



SAN MIGUEL CORPORATION
40 San Miguel Avenue, Mandaluyong City, Philippines 1550

OFFER SUPPLEMENT

**Offer of 266,666,600 Series 2 Preferred Shares
with an Oversubscription Option of up to 133,333,400 Series 2 Preferred Shares
under its 866,666,700 Series 2 Preferred Shares Shelf Registration**

consisting of:

**Series 2-S Preferred Shares
with an initial dividend rate of [•]**

**Series 2-T Preferred Shares
with an initial dividend rate of [•]**

**Series 2-U Preferred Shares
with an initial dividend rate of [•]**

**at an Offer Price of ₱75.00 per Preferred Share
to be listed and traded on the Main Board of The Philippine Stock Exchange, Inc.**

Joint Issue Managers

Bank of Commerce
BDO Capital & Investment Corporation
PNB Capital and Investment Corporation

Joint Lead Underwriters and Bookrunners¹

Bank of Commerce²
BDO Capital & Investment
Corporation
BPI Capital Corporation

China Bank Capital Corporation
Land Bank of the Philippines
Philippine Commercial Capital, Inc.

PNB Capital and Investment Corporation
RCBC Capital Corporation
Security Bank Capital Investment
Corporation

Selling Agents

[•]
[•]

Trading Participants of The Philippine Stock Exchange, Inc.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS OFFER SUPPLEMENT IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

This Preliminary Offer Supplement is dated August 20, 2025.

¹ [•] and together with [•] are among the lenders of the short-term loans of the Company that will be repaid with the proceeds of this Offer. For further discussion, please see section on Use of Proceeds.

² Bank of Commerce is an affiliate of the Company.

SAN MIGUEL CORPORATION
40 San Miguel Avenue, Mandaluyong City, Philippines 1550
Telephone number: (632) 8632-3000
<http://www.sanmiguel.com.ph>

The Prospectus dated November 8, 2023 (the “**Prospectus**”), relating to the shelf registration and offer and sale, in tranches, in the Philippines within the Shelf Period (as defined below) of up to 866,666,700 cumulative, non-voting, non-participating, non-convertible, redeemable, re-issuable Philippine Peso-denominated, perpetual Series 2 Preferred Shares with a par value of ₱5.00 per share (the “**Shelf Registered Shares**”) by San Miguel Corporation (“**SMC**”, the “**Company**”, the “**Parent Company**”, or the “**Issuer**”) with a total offer size of up to ₱65,000,002,500.00 (the “**Shelf Registration**”), was previously approved and the shelf registration rendered effective by the Securities and Exchange Commission (“**SEC**”) under MSRD Order No. 62, Series of 2023.

The Shelf Registered Shares shall be issued in tranches within a period of three (3) years from the effective date of the Registration Statement of the Shelf Registered Shares, i.e., within November 9, 2023 to November 9, 2026 (the “**Shelf Period**”).

This Offer Supplement dated August 20, 2025 (the “**Offer Supplement**”) relates to the second tranche of the Shelf Registered Shares and the public offer and sale (the “**Offer**”) by the Company of up to 400,000,000 cumulative, non-voting, non-participating, non-convertible, redeemable, re-issuable Philippine Peso-denominated, perpetual Series 2 Preferred Shares with a par value of ₱5.00 per share (the “**Offer Shares**” or the “**Series 2-S, Series 2-T, and Series 2-U Preferred Shares**” collectively, and “**Series 2-S Preferred Shares**”, “**Series 2-T Preferred Shares**”, and “**Series 2-U Preferred Shares**” individually) to be issued under the Shelf Registration. The split between the Series 2-S, Series 2-T, and Series 2-U Preferred Shares shall be determined by the Issuer at its sole discretion, in consultation with the Joint Lead Underwriters and Bookrunners. There is no pre-determined split between the Series 2-S, Series 2-T, and Series 2-U Preferred Shares for both the institutional and retail tranches, however, the allocation per series shall be guided by several factors, including the demand per series for each of the institutional and retail tranches and the Company’s overall funding cost.

The offer and sale of the Offer Shares shall be by way of an offer of 266,666,600 Series 2 Preferred Shares (the “**Base Offer**”). In the event of an oversubscription, the Joint Issue Managers, and the Joint Lead Underwriters and Bookrunners, in consultation with the Company, reserve the right, but do not have the obligation, to increase the Offer size up to an additional 133,333,400 Series 2 Preferred Shares (the “**Oversubscription Option**”). The Offer Shares are to be issued in up to three (3) subseries: Series 2-S, Series 2-T, and Series 2-U, at an offer price of ₱75.00 per share (the “**Offer Price**”). The Offer Shares will be issued from the Series 2 Preferred Shares held in treasury by the Company.

In the event that the Oversubscription Option is exercised, the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners, in consultation with the Issuer, have the discretion to allocate the Oversubscription Option of up to 133,333,400 Series 2 Preferred Shares to the Series 2-S, Series 2-T, and Series 2-U Preferred Shares at the end of the Offer Period. In case the Oversubscription Option is partly exercised or not exercised at all during the Offer Period for the Offer Shares, the corresponding number of Oversubscription Option shares not taken up or exercised shall revert to the Shelf Registered Shares, and automatically increase the remaining shares that may be offered by the Issuer in subsequent tranches.

The Offer Shares are being offered for subscription solely in the Philippines through Bank of Commerce, BDO Capital & Investment Corporation, BPI Capital Corporation, China Bank Capital Corporation, Land Bank of the Philippines, Philippine Commercial Capital, Inc., PNB Capital and Investment Corporation, RCBC Capital Corporation, and Security Bank Capital Investment Corporation, (each a “**Joint Lead Underwriter and Bookrunner**” and collectively the “**Joint Lead Underwriters and Bookrunners**”), and the Selling Agents named herein.

The Offer Shares will be listed and traded on the Main Board of The Philippine Stock Exchange, Inc. (“**PSE**”). The Offer Shares will be issued and listed on [October 24, 2025] or such other date as the Issuer, the Joint Issue Managers, and the Joint Lead Underwriters and Bookrunners may agree in writing, provided, that such date shall be compliant with the conditions of the Notice of Approval (if any) or otherwise approved by the PSE (the “**Issue Date**” or the “**Listing Date**”) under the ticker codes SMC2S, SMC2T, and SMC2U, respectively.

This Offer Supplement contains the final terms of the Offer Shares and must be read in conjunction with the Prospectus. Unless defined in this Offer Supplement, terms used herein shall be deemed to be defined as set forth in the Prospectus. Full information on the Issuer and the Offer is only available on the basis of the combination of the Prospectus and this

Offer Supplement. All information contained in the Prospectus are deemed incorporated by reference in this Offer Supplement.

SMC has an authorized capital stock of ₱30,000,000,000.00, divided into 2,885,247,463 common shares and 3,114,752,537 Series “2” Preferred Shares, all with a par value of ₱5.00 per share.

Following the Offer, assuming the Oversubscription Option is exercised in full, the Company will have the following issued and outstanding shares: (a) 2,383,896,588 common shares; (b) 169,333,400 Series 2-I preferred shares; (c) [●] Series 2-J preferred shares; (d) [●] Series 2-K preferred shares; (e) 165,358,600 Series 2-L preferred shares, (f) 173,333,325 Series 2-M preferred shares; (g) 100,115,100 Series 2-N preferred shares, (h) 187,859,700 Series 2-O preferred shares, (i) [●] Series 2-P preferred shares, (j) [●] Series 2-Q preferred shares, (k) [●] Series 2-R preferred shares, (l) 400,000,000 Series 2-S, Series 2-T and Series 2-U Preferred Shares.

The holders of the Offer Shares do not have identical rights and privileges with holders of the existing common shares of the Company. Any and all preferred shares of the Company shall have preference over the common shares in dividend distribution and in case of liquidation or dissolution. For further discussion on the rights and privileges of the Offer Shares, please refer to the section on “*Description of the Offer Shares*”.

The declaration and payment of cash dividends on the Offer Shares on each Dividend Payment Date (as defined below) will be subject to the sole and absolute discretion of the Issuer’s Board of Directors (the “**Board of Directors**”) to the extent permitted by law, and subject to the covenants (financial or otherwise) in the agreements to which the Company is a party. The declaration and payment of dividends (except stock dividends) do not require any further approval from the shareholders. See “*Description of the Offer Shares*”.

Cash dividends on the Offer Shares will be payable once for every Dividend Period (as defined below) on such date set by the Board of Directors at the time of declaration of such dividends (each a “**Dividend Payment Date**” in accordance with the terms and conditions of the Offer Shares, which date shall be any day within the period commencing on (and including) the last day of a Dividend Period and 15 calendar days from the end of the relevant Dividend Period. A “**Dividend Period**” shall refer to the period commencing on the Issue Date and having a duration of three (3) months, and thereafter, each of the successive periods of three (3) months commencing on the last day of the immediately preceding Dividend Period up to, but excluding the first day of the immediately succeeding Dividend Period; provided that, the first Dividend Period of the Offer Shares shall be the period commencing on the Issue Date and ending on the last day of the then current Dividend Period for the outstanding Series 2 Preferred Shares. If a Dividend Payment Date occurs after the end of a Dividend Period, there shall be no adjustment to the amounts of dividends to be paid.

The dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares will be calculated on a 30/360-day basis.

If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid.

As and if cash dividends are declared by the Board of Directors, cash dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares shall be at the initial rates of [●]%, [●]%, and [●]%% per annum, respectively, in all cases calculated for each share by reference to the Offer Price thereof in respect of each Dividend Period (each, the “**Initial Dividend Rate**” for the relevant subseries).

Dividend Rate means (a) from the Issue Date up to the relevant Step-Up Date, the applicable Initial Dividend Rate, and (b) from the relevant Step-Up Date, until the date when each of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares, as the case may be, are redeemed, the higher of the applicable Initial Dividend Rate and the relevant Step-Up Rate. (Please see below relevant definitions.)

Unless the Offer Shares are redeemed by the Issuer, in respect of the Series 2-S Preferred Shares, five (5) years from the Issue Date (the “**Series 2-S Step-Up Date**”), in respect of the Series 2-T Preferred Shares, seven (7) years from the Issue Date (the “**Series 2-T Step-Up Date**”), and in respect of the Series 2-U Preferred Shares, ten (10) years from the Issue Date (the “**Series 2-U Step-Up Date**”) (each of the Series 2-S Step-Up Date, the Series 2-T Step Up Date, and the Series 2-U Step-Up Date being a “**Step-Up Date**”), or on the next Business Day in case the relevant Step-Up Date falls on a non-Business Day, the dividends on each subseries will be adjusted as follows:

- (a) For the Series 2-S Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the 10-year BVAL reference rate (each reference rate, a “**BVAL**”) (or if the 10-year BVAL is not

available or cannot be determined, any such successor rate as determined by the Bankers Association of the Philippines (“**BAP**”) or the *Bangko Sentral ng Pilipinas* (“**BSP**”), as published on the website of the Philippine Dealing System Group (“**PDS**”) or, if unavailable, the Philippine Dealing & Exchange Corp. (“**PDEX**”) page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2-S Step-Up Date, plus 3.00% (the “**Series 2-S Step-Up Dividend Rate**”);

- (b) For the Series 2-T Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the interpolated 15-year BVAL (or if the interpolated 15-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP, as published on the website of the PDS or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2-T Step-Up Date, plus 3.00% (the “**Series 2-T Step-Up Dividend Rate**”); and
- (c) For the Series 2-U Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the 20-year BVAL (or if the 20-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP, as published on the website of the PDS or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2-U Step-Up Date, plus 3.00% (the “**Series 2-U Step-Up Dividend Rate**”);

provided, that in the event the relevant Step-Up Date falls on a day that is not a Business Day:

- (i) the rate setting will be done on the immediately succeeding Business Day using the average of the relevant BVAL rates for the three (3) consecutive Business Days preceding and inclusive of the said rate setting date; and
- (ii) the higher of the applicable Initial Dividend Rate and the applicable Step-Up Dividend Rate will be applied commencing on the relevant Step-Up Date (which is five (5) years from the Issue Date of the Series 2-S Preferred Shares, seven (7) years from the Issue Date of the Series 2-T Preferred Shares, and ten (10) years from the Issue Date of the Series 2-U Preferred Shares).

(Each of the Series 2-S Step-Up Dividend Rate, Series 2-T Step-Up Dividend Rate, and the Series 2-U Step-Up Dividend Rate being a “**Step-Up Dividend Rate**”).

For further discussion, please refer to the section on “*Summary of the Offer*”.

Dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares will be cumulative. If for any reason the Issuer’s Board of Directors does not declare dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares for a Dividend Period, the Issuer will not pay dividends on such Dividend Payment Date for such Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares must receive the dividends due to them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares prior to such Dividend Payment Date. See “*Description of the Offer Shares*”.

As and if approved by the Board of Directors, the Company may redeem in whole (but not in part), any subseries of the Offer Shares as follows:

1. in respect of Series 2-S Preferred Shares, on the third (3rd) anniversary of the Issue Date or on the last day of any Dividend Period thereafter (each a “**Series 2-S Optional Redemption Date**”);
2. in respect of Series 2-T Preferred Shares, on the fifth (5th) anniversary of the Issue Date or on the last day of any Dividend Period thereafter (each a “**Series 2-T Optional Redemption Date**”); and
3. in respect of Series 2-U Preferred Shares, on the seventh (7th) anniversary of the Issue Date or on the last day of any Dividend Period thereafter (each a “**Series 2-U Optional Redemption Date**”)

(each of the Series 2-S Optional Redemption Date, Series 2-T Optional Redemption Date, and Series 2-U Optional Redemption Date, being an “**Optional Redemption Date**”), after giving not more than sixty (60) nor less than thirty (30)

days' prior written notice from the intended date of redemption, at a redemption price equal to the Offer Price of the Offer Shares plus all dividends due them on such Optional Redemption Date as well as all accumulated dividends due and payable ("**Arrears of Dividends**") after deduction of transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption (the "**Redemption Price**"). Such notice to redeem shall be deemed irrevocable upon issuance thereof.

For the avoidance of doubt, on the applicable Optional Redemption Date, the Issuer has the option to redeem, in whole but not in part, the Series 2-S, Series 2-T, and Series 2-U Preferred Shares.

In the event an Optional Redemption Date which the Issuer has chosen as the date to redeem the Series 2-S, Series 2-T, and Series 2-U Preferred Shares falls on a day that is not a Business Day, the redemption shall be made on the next succeeding day that is a Business Day, without adjustment as to the Redemption Price and the amount of dividends to be paid.

The Issuer may also redeem the Series 2-S, Series 2-T, and Series 2-U Preferred Shares, in whole but not in part, at any time prior to any Optional Redemption Date if an Accounting Event or a Tax Event (each as defined below) has occurred and is continuing. The redemption due to an Accounting Event or a Tax Event shall be made by the Issuer at the Redemption Price, provided that if the Accounting Event or Tax Event is specific to a subseries, then the foregoing optional redemption may be exercised only with respect to such subseries.

Each Offer Share has a liquidation right equal to the Offer Price of the Offer Share plus an amount equal to any dividends declared but unpaid in respect of the previous Dividend Period and any accrued and unpaid dividends for the then current Dividend Period to (and including) the date of commencement of the Company's winding up or the date of any such other return of capital, as the case may be (the "**Liquidation Right**").

After listing on the PSE, the Issuer reserves the right to purchase the Series 2-S, Series 2-T, and Series 2-U Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE without any obligation to purchase or redeem the other Series 2-S, Series 2-T, and Series 2-U Preferred Shares. The Series 2-S, Series 2-T, and Series 2-U Preferred Shares so purchased may either be redeemed (pursuant to their terms and conditions as set out in this Offer Supplement) and cancelled or kept as treasury shares, as applicable. The Offer Shares are re-issuable.

All payments in respect of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Government of the Republic of the Philippines (the "**Government**"), including, but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that the holders of Series 2-S, Series 2-T, and Series 2-U Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable, provided, however, that the Issuer shall not be liable for (a) any withholding tax applicable on dividends earned or on any amounts payable to the holders of the Preferred Shares, including any additional tax on such dividends imposed by changes in law, rule, or regulation; (b) any income tax (whether or not subject to withholding); percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the redemption price) of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares or on the liquidating distributions as may be received by a holder of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares; (c) any expanded value added tax which may be payable by any holder of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares on any amount to be received from the Issuer under the terms and conditions of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares; (d) any withholding tax, including any additional tax imposed by change in law, rules, or regulation, on any dividend payable to any holder of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares or any entity which is a non-resident foreign corporation; and (e) any applicable taxes on any subsequent sale or transfer of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares by any holder of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

In the event payments in respect of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares become subject to additional withholding or any new tax as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Issuer ("**Tax Event**"), the Issuer may redeem each of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares at any time in whole but not in part, at the Offer Price plus all accrued and unpaid dividends, if any ("**Redemption by reason of Tax Event**"). See "*Summary of the Offer*" and "*Description of the Offer Shares*".

Documentary stamp tax for the issuance of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares and the documentation, if any, shall be for the account of the Issuer.

In the event an opinion of a recognized accounting firm authorized to perform auditing services in the Government has been delivered to the Issuer stating that there is more than an insubstantial risk that the Series 2-S, Series 2-T, and Series 2-U Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Issuer prepared in accordance with Philippine Financial Reporting Standards (“PFRS”), or such other accounting standards which succeed PFRS as adopted by the Issuer for the preparation of its audited consolidated financial statements for the relevant financial year, and such event cannot be avoided by use of reasonable measures available to the Issuer (“**Accounting Event**”), the Issuer may redeem each of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares in whole, but not in part, at the Redemption Price (“**Redemption by reason of an Accounting Event**”). See “*Summary of the Offer*” and “*Description of the Offer Shares*”.

The obligations of SMC under the Series 2-S, Series 2-T, and Series 2-U Preferred Shares are unsecured and are subordinated obligations to all of the indebtedness of the Company. The rights and claims of holders of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares will (subject to the extent permitted by law) rank senior to the holders of the common shares of the Company and *pari passu* with the other preferred shares.

In the event of the winding-up of the Company, the Series 2-S, Series 2-T, and Series 2-U Preferred Shares rank junior in right of payment to all indebtedness of the Company and junior in right of payment to securities of, or claims against, the Company which rank or are expressed to rank senior to the Offer Shares. The Offer Shares rank *pari passu* with other preferred shares. There is a substantial risk that an investor in the Offer Shares will not receive any return of the principal amount or any unpaid amounts due under the terms of the Offer unless SMC can satisfy in full all of its other obligations ranking senior to the Offer Shares.

There are no terms in the Offer Shares that limit the ability of SMC to incur additional indebtedness, including indebtedness that ranks senior to or *pari passu* with the Offer Shares. See “*Summary of the Offer*” and “*Description of the Offer Shares*”.

The Series 2-S, Series 2-T, and Series 2-U Preferred Shares will be issued in scripless form. Settlement of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares in respect of any transfer or change of title of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares, including the settlement of documentary stamp taxes, if any, arising from subsequent transfers, shall be similar to the transfer of title and settlement procedures for listed securities on the PSE. If the Series 2-S, Series 2-T, and Series 2-U Preferred Shares are subsequently uplifted and issued in certificated form, title to the Series 2-S, Series 2-T, and Series 2-U Preferred Shares shall pass by endorsement and delivery to the transferee and registration in the Registry of Shareholders to be maintained by SMC Stock Transfer Service Corporation, the Registrar and Stock Transfer Agent. See “*Summary of the Offer*” in this Offer Supplement.

The gross proceeds from the Base Offer shall be ₱19,999,995,000.00 or, should the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners, in consultation with the Issuer, exercise in full its Oversubscription Option, the total gross proceeds from the Offer shall be ₱30,000,000,000.00. The net proceeds from the Base Offer, after deducting from the gross proceeds the total underwriting and selling fees, listing fees, taxes and other related fees and out-of-pocket expenses, is estimated to be [₱19,829,743,780.00]. The net proceeds from the Oversubscription Option should the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners, in consultation with the Issuer, exercise in full its Oversubscription Option, after deducting gross proceeds, selling fees, and taxes is estimated to be [₱9,940,004,970.00]. The Company will use the said net proceeds for the refinancing of existing short-term loan/s that will be used to redeem the Series 2-F Preferred Shares, to partially redeem the Series 2-J Preferred Shares and the Series 2-K Preferred Shares, and/or to make additional investments in the infrastructure business, including the Manila International Airport and other airport related projects in Bulakan, Bulacan, and the tollways projects. See “*Use of Proceeds*” in this Offer Supplement.

The Joint Lead Underwriters and Bookrunners, shall receive an estimated fee of up to [0.55%] of the gross proceeds of the Offer, exclusive of applicable gross receipts tax, net of any creditable withholding tax, and inclusive of amounts to be paid to the Selling Agents.

No dealer, salesman or any other person has been authorized to give any information or to make any representation not contained in the Prospectus or this Offer Supplement. If given or made, any such information or representation must not be relied upon as having been authorized by the Company, the Joint Issue Managers, the Joint Lead

Underwriters and Bookrunners, or the Selling Agents.

The distribution of this Offer Supplement and the offer and sale of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares may, in certain jurisdictions, be restricted by law. The Company, the Joint Issue Managers, and the Joint Lead Underwriters and Bookrunners require persons into whose possession this Offer Supplement comes, to inform themselves of and observe all such restrictions. This Offer Supplement does not constitute an offer of any securities, or any offer to sell, or a solicitation of any offer to buy any securities of the Company in any jurisdiction, to or from any person to whom it is unlawful to make such offer in such jurisdiction, other than in the Philippines.

Unless otherwise stated, the information contained in this Offer Supplement has been supplied by the Company. To the best of its knowledge and belief, the Company (which has taken all reasonable care to ensure that such is the case) confirms that the information contained in this Offer Supplement is correct, and that there is no material misstatement or omission of fact which would make any statement in this Offer Supplement misleading in any material respect. The Company hereby accepts full and sole responsibility for the accuracy of the information contained in this Offer Supplement and in the listing application and all documents submitted to the PSE. The Joint Issue Managers and the Joint Lead Underwriters and Bookrunners have exercised reasonable due diligence required by regulations in ascertaining that all material representations contained in this Offer Supplement, and any amendment or supplement thereto are true and correct and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading. No representation, warranty or undertaking, express or implied, is made by any of the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners, and no responsibility or liability is accepted by any thereof to the accuracy, adequacy, reasonableness or completeness of the information and materials contained herein (excluding any and all information pertaining to the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners) or any other information provided by the Company in connection with the Series 2-S, Series 2-T, and Series 2-U Preferred Shares, their distribution or their future performance.

Unless otherwise indicated, all information in this Offer Supplement is as of June 30, 2025. Neither the delivery of this Offer Supplement nor any sale made pursuant to this Offer Supplement shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company and its subsidiaries since such date. No representation or warranty, express or implied, is made or given by the Joint Issue Managers, the Joint Lead Underwriters and Bookrunners, the Registrar, or their respective affiliates or legal advisers as to the accuracy, completeness or sufficiency of the information contained in this Offer Supplement, and nothing contained in this Offer Supplement is, or shall be relied upon, as a promise, representation or warranty by the Joint Issue Managers, the Joint Lead Underwriters and Bookrunners, the Registrar, or their respective affiliates or legal advisers. This Offer Supplement is neither intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by either the Issuer, the Joint Issue Managers, the Joint Lead Underwriters and Bookrunners, the Registrar, or their respective affiliates or legal advisers that any recipient of this Offer Supplement should purchase the Offer Shares.

Market data and certain industry forecasts used throughout this Offer Supplement were obtained from internal surveys, market research, publicly available information, and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Company, the Joint Issue Managers, or the Joint Lead Underwriters and Bookrunners makes any representation, undertaking or other assurance as to the accuracy or completeness of such information, or that any projections will be achieved, or in relation to any other matter, information, opinion or statements in relation to the Offer. Any reliance placed on projections or forecasts is a matter of commercial judgment.

THE OFFER SHARES ARE BEING OFFERED ON THE BASIS OF THE PROSPECTUS AND THIS OFFER SUPPLEMENT. ANY DECISION TO PURCHASE THE OFFER SHARES MUST BE BASED ON THE INFORMATION CONTAINED IN THIS OFFER SUPPLEMENT.

Each person contemplating an investment in the Offer Shares should make his own due diligence and analysis of the creditworthiness of the Company and his own determination of the suitability of any such investment. The risk disclosure herein does not purport to disclose all the risks and other significant aspects of investing in the Offer Shares. A person contemplating an investment in the Offer Shares should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially those high-risk securities. Investing in the Offer Shares involves a higher degree of risk compared to debt instruments. For a discussion of certain factors to be considered in respect of an investment in the Offer Shares, see

“Risk Factors” in the Offer Supplement.

An application to list the Series 2-S, Series 2-T, and Series 2-U Preferred Shares has been filed with the PSE and has been approved by the PSE as confirmed in the PSE Notice of Approval dated [●]. The PSE assumes no responsibility for the correctness of any statements made or opinions expressed in this Offer Supplement. The PSE makes no representation as to its completeness and expressly disclaims any liability whatsoever for any loss arising from reliance on the entire or any part of the Offer Supplement. Such approval for listing is permissive only and does not constitute a recommendation or endorsement of the Offer Shares by the PSE.

1 8/20

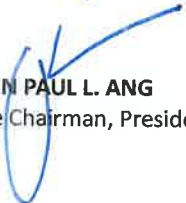
A REGISTRATION STATEMENT RELATING TO THESE SECURITIES WAS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") AND WAS RENDERED EFFECTIVE PURSUANT TO MSRD ORDER NO. 62 (SERIES OF 2023) DATED ON NOVEMBER 9, 2023. HOWEVER, THIS TRANCHE OF THE SECURITIES MAY NOT BE SOLD NOR OFFERS TO BUY THE SAME ACCEPTED PRIOR TO THE TIME THE SEC ISSUES THE CERTIFICATE OF PERMIT TO OFFER SECURITIES FOR SALE. ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS OFFER SUPPLEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

SAN MIGUEL CORPORATION

By:


RAMON S. ANG

Chairman and Chief Executive Officer


JOHN PAUL L. ANG

Vice Chairman, President and Chief Operating Officer

REPUBLIC OF THE PHILIPPINES)
MANDALUYONG CITY, METRO MANILA) S.S.

SUBSCRIBED AND SWORN to before me this AUG 29 2025 in Mandaluyong City, affiant exhibiting to me the following competent evidence of identity.

Affiant
Ramon S. Ang
John Paul L. Ang

Competent Evidence of Identity
Philippine Passport No. P2247867B
Philippine Passport No. P2247864B

Date and Place of Issuance
May 22, 2019, DFA Manila
May 22, 2019, DFA Manila

Doc No.: 215 ;
Page No.: 44 ;
Book No.: IV ;
Series of 2025.




IRENE M. CIPRIANO
Commission No. 0221-24
Notary Public for Mandaluyong City
Until December 31, 2025
SMC, 40 San Miguel Ave., Mandaluyong City
Roll of Attorneys No. 45955
PTR No. 3272758; 01/08/2025; Mandaluyong City
IBP Lifetime Member No. 09482; 01/05/11; Q.C.
MCLE Compliance No. VIII-0008465; 05/17/24; Pasig City

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DEFINITION OF TERMS

In this Offer Supplement, unless the context otherwise requires, the following terms shall have the meanings set forth below.

