labor regulations and ensures professional and personal growth of its employees through trainings and seminars.</p> <p>2. The company is compliant on its responsibility to different regulators.</p> <p>3. The company enforces timely payments of its taxes and licenses, and proper monitoring and recording of all costs incurred.</p>

necessary duty as a corporation and is essential on providing funds to the government to implement its various projects.		
<b>What are the risks identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>Risk of overspending that may result in further depletion of the company’s operating funds and risk in understaffing for more future projects.</li> </ul>	<ul style="list-style-type: none"> <li>Employees, Directors and Shareholders</li> </ul>	<ul style="list-style-type: none"> <li>The Company monitors and manages the company’s cost which are reviewed thoroughly and diligently to assess its relevance on the company’s operations. Also, the company evaluates the job description of each employee to prevent overlapping and gaps of tasks.</li> </ul>
<b>What are the opportunities identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>Focusing on renewable energy projects, such as solar and wind energy, that have faster turn-around time compared to geothermal service contracts.</li> </ul>	<ul style="list-style-type: none"> <li>Regulators, Shareholders, Directors and Employees</li> </ul>	<ul style="list-style-type: none"> <li>The company has a rigorous process on evaluating the viability of potential energy projects and are reviewed diligently by the management and board of directors.</li> </ul>

**Climate-related risks and opportunities<sup>15</sup>**

Governance	Strategy	Risk Management	Metrics and Targets
Not material topic	Not material topic	Not material topic	Not material topic
<b>Recommended disclosures</b>			
Not material topic	Not material topic	Not material topic	Not material topic

<sup>15</sup> Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

<sup>16</sup> For this disclosure, impact refers to the impact of climate-related issues on the company.

**Procurement practices**

**Proportion of spending on local suppliers**

Disclosure	Quantity	Unit
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic
What are the risks identified?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic
What are the opportunities identified?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic

**Anti-corruption**

**Training on anti-corruption policies and procedures**

Disclosure	Quantity	Unit
Percentage of employees to whom the organization's anti- corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	0	%
Percentage of directors and management that have received anti-corruption training	0	%
Percentage of employees that have received anti-corruption training	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<ul style="list-style-type: none"> <li>▪ The company is engaged in energy development and exploration which deals with local government units. The company is compliant on the legal process on the permits and other paper works of its service contracts.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Employees</li> <li>▪ Directors</li> <li>▪ Regulators</li> </ul>	<ul style="list-style-type: none"> <li>▪ The company has its own corporate governance committee and has an anti-corruption policy and program in its Code of Conduct.</li> </ul>

What are the risks identified?	Which stakeholders are affected?	Management approach
<ul style="list-style-type: none"> <li>▪ Pressure from local and national government units to speed up processing of paperwork for service contracts.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Employees</li> <li>▪ Regulators</li> </ul>	<ul style="list-style-type: none"> <li>▪ The company has its own corporate governance committee and has an anti-corruption policy and program in its Code of Conduct.</li> </ul>
What are the opportunities identified?	Which stakeholders are affected?	Management approach
<ul style="list-style-type: none"> <li>▪ As for the year 2025, as the company continues to strengthen its operations post-COVID-19, providing online or face to face trainings and seminars that will result to proactive employees and directors to be knowledgeable and compliant on anti-corruption practices.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Employees</li> <li>▪ Regulators</li> </ul>	<ul style="list-style-type: none"> <li>▪ In line with the recent events, the company is actively planning on providing either face to face trainings and seminars compliant with the Government's health and safety policy or online training and seminars to all its employee and directors on anti-corruption policies.</li> <li>▪ The company is also planning to provide employees with trainings on new laws and regulation in order to avoid potential violations.</li> </ul>

## Incidents of corruption

Disclosure	Quantity	Unit
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic

**ENVIRONMENT**

**Resource management**

**Energy consumption within the organization**

Disclosure	Quantity	Unit
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	0	kWh

**Reduction of energy consumption**

Disclosure	Quantity	Unit
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ
Energy reduction (diesel)	0	GJ
Energy reduction (electricity)	0	kWh
Energy reduction (gasoline)	0	GJ

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic

### Water consumption within the organization

Disclosure	Quantity	Unit
Water withdrawal	0	m <sup>3</sup>
Water consumption	0	m <sup>3</sup>
Water recycled and reused	0	m <sup>3</sup>

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic
What are the risks identified?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic
What are the opportunities identified?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic

### Materials used by the organization

Disclosure	Quantity	Unit
Materials used by weight or volume		
<ul style="list-style-type: none"> <li>▪ Renewable</li> </ul>	0	kg/liters
<ul style="list-style-type: none"> <li>▪ Non-renewable</li> </ul>	0	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic
What are the risks identified?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic
What are the opportunities identified?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic

### Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Unit
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	0	#
Habitats protected or restored	0	ha
IUCN <sup>17</sup> Red List species and national conservation list species with habitats in areas affected by operations	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic
What are the risks identified?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic
What are the opportunities identified?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic

## Environmental impact management

### Air emissions

#### GHG

Disclosure	Quantity	Unit
Direct (Scope 1) GHG Emissions	0	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	0	Tonnes CO2e

<sup>17</sup> International Union for Conservation of Nature

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic

**Air pollutants**

<b>Disclosure</b>	<b>Quantity</b>	<b>Unit</b>
NO <sub>x</sub>	0	kg
SO <sub>x</sub>	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic

## Solid and hazardous wastes

### Solid waste

Disclosure	Quantity	Unit
Total solid waste generated	0	kg
▪ Reusable	0	kg
▪ Recyclable	0	kg
▪ Composted	0	kg
▪ Incinerated	0	kg
▪ Residuals/Landfilled	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic
What are the risks identified?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic
What are the opportunities identified?	Which stakeholders are affected?	Management approach
Not material topic	Not material topic	Not material topic

### Hazardous waste

Disclosure	Quantity	Unit
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic

**Effluents**

<b>Disclosure</b>	<b>Quantity</b>	<b>Unit</b>
Total volume of water discharges	0	m <sup>3</sup>
Percent of wastewater recycled	0	%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic

## Environmental compliance

### Non-compliance with environmental laws and regulations

Disclosure	Quantity	Unit
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Not material topic	Not material topic	Not material topic

**SOCIAL**

**Employee management**

**Employee hiring and benefits**

**Employee data**

Disclosure	Quantity	Unit
Total number of employees <sup>18</sup>		
a. Number of female employees	5	#
b. Number of male employees	11	#
Attrition rate <sup>19</sup>	0	rate
Ratio of lowest paid employee against minimum wage	0	ratio

**Employee benefits**

List of benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	0%	0%
PhilHealth	Y	0%	0%
Pag-ibig	Y	0%	0%
Parental leaves	Y	0%	0%
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	100%
Medical benefits (aside from Philhealth)	Y	100%	100%
Housing assistance (aside from Pag-ibig)	Y	0%	0%
Retirement fund (aside from SSS)	Y	0%	15%
Further education support	Y	0%	0%
Company stock options	Y	0%	0%
Telecommuting	Y	100%	100%
Flexible-working Hours	Y	100%	100%
(Others)	N	0%	0%

<sup>18</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

<sup>19</sup> Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>The company provides a work life balance environment to its employees which had earned their trust and loyalty that has contributed to the company's growth for the past 50 years. And since the Philippines has moved past the critical stages of the COVID-19, the company has returned to full onsite office reporting.</li> </ul>	<ul style="list-style-type: none"> <li>The company policy is compliant to existing labor rules and regulations.</li> </ul>
<b>What are the risks identified?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>There is a risk that a vacancy in a critical role cannot be filled satisfactorily within an acceptable timeframe given that most of the employees served the company for decades.</li> </ul>	<ul style="list-style-type: none"> <li>The company is actively planning to address succession issues within the company</li> </ul>
<b>What are the opportunities identified?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>Creation of other benefits that will motivate employee morale and productivity on the workplace.</li> </ul>	<ul style="list-style-type: none"> <li>The company is actively planning to expand its employee benefits.</li> </ul>

**Employee training and development**

<b>Disclosure</b>	<b>Quantity</b>	<b>Unit</b>
Total training hours provided to employees		
a. Female employees	0.0	hours
b. Male employees	0.0	hours
Average training hours provided to employees		
a. Female employees	0.0	hours/employee
b. Male employees	0.0	hours/employee

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>In the post-COVID-19 period, most of the trainings continue to be delivered online and are related on learnings on proper compliance on different governmental agencies. Trainings are essential as it provide an assurance to our employees that we are committed to their growth, and they are important in building value to our company.</li> </ul>	<ul style="list-style-type: none"> <li>The company identifies and encourages employees to request training relevant to their growth on their respective job designation.</li> </ul>
<b>What are the risks identified?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>Risk that trainings are not in lined with company's operations or values.</li> </ul>	<ul style="list-style-type: none"> <li>The company has an evaluation process on determining the capabilities each employee, the applicability of training and seminars requested by our employees.</li> </ul>
<b>What are the opportunities identified?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>Creation of a detailed training and seminar schedule for the employees to be more innovative and productive that will lead to further growth of the company and the employees professionally.</li> </ul>	<ul style="list-style-type: none"> <li>The company is actively planning on creating an immersive training and seminar schedules that will be relevant to the respective field of our employees and will be beneficial on their further intellectual growth. It is also considering the efficient transition of proving online trainings and seminars to enhance accessibility, improve efficiency, and accommodate varying work arrangements.</li> </ul>