AAIBV	Atlantic Aurum Investments B.V.
AHC	Angat Hydropower Corporation
AHEPP	Angat Hydroelectric Power Project
Angat Hydro.....	Angat Hydropower Corporation
APM	Automatic pricing mechanism
Approvals.....	PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration, or the SEC Permit to Sell Securities
ASF	African swine fever
Beer and NAB Division or SMB	San Miguel Brewery Inc. and its subsidiaries
Beverage business	The Beer and NAB and Spirits divisions
BESS	Battery energy storage systems
BIR.....	Bureau of Internal Revenue
BOC.....	Bureau of Customs
BOI	Board of Investments
BPG	Business Procurement Group
BSP	Bangko Sentral ng Pilipinas
BTO	Build-Transfer-Operate
Business Day	A day, other than a public non-working holiday, Saturday or Sunday, on which the BSP's Philippine Payment and Settlement System (PhilPaSS) and the Philippine Clearing House Corporation (PCHC) (or, in the event of the discontinuance of their respective functions, their respective replacements) are open and available for clearing and settlement, and banks are open for business in Metro Manila, Philippines
BWCI	Bulakan Water Company, Inc
CA	Concession Agreement
CAI	Can Asia, Inc.
CALABARZON	Cavite, Laguna, Batangas, Rizal and Quezon
CALAX	the Cavite – Laguna Expressway
Can-Pack	Can Pack SA
CAVITEX	Manila-Cavite Toll Expressway

CBEX.....	Cavite Batangas Expressway
CFB.....	Circulating fluidized bed
CLPPC.....	Central Luzon Premiere Power Corporation
CME	Coco methyl ester
CMEPA.....	The Capital Markets Efficiency Promotion Act
CREATE Law or CREATE.....	The second package of the tax reform program, also known as the Corporate Recovery and Tax Incentives for Enterprises, passed by both the House of Representatives and Senate of the Philippines on February 3, 2021, and signed into law by the President of the Philippines on March 26, 2021 as Republic Act No. 11534
CSP	Competitive selection process
CTRP.....	Comprehensive tax reform program
Davao Greenfield Power Plant	Circulating Fluidized Bed Coal-Fired Power Plant in Malita, Davao Occidental
DC	Department Circular
DENR.....	Philippine Department of Environment and Natural Resources
DODOs	Dealer-owned-dealer-operated service stations
DOLE	Department of Labor and Employment
DOTr	Philippine Department of Transportation
DPWH	Department of Public Works and Highways
DTI	Philippine Department of Trade and Industry
Eagle Cement.....	Eagle Cement Corporation
EERI.....	Excellent Energy Resources Inc.
EFTA.....	European Free Trade Association
EMEPMI	Exxon Mobil Exploration and Production Malaysia Inc.
Enabling Resolutions	The Board of Directors' Resolution authorizing the sale and offer of up to 866,666,700 Series 2 Preferred Shares, at an offer price of ₱75.00 per share under a shelf registration to be issued in tranches within a period of three (3) years, under such terms and conditions as the management of SMC may deem advantageous to it dated September 7, 2023
EPC.....	Engineering, Procurement and Construction
EPIRA	Electric Power Industry Reform Act
ERC.....	Energy Regulatory Commission
Evs.....	Electric vehicles
FDA	Philippine Food and Drug Association
Food Division	San Miguel Foods or food business

Fuso	Fuso Machine & Mold Manufacturing Co. Ltd.
GDP	Gross domestic product
GFS	Great Food Solutions
Government	Government of the Republic of the Philippines
GSMI or Spirits Division	Ginebra San Miguel, Inc. and its subsidiaries
HACCP	Hazard Analysis of Critical Control Points
Hormel	Hormel Netherlands B.V.
ID	Identification documents
IEMOP	Independent Electricity Market Operator of the Philippines
IPPA	Independent Power Producer Administrator
IPPs	Independent Power Producers
Issue Date or Listing Date	[●] or such other date when the Offer Shares are listed on the PSE
Issuer	San Miguel Corporation
Kabankalan BESS	20 MWh BESS facility in Kabankalan, Negros Occidental
Kirin	Kirin Holdings Company Limited
K-Water	Korea-Water Resources Corporation
KWPP	KWPP Holdings Corporation
LCWDC	Luzon Clean Water Development Corporation
LGU	Local government unit
Limay Greenfield Power Plant	Circulating Fluidized Bed Coal-Fired Power Plant in Limay, Bataan
LNG	Liquefied natural gas
Local Small Investor or LSI	A share subscriber who is willing to subscribe to a minimum purchase of 500 shares and whose subscription does not exceed PhP1,005,000.00
LSI Guidelines	The implementing guidelines for the reservation and allocation of shares for the LSIs through the PSE, prepared for the Offer and approved by the PSE
LPG	Liquified petroleum gas
LPI	Limay Power, Inc.
LSI Guidelines	The implementing guidelines for the reservation and allocation of shares for the LSIs through the PSE, prepared for the Offer and approved by the PSE
Magnolia	Magnolia Inc.
Malampaya	Malampaya gas facility in Palawan
MAP	Million annual passengers

Masinloc Power Plant	Masinloc Coal-Fired Power Plant
MCIT	Minimum corporate income tax
Megawide	Megawide Construction Corporation
Meralco.....	Manila Electric Company
MIA	Manila International Airport
Mincorr	Mindanao Corrugated Fibreboard, Inc.
MNHPI	Manila North Harbour Port, Inc.
MOPS	Mean of Platts Singapore
MPCL.....	Masinloc Power Co. Ltd.
MPGC.....	Mariveles Power Generation Corporation
MPI	Malita Power Inc.
MRT-7	Mass Rail Transit Line 7
MTPY.....	Metric tonnes per year
MWSS	Metropolitan Waterworks and Sewerage System
NAB.....	Non-alcoholic beer
NAIA.....	Ninoy Aquino International Airport
NAIAx	Ninoy Aquino International Airport Expressway
NALEX	Northern Access Link Expressway
NBEX	Nasugbu Bauan Expressway
NCC	Northern Cement Corporation
NGCP.....	National Grid Corporation of the Philippines
NNIC.....	New NAIA Infra Corp.
NPC	National Power Corporation of the Philippines
NPD.....	New product development
NWRB	National Water Resources Board
NYG.....	Nihon Yamamura Glass Co. Ltd.
O&M	Operation & Maintenance
Offer Supplement	The document which sets out the terms and conditions for each tranche of the Offer Shares
OWCI.....	Obando Water Company, Inc.
Packaging Group.....	Comprises of SMYPC, SMYPIL, and Mindanao Corrugated Fibreboard, Inc.
PAREX	Pasig River Expressway
PCC.....	Philippine Competition Commission

PDEx.....	Philippine Dealing & Exchange Corp.
PDS.....	Philippine Dealing System Group
PDTC	Philippine Depository & Trust Corp.
PEMC	Philippine Electricity Market Corporation
PET	Polyethylene Terephthalate
Petrogen	Petrogen Insurance Corporation
Petron	Petron Corporation, as the context it requires, its subsidiaries
Petron Bataan Refinery	Refinery in Bataan operated by Petron Corporation
PFRS	Philippine Financial Reporting Standards
Philippine Tax Code	National Internal Revenue Code of 1997, as amended
PITX.....	Parañaque Integrated Terminal Exchange
PLEX	Pangasinan Link Expressway
PNCC	Philippine National Construction Corporation
PPP.....	Public Private Partnership
Privado.....	Privado Holdings Corporation
PSA.....	Philippine Statistics Authority
PSAs	Power Supply Agreements
PSALM.....	Power Sector Assets and Liabilities Management Corp.
PSE	The Philippine Stock Exchange, Inc.
PSTPL	Petron Singapore Trading Pte. Ltd.
Purefoods-Hormel	Purefoods-Hormel Company, Inc.
PVEI.....	PowerOne Ventures Energy Inc.
RCOA.....	Retail Competition and Open Access
Registry of Shareholders.....	Electronic register of shareholders
REM	Renewable Energy Market
RES	Retail Electricity Supplier
RMP-2	Second phase of Petron's Refinery Master Plan project at the Petron Bataan Refinery
ROP	Republic of the Philippines
RPS.....	Renewable Portfolio Standards
RSC.....	Retail supply contract
RTGS	Real Time Gross Settlement
S3HC	Stage 3 Connector Tollways Holdings Corp.

SALEX	Southern Access Link Expressway
SC	Philippine Supreme Court
SCII	Southern Concrete Industries, Inc.
SEC	Securities and Exchange Commission
Series 2 Preferred Shares	Cumulative, non-voting, non-participating, non-convertible, redeemable, re-issuable Philippine Peso-denominated, perpetual Series 2 Preferred Shares with a par value of ₱5.00 per share
SGLPC.....	SMC Global Light and Power Corp.
Shelf Period	The period of three (3) years from the effective date of the Registration Statement
Shelf Registered Shares	Up to 866,666,700 Series 2 Preferred Shares under Shelf Registration
Shelf Registration.....	The registration of Series 2 Preferred Shares with a total Offer size of up to ₱65,000,002,500.00
SIDC	Star Infrastructure Development Corporation
SLEX	South Luzon Expressway
SLEX-TR4	SLEX – Toll Road 4
SLEX-TR5	SLEX – Toll Road 5
SMAI	San Miguel Aerocity Inc. doing business under the name and style of “Manila International Airport”
SMC, the Company, the Parent Company or the Issuer	San Miguel Corporation, a corporation incorporated under the laws of the Republic of the Philippines
SMC MRT 7	SMC Mass Rail Transit 7, Inc.
SMC NAIAX	SMC NAIAX Corporation
SMC Preferred Shares Offer	Series 2 Preferred Shares offered by SMC
SMC SLEX	SMC SLEX Inc.
SMCGP Philippines Energy.....	SMCGP Philippines Energy Co. Ltd.
SMCTC	SMC TPLEX Corporation
SMEII.....	San Miguel Equity Investments, Inc.
SMFB.....	San Miguel Food and Beverage, Inc.
SMBIL.....	San Miguel Brewing International Limited and its subsidiaries
SMFI.....	San Miguel Foods, Inc.
San Miguel Global Power or SMGP.....	San Miguel Global Power Holdings Corp.
SMGP BESS	SMGP BESS Power Inc.
SMGP Kabankalan.....	SMGP Kabankalan Co. Ltd.
SMHC	San Miguel Holdings Corp.
SMMI	San Miguel Mills, Inc.

SMPFVN	San Miguel Pure Foods (Vn) Co., Ltd.
SMPI.....	San Miguel Properties, Inc.
SMSCCI.....	San Miguel Super Coffeemix Co., Inc.
SMYPC.....	San Miguel Yamamura Packaging Corporation
SMYPIL.....	San Miguel Yamamura Packaging International Limited
SPA.....	Special Power of Attorney
SPCS	Senior Perpetual Capital Securities
SRHI	San Roque Hydropower Inc.
SSS	Social Security System
SST	Sales and Services Tax
STAR.....	Southern Luzon Arterial Road tollway
STOA	Supplemental Toll Operations Agreement
SYFMC.....	SMC Yamamura Fuso Molds Corporation
TADHC.....	Trans Aire Development Holdings Corp.
The Group or SMC Group	SMC and its subsidiaries
Top Frontier	Top Frontier Investment Holdings, Inc.
TPLEX	Tarlac-Pangasinan-La Union Expressway
Trading Participants.....	Trading Participants of the PSE
Transfer Pricing Regulations	BIR Regulation No. 2-2013 on Transfer Pricing Regulations
TRB.....	Toll Regulatory Board of the Philippines
ULC BVI	Universal LRT Corporation (BVI) Limited
UNCLOS.....	United Nations Convention on the Law of the Sea
Underwriting Agreement.....	Underwriting agreement to be entered into by SMC with the Joint Lead Underwriters and Bookrunners
VAT	Value-added tax
WESM	Wholesale electricity spot market

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and audited financial statements, including notes thereto, found in the appendices of this Offer Supplement. The meaning of terms not defined in this summary can be found elsewhere in this Offer Supplement.

Prospective investors should read this entire Offer Supplement fully and carefully, including the section on “Risk Factors”. In case of any inconsistency between this summary and the more detailed information contained elsewhere in this Offer Supplement, then the more detailed portions, as the case may be, shall at all times prevail.

Brief Description of the General Nature and Business of the Company

SMC, together with its subsidiaries (collectively referred to as the “**Group**”), is one of the largest and most diversified conglomerates in the Philippines by revenues and total assets, with sales equivalent to approximately 6.0% of the Philippine Gross Domestic Product in 2024.

Originally founded in 1890 as a single product brewery in the Philippines, SMC today owns market-leading businesses and investments in various sectors, including beverages, food, packaging, energy, fuel and oil, infrastructure, cement, property development and leasing, car distributorship, and banking services. SMC has a portfolio of companies that is interwoven into the economic fabric of the Philippines, benefiting from, as well as contributing to the development and economic progress of the nation. The common shares of SMC were listed on the Manila Stock Exchange, now The Philippine Stock Exchange, Inc. (“**PSE**”) on November 5, 1948.

Since adopting its business diversification program in 2007, SMC has channeled its resources into what it believes are attractive growth sectors, which are aligned with the development and growth of the Philippine economy. SMC believes that continuing this strategy and pursuing growth plans within each business will achieve a more diverse mix of sales and operating income, and better position for SMC to access capital, present different growth opportunities, and mitigate the impact of downturns and business cycles.

SMC, through its subsidiaries and affiliates, has become a market leader in its businesses with 59,884 regular employees and more than 100 production facilities in the Asia-Pacific region as of June 30, 2025. SMC’s extensive portfolio of products include beer, spirits, non-alcoholic beverages (“**NAB**”), poultry, animal feeds, flour, fresh and processed meats, dairy products, coffee, various packaging products, a full range of refined petroleum products and cement products, most of which are market leaders in their respective markets. Through its subsidiaries, San Miguel Global Power and SMC Infrastructure, it operates one of the Philippines’ largest and most diversified power portfolios, including gas, coal, battery storage, hydro and natural gas, and holds concession rights to over 1,160 kilometers of roads across Metro Manila and key regions of Luzon. In addition, SMC contributes to the growth of downstream industries and sustains a network of hundreds of third-party suppliers.

Through the partnerships it has forged with major international companies, the Group has gained access to the latest technologies and expertise, thereby enhancing its status as a world-class organization.

SMC continues to develop strategic partnerships with global industry leaders. SMC’s current partners include Kirin Holdings Company Limited (“**Kirin**”) for beer, Hormel Netherlands B.V. (“**Hormel**”) for processed meats, Korea-Water Resources Corporation (“**K-Water**”) for the power business and Nihon Yamamura Glass Co. Ltd. (“**NYG**”) and Fuso Machine & Mold Manufacturing Co. Ltd. (“**Fuso**”) for packaging products.

Businesses

Food and Beverage

San Miguel Food and Beverage, Inc., (“**SMFB**”) is a leading food and beverage company in the Philippines. The brands under which SMFB produce, market, and sell its products are among the most recognizable and top-of-mind brands in the industry and hold market-leading positions in their respective categories. Key brands in the SMFB portfolio include San Miguel Pale Pilsen, San Mig Light and Red Horse for beer, Ginebra San Miguel for gin, Magnolia for chicken, dairy, ice cream, flour mixes and salad aids, Monterey for fresh and marinated meats, Purefoods and Purefoods Tender Juicy for refrigerated, prepared and processed meats and canned meats, Star for non-refrigerated margarine and processed meats, Dari Creme for refrigerated margarine, San Mig Super Coffee for coffee, B-MEG for animal feeds, and

NutriChunks and AlphaPro for dog food.

SMFB has three primary operating divisions – (i) Beer and NAB, (ii) Spirits, and (iii) Food. The Beer and NAB and Spirits divisions comprise the beverage business (the “**Beverage business**”). SMFB operates its Beverage business through San Miguel Brewery Inc. and its subsidiaries (“**SMB**” or the “**Beer and NAB Division**”) and Ginebra San Miguel Inc. and its subsidiaries (“**GSMI**” or the “**Spirits Division**”). The Food business (the “**Food Division**”) is managed through a number of other subsidiaries engaged in the food and animal feeds, pet care and veterinary medicines businesses including San Miguel Foods, Inc. (“**SMFI**”), Magnolia Inc. (“**Magnolia**”), The Purefoods-Hormel Company, Inc. (“**Purefoods-Hormel**”), San Miguel Mills, Inc. (“**SMMI**”) and San Miguel Super Coffeemix Co., Inc. (“**SMSCCI**”). SMFB serves the Philippine archipelago through an extensive distribution and dealer network and exports its products to almost 70 markets worldwide.

Beer and NAB Division

The Beer and NAB Division is the largest producer of beer in terms of both sales and volume in the Philippines, offering a wide array of beer products across various segments and markets. Top beer brands in the Philippines include San Miguel Pale Pilsen, Red Horse, San Mig Light, and Gold Eagle. Its flagship brand, San Miguel Pale Pilsen, has a history of over 130 years which was first produced by La Fabrica de Cerveza de San Miguel, which started as single brewery producing a single product in 1890 and has evolved through the years to become the diversified conglomerate that is SMC. The Beer and NAB Division also produces NAB such as ready-to-drink tea, ready-to-drink juice, and carbonates.

SMB markets its beer under the following brands: San Miguel Pale Pilsen, Red Horse, Red Horse Super, San Mig Light, San Miguel Flavored Beer, San Miguel Super Dry, San Miguel Premium All-Malt, San Miguel Cerveza Negra, San Miguel Cerveza Blanca, San Mig Zero and Gold Eagle. SMB also produces San Mig Free, an alcohol-free, non-fermented beverage with no added caloric and non-caloric sweeteners, as well as San Mig Hard Seltzer, an easy-to-drink alcoholic beverage made from sparkling water with alcohol in citrus mix flavor. Further, SMB exclusively distributes Kirin Ichiban in the Philippines.

In 2024, SMB launched the limited-edition San Miguel Chocolate Lager, a full-bodied dark beer with a rich dark chocolate taste, subtle caramel notes, and topped with a creamy head that brings out a delectable roasted malt aroma.

SMB’s NAB business portfolio includes Magnolia Cali, a sparkling non-alcoholic drink, Magnolia Healthtea (ready-to-drink tea), Magnolia Fruit Drink (ready-to-drink juice), and Magnolia Flavored Water (still flavored water).

San Miguel Brewing International Limited and its subsidiaries (“**SMBIL**”) also offer the San Miguel Pale Pilsen, San Mig Light brands in Hong Kong, China, Thailand, Vietnam, Indonesia, and most export markets, and Red Horse in Thailand, China, Hong Kong, Vietnam, and selected export markets, as well as Red Horse Super in key African export markets, in addition to locally available brands: Valor and Blue Ice (Hong Kong), Dragon (South China), W1N Bia (Vietnam), and Anker and Kuda Putih (Indonesia).

SMBIL likewise sells a portfolio of specialty beers including San Mig Zero in Thailand and United Arab Emirates, San Miguel Flavored Beer in Vietnam, Taiwan, Japan, United Arab Emirates, and the United States, San Miguel Cerveza Negra in Hong Kong, China, Vietnam, Indonesia, Thailand, United States, South Korea, and Taiwan, as well as San Miguel Cerveza Blanca in Hong Kong, Thailand, Vietnam, Indonesia, South Korea, Singapore, and Taiwan.

Meanwhile, as part of its NAB portfolio, SMBIL carries San Miguel NAB and San Miguel Flavored NAB in Korea and Saudi Arabia.

Spirits Division

The Spirits Division is the leading spirits producer in the Philippines and the largest gin producer internationally by volume. It is the market leader in gin and Chinese wine in the Philippines. GSMI produces some of the most recognizable spirits in the Philippine market, including gin, Chinese wine, brandy, vodka, rum and other spirits. GSMI traces its roots to a family-owned Spanish era distillery that introduced the Ginebra San Miguel brand in 1834. The distillery was then acquired by La Tondeña Incorporada in 1924, and thereafter by SMC in 1987 to form La Tondeña Distillers, Inc. In 2003, it was renamed to Ginebra San Miguel Inc. in honor of the pioneering gin brand.

GSMI has a diverse product portfolio that caters to the varied preference of the local market. Core brands Ginebra San Miguel, GSM Blue and Vino Kulafu, the leading brands in the gin and Chinese wine categories, accounted for 99% of

GSMI's total revenues. The other products that complete the liquor business of GSMI comprise about 1% of its total revenues.

GSMI has also made a strategic foray into the premium segment through 1834 Premium Distilled Gin and Archangel Reserve, underscoring its capability to compete in higher-value categories and positioning the company to capture growth opportunities in the expanding premium spirits market.

In addition to its domestic presence, GSMI exports products to markets with high concentration of Filipino communities such as the United Arab Emirates, Taiwan, India, Cayman Islands, New Zealand, Canada, Japan, Australia, Hong Kong, Saipan, Macau and the United States of America. It also produces Tondeña Manila Rum that is for export only.

Food Division

The Food Division produces a wide range of food products. Its brand portfolio includes some of the most recognizable and well-regarded brands in the Philippines, such as *Magnolia*, *Monterey*, *Purefoods*, *Purefoods Tender Juicy*, *Star*, *Dari Crème*, *San Mig Super Coffee* and *B-MEG*.

The key operating segments, products, brands and services for each of the primary businesses of the Food Division: Prepared and Packaged Food, Animal Nutrition and Health, Protein and Others.

- a) **Prepared and Packaged Food** - The Prepared and Packaged Food segment includes refrigerated meats, canned meats, ready-to-eat meals, dairy, ice cream, spreads, salad aids, and coffee. The major operating subsidiaries for the Prepared and Packaged Food segment are Purefoods-Hormel, Magnolia and SMSCCI. Purefoods-Hormel, a 60:40 joint venture with Hormel Netherlands, B.V. produces and markets value-added refrigerated processed meats and canned meat products. The joint venture agreement, which was entered into in 1998 sets out the parties' agreement as shareholders of Purefoods-Hormel, including, among others, provisions on technical assistance and sharing of know-how, the use of trademarks, fundamental matters requiring shareholders or Board of Director's approval, exclusivity covenants, and restrictions on the transfer of Purefoods-Hormel shares.

Value-added refrigerated meats include hotdogs, nuggets, bacon, hams, and other ready-to-eat meals and meat free products, which are sold under the brand names *Purefoods*, *Purefoods Tender Juicy*, *Star*, *Higante*, *Purefoods Beefies*, *Vida*, *Purefoods Nuggets*, *Purefoods Ready-to Eat* and *Veega*. Canned meats, such as corned beef, luncheon meats, sausages, sauces, meat spreads and ready-to-eat viands, are sold under the *Purefoods*, *Star* and *Ulam King* brands.

The dairy and spreads business, primarily operated through Magnolia, manufactures and markets a variety of bread spreads, milk, ice cream, salad aids and flour mixes. Bread spreads include butter, refrigerated and non-refrigerated margarine and cheese sold primarily under the *Magnolia*, *Dari Crème*, *Star*, and *Cheezee*, *Quickmelt*, *Daily Quezo*, and *Buttercup* brands. Dairy products under the *Magnolia* brand include ready-to-drink milk, *Magnolia Pure Fresh Milk* and *Chocolait*, *Gold Label* ice cream and all-purpose cream. Flour mixes and salad aids like mayonnaise, sandwich spreads and dressings, are likewise marketed and sold under the *Magnolia* brand. The margarine brands, *Star* and *Dari Crème*, established in 1931 and 1959 respectively, were acquired in the 1990s. Magnolia previously marketed jelly-based snacks under the *JellyYace* brand, until said trademark and other trademarks used in the jelly-based snacks business were divested in May 2021. Moreover, Magnolia also used to manufacture and sell biscuits under the *La Pacita* brand until it ceased operations at its manufacturing facility in October 2021. The *La Pacita* brand and other trademarks used in the biscuits business were divested in March 2023.

The coffee segment under SMSCCI is a 70:30 joint venture between SMFB and a Singaporean partner, Jacobs Douwe Egberts RTL SCC SG Pte. Ltd., formerly Super Coffee Corporation Pte. Ltd. SMSCCI imports, packages, markets, and distributes coffee mixes in the Philippines.

- b) **Animal Nutrition and Health** - The Animal Nutrition and Health segment produces integrated feeds, pet care products, and veterinary medicines. The operating subsidiary for the Animal Nutrition and Health segment is SMFI. Commercial feed products include hog feeds, layer feeds, broiler feeds, free range fowl feeds, duck feeds, aquatic feeds, quail feeds, branded feed concentrates, and specialty and customized feeds. These feeds are sold and marketed under various brands such as *B-Meg*, *B-Meg Premium*, *B-MEG Expert*, *B-MEG Bonanza*, *B-MEG Mega Mash*, *Jumbo*, *B-MEG Integra*, *B-MEG Powermaxx*, *B-MEG Essential*, and *Pureblend*. SMFI

likewise produces and sells dog food under the *Nutri Chunks* and *AlphaPro* brands and cat food under the *Majesty* brand. Other dog treats and supplements are also marketed under *NutriChunks*. Further, SMFI sells various veterinary medicines and preparations under *San Miguel Animal Health Care*.

- c) **Protein** - SMFI is also the operating subsidiary for the business' Protein segment, which sells poultry and fresh meats products. The poultry segment operates a vertically-integrated production process that spans from broiler breeding to producing and marketing chicken products, primarily for retail. Its broad range of chicken products is sold under the *Magnolia* brand, which includes fresh-chilled or frozen whole and cut-up products. A wide variety of fresh and easy-to-cook products, such as those under the brand *Magnolia Chicken Timplados*, are sold in supermarkets, *Manukang Bayan*, wet markets and through community sellers. The poultry segment also sells customized products to foodservice, supplies supermarket house brands, serves chicken products to wet markets through distributors, and sells live chickens to dealers.

The fresh meats segment breeds, grows and processes hogs and trades beef and pork products. Its operations include breeding, growing, and slaughtering live hogs and processing beef and pork carcasses into primal and sub-primal meat cuts. These specialty cuts and marinated products are sold in neighborhood meat shops under the well-recognized *Monterey* brand name.

- d) **Others** - Flour milling, the manufacture and marketing of premixes and baking ingredients, foodservice and international operations are categorized under Others. The bulk of this segment is accounted for by the flour milling business and grain terminal operation.

The flour milling segment operates under SMMI. SMMI owns Golden Bay Grain Terminal Corporation, which provides grain handling services (e.g. unloading, storage, bagging, and outloading) to clients, and Golden Avenue Corp., which holds investment in real properties.

The flour milling segment offers a variety of flour products that includes bread flour, noodle flour, biscuit and cracker flour, all-purpose flour, cake flour, whole wheat flour, customized flour, and flour premixes, such as pancake mix, cake mix, brownie mix, *pan de sal* mix, and *puto* (or rice cake) mix. The business pioneered the development of customized flours for specific applications, such as noodles and *pan de sal*, a soft bread commonly eaten in the Philippines for breakfast. Flour products are sold under brand names which enjoy strong brand loyalty among its institutional clients and other intermediaries, such as bakeries and biscuit and noodle manufacturers.

The Food Division currently has operations in Vietnam. San Miguel Foods Investment (BVI) Limited, which operates San Miguel Pure Foods (Vn) Co., Ltd. ("**SMPFVN**") in Vietnam, is a wholly-owned subsidiary of San Miguel Foods International, Limited. It is in the business of production and marketing of processed meats which are sold under the *Le Gourmet* brand. PT San Miguel Foods Indonesia is a 75:25 joint venture with PT Hero Intiputra of Indonesia, and engaged in the production and sale of processed meats sold under the *Farmhouse* and *Vida* brands, until it ceased operations on October 31, 2021.

Great Food Solutions ("**GFS**"), a group under SMFI is the foodservice selling arm of the Prepared and Packaged Food and Flour Milling segments primarily catering to key foodservice chain accounts. These include quick service restaurants, convenience stores, pizza chains, and bakeshops. GFS markets and sells foodservice formats of the value-added meats, dairy, spreads, coffee, and flour businesses. For smaller foodservice accounts, the subsidiaries under the Prepared and Packaged Food segment, through San Miguel Integrated Sales, engage third-party distributors for the selling and distribution of their products.

Packaging

The packaging business began operations in 1938 with the establishment of a glass plant that supplied glass bottles for the beer and NAB products of SMC. Collectively known as the Packaging Group, the business is comprised of San Miguel Yamamura Packaging Corporation ("**SMYPC**"), San Miguel Yamamura Packaging International Limited ("**SMYPIL**") and their respective subsidiaries which are both joint venture companies of SMC and NYG, SMC Yamamura Fuso Molds Corp. ("**SYFMC**"), the only manufacturer of glass and plastics molds in the country and a joint venture between SMYPC and Japan's Fuso, Can Asia, Inc. ("**CAI**"), a pioneer in the production of two-piece aluminum cans, Wine Brothers Philippines Corporation, involved in the sale and distribution of wine products and Mindanao Corrugated Fireboard, Inc. ("**Mincorr**"), a manufacturer of paper corrugated carton.

SMYPC owns all the domestic plants of the Packaging Group, except the corrugated carton plant, Mincorr, which is 100% owned by SMC. Mincorr is, nevertheless, being managed by SMYPC.

The Packaging Group manages one of the largest packaging operations in the Philippines with diversified businesses producing glass, molds, metal and plastic closures, aluminum cans, plastic bottles, pallets and crates, flexibles, paper, and other packaging products that offer a total packaging solution. The Packaging Group also provides services such as beverage filling for Polyethylene Terephthalate (“PET”) bottles, aluminum cans, and glass bottles, pallet leasing, and logistics services.

It is the major provider of packaging requirements of other business units of SMC and a supplier of its products to customers, which include major multinational corporations in the Philippines, including Coca-Cola Beverages Philippines, Inc., Nestle Philippines, Inc., and Pepsi Cola Products Philippines, Inc.

The Packaging Group also caters to customers across the Asia Pacific region, the United States of America, and Australasia, including San Miguel Beer Breweries in China, Vietnam, Indonesia, and Thailand. Notably, it operates 18 international packaging companies located in China (glass, plastic, paper and trading of packaging products), Vietnam (glass and metal), Malaysia (composite, plastic films, woven bags, and radiant/thermal liners), Australia (trading of packaging products, retail/online packaging, cargo protection and materials-handling products, plastic manufacturing, wine closures, and wine filling services) and New Zealand (plastic manufacturing and trading of packaging products).

The Packaging Group’s businesses are as follows:

- a) **Glass** - The glass business is the Packaging Group’s largest business segment. Currently, there are three glass manufacturing facilities, and one glass and PET mold plant in the Philippines, which service the requirements of the industrial sector, beverage, food, chemical, personal care, and health care industries.
- b) **Metal** - The metal business manufactures metal caps, crowns, resealable caps, and two-piece aluminum beverage cans for a range of industries that include beer, spirits, soft drinks, condiments, and food. In 2012, SMYPC formed CAI, as a joint venture with CANPACK S.A. (“CANPACK”), to modernize the two-piece aluminum can manufacturing business. In 2018, CAI expanded its product line to offer 180 ml aluminum cans. Utilizing the know-how and technologies of CANPACK on can manufacturing, CAI is now capable to produce aluminum cans and ends in three categories - regular (standard), sleek, and slim cans. CAI operates the pioneer two-piece aluminum can plant in the Philippines.

On September 29, 2022, SMYPC and CANPACK executed a Share Purchase Agreement for the purchase by SMYPC of the 3,500,000 common shares of CANPACK in CAI, giving SMYPC 100% ownership of CAI. As of June 30, 2025, CAI is capable of producing six can sizes.

- c) **Plastics** - The plastics business, the second largest business of the Packaging Group, produces crates and pallets, poultry flooring, plastic bottles, PET preforms and bottles, plastic caps and handles to serve the beer, liquor, non-alcoholic beverages, food, pharmaceutical, personal care, petroleum, and industrial applications industries.
- d) **Beverage Filling** - The beverage filling operations is capable of filling beverages in two-piece aluminum cans as well as PET and glass bottles. The business has expanded its capability to include a retort process to serve coffee, milk, and chocolate drinks.
- e) **Paper** - The paper business produces corrugated cartons and partition boxes. It supplies the carton packaging needs of a broad range of manufacturing and agricultural industries.
- f) **Composites/Flexibles** - The composites/flexible packaging business manufactures flexible packaging, plastic films, industrial laminates, trademarked *Envirotuff* radiant barrier and woven bags. Customers for this segment include companies in the food, beverages, personal care, chemical and healthcare industries. It also provides composite materials for various industries including construction, semiconductor, and electronics sectors.

Energy

The Energy business, which is conducted through San Miguel Global Power Holdings Corp. (“San Miguel Global Power”, formerly SMC Global Power Holdings Corp.), together with its subsidiaries, associates and joint ventures, is one of the

largest power companies in the Philippines, controlling 6,080 MW of combined capacity as of December 31, 2024. Based on the total installed generating capacities reported in the ERC Resolution on Grid Market Share Limitation and corresponding press release dated March 17, 2025 issued by the ERC (using January to December 2024 operations data for generation facilities), SMC's market share was approximately 22% of the National Grid, 28% of the Luzon Grid, 5% of the Visayas Grid and 9% of the Mindanao Grid. Market share is computed by dividing the relevant installed generating capacity for the period by the total installed generating capacity of Luzon grid, Visayas grid, Mindanao grid or National grid (19,419,592 kW, 3,383,868 kW, 4,292,586 kW and 27,096,046 kW, respectively based on data provided under the ERC Resolution on Grid Market Share Limitation). San Miguel Global Power benefits from a diversified power portfolio, including natural gas, coal and renewable energy such as hydroelectric power and battery energy storage systems ("**BESS**"). This portfolio includes:

- a) the power plant subject of the Independent Power Producer Administration ("**IPPA**") Agreement with the Power Sector Assets and Liabilities Management Corp. ("**PSALM**"), specifically the San Roque Multipurpose Hydroelectric Power Plant in San Manuel, Pangasinan, the output of which are being administered by San Roque Hydropower Inc. ("**SRHI**", formerly Strategic Power Devt. Corp.), a wholly-owned subsidiary of San Miguel Global Power;
- b) the Angat Hydroelectric Power Plant in Angat, Bulacan, owned by Angat Hydropower Corporation ("**Angat Hydro**"), whose outstanding capital stock is 60% owned by San Miguel Global Power through its wholly-owned subsidiary, PowerOne Ventures Energy Inc. ("**PVEI**");
- c) the Masinloc Coal-Fired Power Plant ("**Masinloc Power Plant**"), and the 35.285 MWh BESS Project all located in Masinloc, Zambales, owned by Masinloc Power Co. Ltd. ("**MPCL**", formerly Masinloc Power Partners Co. Ltd.). MPCL also intends to further expand the Masinloc Power Plant by constructing additional units utilizing supercritical pulverized coal technology (Units 4 and 5) with a planned gross installed capacity of 350 MW each which are targeted for completion in 2026;
- d) the BESS facilities of SMGP BESS Power Inc. ("**SMGP BESS**", formerly Universal Power Solutions, Inc.) in various locations nationwide with a total installed capacity of 480 MWh, which commenced commercial operations in 2023 and 2024;
- e) the 20 MWh BESS facility in Kabankalan, Negros Occidental ("**Kabankalan BESS**"), owned by SMGP Kabankalan Co. Ltd. ("**SMGP Kabankalan**", formerly SMCGP Philippines Energy Storage Co. Ltd.), which is contracted under an Ancillary Service Procurement Agreement with the National Grid Corporation of the Philippines ("**NGCP**") with a term of five years which commenced in January 2022; and
- f) the Circulating Fluidized Bed Coal-Fired Greenfield Power Plants owned and developed by San Miguel Global Power, namely: the **Limay Greenfield Power Plant** in Limay, Bataan, owned by Limay Power Inc. ("**LPI**"), the **Davao Greenfield Power Plant** in Malita, Davao Occidental, owned by Malita Power Inc. ("**MPI**") and the **Mariveles Greenfield Power Plant** in Mariveles, Bataan, owned by Mariveles Power Generation Corporation ("**MPGC**"). Units 1, 2, 3 and 4 of the Limay Greenfield Power Plant commenced commercial operations in May 2017, September 2017, March 2018 and July 2019, respectively. Units 1 and 2 of the Davao Greenfield Power Plant commenced commercial operations in July 2017 and February 2018, respectively. Units 1, 2 and 3 of the Mariveles Greenfield Power Plant commenced commercial operations in March 2024, September 2024 and October 2024, respectively.
- g) The Batangas Combined Cycle Power Plant ("**BCC Power Plant**"), a 1,320 MW combined cycle power plant in Barangays Ilijan and Dela Paz Proper, Batangas utilizing re-gasified liquefied natural gas ("**LNG**") as fuel.

On March 1, 2024, Meralco PowerGen Corporation ("**MGen**") and Therma NatGas Power, Inc. ("**TNGP**", a subsidiary of Aboitiz Power Corporation), through their joint venture entity (MGen and TNGP shareholdings at 60% and 40% each, respectively), Chromite Gas Holdings, Inc. ("**Chromite Gas Holdings**") entered into binding agreements with SMGP and its relevant subsidiaries for Chromite Gas Holdings to jointly invest for a 67% equity interest in each of the following SMGP gas-fired power plants and assets: (i) the operating Ilijan Power Plant owned by SPPC, (ii) the adjacent BCC Power Plant owned by Excellent Energy Resources, Inc. ("**EERI**"), and (iii) land owned by IPIEC where the BCC Power Plant, the Batangas LNG Terminal and their respective related facilities are located. SMGP and Chromite Gas Holdings also entered into a binding agreement to jointly acquire Linseed Field Corporation ("**LFC**") the developer of the Batangas LNG Terminal. The Batangas LNG Terminal is an integrated LNG import terminal at Barangay Ilijan, Batangas City, adjacent to the Ilijan Power Plant and the

BCC Power Plant, which is designed to utilize onshore regasification and storage facilities supplemented with a floating storage unit. The foregoing investments are collectively referred to as the “**Chromite Transactions**”.

On December 23, 2024, the Philippine Competition Commission announced its decision to approve the transactions and on January 27, 2025, SMGP announced the completion of the Chromite Transactions. Following such completion, SMGP retains a 33% interest in each of SPPC, EERI and IPIEC and approximately 33% of LFC.

San Miguel Global Power was also issued retail electricity supplier licenses, through LPI, MPI and MPCL, which allow it to enter into contracts with contestable customers and expand its customer base.

San Miguel Global Power, through its subsidiaries SPI, SRHI, AHC, LPI, MPI, SMGP Kabankalan, SMGP BESS, MPCL and MPGC, sells power through offtake agreements directly to customers, including the Manila Electric Company (“**Meralco**”) and other distribution utilities, electric cooperatives, industrial customers and the NGCP, or through the Wholesale Electricity Spot Market (“**WESM**”).

San Miguel Global Power is currently undertaking the following expansion projects through its subsidiaries:

- a) The BESS Project, which is currently undertaken through SMGP Kabankalan, SMGP BESS and MPCL, will provide an additional ~1,000 MWh capacity to the Energy business’ existing power portfolio. Of these ~1,000 MWh BESS projects, 500 MWh across 17 sites attained commercial operations as of June 2025, including the 30 MWh Kabankalan (Phase 1 and 2) and 20 MWh Masinloc (Phase 2). Three BESS facilities with a combined capacity of 110 MWh located in the provinces of Tarlac, Leyte and Misamis Oriental commenced commercial operations in March 2024 while BESS facilities with a total capacity of 70 MWh across three sites and another 110 MWh across three sites are expected to be completed in 2025 and 2026, respectively.
- b) Units 4 and 5 of the Masinloc Power Plant with a planned gross installed capacity of 350 MW each will utilize supercritical pulverized coal technology, considered as another expansion project by MPCL after it completed Unit 3 in September 2020.

Fuel and Oil

SMC operates its fuel and oil business through Petron Corporation (“**Petron**”), which is involved in refining crude oil and marketing and distribution of refined petroleum products mainly in the Philippines and Malaysia. Petron is the largest and the only oil refining and marketing company in the Philippines and a leading player in the Malaysian market. Petron has a combined refining capacity of 268,000 barrels per day. Petron participates in the retail (service station), industrial, lube, and liquefied petroleum gas sectors. In addition, Petron is also engaged in non-fuels business by capitalizing on the reacquired Treats convenience stores and earning income from billboards and locators, situated within the premises of the service stations.

Petron owns and manages the most extensive oil distribution infrastructure in the Philippines. Petron has extensive network of around 1,800 retail service stations in the Philippines and more than 800 retail service stations in Malaysia as of December 31, 2024. Petron also exports various petroleum products and petrochemical feedstock, including LSWR, gasoline, diesel, jet fuel, LPG, molten sulfur, naphtha, mixed xylene, benzene, toluene and propylene, to customers in the Asia-Pacific region.

In the Philippines, Petron owns the Petron Bataan Refinery complex located in Limay, Bataan, which is a 180,000 barrel-per day full conversion refinery. The Petron Bataan Refinery is capable of producing a range of all white petroleum products such as LPG, naphtha, gasoline, kerosene, jet fuel and diesel, with no residual fuel oil production. It also produces petrochemical feedstocks benzene, toluene, mixed xylene, and propylene. It has its own product piers and two offshore berthing facilities, one of which can accommodate very large crude oil carriers. Petron also owns a refinery in Malaysia with a capacity of 88,000 barrels per day, a palm oil methyl ester plant with an annual capacity of 78,000 metric tons and 10 product terminals, with presence in the airport segment through a 20% ownership of a multi-product pipeline to Kuala Lumpur International Airport.

Infrastructure

The infrastructure business, conducted through San Miguel Holdings Corp. doing business under the name and style of SMC Infrastructure (“**SMHC**”), consists of investments in companies that hold long-term concessions in the infrastructure sector in the Philippines. Current operating toll roads include the South Luzon Expressway (“**SLEX**”), Skyway Extension, Skyway Stages 1, 2 and 3, the Southern Tagalog Arterial Road (“**STAR**”), Tarlac-Pangasinan-La Union Toll Expressway (“**TPLEX**”) and NAIA Expressway (“**NAIAX**”). Ongoing projects include Skyway Stage 4, the extension of SLEX - Toll Road 4 (“**SLEX TR4**”), SLEX - Toll Road 5 (“**SLEX TR5**”), Pasig River Expressway (“**PAREX**”), Southern Access Link Expressway (“**SALEX**”), Northern Access Link Expressway (“**NALEX**”), Cavite-Batangas Expressway (“**CBEX**”), Nasugbu-Bauan Expressway (“**NBEX**”), Pangasinan Link Expressway (“**PLEX**”), TPLEX Extension, Metro Rail Transit Line 7 (“**MRT-7**”), NAIA Rehabilitation and Manila International Airport (“**MIA**”). It also operates and is currently expanding the Boracay Airport, has investments in Manila North Harbour Port Inc. (“**MNHPI**”), holds concession rights in Luzon Clean Water Development Corporation (“**LCWDC**”) for the Bulacan Bulk Water Supply Project and its most recent acquisition of the Bulakan and Obando water companies.

SLEX / Skyway Stages 1 and 2 / Skyway Extension

As of March 5, 2015, SMHC has a 95% stake in Atlantic Aurum Investments B.V. (“**AAIBV**”), a company which has the following shareholdings:

- 80.0% stake in SMC SLEX Inc. (“**SMC SLEX**”) through SMC SLEX Holdings Company Inc., a wholly-owned subsidiary of AAIBV. SMC SLEX holds the 30-year concession rights to the SLEX TR1 - TR3, which currently spans 36.1 kilometers (km) from Alabang, Muntinlupa to Sto. Tomas, Batangas, and SLEX TR4, which runs a total length of 66.74 km that will extend the current SLEX alignment from Sto. Tomas, Batangas to Lucena City, Quezon. SLEX is one of the three major expressways that link Metro Manila to the key southern provinces of the Philippines, including Cavite, Laguna, Batangas, Rizal and Quezon (“**CALABARZON**”).
- AAIBV also holds 87.84% beneficial ownership in SMC Skyway Corporation (SMC Skyway), through SMC Tollways Corporation, a wholly-owned subsidiary of AAIBV. SMC Skyway holds the 30-year concession rights to construct, operate and maintain the 29.31 km Skyway Stage 1 and 2 Project. The Skyway Extension connects the Skyway Elevated Section from Sucat to Susana Heights in SLEX, providing direct access to and from the elevated section of the Skyway by adding new elevated lanes, three northbound and two southbound. The project aims to decongest traffic along SLEX heading to Alabang and the Alabang viaduct.

STAR Tollway

SMHC, through Cypress Tree Capital Investments, Inc. has an effective 100% interest in Star Infrastructure Development Corporation (“**SIDC**”). SIDC holds the 36-year Build-Transfer-Operate (“**BTO**”) concession rights of the STAR Project consisting of: Stage 1 - operation and maintenance of the 22.16 km toll road from Sto. Tomas to Lipa City; and Stage 2 - financing, design, construction, operation and maintenance of the 19.74 km toll road from Lipa City to Batangas City.

TPLEX

SMHC, through its subsidiary, SMC TPLEX Holdings Company Inc., owns a 72.55% equity interest in SMC TPLEX Corporation (“**SMCTC**”). SMCTC is a company which holds the 35-year BTO concession rights to construct, operate and maintain an 89.21 km toll expressway from La Paz, Tarlac, through Pangasinan, to Rosario, La Union. The stretch from Tarlac to Pozzorubio, Pangasinan has been operational since December 2017. The last phase from Pozzorubio to Rosario, La Union was completed and has been operational since July 15, 2020.

NAIAX

On May 31, 2013, SMHC incorporated SMC NAIAX Corporation (“**SMC NAIAX**”). SMC NAIAX, a company that holds the 30-year BTO concession rights for the construction and operation of the NAIAX – a four-lane elevated expressway with end-to-end distance of 5.46 km that provides access to NAIA Terminals 1, 2 and 3. NAIAX connects to the Skyway system, the Manila-Cavite Toll Expressway (“**CAVITEX**”) and the Entertainment City of the Philippine Amusement and Gaming Corporation. NAIAX became fully operational in July 2017. On March 1, 2024, the NAIAX Tramo Connecting ramp was opened to the public. It is an 0.8-km elevated viaduct connecting NAIAX and Tramo flyover.

Skyway Stage 3

On February 28, 2014, SMHC through AAIBV incorporated Stage 3 Connector Tollways Holdings Corp. (“**S3HC**”), which holds an 80% ownership interest in SMC Skyway Stage 3 Corporation. SMC Skyway Stage 3 Corporation holds the 30-year concession rights to design, finance and construct the Skyway Stage 3, an elevated roadway with a total length of approximately 17.93 km from Buendia Avenue in Makati to Balintawak, Quezon City and is connected to the existing Skyway Stages 1 and 2. Skyway Stage 3 inter-connects the northern and southern cities of Metro Manila to help decongest traffic within the National Capital Region and stimulate the growth of trade and industry in Luzon, outside of Metro Manila.

On March 15, 2016, AAIBV transferred its 100% ownership interest in S3HC to SMC Tollways Corporation, its 100% wholly owned subsidiary.

On April 16, 2019, a stockholder of SMC Skyway Stage 3 Corporation issued a waiver on its pre-emptive right to subscribe to 10% interest in favor of S3HC. As a result, S3HC’s ownership interest in SMC Skyway Stage 3 Corporation increased to 90%.

End-to-end alignment (main alignment) was completed and partially opened on December 29, 2020. The Skyway Stage 3 Project was formally inaugurated and opened to motorists on January 14, 2021. The Notice to Collect Toll was received last July 1, 2021 from the Toll Regulatory Board (TRB) of the Department of Transportation.

Skyway Stage 4 Project

SMHC, through its subsidiary, SMC Infraventures Inc., owns an 80.01% equity interest in SMC Skyway Stage 4 Corporation. SMC Skyway Stage 4 Corporation holds the concession right to construct Skyway Stage 4, a proposed tollable length of 34.81-km roadway from South Metro Manila Skyway to Batasan Complex, Quezon City. Skyway Stage 4 will serve as another expressway system that aims to further decongest EDSA, C5 and other major arteries of the Metropolis. Further, it aims to provide a faster alternate route and accessibility to the motorist when travelling from the provinces of CALABARZON area to the Metropolis. The project has a concession period of 30 years (from issuance of Toll Operation Certificate for each Phase).

Boracay Airport

SMC, through the 99.92% interest of SMHC in Trans Aire Development Holdings Corp. (“**TADHC**”), is undertaking the expansion of Boracay Airport under a 25-year Contract-Add-Operate-and-Transfer concession granted by the Republic of the Philippines (“**ROP**”), through the Department of Transportation and Communications (now the Department of Transportation). Boracay Airport is the principal gateway to the Boracay Island, a popular resort for passengers traveling from Manila. The airport has seen recent upgrades including a longer runway and accommodation of international flights.

MRT-7

In October 2010, SMC, through SMHC, acquired a 51.0% stake in Universal LRT Corporation (BVI) Limited (“**ULC BVI**”), which holds the 25-year Build-Gradual Transfer-Operate-Maintain concession for MRT-7. MRT-7 is a planned expansion of the metro rail system in Manila which mainly involves the construction of a 22-km mass rail transit system with 14 stations that will start from San Jose del Monte City in Bulacan and end at the integrated LRT-1 / MRT-3 / MRT-7 station at North EDSA. The project also involves a 22-km six lane asphalt highway that will connect the North Luzon Expressway to an intermodal transport terminal in San Jose del Monte City, Bulacan.

As of July 1, 2016, SMC, through SMHC already holds 100% ownership in ULC BVI.

On December 12, 2016, the ROP through the Department of Transportation, gave its consent to the assignment of all the rights and obligations of ULC BVI under the Concession Agreement to SMC Mass Rail Transit 7, Inc. (“**SMC MRT 7**”). SMC through SMHC owns 100% of SMC MRT 7.

On April 22, 2025, MRT-7 and Korail signed an Operations and Maintenance Services Agreement. Under the Agreement, Korail will provide technical expertise and advisory services, helping guide the setup of MRT-7’s core operational systems, safety protocols and maintenance programs. Korail will also perform technical services and provide technical expertise by working closely with MRT-7 for the testing and commissioning, and operations and maintenance of the MRT-7 Project, to ensure the operations and maintenance of the MRT-7 are performed efficiently and in compliance with relevant standards and regulations. Korail started its service on July 1, 2025.

As of June 25, 2025, the overall accomplishment for the Metro Rail Transit System component is 83.38%.

MNHPI

SMC through SMHC owns 50% of MNHPI as of June 30, 2025. MNHPI is the terminal operator of Manila North Harbor, a 60.96-hectare port facility situated at Tondo, City of Manila. The port has a total berth length of 5,758 meters and 36 berths which can accommodate all types of vessels such as containerized and non-container type vessels. Under the Contract for the Development, Management, Operation and Maintenance of the Manila North Harbor entered with the Philippine Ports Authority on November 19, 2009, the Philippine Ports Authority awarded MNHPI the right to manage, operate, develop, and maintain the Manila North Harbor for 25 years, renewable for another 25 years. MNHPI commenced operations on April 12, 2010.

Bulacan Bulk Water Supply Project

The Bulacan Bulk Water Supply Project aims to provide clean and potable bulk water supply to the province of Bulacan that is environmentally sustainable and with a price that is equitable. The project also aims to help various water districts in Bulacan to meet the increasing water demand of consumers, expand its current service area coverage and increase the number of households served by providing a reliable source of treated bulk water. SMC through SMHC owns 90% of LCWDC, which will serve as the concessionaire for a period of 30 years (inclusive of the two-year construction period). Stage 1 of this project was completed in January 2019 and started supplying potable bulk water to seven Water Service Providers (San Jose del Monte, Marilao, Meycauayan, Obando, Bocaue, Balagtas and Sta. Maria) as of the first quarter of 2019. Stage 2 was completed and started its commercial operations for the other five Water Service Providers (Plaridel, Guiguinto, Bulakan, Malolos and Calumpit) in April 2019.

MIA Project

On September 18, 2019, San Miguel Aerocity Inc. doing business under the name and style of “Manila International Airport” (“**SMAI**”), signed a Concession Agreement (“**CA**”) with the Department of Transportation for the development of MIA. MIA will be governed by a 50-year CA (from issuance of Certificate of Substantial Completion) with the ROP and will be built under a Build-Operate-Transfer (“**BOT**”) framework. The project, which will be located in a 2,500-hectare property in Bulakan, Bulacan, will provide a long-term solution to air connectivity between the Philippines and the rest of the world.

On January 15, 2021, the CA was further enhanced by Republic Act No. 11506 entitled, “An Act Granting San Miguel Aerocity Inc. a Franchise to Construct, Develop, Establish, Operate, and Maintain a Domestic and International Airport in The Municipality of Bulakan, Province of Bulacan, and to Construct, Develop, Establish, Operate, And Maintain An Adjacent Airport City” (the Legislative Franchise). The Legislative Franchise gives SMAI tax exemptions (in general) during the development and operations stages of the project and the power to acquire any private lands forming part of the project. On January 21, 2021, SMAI formally accepted the incentives and obligations under the Legislative Franchise.

MIA will be developed in phases with an initial capacity of 35 million annual passengers (“**MAP**”) and ultimate capacity of 100 MAP, once fully complete. The airport shall primarily be linked by an 8-km toll road to Metro Manila via the North Luzon Expressway, with an integrated multi-modal transport network in the development pipeline.

MIA

As of June 30, 2025, overall progress for the land development works is at 84.62%. Site clearance, land filling works, and ground improvement works are 100.00%, 72.37%, and 94.27% complete, respectively. The San Miguel Team continues to work on the Airport Masterplan along with the critical components of the MIA.

PAREX Project

PAREX is a joint venture project between the Philippine National Construction Corporation (“**PNCC**”) and SMHC. SMHC, through its subsidiary, Pasig River Expressway Corporation, together with the Department of Public Works and Highways (“**DPWH**”), Department of Transportation, and TRB, signed on September 21, 2021 the Supplemental Toll Operations Agreement (STOA) for the financing, construction, operation and maintenance of the PAREX, an elevated

and hybrid 19.37-km expressway, that would pass along the banks of Pasig River from Manila to Taguig. The project has a concession period of 30 years (from the issuance of the Toll Operation Certificate).

SLEX TR5 Project

SLEX TR5, also known as the Quezon-Bicol Expressway, is a 420-km two-lane each direction, toll road project which starts from SLEX TR4 in Brgy. Mayao, Lucena City, Quezon, and ends at Matnog, Sorsogon, near the Matnog Ferry Terminal. The four-lane expressway project shall consist of eight segments: (1) Lucena to Gumaca, Quezon; (2) Gumaca to Tagkawayan, Quezon; (3) Tagkawayan to Sipocot, Camarines Sur; (4) Sipocot to Naga City, Camarines Sur; (5) Naga City to Polangui, Albay; (6) Polangui to Legaspi City, Albay; (7) Legaspi to Sorsogon City, Sorsogon; and (8) Sorsogon City to Matnog, Sorsogon. Centered on the proposal submitted by the joint venture of PNCC and SMHC, the SLEX TR 5 was officially designated as a certified toll road project in a TRB resolution dated June 29, 2020. The STOA was signed on June 3, 2022. The project has a concession period of 30 years (from the issuance of the Toll Operation Certificate).

NALEX Project

NALEX is a 136.4-km toll expressway that aims to connect the MIA, Metro Manila, and Central Luzon. The project is composed of two phases: Phase 1, divided into Section 1 (Skyway Stage 3 Balintawak to MIA), and Section 2 (MIA to Tarlac City and TPLEX), and Phase 2 that runs from Masantol, Pampanga to Tarlac City. The Phase 1 Section 1 is a 19.4-km elevated toll road that begins at Skyway Stage 3 to Balintawak and ends at MIA while the project's Phase 1 Section 2 is an at-grade expressway that runs from MIA to Tarlac City and TPLEX. NALEX Phase 1 shall have a total of 117-km toll road divided into three segments: Bulacan-Guagua (41 km), Guagua-Mabalacat (31 km), and Malabacat-Tarlac (45 km), with 8 interchanges/exits in total. On the other hand, NALEX Phase 2 is a 69.2 km toll road divided into 2 segments: Macabebe-Arayat, and Arayat-Tarlac. This will be a demand-driven expansion that will serve as an alternate route for Phase 1 Section 2. The project intends to provide a more accessible and convenient route from Metro Manila and Central Luzon to MIA, and vice versa.

NALEX is a joint venture project between SMHC and PNCC. On March 21, 2022, the STOA for the financing, construction, operation, and maintenance of the NALEX was signed between the TRB and SMHC. The project has a concession period of 30 years (from the issuance of the Toll Operation Certificate).

SALEX Project

SALEX is a 40.65 km toll elevated expressway network comprising of Section 1: C3-R10 Extension, Section 2 Segment 1: Shoreline Expressway, Section 2 Segment 2: Quirino Extension, and Section 2 Segment 3: Buendia Extension. Section 1 (4.52 km) is a four-lane elevated structure connecting MMSS3 at Sgt. Rivera in Quezon City to Shoreline Expressway at R-10. Section 2 Segment 1 (25.29 km), an elevated six-lane expressway, is the main spine along Manila Bay that will link MMSS3 and PAREX with Shoreline Expressway. It will begin at a connection with NALEX and runs south until it joins PAREX at Delpan Bridge, where it breaks. It will start again from PAREX at Ayala Bridge until it reaches Manila Cavite Toll Expressway (MCTEX) and NAIAX. Section 2 Segment 2, an elevated four-lane structure, starts from the intersection of Quirino Avenue and Osmena Highway and ends at its connection with the Shoreline Expressway along Roxas Boulevard. Section 2 Segment 3, an elevated four-lane structure, is a vital link of NAIAX with Shoreline Expressway and Makati Central Business District at Buendia Avenue.

SALEX is a joint venture project between the PNCC and SMHC. The execution of the STOA for the financing, construction, operation and maintenance of the SALEX was signed on June 20, 2022. The project has a concession period of 30 years (from the issuance of the Toll Operation Certificate).

Cavite-Batangas Expressway ("CBEX")

The CBEX, a 27.06-km unsolicited toll road project, is a joint venture between the Provincial Government of Cavite and SMHC. It is a four-lane expressway which begins with a connection to Cavite-Laguna Expressway (CALAX) in Silang, Cavite and travels southwest parallel with the Emilio Aguinaldo Highway and ends at Tagaytay-Nasugbu Highway. It will traverse the municipalities of Silang, Amadeo, Tagaytay, Indang, Mendez, Alfonso in Cavite and Nasugbu, Batangas, and will have three access/interchange points in Silang, Tagaytay, and Nasugbu/Alfonso. This project aims to provide an additional highway that will help mitigate the road congestion in CALABARZON.

The Original Proponent Status and Certificate of Successful Negotiations was signed on September 1, 2022. The Notice of Award was signed and granted on January 24, 2023. On February 7, 2023, the Joint Venture Agreement and the Toll Concession Agreement was signed between the Provincial Government of Cavite and SMHC.

Nasugbu-Bauan Expressway (“NBEX”)

NBEX is a 60.9-km toll road project that aims to ease congestion and create a more accessible route in the southeast part of Luzon. The project alignment begins at Tagaytay-Nasugbu Highway in Brgy. Kaylaway, runs parallel with the Tuy-Balayan Highway up to the Municipality of Balayan, then runs parallel with the Palico-Balayan-Batangas Road and ends at the Municipality of Bauan. This four-lane expressway will connect the municipalities of Nasugbu, Tuy, Balayan, Calaca, Lemery, Agoncillo, Taal, San Nicolas, Santa Teresita, San Luis and Bauan. There will be five access/interchange points in: (1) Nasugbu (Kaylaway); (2) Nasugbu; (3) Balayan; (4) Lemery; and (5) Bauan.

The NBEX is a joint venture between the Provincial Government of Batangas and SMHC. The Certificate of Acceptance was signed on April 21, 2022, and its Notice of Award was signed on March 10, 2023. On March 22, 2023, the Joint Venture agreement was signed between the parties. The Toll Concession Agreement of this project was signed on July 31, 2023.

Pangasinan Link Expressway (“PLEX”)

PLEX, a 76.80-km unsolicited expressway proposal, is a joint venture between the Provincial Government of Pangasinan and SMHC. The project is composed of two phases: Phase 1, which runs from the Binalonan section of TPLEX to Lingayen, and Phase 2, which extends from Lingayen to Alaminos. PLEX’s Phase 2 will be implemented once the traffic demand is met/upon reaching a certain level of traffic. This project aims to improve the intra-provincial traffic and create a more accessible route within the province of Pangasinan.

The Original Proponent Status and Certificate of Successful Negotiations was granted by the Province of Pangasinan to SMHC on May 18, 2023. The Notice of Award was signed and issued on July 10, 2023.

Tarlac-Pangasinan-La Union Expressway (“TPLEX”) Extension Project

The TPLEX Extension Project is an unsolicited toll road project that aims to facilitate the development of regions in Northern Luzon and improve the interconnectivity of Central Luzon with Metro Manila. Initially, the submitted proposal is composed of four phases: Phase 1 - Rosario, La Union to San Juan, La Union; Phase 2 - San Juan, La Union to Candon City, Ilocos Sur; Phase 3 - Candon City, Ilocos Sur to Vigan City, Ilocos Sur; and Phase 4 - Vigan City, Ilocos Sur to Laoag City, Ilocos Norte. However, upon evaluation, only Phase 1 was granted by the Government.

The 59.4-km toll road project is a four-lane expressway divided into three segments: (1) Rosario-Tubao; (2) Tubao-Naguilian; and (3) Naguilian-San Juan. There will be five interchanges: (1) Rosario, La Union; (2) Tubao, La Union; (3) Naguilian, La Union; (4) Bauang, La Union; and (5) San Juan, La Union.

On December 3, 2018, the Original Proponent Status of the project was issued. The Notice of Award was issued on June 3, 2024, after the conduct of the Swiss Challenge, where no comparative proposals were submitted. On July 3, 2024, the Concession Agreement was signed between SMC TPLEX Extension Infrastructure Corp. and the Government of the ROP, acting through DPWH as the Grantor.

Ninoy Aquino International Airport

On February 16, 2024, the Consortium, led by SMHC, has officially won the contract to rehabilitate, operate, and maintain the NAIA which is the country’s main international gateway. The Consortium is comprised of SMHC owning 33%, RMM Asian Logistics Inc. owning 30%, RLW Aviation Development Inc. owning 27% and Incheon International Airport Corp owning 10%. Together, the members of the consortium incorporated the concession company, New NAIA Infra Corp. (“NNIC”) in the same ownership percentage sharing.

On March 18, 2024, the Concession Agreement was signed with the concession company, NNIC. The operation of NAIA was turned over by the Manila International Airport Authority to the concession company on September 14, 2024.

The Consortium is required to rehabilitate, operate, optimize, and maintain NAIA, which covers improvements to its runway, main terminals, and other facilities.

Bulakan and Obando Water Companies Acquisition

The acquisition of Bulakan and Obando Water Companies aims to broaden the scope of SMHC's waterworks portfolio and expand its current service coverage. On April 8, 2024, SMC Bulacan Water Services Corporation was incorporated under Philippine laws to carry on the general business of constructing, operating, maintaining, managing, leasing, acquiring & rehabilitating waterworks, industrial water supply systems and water utilities and systems. SMC Bulacan Water Services Corporation is a wholly owned subsidiary of SMHC.