**Labor-management relations**

<b>Disclosure</b>	<b>Quantity</b>	<b>Unit</b>
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Management approach</b>

Not material topic	Not material topic
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### Diversity and equal opportunity

Disclosure	Quantity	Unit
% of female workers in the workforce	31	%
% of male workers in the workforce	69	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

\* Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>The company encourages equality and diversity among its rank. This in turn creates a sense a protection among our employees.</li> </ul>	<ul style="list-style-type: none"> <li>The company policy is compliant to existing government labor rules and regulations.</li> </ul>
<b>What are the risks identified?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>Risk of Gender Discrimination due to outdated views.</li> </ul>	<ul style="list-style-type: none"> <li>The company's code of conduct addresses issue on discrimination.</li> </ul>
<b>What are the opportunities identified?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>Additional training for gender sensitivity.</li> </ul>	<ul style="list-style-type: none"> <li>The company is encouraging its employee that gender is not an issue of capability</li> </ul>

### Workplace conditions, labor standards and human rights

#### Occupational health and safety

Disclosure	Quantity	Unit
Safe Man-Hours	Not material topic	man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Management approach</b>
Not material topic	Not material topic

### Labor laws and human rights

<b>Disclosure</b>	<b>Quantity</b>	<b>Unit</b>
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

<b>Topic</b>	<b>Y/N</b>	<b>If yes, cite reference in the company policy</b>
Forced labor	Not material topic	Not material topic
Child labor	Not material topic	Not material topic
Human Rights	Not material topic	Not material topic

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Management approach</b>
Not material topic	Not material topic

## Supply-chain management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:  
**Not material topic**

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If yes, cite reference in the company policy
Environmental performance	Not material topic	Not material topic
Forced labor	Not material topic	Not material topic
Child labor	Not material topic	Not material topic
Human rights	Not material topic	Not material topic
Bribery and corruption	Not material topic	Not material topic

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Management approach</b>
Not material topic	Not material topic

## Relationship with community

### Significant impacts on local communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable*)
Not material topic	Not material topic	Not material topic
<b>Does the particular operation have impacts on indigenous people (Y/N)?</b>	<b>Collective or individual rights that have been identified that or particular concern for the community</b>	<b>Mitigating measures (if negative) or enhancement measures (if positive)</b>
Not material topic	Not material topic	Not material topic

\* Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: Not material topic

<b>Certificates</b>	<b>Quantity</b>	<b>Unit</b>
FPIC process is still undergoing	0	#
CP secured	0	#

<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Management approach</b>
Not material topic	Not material topic

**Customer management**

**Customer satisfaction**

<b>Disclosure</b>	<b>Score</b>	<b>Did a third party conduct the customer satisfaction study (Y/N)?</b>
Customer satisfaction	Not material topic	N

<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Management approach</b>
Not material topic	Not material topic

**Health and safety**

Disclosure	Quantity	Unit
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

\* *Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Management approach</b>
Not material topic	Not material topic

### Marketing and labeling

Disclosure	Quantity	Unit
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

\* *Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Management approach</b>
Not material topic	Not material topic

### Customer privacy

Disclosure	Quantity	Unit
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

\* Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies

<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the risks identified?</b>	<b>Management approach</b>
Not material topic	Not material topic
<b>What are the opportunities identified?</b>	<b>Management approach</b>
Not material topic	Not material topic

**Data security**

Disclosure	Quantity	Unit
No. of data breaches, including leaks, thefts, and losses of data	0	#

<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>Data breaches may create huge impact on the company’s stock price as the company is a publicly listed company and may lead to distortion on the stock market.</li> </ul>	<ul style="list-style-type: none"> <li>The company is compliant with existing rules and regulation on data privacy and has a process on handling its data.</li> </ul>
<b>What are the risks identified?</b>	<b>Management approach</b>
<ul style="list-style-type: none"> <li>Potential Data leak and Data privacy violation as backup computer for storing the company’s electronic files are easily accessible by all employees.</li> </ul>	<ul style="list-style-type: none"> <li>The company’s code of conduct indicates that employees and officers must ensure the integrity of company records should be maintained.</li> </ul>

<b>What are the opportunities identified?</b>	<b>Management approach</b>
<ul style="list-style-type: none"><li>▪ The use of an integrated data management system where in the files are only accessible to the designated department</li><li>▪ Creation of a data sharing procedure between departments.</li></ul>	<ul style="list-style-type: none"><li>▪ The management is currently planning the proper integration and management of the company's data using data management program as well as detailed policy on data sharing between the departments.</li></ul>

## UN SUSTAINABLE DEVELOPMENT GOALS

### Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
No Product or services	No contribution as company has no product or services	No impact as company has no product or services	No impact as company has no product or services