On October 22, 2024, SMC Bulacan Water Services Corporation acquired 90% ownership interests in Bulakan Water Company, Inc ("**BWCI**") and Obando Water Company, Inc. ("**OWCI**"). BWCI is a joint venture with Bulakan Water District while OWCI is a joint venture with Obando Water District.

Cement

The Cement business is conducted under San Miguel Equity Investments Inc. ("**SMEII**") through the following subsidiaries:

*Northern Cement Corporation ("**NCC**")*

NCC has more than 50 years of cement production and domestic sales experience, mainly, in the Central Luzon (Region 3), and North Luzon (Regions 1 and 2) markets. It manufactures Type 1, Type 1T and Type N cement, the major cement products in the industry.

NCC was incorporated and registered with the SEC on February 10, 1967. From the commencement of its operations on February 1970 in Sison, Province of Pangasinan, it has been engaged in the business of manufacturing, developing, processing, exploiting, buying and selling cement and/or other allied products. NCC has an existing Mineral Production Sharing Agreement ("**MPSA**") with the Philippine Government granted through the Department of Environment and Natural Resources ("**DENR**") on March 12, 1998, and was renewed by the DENR for another 25 years, or until the year 2048. The MPSA covers a contract area of 630.4978 hectares within Sison, Pangasinan.

Presently, NCC owns and operates three dry-process rotary kilns and three finish mills. The fourth finish mill commenced operation last July 2024. Collectively, the existing production facilities have annual rated capacity of 6.93 million metric tons per year ("**MTPY**") of finished cement, or 173 million 40-kg bags. The raw materials used in its cement manufacturing process are generally a mixture of quarried materials - limestone, shale and gypsum.

The additional supply of cement is targeted to meet the strong demand in Northern Luzon (Region 1 and Region 2), the Cordillera Administrative Region (CAR), and Central Luzon (Region 3).

*Southern Concrete Industries, Inc. ("**SCII**")*

SCII, a wholly-owned subsidiary of SMEII, recently completed the construction of its cement grinding plant in Santa Cruz, Province of Davao del Sur. Its world class equipment is capable of producing 2 million MTPY while minimizing impact to the environment. SCII declared its full commercial operations in May 31, 2023. Prior to its commercial operations, SCII commenced its promotional trial campaign and distribution activities simultaneous with the completion of the commissioning stage of its plant.

SCII is currently recognized for producing top-quality cement products across Regions 10, 11, 12, 13 and Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). SCII strives to expand its reach throughout Mindanao, with a strong commitment to delivering innovative products and services that exceed customer expectations and build lasting loyalty.

*Eagle Cement Corporation ("**ECC**")*

On December 14, 2022, SMC through SMEII completed the acquisition of 99.9581% of the total outstanding common shares of ECC.

ECC was incorporated in the Philippines and registered with the SEC on June 21, 1995. It is now the third largest player in the Philippine cement industry, with the fastest growing market share amongst all competitors since it started its

commercial operations in 2010. ECC currently distributes Blended (Type 1P/Type 1T) and OPC (Type 1) cement products in the National Capital Region, Regions I, II, III and 4A.

ECC has the newest, state-of-the art, and single largest fully-integrated cement production facility in the Philippines located in Barangay Akle, San Ildefonso, Bulacan and a grinding and packaging facility in Limay, Bataan. The plant is strategically located near demand-centric areas and in close proximity to rich limestone and shale reserves covered by the exclusive mineral rights of ECC.

ECC through its subsidiary, holds MPSA covering mining areas in San Ildefonso, Bulacan where it operates a limestone, shale and pozzolan quarry and a Limestone Pulverizing Plant. Bulk of its production are used as input in ECC's cement production.

ECC also has a subsidiary engaged in the business of manufacturing, sale and distribution of fly-ash, bottom ash, hi carbon and other by-products.

Real Estate

Established in 1990 as the corporate real estate arm of SMC, San Miguel Properties Inc. ("**SMPI**") is aiming to be one of the major players in the property sector through mixed-use developments. SMPI is 99.98% owned by SMC and is primarily engaged in the development, sale and lease of real property. SMPI is also engaged in leasing and managing the real estate assets of SMC.

Moving forward, SMPI is creating more synergies with its business units and is looking at developing quality residential, commercial and industrial developments.

The first project of SMPI was the SMC Head Office Complex, now considered as a landmark, which has served as a catalyst in transforming the area now known as the Ortigas Central Business District.

Cavite Projects

SMPI offers a diverse portfolio of mid-range homes in General Trias, Cavite, namely Bel Aldea, Maravilla, and Asian Leaf, offering townhouse units and single attached house-and-lots, with floor areas ranging from +/-42.00 to +/-140.00 square meters.

Bel Aldea

Bel Aldea is a 12-hectare development, which serves the economic housing segment, offers smartly designed townhouse units, with an average floor area of +/- 42 square meters.

Maravilla

Spanning 17-hectare, Maravilla is a mid-range residential community offering Spanish Mediterranean houses, which currently offers new house models to suit the changing needs of the market.

Asian Leaf

Asian Leaf is a seven-hectare premier residential community composed of single attached house and lots, with floor areas ranging from +/-64.91 to +/-140.00 square meters. Fusing modern Asian architecture and vibrant landscaping, Asian Leaf is perfect for homeowners looking for a tranquil and ideal haven.

Wedge Woods

Wedge Woods is located west of Sta. Rosa, Laguna - in Silang, Cavite, offering prime lots on a rolling terrain, with a majestic view of Mount Makiling.

Metro Manila Projects

SMPI has expanded its portfolio, serving the high-end market with its foray into townhouse developments, such as Dover Hill in San Juan City, One Dover View and Two Dover View in Mandaluyong City, and Emerald 88 in Pasig City, and ventured also in hospitality segment through its Makati Diamond Residences (“MDR”) in Makati City.

Dover Hill

A 95-unit luxury townhouse development in Addition Hills, San Juan City that offers three to five-bedroom units ranging from +/-202 up to +/-355 square meters. A three-car parking area located directly below each unit ensures maximum convenience. Aside from its amenities like the swimming pool and playground, within the Dover Hill compound is Dover Club, a four-storey amenity building which includes a fully-equipped, state-of-the-art fitness gym, and a party venue with its own kitchen and dining area good for up to 30 guests.

One Dover View & Two Dover View

Both located along Lee St., Mandaluyong, One Dover View and Two Dover View are exclusive and premier condominium-townhouse projects, offering three and four bedrooms, with only 23 and eight (8) units, respectively. Floor areas range from +/-222.80 to +/-327.10 square meters.

Emerald 88

Located along Dr. Sixto Avenue, Pasig City, Emerald 88 is a 14 three-level townhouse unit development, with generous floor areas ranging from +/-187.50 to +/-216.90 square meters. Each unit has two (2)-car garage.

Makati Diamond Residences (MDR)

MDR is a luxury serviced apartment with 410 spacious guest rooms ranging from 41 square meters up to as much as 204 square meters and has top-of-the-line amenities and health and wellness facilities. Conveniently located in Makati Central Business District, the location of MDR provides easy access to many multinational companies, shopping, dining and entertainment destinations.

Mariveles Economic Zone Project

A 500-hectare industrial park development under the flagship of E-Fare Investment Holdings, Inc., and registered under Authority of the Freeport Area of Bataan. The Mariveles Economic Zone Project intends to provide an attractive location for private investments, stimulate regional economic activity and generate employment opportunities.

Banking

SMC, through SMPI, made a series of acquisitions of Bank of Commerce (“**BankCom**”) common shares in 2007 and 2008 which represents 31.94% of the outstanding common stock of BankCom as of December 31, 2024.

On December 17, 2018, SMC, through SMC Equivest Corporation (“**SMCEC**”), acquired common shares of BankCom representing 4.69% of the outstanding common shares. On August 5, 2021, SMCEC subscribed to 41,666,667 Series 1 Preferred Shares of BankCom. On October 20, 2021, SMCEC acquired additional common shares of BankCom, which increased its ownership of common shares to 6.09%.

On December 23, 2021, the Monetary Board of the Bangko Sentral ng Pilipinas, in its Resolution No. 1798, approved the upgrade of the banking license of BankCom from commercial bank to universal bank, subject to the public offering of its shares and listing the same with the PSE within one year from the date of the grant of the universal banking license. On February 22, 2022, the Board of Directors of BankCom approved the amendments to the Articles of Incorporation to change its purpose from commercial bank to universal bank pursuant to BSP Monetary Board Resolution No. 1798 dated December 23, 2021.

On February 15, 2022, the SEC issued its pre-effective letter relating to the registration of securities of up to 1,403,013,920 common shares of BankCom to be listed and traded in the Main Board of the PSE in relation to its initial public offering (“**IPO**”). On February 16, 2022, the PSE approved the application for the listing of up to 1,403,013,920 common shares of BankCom, which includes the 280,602,800 common shares subject of the IPO. On March 15, 2022,

the SEC issued its Order rendering effective the registration of up to 1,403,013,920 common shares of BankCom, and the Certification of Permit to Offer Securities for Sale. On March 31, 2022, BankCom listed its common shares with the PSE.

After completion of initial public offering and as at December 31, 2024, the Group through SMPI and SMCEC has 31.94% and 4.87% equity interest in BankCom, respectively.

Others

Other major subsidiaries include the following as of March 31, 2025:

- (a) San Miguel International Limited and subsidiary, San Miguel Holdings Limited and subsidiaries [including SMYPIL and San Miguel Insurance Company, Ltd.]
- (b) SMC Shipping and Lighterage Corporation and subsidiaries [including SL Harbor Bulk Terminal Corporation]
- (c) San Miguel Integrated Logistics Services, Inc.
- (d) SMC Stock Transfer Service Corporation
- (e) ArchEn Technologies Inc.
- (f) SMITS, Inc. and subsidiaries
- (g) Petrogen Insurance Corporation
- (h) Anchor Insurance Brokerage Corporation
- (i) SMC Asia Car Distributors Corp. and subsidiaries
- (j) SMC Equivest Corporation

Strengths and Strategies

Strengths

SMC believes that its principal strengths include the following:

- Diversified platform with broad exposure to the growth of the Philippine economy
- Synergies across businesses
- Strong brand equity in the Philippines with an over 100-year legacy
- Well-positioned to benefit from strong macroeconomic fundamentals in the Philippines
- Operating businesses that provide sustainable streams of income and cash flows
- Highly visionary, cohesive, and experienced management team
- Strong commitment to social responsibility and sustainability

Strategies of SMC

The principal strategies of SMC include the following:

- Enhance strategic value and operating efficiencies among and within businesses
- Expand or diversify into businesses that contribute significantly to nation building, job creation and economic growth
- Identify and pursue synergies across businesses through vertical integration, platform matching and channel management
- Strengthen sustainable business strategies across all operations, and continue to adopt world-leading best practices
- Integrate long-term sustainability goals into decision-making processes to foster a culture of environmental and social accountability

Risks of Investing

Prospective investors should also consider the following risks of investing in the Offer:

- Risks relating to SMC and the SMC Group include:
 - Diversification of business and acquisition of new businesses;
 - Potential shortage of raw materials;
 - Volatile prices of raw materials;

- Foreign exchange risk;
 - Availability of financing;
 - Covenants in existing debt agreements;
 - Potential changes in the legal and regulatory environment;
 - Increases and changes in applicable taxes, taxation laws, and tax incentives;
 - Exposure to safety, health and environmental costs and liabilities; Changes in consumer preferences and purchasing power;
 - Increased competition in the industries where the SMC Group operates;
 - Ability of the largest shareholders to influence corporate actions;
 - Possible disagreements among joint venture partners of SMC;
 - Ability of subsidiaries and associates to declare and distribute dividends;
 - Dependence on trademarks and proprietary rights;
 - Compliance with and renewal of licenses, permits and other authorizations;
 - Training and replacement of key personnel;
 - Labor disruptions;
 - Uninsured losses;
 - Outsourcing risk;
 - Disruption of operations;
 - Performance of information technology systems;
 - Legal and other proceedings; and
 - The risk involving related party transactions.
- Risks relating to the food and beverage business
- Price-sensitive market;
 - Competition risks;
 - Increases in excise taxes;
 - Production and supply disruptions;
 - Operational risks;
 - Livestock and poultry disease outbreaks;
 - Product-liability claims and recalls;
 - Importation of lower-priced competing products;
 - Risks associated with derivative and hedging transactions;
 - Challenges in executing expansion strategies;
 - Social, economic, and political risks;
 - Risks of international and export operations;
 - Government price monitoring and regulation;
 - Legal and regulatory risks;
 - Intellectual property risks; and
 - Financial risks.
- Risks relating to the packaging business
- Handling of products; and
 - Competition and challenges in product development and production processes.
- Risks relating to the fuel and oil business
- Volatility of the price of crude oil and petroleum products may have a material adverse effect on Petron's business, results of operations and financial condition;
 - Russia-Ukraine War and Geopolitical Tensions in the Middle East;
 - Global Trade Policy and Tariff Risks;
 - Outbreak of any other highly infectious or contagious disease;
 - Petron relies primarily on a small number of suppliers for a significant portion of its crude oil requirements in each of the markets in the Philippines and Malaysia;
 - Intense competition, increasing presence of electric vehicles (EVs), and cyclicity in global and regional refining capacities;
 - Any significant disruption in operations or casualty loss at Petron's refineries could adversely affect its business and results of operations and result in potential liabilities;
 - Effect of Malaysian government policies and regulations relating to the marketing of fuel products;

- Compliance with and renewal of licenses, permits and other authorizations and continued compliance with safety, health, environmental and zoning laws and regulations;
- Failure to respond quickly and effectively to product substitution or government-mandated product formulations;
- Reliance on significant capital expenditures and financing which are required to implement business strategies, as well as debt levels possibly adversely affect financial conditions and results of operations;
- Changes in applicable taxes, duties and tariffs;
- Fluctuations in the value of the Philippine Peso and the Malaysian Ringgit against the U.S. Dollar;
- Dependence on experienced, skilled and qualified personnel and management team;
- Petron's controlling shareholders may have interests that may not be the same as those of other shareholders;
- Petron may fail to integrate acquired businesses properly;
- The number or severity of claims for which the Petron is insured increases;
- Existing or future claims against Petron, its subsidiaries, associates or joint ventures, or directors or key management; and
- Changes in applicable accounting standards.

➤ Risks relating to the energy business

- Increased competition in the Philippine power industry;
- Availability of financing and significant long-term debt as well as perpetual capital securities;
- Suspension of issuance and renewal of Retail Electricity Supplier ("RES") licenses;
- Disruptions and fluctuations in availability and cost of fuel supply;
- Reliance on Independent Power Producer ("IPP") for the operation and maintenance of the San Roque Power Plant;
- Market limitations under the Electric Power Industry Reform Act of 2001 ("EPIRA");
- Development of greenfield power projects and expansion projects of existing plants involves substantial project risks;
- Adverse effect of wholesale electricity spot market ("WESM") price fluctuations;
- Expiration, termination, renewal and entry into offtake agreements and regulatory approvals of offtake agreements;
- Administration of the output of SMGP's power portfolio necessarily involves significant risks;
- Operating and other risks leading to network failures, equipment breakdowns, planned or unplanned outages;
- Insufficient insurance coverage for generation plants;
- No direct contractual and operational relationship;
- Foreign exchange risk;
- Variations in hydrological conditions and irrigation requirements;
- Challenges in successfully implementing SMGP's growth strategy;
- Dependence on the existence of transmission infrastructure;
- Changes in taxation and certain tax exemptions and tax incentives;
- Interest rate risk;
- Regulatory risks;
- Climate change policies;
- Energy Regulatory Commission ("ERC") regulation of electricity rates of distribution utilities could have a material adverse effect on SMGP;
- Trading on the WESM is affected by market volatility;
- Possible conflicts of interest;
- Dependence on the support of San Miguel Corporation;
- Compliance with and renewal of licenses, permits and other authorizations; and
- Legal and other proceedings arising out of its operations.

➤ Risks relating to the infrastructure business

- Completion of infrastructure projects;
- Enforceability of concession agreements;
- Inability to secure tariff increases;
- Decrease in utilization of projects; and
- Obtaining new concessions or projects.

- Risks relating to the cement business
 - Cost to Produce, Environmental Considerations, and Unabated Entry of Imported Cement;
 - Entry of new players and increasing cement importation;
 - Heavy Government regulation and environmental standards;
 - Prolonged or major disruption of operations in any of the cement business's main manufacturing plants; and
 - Growth slowdown in certain key industries in the Philippines.
- Risks relating to the Philippines
 - Concentration of SMC's operations and assets in the Philippines;
 - Political instability in the Philippines;
 - Acts of terrorism, clashes with separatist groups and violent crimes;
 - Territorial disputes;
 - Natural catastrophes;
 - Downgrade of Philippine credit rating;
 - Corporate governance, disclosure, and financial reporting standards; and
 - Foreign exchange controls.
- Risks related to the Offer Shares
 - The Offer Shares may not be a suitable investment for all investors;
 - Redemption at the option of the Issuer;
 - Volatility of market price of the Offer Shares;
 - Additional Taxes;
 - Deferral of dividend payment;
 - Subordination to other indebtedness of the Company;
 - Insufficient distributions upon liquidation;
 - Subordination of payments to the Holders of the Offer Shares;
 - Liquidity of the securities market;
 - Effect of non-payment of dividends;
 - Inability to reinvest at a similar return on investment upon redemption; and
 - Limited voting rights.

(For a more detailed discussion, see "Risk Factors" on page [67])

Use of Proceeds

The gross proceeds of the Base Offer shall be ₱19,999,995,000.00. In the event the Oversubscription Option is exercised, the gross proceeds will be ₱30,000,000,000.00.

The net proceeds of the Base Offer, after deducting from the gross proceeds the total issue management, underwriting and selling fees, listing fees, taxes and other related fees and out-of-pocket expenses, is estimated to be [₱19,829,743,780.00]. In the event the Oversubscription Option is exercised, the net proceeds will be [₱9,940,004,970.00] and will be used by the Company for the refinancing of existing short-term loan/s that will be used to redeem the Series 2-F Preferred Shares, to partially redeem the Series 2-J Preferred Shares and the Series 2-K Preferred Shares, and/or to make additional investments in the infrastructure business, including the Manila International Airport and other airport related projects in Bulakan, Bulacan, and the tollways projects. For a more detailed discussion, see *Use of Proceeds* on page [124].

Plan of Distribution

SMC plans to issue the Offer Shares to institutional and retail investors through a public offering to be conducted through the Joint Lead Underwriters and Bookrunners.

For a more detailed discussion, see *Plan of Distribution* on page [127].

Company Information

SMC is a Philippine corporation with its registered office located at No. 40 San Miguel Avenue, Mandaluyong City, Philippines. SMC's telephone number is: (632) 8632-3000 and its website is: <http://www.sanmiquel.com.ph>. The information on the SMC website is not incorporated by reference into, and does not form part of this Offer Supplement.

TERMS OF THE OFFER

The following do not purport to be a complete listing of all the rights, obligations, and privileges of the Offer Shares. Some rights, obligations or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective shareholders are enjoined to perform their own independent investigation and analysis of the Issuer and the Offer Shares. Each prospective shareholder must rely on its own appraisal of the Issuer and the Offer, and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to participate in the Offer and must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective shareholder's independent evaluation and analysis.

The following overview should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Offer Supplement. This overview may not contain all of the information that prospective investors should consider before deciding to invest in the Offer Shares. Accordingly, any decision by a prospective investor to invest in the Offer Shares should be based on a consideration of this Offer Supplement as a whole. Should there be any inconsistency between the summary below and the final documentation, the final documentation shall prevail.

Issuer	San Miguel Corporation
Instrument	Cumulative, non-voting, non-participating, non-convertible, redeemable, re-issuable Philippine Peso-denominated perpetual Series 2 Preferred Shares
Offer Size	266,666,600 Series 2 Preferred Shares (subject to the Oversubscription Option as provided below), to be offered in up to three (3) subseries: Series 2-S, Series 2-T, and Series 2-U Preferred Shares. The Offer Shares will be issued out of the Series 2 Preferred Shares held in treasury by the Company.
Oversubscription Option	In the event of an oversubscription, the Joint Issue Managers, and the Joint Lead Underwriters and Bookrunners, in consultation with the Company, reserve the right, but do not have the obligation, to increase the Offer size by up to an additional 133,333,400 Series 2 Preferred Shares (the “ Oversubscription Option ”). In case the Oversubscription Option is partly exercised or not exercised at all during the Offer Period for the Offer Shares, the corresponding number of Oversubscription Option shares not taken up or exercised shall revert to the Shelf Registered Shares, and automatically increase the remaining shares that may be offered by the Issuer in subsequent tranches.
Par Value	The Offer Shares shall have a par value of ₱5.00 per share.
Offer Price	The Series 2-S, Series 2-T, and Series 2-U Preferred Shares shall be offered at a price of ₱75.00 per share.
Registration and Listing	Registered with the SEC on November 9, 2023 under shelf registration pursuant to MSRD Order No. 62, Series of 2023, and shall be listed on the Main Board of the PSE , subject to compliance with SEC regulations and PSE listing rules. Upon listing, the Series 2-S, Series 2-T, and Series 2-U Preferred Shares shall be traded under the ticker codes “ SMC2S ”, “ SMC2T ”, and “ SMC2U ”, respectively. The Series 2-S, Series 2-T, and Series 2-U Preferred Shares shall be issued out of the remaining balance of 413,333,300 Shelf Registered Shares under the Shelf Registration.
Issue Date	[October 24, 2025] or such other date when the Series 2-S, Series 2-T, and Series 2-U Preferred Shares are listed on the Main Board of the PSE.

Use of Proceeds	The Company will use the net proceeds from the Offer for the refinancing of existing short-term loan/s that will be used to redeem the Series 2-F Preferred Shares, to partially redeem the Series 2-J Preferred Shares and the Series 2-K Preferred Shares, and/or to make additional investments in the infrastructure business, including the Manila International Airport and other airport related projects in Bulakan, Bulacan, and the tollways projects. See “ <i>Use of Proceeds</i> ” in this Offer Supplement.
Offer Period	The Offer Period shall commence at 9:00 a.m. on [October 13, 2025] and end at 12:00 noon on [October 17, 2025]. The Issuer, the Joint Issue Managers, and the Joint Lead Underwriters and Bookrunners reserve the right to extend or terminate the Offer Period with the approvals of the SEC and the PSE, as applicable.
Dividend Rate	<p>As and if cash dividends are declared by the Board of Directors, cash dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares shall be at the initial rates of:</p> <p style="text-align: center;">Series 2-S Preferred Shares: [•]</p> <p style="text-align: center;">Series 2-T Preferred Shares: [•]</p> <p style="text-align: center;">Series 2-U Preferred Shares: [•]</p> <p>in all cases calculated for each share by reference to the Offer Price thereof in respect of each Dividend Period (each, the “Initial Dividend Rate” for the relevant subseries).</p> <p>Dividend Rate means (a) from the Issue Date up to the relevant Step-Up Date, the applicable Initial Dividend Rate, and (b) from the relevant Step-Up Date, until the date the Series 2-S, Series 2-T, and Series 2-U Preferred Shares are redeemed, the higher of the applicable Initial Dividend Rate and the applicable Step-Up Rate. <i>(Please see below relevant definitions.)</i></p>
Dividend Payment Date	<p>Cash dividends on the Offer Shares will be payable once for every Dividend Period on such date set at the time of declaration by the Board of Directors (each a “Dividend Payment Date”) in accordance with the terms and conditions of the Offer Shares. The Dividend Payment Date shall be any day within the period commencing on (and including) the last day of a Dividend Period and 15 calendar days from the end of the relevant Dividend Period.</p> <p>If a Dividend Payment Date occurs after the end of a Dividend Period, there shall be no adjustment to the amounts of dividends to be paid.</p> <p>The dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares will be calculated on a 30/360-day basis.</p> <p>If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid.</p> <p>Dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares will be cumulative. If for any reason the Issuer’s Board of Directors does not declare dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares for a Dividend Period, the Issuer will not pay dividends on such Dividend Payment Date for such Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares must receive the dividends due to them on such Dividend Payment Date as</p>

well as all dividends accrued and unpaid to the holders of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares prior to such Dividend Payment Date. See *“Description of the Offer Shares”*.

Dividend Period

A **“Dividend Period”** shall refer to the period commencing on the Issue Date and having a duration of three (3) months, and thereafter, each of the successive periods of three (3) months commencing on the last day of the immediately preceding Dividend Period up to, but excluding the first day of the immediately succeeding Dividend Period; provided that, the first Dividend Period of the Offer Shares shall be the period commencing on the Issue Date and ending on the last day of the then current Dividend Period for the other outstanding Series 2 Preferred Shares.

Conditions on Declaration and Payment of Cash Dividends

The declaration of cash dividends will be subject to the discretion of the Board of Directors to the extent permitted by law.

The Board of Directors will not declare and pay cash dividends on any Dividend Payment Date where:

- (a) payment of the cash dividend would cause SMC to breach any of its financial covenants; or
- (b) the profits available to SMC to distribute as cash dividends are not sufficient to enable SMC to pay in full both the cash dividends on the Offer Shares and the dividends on all other classes of the shares of SMC that are scheduled to be paid on or before the same date as the cash dividends on the Offer Shares and that have an equal right to dividends as the Offer Shares.

If the profits available to distribute as dividends are, in the opinion of the Board of Directors, not sufficient to enable SMC to pay in full on the same date both cash dividends on the Offer Shares and the dividends on other shares that have an equal right to dividends as the Offer Shares, SMC is required (i) to pay in full, or to set aside an amount equal to, all dividends scheduled to be paid on or before that Dividend Payment Date on any shares with a right to dividends ranking in priority to that of the Offer Shares; and (ii) to pay cash dividends on the Offer Shares and any other shares ranking equally with the Offer Shares as to participation in profits pro rata to the amount of the cash dividends scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividend payable on that date and any arrears on past cumulative dividends on any shares ranking equal in the right to dividends with the Offer Shares.

Any such cash dividends deferred or not declared in accordance with the above provisions shall constitute *“Arrears of Dividends”* which shall accrue cash dividends at the prevailing Dividend Rate. The profits available for distribution are, in general and with some adjustments, equal to the accumulated realized profits of SMC less accumulated realized loss.

Cash dividends on the Offer Shares will be cumulative. If for any reason the Board of Directors of SMC does not declare a cash dividend on the Offer Shares for a Dividend Period, SMC will not pay a cash dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which cash dividends are declared, holders of the Offer Shares will receive the accrued and unpaid cash dividends due them on such Dividend Payment Date as well as all Arrears of Dividends to the holders of the Offer Shares prior to such Dividend Payment Date.

Holders of the Offer Shares shall not be entitled to participate in any other or further dividends, cash, property or stock beyond the dividends specifically payable on the Offer Shares. SMC will covenant that, in the event:

- (a) any cash dividends due with respect to any Series “2” Preferred Shares then outstanding for any period are not declared and paid in full when due;
- (b) where there remains outstanding Arrears of Dividends; or
- (c) any other amounts payable under the terms and conditions of the Offer Shares described in the Offer Supplement are not paid in full when due for any reason,

then it will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking *pari passu* with, or junior to, the Offer Shares (or contribute any moneys to a sinking fund for the redemption of any securities ranking *pari passu* with, or junior to, the Offer Shares) until any and all Arrears of Dividends and accrued but unpaid cash dividends have been paid to the holders of the Offer Shares.

Optional Redemption and Purchase

As and if approved by the Board of Directors, the Company may redeem in whole (but not in part), any subseries of the Offer Shares as follows:

- (a) in respect of Series 2-S Preferred Shares, on the third (3rd) anniversary of the Issue Date or on the last day of any Dividend Period thereafter (each a “**Series 2-S Optional Redemption Date**”);
- (b) in respect of Series 2-T Preferred Shares, on the fifth (5th) anniversary of the Issue Date or on the last day of any Dividend Period thereafter (each a “**Series 2-T Optional Redemption Date**”); and
- (c) in respect of Series 2-U Preferred Shares, on the seventh (7th) anniversary of the Issue Date or on the last day of any Dividend Period thereafter (each a “**Series 2-U Optional Redemption Date**”)

(each of the Series 2-S Optional Redemption Dates, Series 2-T Optional Redemption Dates, and Series 2-U Optional Redemption Dates, being an “**Optional Redemption Date**”), after giving not more than sixty (60) nor less than thirty (30) days’ prior written notice to the intended date of redemption, at a redemption price equal to the Offer Price of the Offer Shares plus all dividends due them on such Optional Redemption Date as well as all Arrears of Dividends after deduction of transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption (the “**Redemption Price**”). Such notice to redeem shall be deemed irrevocable upon issuance thereof.

For the avoidance of doubt, on the applicable Optional Redemption Date, the Issuer has the option to redeem, in whole but not in part, the Series 2-S, Series 2-T, and Series 2-U Preferred Shares.

In the event an Optional Redemption Date which the Issuer has chosen as the date to redeem the Series 2-S, Series 2-T, and Series 2-U Preferred Shares falls on a day that is not a Business Day, the redemption shall be made on the next succeeding day that is a Business Day, without adjustment as to the Redemption Price and the amount of dividends to be paid.

The Issuer may also redeem the Series 2-S, Series 2-T, and Series 2-U Preferred Shares, in whole but not in part, at any time prior to any Optional Redemption Date if an Accounting Event or a Tax Event (each as defined below) has occurred and is continuing. The redemption due to an Accounting Event or a Tax Event shall be made by the Issuer at the Redemption Price, provided that if the Accounting Event or Tax Event is specific to a subseries, then the foregoing optional redemption may be exercised only with respect to such subseries.

After listing on the PSE, the Issuer reserves the right to purchase the Series 2-S, Series 2-T, and Series 2-U Preferred Shares at any time in the open market or by public tender or by private contract at any price through PSE without any obligation to purchase or redeem the other Series 2-S, Series 2-T, and Series 2-U Preferred Shares. The Series 2-S, Series 2-T, and Series 2-U Preferred Shares so purchased may either be redeemed (pursuant to their terms and conditions as set out in this Offer Supplement) and cancelled or kept as treasury shares, as applicable.

Step-Up Dividend Rate

Unless the Offer Shares are redeemed by the Issuer, in respect of the Series 2-S Preferred Shares, five (5) years from the Issue Date (the “**Series 2-S Step-Up Date**”), in respect of the Series 2-T Preferred Shares, seven (7) years from the Issue Date (the “**Series 2-T Step-Up Date**”), and in respect of the Series 2-U Preferred Shares, ten (10) years from the Issue Date (the “**Series 2-U Step-Up Date**”) (each of the Series 2-S Step-Up Date, the Series 2-T Step-Up Date, and the Series 2-U Step-Up Date being a “**Step-Up Date**”), or on the next Business Day in case the relevant Step-Up Date falls on a non-Business Day, the dividends on each subseries will be adjusted as follows:

- (a) for the Series 2-S Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the 10-year BVAL (each reference rate, a “**BVAL**”) (or if the 10-year BVAL is not available or cannot be determined, any such successor rate as determined by the Bankers Association of the Philippines (“**BAP**”) or the *Bangko Sentral ng Pilipinas* (“**BSP**”)), as published on the website of the PDS or, if unavailable, the Philippine Dealing & Exchange Corp. (“**PDEX**”) page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2-S Step-Up Date, plus 3.00% (the “**Series 2-S Step-Up Dividend Rate**”);
- (b) for the Series 2-T Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the interpolated 15-year BVAL (or if the interpolated 15-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP, as published on the website of the PDS or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2-T Step-Up Date, plus 3.00% (the “**Series 2-T Step-Up Dividend Rate**”); and
- (c) for the Series 2-U Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the 20-year BVAL (or if the 20-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP, as published on the website of the PDS or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2-U Step-Up Date, plus 3.00% (the “**Series 2-U Step-Up Dividend Rate**”).

Provided, that in the event the relevant Step-Up Date falls on a day that is not a Business Day:

- (i) the rate setting will be done on the immediately succeeding Business Day using the average of the relevant BVAL rates for the three (3) consecutive Business Days preceding and inclusive of the said rate setting date; and
- (ii) the higher of the applicable Initial Dividend Rate and the applicable Step-Up Dividend Rate will be applied commencing on the Step-Up Date (which is five

(5) years from the Issue Date of the Series 2-S Preferred Shares, seven (7) years from the Issue Date of the Series 2-T Preferred Shares, and ten (10) years from the Issue Date of the Series 2-U Preferred Shares).

(Each of the Series 2-S Step-Up Dividend Rate, Series 2-T Step-Up Dividend Rate, and the Series 2-U Step-Up Dividend Rate being a “**Step-Up Dividend Rate**”.)

Dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares will be cumulative. If for any reason the Issuer’s Board of Directors does not declare dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares for a Dividend Period, the Issuer will not pay dividends on such Dividend Payment Date for such Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares must receive the dividends due to them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares prior to such Dividend Payment Date. See “*Description of the Offer Shares*”.

No Sinking Fund

The Company is not legally required, has not established, and currently has no plans to establish, a sinking fund for the redemption of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares.

Accounting Event

An accounting event shall occur if an opinion of any recognized person authorized to perform auditing services in the Government has stated that there is more than an insubstantial risk that the funds raised through the issuance of the Offer Shares may no longer be recorded as equity pursuant to the PFRS, or such other accounting standards which succeed PFRS, as adopted by the Government, applied by SMC for drawing up its consolidated financial statements for the relevant financial year and such event cannot be avoided by SMC taking reasonable measures available to it.

Tax Event

A tax event shall occur if dividend payments become subject to higher withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to SMC.

Purchase of the Offer Shares

After listing on the PSE, SMC may purchase the Series 2-S, Series 2-T, and Series 2-U Preferred Shares, then tradeable at that time at any time in the open market or by public tender or by private contract at any price through the PSE without any obligation to purchase or redeem the other outstanding Series 2-S, Series 2-T, and Series 2-U Preferred Shares.

Redemption by reason of a Tax Event

In the event payments in respect of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares become subject to additional withholding or any new tax as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem each of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares at any time in whole but not in part, at the Redemption Price. See “*Description of the Offer Shares*”.

Redemption by reason of an Accounting Event

In the event an opinion of a recognized accounting firm authorized to perform auditing services in the Government has been delivered to the Issuer stating that there is more than an insubstantial risk that the Series 2-S, Series 2-T, and Series 2-U Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Issuer prepared in accordance with PFRS, or such other accounting standards which succeed PFRS as adopted by the Issuer for the preparation of its audited consolidated financial statements for the relevant financial year, and such event cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem each of the Series 2-S, Series 2-T, and Series 2-U

Preferred Shares in whole, but not in part, at the Redemption Price. See “*Description of the Offer Shares*”.

Taxation

All payments in respect of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Government, including but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, SMC will pay additional amounts so that the holders of Series 2-S, Series 2-T, and Series 2-U Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable; provided, however, that SMC shall not be liable for:

(a) any withholding tax applicable on dividends earned or on any amounts payable to the holders of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares, including any additional tax on such dividends imposed by changes in law, rule, or regulation; (b) any income tax (whether or not subject to withholding); percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the redemption price) of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares or on the liquidating distributions as may be received by a holder of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares; (c) any expanded value added tax which may be payable by any holder of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares on any amount to be received from the Issuer under the terms and conditions of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares; (d) any withholding tax, including any additional tax imposed by change in law, rules, or regulation, on any dividend payable to any holder of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares or any entity which is a non-resident foreign corporation; and (e) any applicable taxes on any subsequent sale or transfer of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares by any holder of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

Form, Title and Registration of the Preferred Shares

The Series 2-S, Series 2-T, and Series 2-U Preferred Shares will be issued in scripless form through the electronic book-entry system of SMC Stock Transfer Service Corporation as Registrar for the Offer Shares and lodged with the Philippine Depository & Trust Corporation (“**PDTC**”) as Depository Agent on Issue Date through Trading Participants of the PSE (“**Trading Participants**”) nominated by the applicants. For this purpose, applicants shall indicate in the proper space provided for in the Application to Purchase (as defined below) the name of the Trading Participant under whose name their Offer Shares will be registered. After Issue Date, shareholders may request the Registrar, through their nominated Trading Participant, to (a) open a scripless registry account and have their holdings of the Offer Shares registered under their name, or (b) issue stock certificates evidencing their investment in the Offer Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder.

Legal title to the Series 2-S, Series 2-T, and Series 2-U Preferred Shares will be shown in an electronic register of shareholders (the “**Registry of Shareholders**”) which shall be maintained by the Registrar. The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Offer Shares that is effected in the Registry of Shareholders (at the cost of the requesting shareholder). The Registrar shall send (at the cost of SMC) at least once every quarter a statement of account to all shareholders named in the Registry of Shareholders, except certificated shareholders and depository participants, confirming the number of Offer Shares held by each shareholder on record in the Registry of Shareholders. Such statement of account shall serve as evidence of ownership of the relevant shareholder as of the given date thereof. Any request by

shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting shareholder.

For scripless shares, the maintenance and custody fee payable to the PDTC shall be for the account of the shareholder.

Selling and Transfer Restrictions

After listing, the subsequent transfers of interests in the Offer Shares shall be subject to normal selling restrictions for listed securities as may prevail in the Philippines from time to time.

Governing Law

The Series 2-S, Series 2-T, and Series 2-U Preferred Shares will be issued pursuant to the laws of the Republic of the Philippines.

Features of the Preferred Shares

Please refer to “*Description of the Offer Shares*” on page [53] of this Offer Supplement.

Other Terms of the Offer

Minimum Subscription to the Preferred Shares

Each Application shall be for a minimum of 500 Offer Shares, and thereafter, in multiples of 100 Offer Shares. No Application for multiples of any other number of Offer Shares will be considered.

Eligible Investors

The Offer Shares may be owned or subscribed to by any person, partnership, association or corporation regardless of nationality, subject to limits under Philippine law. However, under certain circumstances, SMC may reject an Application or reduce the number of the Offer Shares applied for subscription.

Subscription to the Offer Shares may be restricted in certain jurisdictions. Foreign investors interested in subscribing or purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence, or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Offer Shares.

Procedure for Application

Applications to Purchase the Offer Shares may be obtained from any of the Joint Issue Managers, the Joint Lead Underwriters and Bookrunners, or the Selling Agents. All Applications shall be evidenced by the Application to Purchase, duly executed in each case by an authorized signatory of the applicant and accompanied by two (2) completed specimen signature cards, the corresponding proof of payment for the Offer Shares covered by the Application and all other required documents including documents required for registry with the Registrar and Depository Agent. The duly executed Application to Purchase and required documents should be submitted to the Joint Issue Managers, the Joint Lead Underwriters and Bookrunners, or the Selling Agents by the end of the Offer Period. The Application to Purchase must also be signed by the nominated Trading Participant signifying its conformity to receive the Offer Shares on Issue Date.

If the applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following documents:

- (a) a certified true copy of the applicant’s latest articles of incorporation and by-laws and other constitutive documents, each as amended to date, duly certified by the corporate secretary or equivalent officer;
- (b) the applicant’s SEC certificate of registration, duly certified by the corporate

secretary or equivalent officer;

- (c) a duly notarized corporate secretary's certificate setting forth the resolution of the applicant's board of directors or equivalent body authorizing (i) the purchase of the Offer Shares indicated in the application and (ii) the designated signatories for the purpose, including their respective specimen signatures;
- (d) certified true copy of latest General Information Sheet ("GIS") duly certified by the corporate secretary or equivalent officer;
- (e) photocopy of any one (1) of the following valid identification documents ("ID" of the authorized representative(s)): passport/driver's license, company ID, Social Security System/Government Service and Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank or the Receiving Agent, as applicable;
- (f) two (2) specimen signature cards with specimen signatures of the signatory or signatories of the Application to Purchase; and
- (g) validly issued taxpayer identification number issued by the BIR.

Individual applicants must also submit a photocopy of any one (1) of the following valid IDs: passport/driver's license, company ID, Social Security System/Government Service and Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank or Trading Participant.

An applicant who is exempt from or is not subject to withholding tax or who claims reduced tax treaty rates must indicate such exemption or entitlement in the Application to Purchase and also submit additional documents as may be required by the Issuer, including but not limited to, the documents described on page [44 to 45] of this Offer Supplement.

For Applications to Purchase to be submitted by the Trading Participants, please refer to the Trading Participant Implementing Guidelines.

Local Small Investors

Applications to purchase the shares allocated for Local Small Investors must be done online through the PSE Easy. The system will generate a reference number and payment instruction. Application payments for the Offer Shares must be settled within the Offer Period.

A Local Small Investor applicant should nominate in the application the PSE Trading Participant through which its shares will be lodged. Otherwise, the application shall not be accepted. In the event that a Local Small Investor applicant does not have a PSE Trading Participant, the Local Small Investor applicant, if eligible, may open a trade account. Local Small Investor applicant may refer to the Local Small Investors Guidelines for more additional information.

Local Small Investor applications will be processed on a first-come, first-served basis while final allocation of the Trading Participants will be determined pursuant to allocation mechanics. This section should be read in conjunction with the Offer Implementing Guidelines, which will be published on the PSE EDGE website.

Payment for the Offer Shares The Offer Price of the Offer Shares must be paid in full upon submission of the

Application to Purchase.

Payment shall be in the form of:

(a) a cashier's/manager's or corporate check, or personal check drawn against a bank account with a BSP-authorized agent bank or any branch thereof with a clearing period of not more than one (1) Business Day and dated as of the date of submission of the Application to Purchase covering the entire number of the Offer Shares covered by the same Application. Checks should be made payable to "**SMC Preferred Shares Offer**" and crossed "Payee's Account Only" with a clearing period of not more than one (1) Business Day shall be accepted. Check payment must be made within the clearing cut-off of the last day of the Offer Period; or

(b) through the Real Time Gross Settlement ("**RTGS**") facility of the BSP to the relevant Joint Issue Manager, the Joint Lead Underwriter and Bookrunner, or the Selling Agent to whom such Application was submitted. Standard transaction fees for RTGS payments will be for the account of the investor; or

(c) via direct debit from their deposit account maintained with the relevant Joint Issue Manager, the Joint Lead Underwriter and Bookrunner, or the Selling Agent; or

(d) through other means as may be agreed between the applicant and the relevant Joint Issue Manager, Joint Lead Underwriter and Bookrunner, or Selling Agent.

Payment by the Local Small Investors shall be made either by:

(a) [Bank] Bills Payment under the biller name "[•]" via:

(i) Over-the-counter cash or check deposit payment in any [Bank] branch.

(ii) Online payment through [Bank] Internet Banking or [Bank] Mobile Banking App.

(b) Online payment via DragonPay, with "[•]" as the merchant.

For over-the-counter, the Local Small Investor applicant must indicate the payment reference number.

Should the payment of the Local Small Investor be incomplete or below the full payment or below the full payment amount of the purchase, the LSI Application shall be rejected.

Acceptance/Rejection of Application

The actual number of the Offer Shares that an applicant will be allowed to subscribe to is subject to the confirmation of the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners. SMC, through the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners, reserves the right to accept or reject, in whole or in part, or to reduce any application due to any grounds specified in the relevant underwriting agreement to be entered into by SMC with the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners ("**Underwriting Agreement**"). Applications which were unpaid or where payments were insufficient and those that do not comply with the terms of the Offer shall be rejected. Delivery of personal checks does not constitute payment until actual receipt of cleared funds. Moreover, any payment received pursuant to the Application does not constitute as approval or acceptance by SMC of the Application.

An Application, when accepted, shall constitute an agreement between the applicant and SMC for the subscription to the Offer Shares at the time, in the manner and subject to terms and conditions set forth in the Application to Purchase and those described in this Offer Supplement. Notwithstanding the acceptance of any Application by SMC and subject to the right of the Issuer to withdraw the Offer pursuant to this section and the section "*Plan of Distribution – Withdrawal of the Offer*" of this Offer

Supplement, the Offer Shares will be issued only upon listing of such Offer Shares on the PSE, and provided that the Underwriting Agreement shall not have been terminated or cancelled, on or before the Issue Date, in accordance with the provision of the said agreement.

Refunds for Rejected Applications

In the event that the number of the Offer Shares to be allotted to an applicant, as confirmed by the Joint Issue Managers, the Joint Lead Underwriters and Bookrunners, the Selling Agents, or the concerned Trading Participant, is less than the number covered by its Application, or if an Application is wholly or partially rejected by SMC, then SMC shall refund, without interest, within five (5) Business Days from the end of the Offer Period, all, or a portion of the payment corresponding to the number of the Offer Shares wholly or partially rejected. All refunds shall be made through the Joint Lead Underwriters and Bookrunners, the Selling Agent, the concerned Trading Participant, or the Receiving Agent, as applicable, with whom the applicant has filed the Application at the risk of the applicant.

Refund in case Offer Shares are not listed

In the event the Offer Shares are not listed on PSE, the Joint Lead Underwriters and Bookrunners, the Selling Agents, the concerned Trading Participant, or the Receiving Agent, as may be applicable, shall notify the applicant concerned. The Joint Lead Underwriter and Bookrunner, the Selling Agents, the concerned Trading Participant, or the Receiving Agent, as may be applicable, shall return the check payment or refund the amount paid by the applicant concerned by way of issuance of its own check payable to the order of the applicant and crossed "Payees' Account Only" or through other means as may be agreed between the applicant and the relevant Joint Lead Underwriter and Bookrunner, Trading Participant, Selling Agents, or Receiving Agent. All checks shall be made available for pick up by the applicants concerned three (3) Business Day after the intended Issue Date at the office of the Joint Lead Underwriters and Bookrunners, the Trading Participants, or the Receiving Agent, as may be applicable. Any checks that remain unclaimed after 15 Business Days from the intended Issue Date shall be mailed or delivered, at the risk of the applicant, to the address specified in the Application to Purchase.

Refund Process for Local Small Investors

All refunds shall be made directly to the Local Small Investor applicants unless respective Local Small Investor applicants' nominated PSE Trading Participants consented to process Local Small Investor refunds. In that case, all refunds may be made through the nominated PSE Trading Participant, at the Local Small Investor applicant's risk. The refunds will be processed by the Receiving Agent directly to the nominated PSE Trading Participant by transferring immediately available funds to the relevant bank account of, or via check to, each relevant nominated PSE Trading Participant in such amount representing the total refund due to all the clients of the relevant PSE Trading Participant on or before the tenth (10th) banking day after the end of the Offer Period or on [•]. The affected Local Small Investor applicants may coordinate directly with their respective nominated PSE Trading Participant, as indicated in the submitted Local Small Investor applicants.

Withdrawal of the Offer

The Company reserves the right to withdraw the offer and sale of the Offer Shares at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and the PSE.

The Company may also withdraw the offer and sale of the Offer Shares at any time on or after the commencement of the Offer Period and prior to the Issue Date, if any of the following events occurs, in which case the Underwriting Agreement shall be deemed terminated, namely:

- a. (i) An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or (ii) occurrence of any event or change (whether or not forming part of a series

of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or (iii) occurrence of any change in local, national or international financial, political, economic or stock market conditions, any of which renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration, or the SEC Permit to Sell Securities (the “**Approvals**”) and by this Offer Supplement, or would have a material adverse effect on the Philippine economy, on the securities or other financial or currency markets of the Philippines, or on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it, in the reasonable determination of the Joint Lead Underwriters and Bookrunners, after consultation with the Issuer, impracticable to proceed with the Offer in the manner contemplated by the Approvals and this Offer Supplement, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer’s or Joint Lead Underwriters and Bookrunners’ inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Lead Underwriters and Bookrunners, or any other entity/person to take up any Offer Shares remaining after the Offer Period;

- b. An order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution, listing or issuance of the Offer Shares by any court or Governmental Authority (as defined under the section on “*Plan of Distribution – Withdrawal of the Offer*” of this Offer Supplement) having jurisdiction on the matter, including the SEC and the PSE;
- c. Suspension, cancellation, revocation, or termination of the Approvals;
- d. Trading in the PSE is closed or suspended for at least three (3) consecutive trading days other than due to weekends or declared holidays, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Issue Date or such other date as may be approved by the PSE;
- e. There is a change or impending change in any Philippine law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order issued, made, or adopted by any Governmental Authority (as defined under the section on “*Plan of Distribution – Withdrawal of the Offer*” of this Offer Supplement) which (i) materially and adversely affects: (a) the ability of the Issuer to engage in the business it is presently engaged in; (b) the capacity and due authorization of the Issuer to offer and issue the Offer Shares and enter into the transaction documents in connection with the Offer; (c) any of the features of the Offer Shares, including the taxes on fees or costs in connection with the Offer, or (ii) renders illegal the performance by any of the Joint Lead Underwriters and Bookrunners of their respective obligations hereunder;
- f. Any significant, adverse, and unforeseeable change or development in the Issuer’s long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public;
- g. The Issuer decides to or is compelled through an official order, decree, or ruling issued by any competent court or Governmental Authority (as defined under the section on “*Plan of Distribution – Withdrawal of the Offer*” of this Offer Supplement) to stop its operations, which is not remedied within five (5) Business Days from receipt by the Issuer of a formal notice of such

decision by such competent court or Governmental Authority (as the case may be);

- h. The Issuer shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or arrangement with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or the Issuer shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; and such receiver, trustee or similar officer shall be appointed; or the Issuer shall initiate or institute (by petition, application or otherwise), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation, corporate rehabilitation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted against the Issuer; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part of the Issuer's assets; or any event occurs which under the laws of the Philippines or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing;
- i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines;
- j. The commencement or the threatened commencement in writing by any entity, person or regulatory body of any public action, court proceeding, litigation, arbitration or other similar proceeding against the Joint Lead Underwriters and Bookrunners in connection with or with respect to the issuance or sale by the Issuer of the Offer Shares or the Offer in general which renders the performance of their underwriting commitment impossible or impracticable;
- k. Any court, arbitral tribunal, or Governmental Authority (as defined under the section on *"Plan of Distribution – Withdrawal of the Offer" of this Offer Supplement*) which has jurisdiction on the matter issues an order restraining or prohibiting the Joint Lead Underwriters and Bookrunners, or directing them to cease, from performing their underwriting obligations which makes it impossible for the Joint Lead Underwriters and Bookrunners to perform their underwriting obligations due to conditions beyond their control;
- l. Any representation, warranty or statement of the Issuer in the Underwriting Agreement, in any certificate, or any information given in the Prospectus and the Offer Supplement is untrue or misleading in any material respect or omitted to state a material fact necessary to make the statements therein in light of the circumstances in which they were made, provided that such: (a) was not known and could not have been known to the Joint Issue Managers, Joint Lead Underwriters and Bookrunners on or before commencement of the Offer Period despite the exercise of due diligence, and (b) has a material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability;
- m. Unavailability of PDTC's lodgment facilities and the PSE's listing facilities used for the Offer and/or listing prior to or on the target Issue Date and such unavailability effectively prevents the ability of the Issuer and the Joint Lead Underwriters and Bookrunners to fully comply with the listing requirements

of the PSE, if the impact of such unavailability on the listing of the Offer Shares remains unresolved after discussions between the Issuer and the Joint Lead Underwriters and Bookrunners in good faith; and

- n. Any force majeure event, other than the ones enumerated above, that has material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer's or the Joint Lead Underwriters and Bookrunners' inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Lead Underwriters and Bookrunners, or any other entity/person to take up any Offer Shares remaining after the Offer Period.

Notwithstanding the acceptance of any Application, the Offer Shares will be issued only upon listing of such Offer Shares on the PSE, and provided that the Underwriting Agreement shall not have been terminated or cancelled, on or before the Issue Date, in accordance with the provision of the said agreement. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to the Issue Date pursuant to this section and the **"Plan of Distribution – Withdrawal of the Offer"** of this Offer Supplement, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Issue Date.

Notwithstanding the foregoing, the Company and the Joint Lead Underwriters and Bookrunners recognize and acknowledge that the PSE is a self-regulatory organization with a mandate to maintain a fair and orderly market. In this regard, the PSE may order the imposition of appropriate and reasonable sanctions and penalties on the relevant party for the cancellation of the Offer on or after the commencement of the Offer Period and prior to the Issue Date if, subsequently, the PSE determines that the cancellation or suspension of the Offer was not warranted based on the facts gathered and properly evaluated by the PSE and after due and proper proceedings initiated by the PSE not later than five (5) Business Days after such cancellation or suspension.

Local Small Investors

In compliance with Annexes A and B of PSE Memorandum No. 2024-0024 (**"Local Small Investors Guidelines"**), 10% of the Base Offer or [26,666,600] Offer Shares will be allocated to share subscribers who are willing to subscribe to a minimum board lot and whose individual subscription does not exceed [₱1,005,000.00] (**"Local Small Investors"**). A clawback mechanism is also adopted wherein the allocation to Local Small Investors is increased to 15% if the total demand is five times or more than the initial allocation for Local Small Investors. If the total demand for shares in the Local Small Investors' subscription exceeds the maximum 15% under the clawback mechanism, the underwriter(s) shall allocate the shares by balloting.

Each Local Small Investor applicant may subscribe for a minimum of 500 Offer Shares and up to a maximum of [13,400] Offer Shares at the Offer Price.

Expected Timetable

The timetable of the Offer is expected to be as follows:

PSE Board approval and PSE Issuance of Notice of Approval of the Listing Application	[October 8, 2025]
Initial Dividend Rate Setting	[October 10, 2025]
Initial Dividend Rate Announcement	[October 10, 2025]

SEC Issuance of Permit to Sell	[October 10, 2025]
Offer Period	[October 13-17, 2025]
Trading Participants' Submission of Firm Undertaking	[October 15, 2025]
Confirmation of Trading Participants' Allocation	[October 16, 2025]
Issue Date and commencement of trading on the PSE	[October 24, 2025]

Any change in the dates included above may be subject to approval of the SEC and the PSE, as applicable, and other conditions.

Firm Commitment to Purchase

The Joint Lead Underwriters and Bookrunners will fully underwrite, on a firm commitment basis, the Base Offer, subject to the fulfillment of the conditions provided in the Underwriting Agreement. For further discussion please refer to the section on *"Plan of Distribution"* in this Offer Supplement.

After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the (i) inability of the Company or the Joint Lead Underwriters and Bookrunners to sell or market the Offer Shares or (ii) the refusal or failure by the Company, the Joint Lead Underwriters and Bookrunners, or any other entity or person to comply with any undertaking or commitment to take up any shares remaining after the Offer Period.

Joint Issue Managers

Bank of Commerce, BDO Capital & Investment Corporation, and PNB Capital and Investment Corporation

Joint Lead Underwriters and Bookrunners

Bank of Commerce, BDO Capital & Investment Corporation, BPI Capital Corporation, China Bank Capital Corporation, Land Bank of the Philippines, Philippine Commercial Capital, Inc., PNB Capital and Investment Corporation, RCBC Capital Corporation, and Security Bank Capital Investment Corporation

For more information on the Joint Lead Underwriters and Bookrunners and their underwriting commitments, please see *"Plan of Distribution"* in this Offer Supplement.

Assigned Joint Lead Underwriters for the Trading Participants

Bank of Commerce and Security Bank Capital Investment Corporation

Trading Participants

The Trading Participants of the Philippine Stock Exchange, Inc.

Selling Agents

[•]

Depository Agent

Philippine Depository & Trust Corp.

Registrar/Stock Transfer Agent

SMC Stock Transfer Service Corporation

Receiving Agent

SMC Stock Transfer Service Corporation

Counsel to the Issuer

Picazo Buyco Tan Fider Santos & Dee

Counsel to the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners

SyCip Salazar Hernandez & Gatmaitan

DESCRIPTION OF THE OFFER SHARES

Set forth below is information relating to the Offer Shares. This description is only a summary and is qualified by reference to Philippine law and the Amended Articles of Incorporation and Amended By-laws of SMC, as may be amended from time to time.

Share Capital

A Philippine corporation may issue common or preferred shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for in the articles of incorporation and the by-laws of the corporation.

SMC has an authorized capital stock of ₱30,000,000,000.00, divided into 2,885,247,463 common shares and 3,114,752,537 Series 2 Preferred Shares, all with par value of ₱5.00. Below is a table illustrating the issued and outstanding shares of the Company as of June 30, 2025:

Share Class	Issued	Outstanding
Common Shares	2,383,896,588	2,383,896,588
Series "2-F" ³	223,333,500	223,333,500
Series "2-I"	169,333,400	169,333,400
Series "2-J" ⁴	266,666,667	266,666,667
Series "2-K" ⁵	183,904,900	183,904,900
Series "2-L"	165,358,600	165,358,600
Series "2-M"	173,333,325	173,333,325
Series "2-N"	100,115,100	100,115,100
Series "2-O"	187,859,700	187,859,700
TOTAL	3,853,801,780	3,853,801,780

The Issuance of the Offer Shares

On June 14, 2012, the stockholders of the Company approved the amendment of the Articles of Incorporation creating the Series 2 Preferred Shares and delegated to the Board of Directors the authority to determine the terms and conditions of the issuance of the Offer Shares through the approval of the relevant enabling resolutions.

On September 7, 2023, the Board of Directors authorized the sale and offer of up to 866,666,700 Offer Shares, at an offer price of ₱75.00 per share under a shelf registration to be issued in tranches within a period of three (3) years, under such terms and conditions as the management of SMC may deem advantageous to it (the "Enabling Resolutions"). The approval by the Board of Directors of the Enabling Resolutions to issue Offer Shares is pursuant to the Amended Articles of Incorporation of the Company which allow the issuance of Offer Shares through enabling resolutions.

The Offer Shares will be issued from the Series 2 Preferred Shares held in treasury by the Company.

The Company has filed an application for the listing of the Offer Shares on the PSE. At any time after the Offer Shares are listed on the Main Board of the PSE, SMC may purchase the Offer Shares, then tradeable at that time, at any time in the open market or by public tender or by private contract at any price through the PSE.

Shelf Registration and Features of the Offer Shares

In accordance with the Amended Articles of Incorporation of the Company and as approved by the Board of Directors

³ As approved by the Board of Directors on August 7, 2025, Series 2F shall be redeemed on September 21, 2025.

⁴ The Company shall undertake a voluntary tender offer to exchange Series 2J preferred shares in exchange for Series 2 preferred shares. Any remaining 2J preferred shares which have not been exchanged shall be redeemed on October 29, 2025.

⁵ The Company shall undertake a voluntary tender offer to exchange Series 2K preferred shares in exchange for Series 2 preferred shares. Any remaining 2K preferred shares which have not been exchanged shall be redeemed on December 10, 2025.

of the Company through the Enabling Resolutions, the Offer Shares are Philippine Peso-denominated, perpetual, cumulative, non-voting, non-participating and non-convertible, redeemable, re-issuable, each with different features on dividend rate, redemption, and adjustment of dividend rate. The number of Offer Shares to be allocated to each subseries shall be determined by the Board of Directors of the Company. SMC can issue the Offer Shares only upon full payment by the subscribers of the offer price for the said shares which shall be ₱75.00 per share.

The Offer Shares form part of the Shelf Registered Shares to be issued in tranches within a period of three (3) years from the effective date of the Registration Statement. The specific terms of each tranche of offer and sale of the Shelf Registered Shares shall be determined by the Company taking into account prevailing market conditions at the time of sale and shall be set out in the relevant offer supplement. Registration of the Shelf Registered Shares was previously approved and the shelf registration was rendered effective by the SEC on November 9, 2023 under MSRD Order No. 62, Series of 2023. The Company will secure a permit to sell from the SEC for the Offer Shares.

The Offer Shares have a par value of ₱5.00 per share and with the following general features (for the specific terms of the Offer Shares, please see “Description of the Offer Shares” on page [53] of this Offer Supplement):

- (a) **Dividends** – The Board of Directors shall have the sole discretion to declare dividends on the Series 2 Preferred Shares, including the Offer Shares, provided that SMC has unrestricted retained earnings and the rate of dividend or formula for determining the same rate shall be indicated in the relevant enabling resolutions.

The holders of the Series 2 Preferred Shares, including the Offer Shares, shall not be entitled to any participation or share in the retained earnings remaining after dividend payment shall have been made on the shares as aforementioned, nor shall they be entitled to any other kind of dividend payment whether cash, property, or stock, other than corresponding to the dividend rate determined by the Board of Directors.

For the dividend rights on the Offer Shares, please see “Description of the Offer Shares” on page [53] of this Offer Supplement

Dividend Policy in Respect of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares

The declaration and payment of cash dividends on the Offer Shares on each Dividend Payment Date (as defined below) will be subject to the sole and absolute discretion of the Issuer’s Board of Directors to the extent permitted by law, and subject to the covenants (financial or otherwise) in the agreements to which the Company is a party. The declaration and payment of dividends (except stock dividends) do not require any further approval from the shareholders.

Cash dividends on the Offer Shares will be payable once for every Dividend Period (as defined below) on such date set at the time of declaration by the Board of Directors (each a “**Dividend Payment Date**”) in accordance with the terms and conditions of the Offer Shares. The Dividend Payment Date shall be any day within the period commencing on (and including) the last day of a Dividend Period and fifteen (15) calendar days from the end of the relevant Dividend Period. A “**Dividend Period**” shall refer to the period commencing on the Issue Date and having a duration of three (3) months, and thereafter, each of the successive periods of three (3) months commencing on the last day of the immediately preceding Dividend Period up to, but excluding the first day of the immediately succeeding Dividend Period; provided that, the first Dividend Period of the Offer Shares shall be the period commencing on the Issue Date and ending on the last day of the then current Dividend Period for the outstanding Series 2 Preferred Shares. If a Dividend Payment Date occurs after the end of a Dividend Period, there shall be no adjustment to the amounts of dividends to be paid.

The dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares will be calculated on a 30/360-day basis.

If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid.

As and if cash dividends are declared by the Board of Directors, cash dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares shall be at the fixed rate of [•], [•], and [•] per annum, respectively,

in all cases calculated for each share by reference to the Offer Price thereof in respect of each Dividend Period (each, the **“Initial Dividend Rate”** for the relevant subseries).

Dividend Rate means (a) from the Issue Date up to the relevant Step-Up Date, the applicable Initial Dividend Rate, and (b) from the relevant Step-Up Date, until the date the Series 2-S, Series 2-T, and Series 2-U Preferred Shares are redeemed, the higher of the applicable Initial Dividend Rate and the applicable Step-Up Rate. (Please see below relevant definitions.)

Dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares will be cumulative. If for any reason the Issuer’s Board of Directors does not declare dividends on the Series 2-S, Series 2-T, and Series 2-U Preferred Shares for a Dividend Period, the Issuer will not pay dividends on such Dividend Payment Date for such Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares must receive the dividends due to them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares prior to such Dividend Payment Date.

Dividend Rate Step-Up

Unless the Offer Shares are redeemed by the Issuer, in respect of the Series 2-S Preferred Shares, five (5) years from the Issue Date (the **“Series 2-S Step-Up Date”**), in respect of the Series 2-T Preferred Shares, seven (7) years from the Issue Date (the **“Series 2-T Step-Up Date”**), and in respect of the Series 2-U Preferred Shares, ten (10) years from the Issue Date (the **“Series 2-U Step-Up Date”**), or on the next Business Day in case the relevant Step-Up Date falls on a non-Business Day, the dividends on each subseries will be adjusted as follows:

- (a) for the Series 2-S Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the 10-year BVAL (or if the 10-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP, as published on the website of the Philippine Dealing System Group or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2-S Step-Up Date, plus 3.00% (the **“Series 2-S Step-Up Dividend Rate”**);
- (b) for the Series 2-T Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the interpolated 15-year BVAL (or if the interpolated 15-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP, as published on the website of the Philippine Dealing System Group or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2-T Step-Up Date, plus 3.00% (the **“Series 2-T Step-Up Dividend Rate”**); and
- (c) for the Series 2-U Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the 20-year BVAL (or if the 20-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP, as published on the website of the Philippine Dealing System Group or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2-U Step-Up Date, plus 3.00% (the **“Series 2-U Step-Up Dividend Rate”**);

provided, that in the event the relevant Step-Up Date falls on a day that is not a Business Day:

- (i) the rate setting will be done on the immediately succeeding Business Day using the average of the relevant BVAL rates for the three (3) consecutive Business Days preceding and inclusive of the said rate setting date; and

- (ii) the higher of the applicable Initial Dividend Rate and the applicable Step-Up Dividend Rate will be applied commencing on the relevant Step-Up Date (which is five (5) years from the Issue Date of the Series 2-S Preferred Shares, seven (7) years from the Issue Date of the Series 2-T Preferred Shares, and ten (10) years from the Issue Date of the anniversary of the Series 2-U Preferred Shares).

(Each of the Series 2-S Step-Up Dividend Rate, Series 2-T Step-Up Dividend Rate, and the Series 2-U Step-Up Dividend Rate being a “**Step-Up Dividend Rate**”).

- (b) **Conversion** – The Offer Shares are not convertible to any common shares or other preferred shares of the Company.
- (c) **Redemption** – SMC has the option, but not the obligation, to redeem in whole, but not in part, any subseries of the Offer Shares at such time that the Board of Directors shall determine. The Offer Shares, when redeemed, shall not be considered retired and may be re-issued by SMC at a price to be determined by the Board of Directors.

As and if declared by the Board of Directors, SMC may redeem the Offer Shares on the redemption price determined therefor.

If at any time, SMC is allowed to redeem more than one subseries of the Offer Shares, and provided that such subseries is already redeemable in accordance with the terms and conditions of their issuance, SMC has the option to redeem, without preference or priority, in whole (but not in part), any or all of the subseries of the Offer Shares.

SMC is not legally required, has not established, and currently has no plans to establish, a sinking fund for the redemption of the Offer Shares.

Redemption of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares

As and if approved by the Board of Directors, the Company may redeem in whole (but not in part), any subseries of the Offer Shares as follows:

- a. in respect of Series 2-S Preferred Shares, on the third (3rd) anniversary of the Issue Date or on the last day of any Dividend Period thereafter (each a “**Series 2-S Optional Redemption Date**”);
- b. in respect of Series 2-T Preferred Shares, on the fifth (5th) anniversary of the Issue Date or on the last day of any Dividend Period thereafter (each a “**Series 2-T Optional Redemption Date**”); and
- c. in respect of Series 2-U Preferred Shares, on the seventh (7th) anniversary of the Issue Date or on the last day of any Dividend Period thereafter (each a “**Series 2-U Optional Redemption Date**”)

(each of the Series 2-S Optional Redemption Date, Series 2-T Optional Redemption Date, and Series 2-U Optional Redemption Date, being an “**Optional Redemption Date**”), after giving not more than 60 nor less than 30 days’ prior written notice to the intended date of redemption, at a redemption price equal to the Offer Price of the Offer Shares plus all dividends due them on such date of redemption as well as all Arrears of Dividends after deduction of transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption (the “**Redemption Price**”). Such notice to redeem shall be deemed irrevocable upon issuance thereof.

For the avoidance of doubt, on the applicable Optional Redemption Date, the Issuer has the option to redeem, in whole but not in part, the Series 2-S, Series 2-T, and Series 2-U Preferred Shares.

In the event an Optional Redemption Date which the Issuer has chosen as the date to redeem the Series 2-S, Series 2-T, and Series 2-U Preferred Shares falls on a day that is not a Business Day, the redemption shall be made on the next succeeding day that is a Business Day, without adjustment as to the

Redemption Price and the amount of dividends to be paid.

The Issuer may also redeem the Series 2-S, Series 2-T, and Series 2-U Preferred Shares, in whole but not in part, at any time prior to any Optional Redemption Date if an Accounting Event or a Tax Event (each as defined below) has occurred and is continuing. The redemption due to an Accounting Event or a Tax Event shall be made by the Issuer at the Redemption Price.

Redemption by reason of tax event

All payments in respect of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Government, including, but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that the holders of Series 2-S, Series 2-T, and Series 2-U Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable, provided, however, that the Issuer shall not be liable for: (a) any withholding tax applicable on dividends earned or on any amounts payable to the holders of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares, including any additional tax on such dividends imposed by changes in law, rule, or regulation; (b) any income tax (whether or not subject to withholding); percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the redemption price) of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares or on the liquidating distributions as may be received by a holder of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares; (c) any expanded value added tax which may be payable by any holder of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares on any amount to be received from the Issuer under the terms and conditions of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares; (d) any withholding tax, including any additional tax imposed by change in law, rules, or regulation, on any dividend payable to any holder of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares or any entity which is a non-resident foreign corporation; and (e) any applicable taxes on any subsequent sale or transfer of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares by any holder of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

In the event payments in respect of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares become subject to additional withholding or any new tax as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Issuer ("**Tax Event**"), the Issuer may redeem each of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares at any time in whole but not in part, at the Redemption Price ("**Redemption by reason of Tax Event**").

Redemption by reason of an Accounting Event

In the event an opinion of a recognized accounting firm authorized to perform auditing services in the Government has been delivered to the Issuer stating that there is more than an insubstantial risk that the Series 2-S, Series 2-T, and Series 2-U Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Issuer prepared in accordance with Philippine Financial Reporting Standards ("**PFRS**"), or such other accounting standards which succeed PFRS as adopted by the Issuer for the preparation of its audited consolidated financial statements for the relevant financial year, and such event cannot be avoided by use of reasonable measures available to the Issuer ("**Accounting Event**"), the Issuer may redeem each of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares in whole, but not in part, at the Redemption Price ("**Redemption by reason of an Accounting Event**").

- (d) **Liquidation** – In the event of a return of capital in respect of liquidation, dissolution, bankruptcy or winding up of the affairs of SMC but not on a redemption or purchase by SMC of any of its share capital, the holders of the Offer Shares at the time outstanding will be entitled to receive, in Philippine Pesos, out of the assets of SMC available for distribution to shareholders, together with the holders of any other shares of SMC ranking, as regards repayment of capital, *pari passu* with the Offer Shares and before any distribution of assets is made to holders of any class of shares ranking after the Offer Shares as regards repayment of capital, liquidating distributions in an amount equal to the Redemption Price of (and including) the date of commencement of the winding up of SMC or the date of any such other return of

capital, as the case may be. If, upon any return of capital in the winding up of SMC, the amount payable with respect to Series 2 Preferred Shares, inclusive of the Offer Shares are not paid in full, the holders of such shares will share proportionately in any such distribution of the assets of SMC in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Offer Shares will have no right or claim to any of the remaining assets of SMC and will not be entitled to any further participation or return of capital in a winding up.

Liquidation Right of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares

Each of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares has a liquidation right equal to the Offer Price of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares plus an amount equal to any dividends declared but unpaid in respect of the previous Dividend Period and any accrued and unpaid dividends for the then current Dividend Period to (and including) the date of commencement of the Company's winding up or the date of any such other return of capital, as the case may be (the "**Liquidation Right**").

In the event of the winding-up of the Company, the Series 2-S, Series 2-T, and Series 2-U Preferred Shares rank junior in right of payment to all indebtedness of the Company and junior in right of payment to securities of, or claims against, the Company which rank or are expressed to rank senior to the Offer Shares. The Offer Shares, however, rank *pari passu* with other preferred shares. There is a substantial risk that an investor in the Offer Shares will not receive any return of the principal amount or any unpaid amounts due under the terms of the Offer unless SMC can satisfy in full all of its other obligations ranking senior to the Offer Shares.

- (e) **Voting Rights** – Holders of the Series 2 Preferred Shares shall not be entitled to vote except in cases expressly provided by law. Thus, the holders of the Offer Shares are not eligible, for example, to vote for or elect the Board of Directors of SMC. Holders of the Series 2 Preferred Shares, including the Offer Shares, however, may vote on matters which the Revised Corporation Code considers significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the articles of incorporation. The following acts require the approval of the shareholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of SMC in a meeting duly called for the purpose:

- Amendment of the Amended Articles of Incorporation (including any increase or decrease of capital stock);
- Delegation to the Board of Directors of the power to amend or repeal the Amended By-laws or to adopt a new by-laws;
- Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of SMC;
- Incurring, creating or increasing bonded indebtedness;
- Increase or decrease of authorized capital stock;
- Merger or consolidation of SMC with another corporation or corporations;
- Investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which SMC was organized;
- Ratification of contracts of a director or an officer with SMC;
- Extension or shortening of the corporate term of SMC;
- Declaration and issuance of stock dividends; and
- Dissolution of SMC.

However, for the amendment of the Amended By-laws, the stockholders of the corporation representing at least 2/3s of the outstanding capital stock, approved the delegation to the Board of Directors the power to amend its By-laws.

- (f) **Pre-emptive Rights** – Holders of the Series 2 Preferred Shares including the Offer Shares, shall have no pre-emptive right to any issue or disposition of any class of any share of SMC.

Other Rights and Incidents Relating to the Preferred Shares

The other rights and incidents relating to the Offer Shares, which may also apply to other classes of shares of SMC, are as follows:

Derivative Suit

Philippine law recognizes the right of a shareholder to institute, under certain circumstances, proceedings on behalf of the corporation in a derivative action in circumstances where the corporation itself is unable or unwilling to institute the necessary proceedings to redress wrongs committed against the corporation or to vindicate corporate rights, as for example, where the directors themselves are the malefactors.

Appraisal Rights

The Revised Corporation Code grants a shareholder a right of appraisal in certain circumstances where he has dissented and voted against a proposed corporate action, including:

- an amendment of the articles of incorporation which has the effect of adversely affecting the rights attached to his shares or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- the sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all of the assets of the corporation;
- the investment of corporate funds in another corporation or business for any purpose other than the primary purpose for which the corporation was organized; and
- a merger or consolidation.

In these circumstances, the dissenting shareholder may require the corporation to purchase his shares at a fair value which, in default of agreement, is determined by three disinterested persons, one of whom shall be named by the shareholder, one by the corporation, and the third by the two thus chosen. The SEC will, in the event of a dispute, determine any question about whether a dissenting shareholder is entitled to this right of appraisal. The dissenting shareholder will be paid if the corporate action in question is implemented and the corporation has unrestricted retained earnings sufficient to support the purchase of the shares of the dissenting shareholders.

Shareholders' Meetings

At the annual meeting or at any special meeting of shareholders of the Company, the latter may be asked to approve actions requiring shareholder approval under Philippine law.

Quorum

The Revised Corporation Code provides that, except in instances where the assent of shareholders representing two-thirds of the outstanding capital stock is required to approve a corporate act (usually involving the significant corporate acts where even non-voting shares may vote, as identified above) or where the by-laws provide otherwise, a quorum for a meeting of shareholders will exist if shareholders representing a majority of the capital stock are present in person or by proxy.

Voting

Holders of the Offer Shares shall not be entitled to vote except in cases specifically set forth in the Amended Articles of Incorporation of the Company and as expressly provided by law. At any such shareholders' meeting where holders of the Offer Shares are allowed to vote, each holder of the Offer Shares shall be entitled to vote in person, or by proxy, all shares held by him which have voting power, upon any matter duly raised in such meeting.

The By-laws of SMC provide that proxies shall be in writing and signed and in accordance with the existing laws, rules and regulations of the SEC. Duly accomplished proxies must be submitted to the office of the Corporate Secretary not later than ten (10) trading days prior to the date of the shareholders' meeting.

Fixing Record Dates

The Board of Directors has the authority to fix in advance the record date for shareholders entitled: (a) to notice of, to vote at, or to have their votes voted at, any shareholders' meeting; (b) to receive payment of dividends or other

distributions or allotment of any rights; or (c) for any lawful action or for making any other proper determination of shareholders' rights. The Board of Directors may, by resolution, direct the stock transfer books of the Company be closed for a period not exceeding 20 working days preceding the date of any meeting of shareholders. The record date shall in no case be earlier than 45 working days nor later than 10 working days preceding such meeting of shareholders.

Accounting and Auditing Requirements/Rights of Inspection

Philippine stock corporations are required to file copies of their annual financial statements with the SEC. Corporations whose shares are listed on the PSE are also required to file quarterly and annual reports with the SEC and the PSE. Shareholders are entitled to request copies of the most recent financial statements of the corporation which include a statement of financial position as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain.

The Board of Directors is required to present to shareholders at every annual meeting a financial report of the operations of the corporation for the preceding year. This report is required to include audited financial statements.

Changes in Control

There is no provision in the Amended Articles of Incorporation and Amended By-laws of SMC which would delay, deter or prevent a change in control of SMC. There are no existing arrangements to which SMC is a party or which are otherwise known to SMC that may result in a change in control of SMC. **Differences in the features of the Common Shares and the Series 2 Preferred Shares**

Feature	COMMON SHARES	SERIES "2" PREFERRED SHARES ⁶
Entitlement to Dividends	<u>Declaration of Dividends at the Option of the Board</u> The holders of common shares may be entitled to receive dividends upon declaration made at the sole option of the Board of Directors.	<u>Declaration of Dividends at the Option of the Board</u> <i>The holders of Series "2" Preferred Shares shall be entitled to receive cash dividends upon declaration made at the sole option of the Board of Directors.</i>
	<u>No Fixed Dividend Rate</u> There is no fixed dividend rate for common shares. Historically, the Company declares a cash dividend of ₱0.35 on a quarterly basis.	<u>Fixed Dividend Rate</u> <i>The dividend rate shall be determined by the Board of Directors prior to the Issue Date.</i>
		<u>Dividend Rate Adjustment</u> <i>Dividend rate adjustment, if any, shall be determined by the Board of Directors prior to the Issue Date</i>
	<u>Subordinate to Series "2" Preferred Shares</u> No dividend shall be declared and paid to holders of common shares unless cash dividends shall have been declared and paid to all holders of Series "2" Preferred Shares.	<u>When Payable</u> <i>It is envisioned that the dividends declared shall be payable quarterly, beginning on the third month after the Issue Date of the Series "2" Preferred Shares and every three months thereafter (each, a "Dividend Payment Date").</i>
	<u>Non-cumulative</u> The dividends on the common shares are non-cumulative.	<u>Cumulative</u> <i>It is envisioned that the dividends on the Series "2" Preferred Shares shall be cumulative. (This means that if the profits in any year are not enough to pay the preferred dividends, the deficiency is made up from the profits of the subsequent year.)</i>
		<u>Non-Participating</u> <i>The holders of the Series "2" Preferred Shares shall not be entitled to any participation or share in the retained earnings remaining after dividend payment shall have been made on said Series "2" Preferred Shares. The holders of the Series "2" Preferred Shares shall not be entitled to participate or share in any other distribution or payment of dividends other than corresponding to the dividend rate prescribed in the Enabling Resolutions.</i>
Redeemability	<u>Non-redeemable</u>	<u>Redeemable</u>

⁶ Features of the Series "2" Preferred Shares as quoted from the Amended Articles of Incorporation of the Company.

Feature	COMMON SHARES	SERIES "2" PREFERRED SHARES ⁶
	Common Shares are not redeemable.	<p><i>It is envisioned that the Series "2" Preferred Shares shall be redeemable in whole or in part, at the sole option of the Company.).</i></p> <p><i>The Series "2" Preferred Shares, when redeemed, shall not be considered retired and may be re-issued by the Company at a price to be determined by the Board of Directors.</i></p> <p><i>Series "2" Preferred Shares are also perpetual or have no stated maturity.</i></p>
Rights Upon Liquidation/ Dissolution/ Bankruptcy/ Winding Up	<u>Subordinate to Series "2" Preferred Shares</u>	<u>Preference over Common Shares upon Liquidation</u>
	The right of the holders of Common Shares to receive any asset of the Company in case of liquidation, dissolution, bankruptcy or winding up of the Company is subordinate to the holders of the Series "2" Preferred Shares.	<i>In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of the Company, the holders of the Series "2" Preferred Shares shall enjoy preference in the payment, in full, or if the remaining assets of the Company are insufficient, on a pro-rata basis as among all holders of outstanding Series "1" and Series "2" Preferred Shares, of the Issue Price of their shares plus any previously declared and unpaid dividends, before any asset of the Company is paid or distributed to the holders of Common Shares.</i>
Voting Rights	<u>With Voting Rights</u>	<u>No Voting Rights</u>
	<p>Common stockholders have the right to vote on all matters requiring stockholders' approval. Under the Revised Corporation Code, the following corporate actions require the approval of the stockholders of a corporation:</p> <ul style="list-style-type: none"> • Amendment of articles of incorporation; • Adoption and amendment of by-laws; • Sale, lease, exchange, mortgage, pledge, or other disposition of all or substantially all of the corporate property; • Incurring, creating or increasing bonded indebtedness; • Increase or decrease of capital stock; • Merger or consolidation with another corporation or other corporations; • Investment of corporate funds in another corporation or business; • Dissolution; • Removal of directors; • Ratification of the contract of a self-dealing director or officer/ratification of act of a disloyal director who obtains 	<p><i>The holders of the Series "2" Preferred Shares shall not be entitled to vote except in the following instances:</i></p> <ul style="list-style-type: none"> • <i>Amendment of articles of incorporation;</i> • <i>Adoption and amendment of by-laws;</i> • <i>Sale, lease exchange, mortgage, pledge, or other disposition of all or substantially all of the corporate property;</i> • <i>Incurring, creating or increasing bonded indebtedness;</i> • <i>Increase or decrease of capital stock;</i> • <i>Merger or consolidation with another corporation or other corporations;</i> • <i>Investment of corporate funds in another corporation or business; and</i> • <i>Dissolution.</i>

Feature	COMMON SHARES	SERIES "2" PREFERRED SHARES ⁶
	<p>profits to the prejudice of the corporation;</p> <ul style="list-style-type: none"> • Extension or shortening of the corporate term; • Declaration of stock dividends; • Approval of management contracts; and • Delegation of the power to amend or repeal by-laws or adopt new by-laws to the board of directors or trustees. 	
Pre-Emptive Right	<u>No Pre-Emptive Right</u>	<u>No Pre-Emptive Right</u>
	There shall be no pre-emptive right to any issuance of common shares.	<i>The holders of the Series "2" Preferred Shares shall have no pre-emptive right to any issue or disposition of any share of any class of the Company.</i>
PSE Listing	<u>Listed with the PSE</u>	<u>Listed with the PSE</u>
	The common shares of the Company are listed with and traded on the PSE.	<i>The Series "2" Preferred Shares are listed with the PSE, but, to the extent redeemed, subject to trading suspension. The additional issuance of Series "2" Preferred Shares shall be listed with the PSE upon issuance.</i>

CAPITALIZATION

The following table sets forth the unaudited consolidated short-term and long-term debt and capitalization of SMC as of June 30, 2025. This table should be read in conjunction with the more detailed information and reviewed and unaudited financial statements, including notes thereto, found in Appendix A in this Offer Supplement.

(In Million Php)	As at June 30, 2025 (Unaudited)	Adjustments	Notes	As adjusted for Base Offer Size of 266,666,600 Shares	As adjusted for maximum Offer Size of 133,333,400 Shares
Current Liabilities					
Loans payable	215,544			215,544	215,544
Accounts payable and accrued expenses	246,724			246,724	246,724
Lease liabilities - current portion	6,472			6,472	6,472
Income and other taxes payable	37,831			37,831	37,831
Dividends and distributions payable	5,221			5,221	5,221
Current maturities of long-term debt - net of debt issue cost	125,230			125,230	125,230
Total Current Liabilities	637,022			637,022	637,022
Noncurrent Liabilities					
Long term-debt - net of current maturities and debt issue costs	1,163,526			1,163,526	1,163,526
Lease liabilities - net of current portion	28,701			28,701	28,701
Deferred tax liabilities	27,514			27,514	27,514
Other noncurrent liabilities	23,129			23,129	23,129
Total Noncurrent Liabilities	1,242,870			1,242,870	1,242,870
Total Liabilities	1,879,892			1,879,892	1,879,892
Equity Attributable to Equity Holders of the Parent Company					
Common stock - P5.00 par value	16,443			16,443	16,443
<i>As of June 30, 2025</i>					
<i>Authorized - 3,790,000,000 shares</i>					
<i>Issued - 3,288,649,125 shares</i>					
<i>Outstanding - 2,383,896,588 shares</i>					
<i>As of July 7, 2025</i>					
<i>Authorized - 2,885,247,463 shares</i>					
<i>Issued - 2,383,896,588 shares</i>					
<i>Outstanding - 2,383,896,588 shares</i>					
Series "1" Preferred stock – P5.00 par value	1,397			1,397	1,397
<i>As of June 30, 2025</i>					

Authorized - 300,000,000 shares
Issued - 279,406,667 shares
Outstanding - nil

As of July 7, 2025

Authorized - nil
Issued - nil
Outstanding - nil

Series "2" Preferred stock - P5.00 par value

8,790

8,790

8,790

As of June 30, 2025

Authorized - 1,910,000,000 shares
Issued - 1,758,099,686 shares
Outstanding - 1,469,905,192 shares

As of July 7, 2025

Authorized - 3,114,752,537 shares
Issued - 2,942,258,890 shares
Outstanding - 1,469,905,192 shares

1

Upon issuance of the Offer Shares

Authorized - 3,114,752,537 shares
Issued - 2,942,258,890 shares
Outstanding - 1,646,571,692 shares ^(2, 3 and 4)

Additional paid-in capital	177,442			177,442	177,442
Capital securities	24,211			24,211	24,211
Equity reserves	17,743			17,743	17,743
Retained earnings					
Appropriated	85,276			85,276	85,276
Unappropriated	118,185			118,185	118,185
Treasury stock	(109,763)	(16,750)	2	(106,513)	(96,513)
			3 ^(a)		
		20,000	3 ^(b)		
		10,000	4 ^(a)		
		(33,793)	4 ^(b)		
		33,793			
Non-controlling interests	398,170			398,170	398,170
Total Equity	737,894			741,144	751,144
Total Capitalization	2,617,786			2,621,036	2,631,036

- On July 7, 2025, the SEC approved the amendments to the Articles of Incorporation of the Parent Company, specifically:
 - the reclassification of the 904,752,537 common shares currently held as treasury shares, into Series "2" Preferred Shares held in treasury; and
 - the amendment of the authorized capital stock of the Parent Company from P30,000 million with a par value of P5.00 per share or 6,000,000,000 shares divided into 3,790,000,000 common shares and 2,210,000,000 Series "2" Preferred Shares to 2,885,247,463 common shares and 3,114,752,537 Series "2" Preferred Shares.
- On September 22, 2025, the Parent Company will redeem the 223,333,500 Subseries "2-F" Preferred Shares at P75.00 per share amounting to P16,750 million.

- 3 The Parent Company is making a public offering of 266,666,600 Series "2" Preferred Shares^(a) with an oversubscription option of 133,333,400 Series "2" Preferred Shares^(b), out of the Treasury Shares at P75.00 per share amounting to P30,000 million.
- 4 The Parent Company is making an offer exchange at a rate of one Exchange Share to one of any of Series "2" 266,666,667 Subseries "2-J" and 183,904,900 Subseries "2-K" Preferred Shares^(a), to be reissued in Subseries "2-P", Subseries "2-Q" and Subseries "2-R"^(b)
- 5 The adjustments do not include any transaction cost.

2	Redemption of Series "2" Preferred Shares - Subseries "2-F"	Date	Number of Shares	Redemption Price Per Share	Amount	
	Subseries "2-F"	September 21, 2025	223,333,500	₱75.00	₱16,750,012,500.00	2
3	Issuance of Series "2" Preferred Shares - Subseries "2-S", Subseries "2-T" and Subseries "2-U"	Date	Number of Shares	Issue Price Per Share	Amount	
	Base offer	October 24, 2025	266,666,600	₱75.00	₱19,999,995,000.00	3 ^(a)
	Oversubscription option	October 24, 2025	133,333,400	₱75.00	₱10,000,005,000.00	3 ^(b)
			400,000,000		₱30,000,000,000.00	
4	Offer exchange at a rate of one Exchange Share to one of any of the Series "2" Preferred Shares, to be reissued in Subseries "2-P", Subseries "2-Q" and Subseries "2-R"	Date	Number of Shares	Issue Price Per Share	Amount	
	Subseries "2-J"	October 29, 2025	266,666,667	₱75.00	₱20,000,000,025.00	
	Subseries "2-K"	December 10, 2025	183,904,900	₱75.00	₱13,792,867,500.00	
			450,571,567		₱33,792,867,525.00	4 ^(a) and 4 ^(b)

RISK FACTORS

General Risk Warning

An investment in the Offer Shares involves a number of risks. The price of securities can and does fluctuate, and any individual security may experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. Past performance is not a guide to future performance and there may be a large difference between the buying price and the selling price of the Offer Shares. The occurrence of any of the following events, or other events not currently anticipated, could have a material adverse effect on the business, financial condition, and results of operations and cause the market price of the Offer Shares to decline. All or part of an investment in the Offer Shares could be lost. Investors deal in a range of investments each of which may carry a different level of risk.

The means by which we intend to address the risk factors discussed herein are principally presented under “The Company” beginning on page [139], “Management’s Discussion and Analysis of Results of Operations and Financial Condition” beginning on page [281], and “Management” on page [241] of this Offer Supplement.

The risk factors discussed in this section are of equal importance and are separated into categories for ease of reference only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to our business, results of operations, financial condition, and prospects.

Prudence Required

The risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. Investors should undertake independent research and study on the trading of these securities before commencing any trading activity. Investors may request publicly available information on the Offer Shares and SMC from the SEC, PDEX, and PSE.

Professional Advice

An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially high-risk securities.

Risk Factors

This Offer Supplement contains forward-looking statements that involve risks and uncertainties. SMC adopts what it considers conservative financial and operational controls and policies to manage its business risks. The actual results may differ significantly from the results discussed in the forward-looking statements. See section “Forward-Looking Statements” of this Offer Supplement. Factors that might cause such differences, thereby making the offering speculative or risky, may be summarized into those that pertain to the business and operations of SMC, in particular, and those that pertain to the over-all political, economic, and business environment, in general. These risk factors and the manner by which these risks shall be managed are presented below. The risk factors discussed in this section are of equal importance and are only separated into categories for easy reference.

Investors should carefully consider all the information contained in this Offer Supplement including the risk factors described below, before deciding to invest in the Offer Shares. The business, financial condition, and results of operations of the Company could be materially and adversely affected by any of these risk factors.

RISKS RELATING TO SMC AND THE SMC GROUP

Diversification of businesses and acquisition of new businesses

The traditional core businesses of the Company comprise beverage, food, and packaging products. Since embarking on its diversification strategy in 2007, the Company has expanded its businesses to include fuel and oil, energy, infrastructure and cement, among others. SMC implemented this strategy through a series of acquisitions and investments and intends to continue to pursue this diversification strategy through further acquisitions and investments to enhance its product and brand portfolio, and realize other strategic and cost benefits.

The diversification strategy of SMC involves a number of risks and challenges, including substantial financial investments, the diversion of management's time and resources, and managing a broader scope of businesses and risks inherent in making new acquisitions and investments. Growth through acquisitions involves business risks, including unforeseen contingent risks, latent business liabilities, and other challenges that may only become apparent after the acquisition is finalized, such as the successful integration and management of the acquired business by the Company, retention of key personnel, joint sales and marketing efforts, and management of a larger business. In addition, there is no assurance that the Company will achieve the anticipated benefits, expected returns, strategic benefits or synergies of an acquisition, or that the Company will be as successful in new businesses as it has been in its traditional core businesses. Failure to successfully implement its diversification strategy, to integrate acquired businesses or to realize the anticipated benefits of acquisitions or investments could materially and adversely affect the business, financial condition, results of operations, and prospects of the Company.

The Company, through its mergers and acquisitions team, undertakes prudent review and due diligence, and evaluates the viability of any acquisition or investment. In addition, the Company is guided by metrics when assessing possible investments, which include, but not limited to, financial returns and possible synergies across the SMC Group, with an overall objective of maximizing returns for its shareholders.

Potential shortage of raw materials

The products and businesses of the SMC Group, specifically, the beverage, food, packaging, fuel and oil, and energy and cement businesses, depend on the availability of raw materials. Most of these raw materials, including some critical raw materials, are procured from third parties. These raw materials are subject to price volatility caused by a number of factors, including changes in global supply and demand, foreign exchange rate fluctuations, weather conditions, and governmental controls.

Food & Beverage

The products and businesses of SMFB and its subsidiaries rely on the availability of raw materials, most of which, including certain critical ones, are sourced from third parties. These materials are subject to price volatility driven by various factors, such as global supply and demand dynamics, foreign exchange fluctuations, shipping and other transport-related issues, weather conditions, crop quality and yield, trade and tariff policies, and government regulations and controls. There is no assurance that raw materials will be available in sufficient quantities or of the required quality to meet operational needs, or that they will not experience significant price fluctuations in the future. Shortages could also delay the supply of products to customers.

In addition, market prices of raw materials may rise sharply in the event of supply shortages caused by competing usage, severe weather, natural disasters, or shifts in demand from other countries. SMFB and its subsidiaries' ability to pass on higher costs to consumers through price increases is influenced by competitive conditions and pricing strategies in its various markets. There is no assurance that increases in product costs can be fully passed on to consumers, or that such increases will not affect price competitiveness and result in consumers choosing competing products or shifting to lower-priced alternatives.

Water is critical in SMFB and its subsidiaries' operations, and future supply shortages or cost increases could pose risks. Water is sourced from deep wells, water utility service providers, and government-owned facilities. Restrictions on deep well water usage or price increases from any of these sources could disrupt operations, raise operating costs, and negatively affect business, financial condition, results of operations, and prospects.

Global crop supply movements may affect the prices of key raw materials such as wheat, malted barley, adjuncts, and molasses. Costs or availability may be impacted by the introduction of new laws, regulations, or policies.

To manage the risks of unstable supply and rising costs, SMFB and its subsidiaries utilize alternative sources of raw materials whenever possible. In addition, they enter into commodity derivatives, when necessary, to manage price risks for strategic commodities. Hedging helps stabilize prices, offset market volatility, and lock in commodity costs at acceptable levels, thereby protecting margins.

Packaging

The Packaging business also needs to obtain sufficient quantities of quality raw materials, including glass, aluminum, paper and composites in a timely manner, and it requires a significant amount of electricity in order to maintain its operations.

Fuel & Oil

The Fuel and Oil business is primarily affected by the volatility of crude oil prices, which are affected by changes in global supply and demand, international economic conditions, global conflicts or acts of terrorism, weather conditions, domestic and foreign governmental regulation, and other factors over which Petron has no control.

Energy

The Power business requires sufficient coal supply from its power plants, which have entered into coal supply contracts with Vitol Asia Pte. Ltd. ("**Vitol**"), PT Trubaindo Coal Mining ("**Banpu**"), PT Bara Tabang / PT Bayan Resources Pte. Ltd. ("**Bayan**"), PT Kaltim Prima Coal ("**KPC**") and other reputable coal suppliers. If Vitol, Banpu, Bayan, KPC, and the other reputable coal suppliers fail to perform their obligations under the coal supply contracts, the disruption of coal supply may materially affect power plant operations.

Cement

For the cement business, the compressive strength of cement is attributable to the clinker, resulting from the chemical transformation, through intense heating in a coal-fired kiln, of precisely a blended combination of limestone and siliceous shale materials. The clinker is then milled into much finer forms, and mixed with other additives such as gypsum and supplementary cementitious materials, on such proportion depending on the specific type of cement being manufactured, and bagged (as applicable) into cement. The cement manufacturing process is heavily reliant on the following: shale, limestone, and coal. These raw materials, as well as most additives, are generally sourced from mines or quarry sites. Mines nationwide and globally are subject of environmental concerns, which makes these mineral commodities exposed to reduced output by reason of heavy regulations. While the cement businesses maintain steady supply of limestone and shale sourced from its own mining sites, clinkers are still imported from other sources to augment the requirement of cement production as the government regulates the output of mineral extractions. Cement businesses are thus vulnerable to the movement of prices of imported clinker. In addition, internally produced clinkers are likewise dependent on the price of coal. The steady supply of coal is on a regulated decline, among other reasons, environmental restrictions, reduced use to give way to renewable energy sources, and supply chain issues; which further drives up the demand and consequently the price. In effect, cement prices are hinged on the movement of prices of raw materials. This effectively lessens the ability of domestic producers to compete with much lower priced imported cements.

The SMC Group may also face increased costs or shortages in the supply of raw materials due to the imposition of new laws, regulations or policies.

Although the SMC Group actively monitors the availability and prices of raw materials, there is no assurance that these items will be supplied in adequate quantities or at the required quality to meet its needs or will not be subject to significant price fluctuations in the future. While the SMC Group may, in certain limited instances, be able to shift to alternative raw materials to produce its products, there is no assurance that it will be able to reduce its reliance on these raw materials in the future. The SMC Group may only have a limited ability to hedge against commodity prices and any hedging activities may not be as effective as planned. Moreover, market prices of raw materials could increase significantly if there are material shortages due to, among other things, competing usage, drastic changes in weather or natural disasters. There is no assurance that any increases in product costs could be passed on to consumers. As a result, any significant shortages or material increase in the market price of such raw materials could have a material adverse effect on the financial and operating performance of the SMC Group.

Prior to the use of alternative raw materials, the Company undertakes testing to ensure the quality of its products are maintained. Furthermore, the Company believes this risk can be managed by leveraging on the Company's strengths and strategies. For a more detailed discussion please refer to the Company's Strengths and Strategies on page [148] of this Offer Supplement. However, there is no assurance that the Company can provide an effective mitigation to such risk.

Volatile prices of raw materials

The DTI continues to adjust suggested retail prices for basic necessities and prime commodities in response to elevated global costs of raw materials, packaging, energy, and freight. Oil prices remain volatile, influenced by geopolitical tensions, as well as continued disruptions in international shipping routes, particularly in the Red Sea. These developments have prompted renewed calls from various industry groups for the suspension of the oil excise tax and review of the Oil Deregulation Law, in an effort to mitigate the broader impact on consumer goods.

Rice production costs remain elevated due to sustained increases in fuel and fertilizer prices. While recent weather conditions have improved across parts of Southeast Asia, some agricultural areas continue to experience uneven rainfall, and input costs remain a challenge for many producers. Wheat prices also continue to be affected by geopolitical tensions in the Black Sea region and adverse weather conditions in key exporting countries such as India and the United States. In the Philippines, meat processors have submitted petitions for price adjustments to offset rising production costs.

Given the combination of constrained global supply for coal, fuel, and grains, a weaker peso and continued pressure on input prices, domestic inflation remains a key concern. Headline inflation rose to 1.4% in June 2025 from 1.3% in May, year-to-date (“YTD”) average to 1.8%. While inflation rose at their slowest pace in nearly six years in July at 0.9%, with the average inflation from January to July 2025 dropping to 1.7%, there is no assurance that such trend will continue. Softer transport fares, declines in utility rates, and the implementation of reduced tariffs on imported rice have helped temper overall inflation, particularly in the food segment.

To address these challenges, the food business has implemented price adjustments across select products, entered into commodity hedging agreements, maximized use of company-owned facilities, and introduced cost containment initiatives. These measures include enhancing product formulations, adopting alternative raw materials, improving logistics efficiency, and increasing yield and productivity. On October 12, 2023, a new mega farm food complex was inaugurated in Davao, with similar facilities planned in other key areas across the country to help ensure stable food supply and enhance national food security.

For the Fuel and Oil business, the on-going volatility of crude prices has affected its profitability. To mitigate this, Petron has implemented programs and strategies to protect and manage the impact of refining margins and drive volume growth. Going forward, Petron expects to continue investing in upgrading its production capability with a focus on high-margin petroleum products and petrochemicals, including expanding its service stations to increase its reach.

For the Power business, our PSAs with Meralco now have a full fuel pass-through feature allowing us to minimize fuel price risk. Moreover, contracts with other distribution utilities and electric cooperatives are also being negotiated to have the same pass-through arrangement. As of June 2025, SMGP has contracted around 360 MWh of the BESS capacity to the National Grid Corporation of the Philippines. This will address one of the main limitations of renewable power – intermittence.

The Company believes these programs will enable our businesses to sustain its financial goals and further generate growth.

Foreign exchange risk

In 2024, approximately 70.63% of the consolidated sales of the SMC Group was denominated in Philippine Peso, while a substantial portion of its expenses, including raw materials, crude oil purchases, and foreign currency-denominated debt service costs was denominated in U.S. Dollars.

As of June 30, 2025, the percentage of outstanding short-term and long-term loans of the SMC Group denominated in foreign currencies was around 43%. From its close of ₱57.845 per U.S. dollar in December 2024, the exchange rate closed at ₱57.065 on August 15, 2025. While the YTD appreciation was at 1.35%, it is worth mentioning that the Philippine Peso closed at ₱58.145 during the start of August 2025.

In addition, the financial reporting currency of the Company is in Philippine Peso, and therefore, depreciation of the Philippine Peso would result in an increase in foreign currency-denominated expenses of SMC as reflected in its Philippine Peso financial statements. This could also result in foreign exchange losses due to mark-to-market valuation of foreign currency-denominated assets and liabilities, including increases in the Philippine Peso amounts of the foreign currency-denominated debt obligations of the Company, thereby possibly adversely affecting its results of operations and financial condition. In addition, there is no assurance that the Company could increase its Peso-denominated product prices to offset increases in costs resulting from any depreciation of the Philippine Peso.

Further, the continuing depreciation of the Philippine Peso may result in significant liquidity shortages and capital or exchange controls. This could result in a reduction of economic activity, economic recession, sovereign or corporate loan defaults, lower deposits, and an increased cost of funds. The occurrence of any of the foregoing events could have a material adverse effect on the businesses, financial condition, liquidity, and results of operations of the Company.

The Company uses a combination of natural hedges, coming from its foreign currency denominated assets, and derivative instruments to manage its exchange rate risk exposure as part of its prudent financial risk management. The Company continues to implement sound management of its derivatives in relation to its debt exposure and commodity requirements.

Availability of financing

The expansion and growth plans of the SMC Group are expected to be funded through a combination of internally generated funds and external fund-raising activities, including debt and equity financing. The continued access of the SMC Group to debt and equity financing as sources of funding for new projects and acquisitions and for refinancing maturing debt is subject to many factors including: (i) Philippine regulations limiting bank exposure to a single borrower or related group of borrowers; (ii) the compliance of SMC Group with existing debt covenants, which include debt-to-equity ratio and debt service coverage ratio covenants; (iii) the ability of the SMC Group to service new debt; and (iv) perceptions in the capital markets regarding the SMC Group and the industries in which it operates, and other factors, including general conditions in the debt and equity capital markets, which are outside of its control. Political instability, an economic downturn, social unrest, or changes in the Philippine regulatory environment could increase the cost of borrowing for the SMC Group or restrict its ability to obtain debt financing.

In addition, certain subsidiaries of the Company have significant finance lease obligations, long-term debt, and have issued perpetual capital securities.

As of June 30, 2025, the noncurrent liabilities of the Company included finance lease liabilities (net of current portion) of ₱28,701 million and long-term debt (net of current maturities and debt issue costs) of ₱1,163,526 million. Meanwhile, the current liabilities of the Company included accounts payable and accrued expenses of ₱246,724 million and finance lease liabilities (current portion) of ₱6,472 million.

There is no assurance that the SMC Group will be able to arrange and obtain additional financing when needed on commercially acceptable terms, or at all. Any additional debt financing may place restrictions on the Company, which may, among others:

- increase vulnerability to general adverse economic and industry conditions;
- limit ability to pursue growth plans;
- limit ability to raise additional financing and access credit or equity markets to satisfy its repayment obligations as they become due on favorable terms, or at all;
- require the Company to dedicate a substantial portion of cash flow from operations to payments on debt and capital securities, thereby reducing the availability of its cash flow to fund capital expenditure, working capital requirements, and other general corporate purposes; and/or
- limit its flexibility in planning for, or reacting to, changes in its business and its industry, either through the imposition of restrictive financial or operational covenants or otherwise.

Any inability of the SMC Group to obtain financing from banks and other financial institutions or from the capital markets would adversely affect the ability of the SMC Group to execute its expansion and growth strategies, as well as its financial condition and prospects.

The Company believes that close monitoring, management, and the exercise of financial prudence for its financing requirement, guided by its corporate governance and risk management initiatives will lessen any impact of such events. The Company can also rely on its strengths to navigate and have continual access to financing. For further discussions on these strengths, please refer to the Company's Strengths and Strategies on page [148] of this Offer Supplement.

Covenants in existing debt agreements

The existing debt agreements of the Company contain various covenants and cross-default clauses in relation to indebtedness of a material subsidiary of the Company. Under a cross-default clause, if a default by such material subsidiary under its debt agreement is not cured or waived, the default could result in the default by the Company under its own existing debt agreements. Moreover, the ability of the Company and its subsidiaries to comply with covenants contained in their respective debt agreements may be affected by events beyond the control of the Company or its subsidiaries, including but not limited to, prevailing economic, financial, and industry conditions. Even if the Company is able to comply with all of the applicable covenants and potential defaults by it or its subsidiaries may be cured or waived, any default by the Company on its existing debt agreements or an occurrence of a cross-default could adversely affect the business of the Company by, among other things, limiting its ability to take advantage of financing and investment opportunities that may be beneficial to the Company and to the SMC Group.

The cross-default clause is subject to monetary thresholds and cure periods as agreed with the relevant lenders and to compliance with procedural requirements before the Company can be declared in default under such debt instruments. Moreover, to mitigate this risk, the Company exercises prudent financial risk management and has an established system to regularly monitor and ensure compliance by the Company and its subsidiaries with their respective debt and financing covenants.

Potential changes in the legal and regulatory environment

The businesses and operations of the SMC Group are subject to a number of national and local laws, rules and regulations governing several different industries both in the Philippines and in other countries where it conducts its businesses. While each industry where the SMC Group operates has specific regulatory risks, the one (1) common factor among these is that the political and regulatory landscape is continually evolving, and the SMC Group is required to continuously assess and ensure it is up to date with the demands of regulatory compliance. These laws and regulations require the Company to obtain and maintain several approvals, licenses, and permits from various entities such as the Philippine Food and Drug Association (“FDA”), the Philippine Department of Environment and Natural Resources (“DENR”), the Philippine Energy Regulatory Commission (“ERC”), the Philippine Department of Trade and Industry (“DTI”), and the Philippine Department of Transportation (“DOT”), among others. Additionally, the Company may need to apply for more approvals, licenses, and permits and renew such approvals, licenses, and permits that may expire from time to time. In addition, there is no assurance that the Company will not be subject to new licensing requirements in the future or that it will be able to obtain and/or maintain such approvals, licenses or permits in a timely manner, or at all, or that it will not become subject to any regulatory action on account of not having obtained or renewed such approvals, licenses, and permits.

The business of SMGP is subject to extensive government regulation, particularly for its greenfield power plants and retail supply business. Moreover, as SMGP expands its BESS capabilities and projects, it will be subject to applicable regulations under ancillary services and energy storage systems. To conduct its businesses, SMGP and its subsidiaries must obtain various licenses, permits and approvals. Even when SMGP and its subsidiaries obtain the required licenses, permits and approvals, their operations are subject to continued review under the applicable regulations, and the interpretation or implementation of such regulations is subject to change. For example, in October 2020, the Department of Energy (“DOE”) Secretary announced that the periodic assessment of the country’s energy requirements has led the DOE to declare a moratorium on endorsements for greenfield coal power plants and subsequently clarified that the moratorium would not apply to those greenfield power plants in the pipeline for which endorsements had already been previously issued (at that time, SMGP’s planned Masinloc Power Plant Units 4 and 5 expansion project and the Mariveles Greenfield Power Plant have already obtained the relevant DOE endorsement). The DOE subsequently issued “Advisory on the Moratorium of Endorsements for Greenfield Coal-Fired Power Projects In Line with Improving the Sustainability of the Philippines’ Electric Power Industry” on January 11, 2021, which was dated as of December 22, 2020, to implement the moratorium. Under this advisory, effective October 27, 2020, the DOE would no longer process applications for greenfield coal-fired power generation facility projects requesting for endorsements. However, existing and operational coal-fired power generation facilities as well as any coal-fired power project which comply with the following parameters will not be affected by the moratorium: (i) committed power projects; (ii) existing power plant complexes which already have firm expansion plans and existing land site provision; and (iii) indicative power project with substantial accomplishments, specifically those with signed and notarized acquisition of land or lease agreement for the project, and with approved permits or resolutions from the relevant local government units and the relevant regional development council where the power plant will be located.

Health, food and beverage safety and environmental laws and regulations in the Philippines have also become increasingly stringent and it is possible that these laws and regulations will become significantly more stringent in the

future. The adoption of new health, food and beverage safety and environmental laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments in the future may require additional capital expenditures or the incurrence of additional operating expenses in order to comply with such laws and to maintain current operations. For example, the Extended Producer Responsibility (EPR) Act of 2022 requires large-scale companies to establish or phase-in EPR programs for plastic packaging which may include activities and strategies for reduction of non-environment friendly products, as well as product waste recovery programs aimed at effectively preventing waste from leaking to the environment. For 2025, obliged companies need to recover 50% of the plastic waste that their company has produced from 2024. The target recovery rate is then increased to 60% by 2026, 70% by 2027, and 80% by 2028 and every year thereafter. The National Ecology Center, a sub-group under the National Solid Waste Management Commission of the DENR-EMB, is responsible for monitoring and evaluating the compliance of obliged enterprises with the Act.

For the toll road business, the approval of the Toll Regulatory Board of the Philippines (“**TRB**”), which is under DOTr, is necessary before a toll road concessionaire may implement a toll rate increase, and may affect the profitability of its toll road operations. For example, SMC SLEX, Inc. (formerly, South Luzon Tollway Corporation), has filed five (5) petitions for periodic toll rate adjustment with the TRB from 2012 to 2022. However, it was only on June 21, 2023, that the TRB issued its Notice of Consolidated Resolution for the approval of the 2012 and 2014 periodic toll rate adjustment petitions, to be implemented on a staggered basis. SMC SLEX, Inc. still has three pending petitions for periodic toll rate adjustments which were submitted on September 28, 2018, September 30, 2020 and September 30, 2022, respectively.

There can be no assurance that future laws, regulations and/or standards will not have a material adverse effect on the Company. In particular, the enactment and implementation of any such bills or amendments to the National Internal Revenue Code of 1997, as amended (“**Philippine Tax Code**”), or other changes to Philippine laws and regulations relevant to the food and beverage, packaging, fuel and oil, power, and infrastructure industries, could increase the Company’s costs and have a material adverse effect on the business, financial condition and results of operations. In addition, the Philippine government may periodically implement measures aimed at protecting consumers from rising prices, which may constrain the ability of the SMC Group to pass on price increases to distributors who sell its products, as well as its customers. Implementation of any such measures could have a material adverse effect on the business, financial condition and results of operations of the SMC Group.

While the SMC Group believes that it has, at all relevant times, materially complied with all applicable laws, rules and regulations, there is no assurance that changes in laws, rules or regulations or the interpretation thereof of relevant government agencies, will not result in the SMC Group having to incur substantial additional costs or capital expenditures to upgrade or supplement its existing facilities or being subject to an increased rate of taxation or fines and penalties.

The SMC Group is in constant consultation with relevant government agencies and other approving bodies to ensure that all requirements, permits and approvals are anticipated and obtained in a timely manner. Further, the SMC Group maintains a strong compliance culture and has processes in place in order to manage adherence to laws and regulations. In the event that the SMC Group becomes involved in future litigation or other proceedings or be held responsible in any future litigation and proceedings, the Company endeavors to amicably settle the legal proceedings and in the event of any adverse ruling or decision, diligently exhaust all legal remedies available to it.

Increases and changes in applicable taxes, taxation laws and tax incentives

The businesses and operations of the SMC Group are subject to various taxes, including value-added tax (“**VAT**”), excise taxes, duties and tariffs in the Philippines and in other countries where it conducts its businesses. An increase in prices due to additional taxes may affect demand for its products in the Philippines.

For example, the second package of the tax reform program, also known as the Corporate Recovery and Tax Incentives for Enterprises (“**CREATE**”), was passed by both the House of Representatives and Senate of the Philippines on February 3, 2021, and signed into law by the President of the Philippines on March 26, 2021 as Republic Act No. 11534 (“**CREATE Law**”). The CREATE Law took effect on April 11, 2021, 15 days after its publication in a newspaper of general circulation last March 27, 2021. In approving the CREATE Law, the President of the Philippines vetoed certain provisions including, among others, provisions relating to tax incentive entitlement of domestic market enterprises with an investment capital of ₱500 million and domestic market enterprises engaged in activities that are classified as “critical” to a special corporate income tax. The CREATE Law lowers the corporate income tax and provides for rationalization of fiscal incentives that may be granted by investment promotion agencies (such as the Authority of the Freeport Area of Bataan) to qualified registered business enterprises. Under the CREATE Law, the corporate income tax rate for domestic

corporations and resident foreign corporations shall be reduced to 25% effective July 1, 2020 and effective on January 1, 2021 for non-resident foreign corporations; domestic corporations, resident foreign corporations no longer have an option to be taxed at 15% on gross income; and the rate of the minimum corporate income tax ("**MCIT**") is lowered to 1% from July 1, 2020 to June 30, 2023.

As part of the rationalization of tax incentives, the CREATE Law provides that: (i) any law to the contrary notwithstanding, the importation of petroleum products by any person shall be subject to the payment of applicable duties and taxes under the Customs Modernization and Tariff Act and the Philippine Tax Code, respectively, upon importation into the Philippine customs territory and/or into free zones (as defined in the Customs Modernization and Tariff Act), subject to the right of the importer to file claims for refund of duties and taxes under applicable law; and (ii) the importation of crude oil that is intended to be refined at a local refinery, including the volumes that are lost and not converted to petroleum products when the crude oil actually undergoes the refining process, shall be exempt from payment of applicable duties and taxes, provided the applicable duties and taxes on the refined petroleum products shall be paid upon the lifting of the petroleum products produced from the imported crude oil in accordance with the rules and regulations that may be prescribed by the Bureau of Customs ("**BOC**") and the Philippine Bureau of Internal Revenue ("**BIR**") to ensure that crude oil shall not be lifted from the refinery without payment of appropriate duties and taxes.

In addition, on November 28, 2024, Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy ("**CREATE MORE Law**") took effect. The CREATE MORE Law enhanced the competitiveness of the Philippines' incentive regime by specifying that export-oriented enterprises qualify for VAT zero-rating if: (a) the enterprises export at least 70% of their annual production from the previous year, and (b) the sales are "directly attributable" to the export activity, as certified by the Export Marketing Bureau. The key provisions include, but are not limited to, the exemption from excise tax on the use and consumption of international carriers of Philippine or foreign registry directly importing petroleum products, VAT-exemption of the importation of fuel, goods, and supplies used for international shipping or air transport operations, regardless of whether the importer is engaged in domestic and international operations, as long as the imports are used solely for international operations, and the increase in the investment threshold requiring Fiscal Incentives Review Board (FIRB) approval to at least Php15 billion and above.

Increases in excise tax, changes in the applicable tax regime or other taxes and incentives to which the SMC Group is subject, or the imposition of new taxes on its operations or products, including those which may result from ongoing tax reforms by the government may, (i) if passed on to the consumers by way of upward price adjustments, reduce consumption of SMC Group products, (ii) if prices remain unchanged, reduce margins, or (iii) if additional taxes are not fully passed on to the consumers, have both of the foregoing effects. Thus, as with other Philippine companies engaged in similar businesses, these increases and changes may materially and adversely affect the Company's business, financial condition, and results of operations.

There can be no assurance that any pending tax legislation or future changes in the tax regime in the Philippines would not have a material and adverse effect on the Company's business, financial condition, and results of operations.

The Company believes this risk can be managed by leveraging on the Company's strengths and strategies. For a more detailed discussion please refer to the Company's Strengths and Strategies on page [148] of this Offer Supplement. However, there is no assurance that the Company can provide an effective mitigation to such risk.

Exposure to safety, health and environmental costs and liabilities

The businesses of the SMC Group span several industries and are subject to a variety of laws, rules and regulations that impose limitations, prohibitions, and standards with respect to health and safety, as well as the use, discharge, emission, treatment, release, disposal, and management of regulated materials and waste, and hazardous substances. Safety, health and environmental laws and regulations in the Philippines have become increasingly stringent and it is possible that these laws and regulations will become significantly stricter in the future. The adoption of new safety, health and environmental laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments in the future may require additional capital expenditures or the incurrence of additional operating expenses in order to comply with such laws and to maintain current operations as well as any costs related to fines and penalties.

Furthermore, if the measures implemented by the SMC Group to comply with these laws and regulations are not deemed sufficient by governmental authorities, compliance costs may significantly exceed estimates. If the SMC Group

fails to meet safety, health and environmental requirements, it may be subject to administrative, civil, and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against the SMC Group, as well as orders that could limit or halt its operations. There is no assurance that the SMC Group will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. Environmental compliance and remediation costs at sites on which its facilities are located and related litigation and other proceedings could materially and adversely affect the cash flow, results of operations, and financial condition of SMC.

The strong compliance culture of the SMC Group and the processes in place to manage adherence with laws and regulations mitigate this risk. For further information, see section on Regulatory Framework on page [306].

Changes in consumer preferences and purchasing power

The SMC Group's ability to successfully develop and launch new products, which is a key part of its strategy, as well as the ability to maintain or increase demand for existing products, depend on the acceptance of these products by consumers, as well as consumers' purchasing power. Consumer preferences may shift for a variety of reasons, including changes in international, national, regional and local economic conditions; culinary, demographic and social trends; and leisure activity patterns or consumer lifestyle choices.

There can be no assurance that any new products introduced in the future will generate the estimated consumer interest, projected revenues or expected market share. If the Company's marketing strategies are not successful or do not respond timely or effectively to changes in consumer preferences, large expenses may be incurred without the benefit of higher revenues and the Company's businesses and prospects could be materially and adversely affected.

In addition, as SMC continues to take advantage of the "premiumization" trend by strengthening the focus on its higher margin premium and upscale brands, particularly in the food and beverage business and in the Greater Manila and key cities nationwide, SMC's business and prospects become more closely related to, and affected by, changes in consumer purchasing power and lifestyles. Any decrease in consumers' purchasing power or disposable income levels could have a material adverse effect on SMC's financial condition and results of operations.

The Company believes this risk can be managed by leveraging on its strengths and strategies. For a more detailed discussion please refer to the Company's Strengths and Strategies on page [148] of this Offer Supplement. However, there is no assurance that the Company can provide an effective mitigation to such risk.

Increased competition in the industries where the SMC Group operates

The businesses of the SMC Group operate in an increasingly competitive environment, as discussed further elsewhere in this Offer Supplement.

Republic Act No. 10667 or the Philippine Competition Act was enacted to enhance economic efficiency and promote free and fair competition in trade, industry and all commercial economic activities, prevent economic concentration which will manipulate or constrict the discipline of free markets, and penalize all forms of anti-competitive agreements, abuse of dominant position, and anti-competitive mergers and acquisitions, with the objective of protecting consumer welfare and advancing domestic and international trade and economic development. The move towards a more competitive environment could result in the emergence of new and numerous competitors. These competitors may have greater financial resources, have more extensive experience or have a more specialized approach than the Company and its businesses, giving them the ability to respond to operational, technological, financial, and other challenges more quickly than the SMC Group. In addition, consolidation among competitors, the entry of new, larger competitors or other actions by competitors (including by those small and medium sized enterprises), such as unanticipated pricing of products at below- market prices or unconventional promotional activities, could exert downward pressure on prices of the SMC Group's products or cause market share to decline. Finally, the review by the Philippine Competition Commission ("PCC") of mergers and acquisitions meeting certain criteria and thresholds can delay or result in revisions to planned mergers and acquisitions, which could impact the SMC Group's plans and diversification program.

Any failure to successfully compete with competitors, maintain its customer base and market share or respond to new challenges could have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

The Company believes this risk can be managed by leveraging on the Company's strengths and strategies to ensure competitiveness. For a more detailed discussion please refer to the Company's Strengths and Strategies on page [148] of this Offer Supplement. However, there is no assurance that the Company can provide an effective mitigation to such risk.

Ability of the largest shareholders to influence corporate actions

Top Frontier Investment Holdings, Inc. ("**Top Frontier**") and Privado Holdings, Corp. ("**Privado**") are the major shareholders of SMC and hold approximately 61.77% and 15.67% of the common shares of SMC, respectively, and collectively control approximately 77.44% of the voting rights of the common shares of SMC, as of June 30, 2025. Top Frontier and Privado are able to influence the businesses of SMC through their ability to vote on corporate actions that require Board and shareholder approval. Top Frontier and Privado are not obligated to provide SMC with financial support. The interests of Top Frontier and Privado may differ from those of the holders of the Shelf Registered Shares or of the other shareholders of the Company, which may, as a result, adversely affect the interests such holders. There can be no assurance that any conflicts of interest between and among holders of Shelf Registered Shares, Top Frontier, Privado, or other shareholders of the Company will be resolved in favour of such holders, or that Top Frontier and Privado will influence SMC to pursue actions that are in the best interests of such holders.

The Company continues to have comprehensive discussions and good relationship with its shareholders working towards a common goal of expanding the business, increasing profitability and maximizing shareholder value.

Possible disagreements among joint venture partners of SMC

Some of the businesses of SMC are conducted through joint ventures with other partners, including Kirin Holdings Company Limited for beer, Hormel Netherlands B.V. for processed meats, Korea-Water Resources Corporation ("**K-Water**") for the Angat Hydroelectric Power Project ("**AHEPP**") and Nihon Yamamura Glass Co. Ltd. ("**NYG**"), and Fuso Machine & Mold Manufacturing Co. Ltd. ("**Fuso**") for packaging products. Cooperation among partners on business decisions is crucial to the sound operation and financial success of these joint venture companies. While the SMC Group believes that it maintains good relationships with its partners, there can be no assurance that these relationships will be sustained in the future or that problems will not develop. For example, such partners may be unable or unwilling to fulfill their obligations, take actions contrary to SMC's policies or objectives, or experience financial difficulties. If any of these events occur, the businesses of these subsidiaries could be severely disrupted, which could have a material adverse effect on the Company's business, financial condition and results of operations.

SMC continues to engage and generally has good working relationships with its business partners to ensure sound operation and financial success of these joint ventures. In addition, the joint venture agreements set out the rights and obligations of the parties and provide the framework for the joint venture for the protection and enforcement of the Company's rights under the agreements.

Ability of subsidiaries and associates to declare and distribute dividends

SMC is a holding company that conducts all of its operations through its subsidiaries, associates and joint ventures. As a holding company, the revenues of SMC are derived from, among other sources, dividends paid by its subsidiaries and associates. SMC is reliant on such sources of funds with respect to its obligations and in order to finance its subsidiaries. The ability of the subsidiaries, associates and joint ventures of SMC to declare and pay dividends is subject to, (i) the performance and cash flow requirements of such subsidiaries, associates, and joint ventures; (ii) applicable laws; (iii) restrictions contained in loans and/or debt instruments of such subsidiaries; and (iv) the deduction of taxes.

Any restriction or prohibition on the ability of some or all of the subsidiaries, associates and joint ventures of SMC to distribute dividends or make other distributions to SMC, either resulting from regulatory restrictions, debt covenants, operating difficulties or other limitations, could have a negative effect on the cash flow, financial condition, and results of operations of SMC.

SMC maintains a policy wherein subsidiaries declare a maximum level of dividends to the Parent Company, taking into consideration the funding requirements of the subsidiaries for its operations and expansion programs.

Dependence on trademarks and proprietary rights

The SMC Group uses various brand names and trademarks, including *San Miguel*, *Ginebra San Miguel*, *Purefoods*, *Monterey*, *Magnolia*, *Star*, *Dari Crème*, *B-Meg*, *Petron*, *Gasul*, *Fiesta Gas*, *Energen*, *Eagle* and other intellectual property rights to prepare, package, advertise, distribute and sell its products for its various businesses.

Protection of those brands and intellectual property rights is important to maintaining the distinctive corporate and market identities of the SMC Group. If third parties sell products which use counterfeit versions or otherwise look confusingly similar to SMC Group brands, consumers may mistake products of the Company with those that they consider to be inferior. This could negatively affect the brand image and sales of the SMC Group, particularly in the food and beverage businesses. In addition, the SMC Group has been granted numerous trademark registrations covering its brands and products, and has filed, and expects to continue to file, trademark applications seeking to protect newly developed brands and products.

There is no assurance that third parties will not challenge, violate or attempt to infringe any existing or future trademarks issued to, or licensed by, the SMC Group. Any failure to protect the proprietary rights of the SMC Group could severely harm its competitive position, which could materially and adversely affect the business, financial condition, results of operations, and prospects, as well as the reputation, of the SMC Group. In addition, certain intellectual property rights used by the SMC Group are licensed and there is no assurance that the relevant licensors will agree to renew the licenses on terms acceptable to the SMC Group or at all. The failure to renew one (1) or more of its material licenses could have a material adverse effect on the ability of the SMC Group to market certain products and on the results of operations of the SMC Group.

SMC closely monitors products released in the market that may mislead consumers as to the origin of products and attempt to ride on the goodwill of its brands and other proprietary rights. The Company has also retained independent external counsels to alert the Company of any such attempts and to enjoin third parties from the use of colorable imitations of its brands and/or marked similarities in general appearance or packaging of products, which may constitute trademark infringement and unfair competition.

Compliance with and renewal of licenses, permits and other authorizations

The SMC Group is required to maintain licenses, permits, and other authorizations for the operations of its businesses, including business permits and permits concerning, for example, health and safety, and environmental standards. These licenses, permits and other authorizations contain various requirements that must be complied with to keep such licenses, permits and other authorizations valid. If the SMC Group fails to meet the terms and conditions of any of SMC's licenses, permits or other authorizations necessary for operations, these operations may be suspended or terminated.

While the Company believes that it has, at all relevant times, materially complied with all the requirements of its licenses, permits and other authorizations and has established a strong compliance culture to ensure that all requirements, permits, and approvals are obtained in a timely manner, there is no assurance that changes in laws, rules or regulations or the interpretation thereof by relevant government agencies, will not result in the Company having to incur substantial additional costs or capital expenditures to upgrade or supplement its existing facilities to comply with additional requirements that may be prescribed under its licenses and permits, or being subject to fines and penalties. The measures implemented by SMC to comply with its licenses, permits and authorizations may also be deemed insufficient by governmental authorities. If the Company fails to comply, or is deemed to be non-compliant with any of its licenses, permits and authorizations, the SMC Group may be subject to penalties, which could disrupt its operations and have a material adverse effect on its business and results of operations. Potential liabilities for such non-compliance with the legal requirements or violations of prescribed standards and limits under these laws include administrative, civil, and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, that could limit or affect its operations such as orders for the suspension and/or revocation of permits or licenses or suspension and/or closure of operations. There can be no assurance that the Company will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings, the costs of which could be material. In the event that the Company becomes involved in any future litigation or other proceedings or is subject to any adverse rulings or decisions, such events may materially and adversely affect its business, financial condition, and results of operations.

There can be no assurance that the SMC Group will continue to be able to renew the necessary licenses, permits, and other authorizations as necessary or that such licenses, permits, and other authorizations will not be revoked. If the Company is unable to obtain or renew them or are only able to do so on unfavorable terms, this could have an adverse effect on the Company's business, financial condition, and results of operations.

The SMC Group is in constant consultation with relevant government agencies and other approving bodies to ensure that all requirements, permits, and approvals are anticipated and obtained in a timely manner. The Office of the Compliance Officer of the Company monitors, reviews, evaluates, and ensures compliance by the Company with the rules and regulations and all governance issuances of regulatory agencies. The Office of the Compliance Officer also identifies, monitors, and controls compliance risks and possible areas of compliance issues. Further, the SMC Group maintains a strong compliance culture and has processes in place in order to manage adherence to laws and regulations.

Training and replacement of key personnel

Any loss of key personnel, inability to replace such personnel, and failure to train and retain replacement personnel could materially and adversely affect the ability of the SMC Group to provide products and services to its customers. Key personnel are those employees who possess a level of technical skill and expertise that are very important to the Company's businesses, particularly in the aspect of research and development, technical operations, product development, sales and marketing, and safety and quality assurance, as well as the senior management team. These individuals are trained and highly competent and provide a significant contribution to our businesses and supported by the Company's employees. Continued resignation of key personnel could also result in the SMC Group incurring additional expenses in hiring and training replacement personnel in a competitive job market, and it may take time for these new personnel to reach the level of technical skill and expertise of the personnel being replaced. If any key personnel are unable or unwilling to continue in their present positions, the SMC Group may not be able to replace them easily, and its business may be significantly disrupted. Any of the foregoing could have a material adverse effect on the businesses of the SMC Group.

SMC Group strives to strengthen the competencies of its employees, specifically those in the succession pipeline of key personnel. The subsidiaries of SMC have established employee training programs such as the Brewing School for SMB that trains brewmasters, the San Miguel Pure Foods University and the Leadership Enrichment and Development Program of Petron, management training programs in partnership with Harvard Business Publishing and John Clements Consultants that prepare their employees to take on higher responsibilities. SMC also pursues strategic hiring for identified critical positions.

Labor disruptions

As of June 30, 2025, approximately 10.20% of the regular employees of the SMC Group were parties to various collective bargaining agreements and there are 37 labor unions within the businesses of the SMC Group. The SMC Group maintains good labor relationships and a constant line of communication with its employees. SMC also engages its employees through employee relations programs to maintain a high level of employee satisfaction.

Other than the January 4, 2020 strike staged by the Bataan Refiners Union of the Philippines at the Petron Limay Refinery, which was declared illegal by the Department of Labor and Employment ("**DOLE**") in June 2021 and the April 6, 2025 strike staged by SMC deputized officers on South Luzon Expressway ("**SLEX**") and Tarlac–Pangasinan–La Union Expressway ("**TPLEX**") the SMC Group has not experienced any other strikes, work stoppages or other labor disruptions since 2003. However, there is no assurance that the SMC Group will not experience future labor disruptions to its operations due to disputes or other issues with employees, which could materially and adversely affect its business, financial condition, and results of operations.

The SMC Group maintains good labor relationships and a constant line of communication with its employees. SMC also engages its employees through employee relations programs to maintain a high level of employee satisfaction.

Uninsured losses

The SMC Group ensures that its facilities are adequately covered by insurance policies against certain business risks. However, the SMC Group may not be fully insured against, and insurance may not be available for, unexpected losses caused by natural disasters, breakdowns or other events that could affect the facilities and processes used by its businesses. Any unexpected losses caused by such events against which it is not fully insured could have a material adverse effect on its businesses, financial condition and results of operations. Any accident at the facilities of the SMC Group, which is not adequately covered by insurance, could result in significant losses. It could suffer a decline in production, receive adverse publicity and be forced to invest significant resources in addressing such losses. Such events could materially and adversely affect its financial condition and results of operations.

The Company believes that it can withstand such events with its business strategies in place. The Company also has a system of financial prudence and corporate governance that provides the foundation for its risk management initiatives. For further discussions on the business strategies of the Company, please refer to page [148] of this Offer Supplement.

Outsourcing risk

The Company outsources certain beverage, food and packaging manufacturing and distribution operations to third-party contractors. To ensure the timely production and distribution of its products, the SMC Group continuously monitors the efficiency and manufacturing capabilities of the relevant production facilities. However, any of the third-party contractors may experience operational issues that could cause production shortages and distribution delays. If one (1) or more of the contract manufacturers, facility operators or distributors of the SMC Group fails to or is unable to manufacture, produce or distribute products in a timely manner, in sufficient quantities or at satisfactory quality levels, then its ability to bring products to the market and its reputation could suffer, and these could have a material adverse effect on the businesses, financial performance, and prospects of SMC. In addition, there is no assurance that it will continue to find new contract manufacturers or distributors in line with increased customer demand in the future, which could materially and adversely affect the business and prospects of SMC.

Outsourcing also carries with it certain inherent risks. These include potential actions from employees of SMC's third-party service providers who may claim an employee-employer relationship with SMC and the risk that SMC's third-party contracting arrangements may be found by the DOLE to be "labor-only contracting", which could have a significant impact on labor costs. In addition, a labor dispute involving a substantial number or all of its employees may harm the Company's reputation, disrupt operations and reduce revenues, while the resolution of disputes may increase costs.

The SMC Group continuously monitors the efficiency and manufacturing capabilities of the production facilities of its various contractors.

Disruption of operations

The SMC Group's facilities and operations could be severely disrupted by many factors, including accidents, breakdown or failure of equipment, interruption in power supply, human error, natural disasters, public epidemics, pandemics, outbreak of diseases, and other unforeseen circumstances and problems.

The COVID-19 Pandemic, or the future outbreak of any other highly contagious and infectious diseases, could materially and adversely affect the Company's business, results of operations and financial conditions. Further, the impact of such pandemic is highly unpredictable and uncertain, and may cause disruptions in the Philippines and global economy and financial markets, as well as the Company's financial performance, among others. While the Company may implement initiatives to mitigate the adverse effects of a pandemic, the duration and extent of these effects are beyond the control of the Company.

The Philippines has experienced a number of major natural catastrophes over the past years, including typhoons, volcanic eruptions, earthquakes, tsunamis, mudslides, fires, droughts and floods related to El Niño and La Niña weather events. In the past, these events have affected SMC's operating results. For example, the Japanese government banned the entry of any Philippine poultry products after the avian influenza outbreak in August 2017 and as a result, SMFB's customers in Japan cancelled their orders. In addition, in September 2019, the Philippine Department of Agriculture confirmed the outbreak of African Swine Fever across several regions in the Philippines and restrictions have been imposed by some local government units on movements of hogs across provinces. A fire that occurred last February 1, 2020 in Pandacan, Manila damaged the storage and handling area for the plastic pallets of SMYPC as well as a portion of SMYPC's Manila plastics plant, which resulted in the suspension of operations at the plant. Said fire also damaged approximately 300 meters of a portion of the Skyway Stage 3 Project. There is no assurance that insurance coverage for these risks will adequately compensate the Company for all damages and economic losses resulting from natural catastrophes. The Company's business, financial condition and results of operations may be materially and adversely affected by any disruption of operations, whether at its own facilities or that of its suppliers, including those due to any of the events mentioned above.

The SMC Group undertakes necessary precautions to minimize impact of any significant operational problems in its subsidiaries through effective maintenance practices including regular monitoring of operations, scheduled maintenance of facilities and equipment, and continuous training of safety and maintenance personnel.

Performance of information technology systems

The SMC Group relies on its information technology systems to effectively and efficiently manage business data, communications, supply chain, order entry and fulfilment, and other business processes. The failure of such information technology systems to perform as anticipated could disrupt business operations, and could result in transaction errors, processing inefficiencies, and the loss of sales and customers, affecting the business generally and causing results of operations to suffer. In addition, the SMC Group's information technology systems may be vulnerable to damage or interruption from circumstances beyond its control, including fire, natural disasters, power outages, systems failures, security breaches, cyber-attacks, and viruses. Any such damage or interruption could have a material adverse effect on the Company's businesses, financial condition, and results of operations.

To mitigate this risk, the Company invests in an up to date and integrated information technology systems with demonstrated capabilities. The Company also engages reputable third-party service providers for web services requirements and online platform.

Legal and other proceedings

The SMC Group may, from time to time, be involved in disputes with various parties in the operations of its businesses, including those relating to commercial or contractual matters, and may be subject to investigations by regulatory and administrative bodies. Regardless of the outcome, these disputes and investigations may lead to legal or other proceedings and may result in substantial costs and the diversion of resources and management's attention. In addition, the Company and its subsidiaries may also have disagreements with regulatory bodies in the course of operations, which may subject the Company to administrative proceedings and decisions that may result in penalties or other liabilities. Any of these outcomes could materially and adversely affect the Company's business, financial condition, and results of operations. See "*Legal Proceedings*" on page [269] of this Offer Supplement.

In the event that the SMC Group becomes involved in future litigation or other proceedings or be held responsible in any future litigation and proceedings, the Company endeavors to amicably settle the legal proceedings and in the event of any adverse ruling or decision, diligently exhaust all legal remedies available to it.

The risk involving related party transactions

The Company, certain subsidiaries and their shareholders, and associates in the normal course of business, purchase products and services from one another. To safeguard the interests of the Company as well as the minority shareholders and other stakeholders, all related party transactions must be done on an arm's length basis. Transactions with related parties are made at normal market prices and terms. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

In compliance with SEC Memorandum Circular No. 10, series of 2019, the Company adopted a Policy on Material Related Party Transactions which was unanimously approved by the Board of Directors on August 8, 2019 (the "**Material RPT Policy**").

Under the Material RPT Policy, related party transactions amounting to at least ten percent (10%) of the Company's total consolidated assets as of its latest audited financial statements (including transactions with non-related parties that subsequently become a related party) shall be covered by the Material RPT Policy.

Moreover, under Section 50 of the Tax Code, in the case of two (2) or more businesses owned or controlled directly or indirectly by the same interests, the BIR Commissioner is authorized to distribute, apportion, or allocate gross income or deductions between or among such businesses upon determination of the necessity to prevent evasion of taxes or to clearly reflect the income of any such business. On January 23, 2013, the BIR issued Regulation No. 2-2013 on Transfer Pricing Regulations (the "**Transfer Pricing Regulations**") which adheres to the arm's length methodologies set out under the Organization for Economic Cooperation and Development Transfer Pricing Guidelines in addressing Base Erosion and Profit Shifting. The Transfer Pricing Regulations are applicable to cross-border and domestic transactions between related parties and associated enterprises. The BIR Transfer Pricing Regulations defines "related parties" as two (2) or more enterprises where one (1) enterprise participates directly or indirectly in the management, control, or capital of the other; or if the same persons participate directly or indirectly in the management, control, or capital of the enterprises. The arm's length principle requires the transaction with a related party to be made under comparable conditions and circumstances as a transaction with an independent party, such that if two (2) related parties derive profits at levels above or below comparable market levels solely by reason of the special relationship between them, the profits will be deemed as non-arm's length. In such a case, the BIR pursuant to the BIR Commissioner's authority to

distribute, apportion or allocate gross income or deductions between or among two (2) or more businesses owned or controlled directly or indirectly by the same interests (if such is necessary in order to clearly reflect the income of such business), may make the necessary transfer pricing adjustments to the taxable profits of the related parties to ensure that taxpayers clearly reflect income attributable to controlled transactions and to prevent the avoidance of taxes with respect to such transactions. Although the Company has instituted internal policies with respect to related party transactions, including establishing a board committee to oversee such matters, adopting a Material RPT Policy, and believes that all past related party transactions have been conducted at arm's length on commercially reasonable terms and documented pursuant to the Transfer Pricing Regulations, there can be no assurance that the BIR may confirm these transactions as arm's length on the basis of the Transfer Pricing Regulations and there can be no assurance that any transfer pricing adjustments by the BIR will not have a material adverse effect on the Company's business, financial condition, and results of operations.

For more information on the Company's related party transactions, see *"Certain Relationships and Related Party Transactions"*, Note 33 to the Company's audited consolidated financial information.

RISKS RELATING TO THE FOOD AND BEVERAGE BUSINESS

Price-sensitive market

The market for beverages, such as beer and spirits, is price-sensitive. At the same time, demand for many products is closely linked to consumers' purchasing power and disposable income levels, which may be adversely affected by unfavorable economic developments in the Philippines. While SMFB endeavors to implement price increases at reasonable levels, the increases may lead to a decline in sales volumes and could affect its ability to pass on rising excise taxes, raw material costs, or other expenses, which may negatively impact revenues and results of operations.

SMFB's beverage business implements campaigns, as well as consumer and trade programs, designed to strengthen brand equity. These initiatives have been successful in increasing consumption of its products.

Competition risks

SMFB and its subsidiaries operate in highly competitive environments, both domestically and internationally. Competition comes from local producers marketing their own or licensed foreign brands, foreign producers, and imported products. Competitive pressures may result in a loss of market share or reduced margins, which could adversely affect SMFB's business, financial condition, and results of operations.

Key competitive factors include price, product quality, brand awareness, and loyalty, distribution coverage, customer service, and the ability to respond to shifts in consumer preferences. SMFB also competes with other discretionary food and beverage products and a wide range of goods and services. Competitors can erode SMFB's advantage through new product introductions, improvements in quality, efficiency, technology, unconventional promotional activities, or by reshaping the value chain, industry consolidation, entry of new or larger players, or aggressive strategies such as pricing below market or heavy promotions could further intensify competition and pressure margins.

SMFB responds through continuous product innovation, enhancements in packaging and propositions, and redefinition of its distribution system. It actively invests in market research to anticipate consumer trends and sustain growth. Nonetheless, if competitors develop more innovative, higher-quality, or lower-priced products, SMFB may find it challenging to maintain its market position.

In addition, SMFB's principal shareholders may influence SMFB and its subsidiaries' business through their ability to control actions requiring majority approval by the Board of Directors and/or shareholders.

Increases in excise taxes

In the Philippines, excise tax represents a significant component of production costs of alcoholic beverages. The Philippine Tax Code provides for excise taxes on alcohol products, including fermented liquors, such as beer, and distilled spirits such as gin. The Bureau of Internal Revenue ("**BIR**") requires entities subject to such taxes, including SMFB, to obtain a permit to manufacture these products to ensure proper collection and payment of the applicable taxes.

Under the Philippine Tax Code, excise tax on fermented liquor is determined per liter of volume capacity in relation to the net retail price (excluding the excise tax and value-added tax) and is payable by the producer. The tax rate varies

depending on the type of alcoholic beverage being produced, with more expensive products being subject to higher rates. Excise tax accounts for a significant portion of SMB's production costs.

On January 22, 2020, President Duterte signed Republic Act No. 11467, which amended certain provisions of the Philippine Tax Code and imposed additional excise tax on alcoholic beverages. Effective January 1, 2020, the excise tax rates for fermented liquor is ₱35.00 per liter. The excise tax will then increase to ₱37.00 per liter in 2021, ₱39.00 per liter in 2022, ₱41.00 per liter in 2023, and ₱43.00 per liter in 2024. Effective January 1, 2025, the excise tax rate will be increased by 6% annually. To date, the excise tax to be collected is at ₱45.58 per liter.

For distilled spirits, an additional *ad valorem* tax of 22% of the net retail price (excluding excise tax and VAT) is assessed and collected. In addition to the *ad valorem* tax, a specific tax is collected at the following rates: ₱42.00 per proof liter effective January 1, 2020, ₱47.00 per proof liter in 2021, ₱52.00 per proof liter in 2022, ₱59.00 per proof liter in 2023, and ₱66.00 per proof liter in 2024. This specific tax will also be increased by 6% annually beginning January 1, 2025, through revenue regulations to be issued by the Secretary of Finance. To date, the specific tax to be collected is at ₱69.96 per proof liter.

The sale of beer and NAB in the Philippines is also subject to VAT and, when applicable, withholding tax.

The beverage business has implemented an effective price management program to mitigate the effects of taxes on both its sales volume performance and profit margins.

Production and supply disruptions

Although SMFB continuously seeks to enhance the efficiency and manufacturing capabilities of its production facilities, it may, from time to time, experience production difficulties that could result in shortages and delivery delays, as is common in the manufacturing industry. If SMFB is unable to improve the efficiency and manufacturing capabilities of its production facilities in line with increased customer demand, this may materially and adversely affect its business and operations. Furthermore, SMFB may need to incur significant additional capital expenditures in the future to meet growing demand for its products.

The Company believes this risk can be managed through continued strengthening of sustainable business strategies across its operations and the adoption of world-leading practices. For a more detailed discussion, please refer to the Company's Strategies on page [148] of this Offer Supplement. However, there is no assurance that the Company can provide an effective mitigation to such risk.

Operational risks

The facilities and operations of SMFB and its subsidiaries could be disrupted by various factors, including accidents, equipment breakdowns or failures, power supply interruptions, human error, natural disasters, port congestion, logistical constraints, and outbreaks of animal diseases.

These diseases range from the most devastating African Swine Fever, which has led to the culling of pigs nationwide, followed by the highly pathogenic avian influenza strains such as H5N6 and H5N1 HPAI. Lesser but still concerning threats, include Porcine Reproductive and Respiratory Syndrome and Porcine Epidemic Diarrhea, which remain ongoing challenges in hog farming, as well as Fowl Cholera, Newcastle Disease, and H1N1 influenza in broilers, which have historically caused localized disruptions.

Such events could lead to product shortages, facility shutdowns, equipment repairs or replacements, higher insurance costs, personal injuries, loss of life, and unplanned inventory build-ups, all of which could have a material adverse impact on the business, financial condition, and operating results of SMFB and its subsidiaries.

Any outbreak of a contagious disease, such as an epidemic or pandemic, could also materially and adversely affect SMFB and its subsidiaries' financial position and financial performance. For example, an outbreak such as the COVID-19 pandemic, and the corresponding restrictions imposed by the government in order to contain its spread, including strict community quarantines, bans on alcoholic beverages, limits on travel and cargo movement, and the temporary suspension of non-essential business operations, could reduce consumer demand for SMFB and its subsidiaries' products, disrupt staffing and production capabilities, impair distribution networks, and dampen overall economic activity in its key markets.

SMFB and its subsidiaries take necessary precautions to mitigate the impact of significant operational issues through effective maintenance practices. To address outbreaks of animal diseases, preventive measures such as farm sanitation and strict biosecurity protocols to minimize, if not eliminate, the associated risks.

In addition, SMFB and its subsidiaries may face capacity constraints, as supply is largely dependent on its production facilities. These constraints could arise from demand outpacing existing capacity or from unexpected outages, maintenance, temporary stoppages, or other disruptions at major facilities. While SMFB and its subsidiaries continuously strive to improve efficiency and manufacturing capabilities, and to expand capacity through additional production lines or new facilities, production challenges, which are common in the manufacturing industry, may still occur. There is no guarantee that production issues or stoppages will not arise in the future, or that SMFB and its subsidiaries will be able to sufficiently increase output to meet rising demand. Meeting such demand may also require significant capital expenditures.

SMFB and its subsidiaries rely on third parties for several critical aspects of operations, including distribution and logistics. Its ability to deliver products to market could be compromised if a significant number of contractors fail to meet delivery schedules. While SMFB and its subsidiaries engage only reputable contractors, such parties may experience labor disputes, fail to renew existing agreements, or enter into contractual disagreements with SMFB and its subsidiaries. Furthermore, as SMFB and its subsidiaries operate in a highly regulated industry covering labor, safety, health, environmental, and insolvency matters, non-compliance by contractors with these regulations could materially and adversely affect operations and prospects.

SMFB and its subsidiaries' products are primarily sold through dealers and distributors. Although many have long-standing relationships with SMFB and its subsidiaries, and while continued support will be provided, there is no certainty that these partners will continue to purchase and distribute its or be able to do so without delays or interruptions. Financial instability, contractual disputes or labor issues affecting dealers or distributors could also disrupt product distribution and adversely impact the business.

SMFB and its subsidiaries rely heavily on the expertise and leadership of its management team. Key members have been instrumental in setting strategic direction, managing operations, identifying and training talent, pursuing expansion opportunities, and securing financing. In addition, the technical skills of certain personnel are critical to manufacturing operations. Several members of the management team also hold leadership positions in key industry associations in the Philippines, which SMFB and its subsidiaries believe contribute positively to its business.

Finally, SMFB and its subsidiaries' strategies to grow sales nationwide and expand production capacity involve uncertainties and risks. There is no assurance that the execution of these strategies will not have a material adverse effect on the SMFB and its subsidiaries' financial condition or results of operations.

Livestock and poultry disease outbreaks

SMFB's Food Division is subject to risk of losses caused by outbreaks of disease at any of the hog or poultry farms it owns or has contracted. The livestock and poultry industries in the Philippines have experienced outbreaks of disease in the past. African swine fever ("**ASF**"), which began in July of 2019 in Luzon provinces. As of early 2025, ASF remains present across Luzon, Visayas, and Mindanao, with ongoing cases reported in several provinces. In response, the government enforced strict biosecurity and zoning measures through the 1-7-10 Protocol, which requires quarantine and culling within one kilometer, surveillance within seven kilometers, and mandatory reporting within ten kilometers. It also activated its Crisis Management Task Force on Swine, restricted animal movement, and released funding for detection, surveillance, testing, and awareness campaigns. The government launched the INSPIRE program to support repopulation and farm recovery, initiated vaccine procurement with rollout beginning in Batangas, and deployed rapid field-testing kits developed by DOST to strengthen early detection.

Avian influenza continues to pose a significant threat to the poultry industry, both globally and in the Philippines. The H5N1 subtype of influenza A remains the dominant strain worldwide, with outbreaks recorded across Europe, Asia, North America, and South America. In the Philippines, recent cases of avian influenza, including H5N2 and H5N9 strains, have been reported in several provinces, including low-level detections in duck farms. While government agencies continue to implement control measures, including import restrictions and active surveillance, the risk of localized outbreaks remains.

These potential outbreaks of contagious diseases in the Philippines could have a material adverse effect on SMFB's financial condition and results of operations. In particular, any outbreak of contagious diseases could negatively impact

overall economic activity in the Philippines, including consumer demand for SMFB's products, as well as SMFB's ability to adequately staff operations and distribution networks.

There can be no assurance that SMFB's current policies and controls for outbreak prevention and disease recurrence, including bird proofing to prevent the entry of migratory birds into SMFB's poultry facilities, and strict visitor screening and sanitation procedures for entry into any of SMFB's facilities, will be sufficient to prevent future outbreaks or recurrences. SMFB cannot assure prospective investors that any future outbreak of contagious diseases will not have a material adverse effect on SMFB's business, financial condition, and results of operations.

Moreover, there can be no assurance that SMFB's internal controls and policies will be fully effective in preventing all food and beverage safety issues concerning the products it sells, including any occurrences of foodborne illnesses such as salmonella, E. coli, and hepatitis A. Particularly for the Food Division, selling conditions in the trade, especially in wet markets, make fresh food vulnerable to the risk of foodborne illness. New illnesses resistant to SMFB's current precautions may develop in the future, or diseases with long incubation periods could arise, which could give rise to claims or allegations on a retroactive basis. One or more instances of food and beverage safety issues or a foodborne illness related to SMFB's products could negatively affect sales. This risk exists even if it were later determined that the illness was wrongly attributed to SMFB's products. The occurrence of a food and beverage safety or a foodborne illness incident, or negative publicity or public speculation about such an incident, could have a material adverse effect on SMFB's business, financial condition, and results of operations.

SMFB has adopted strict bio-security measures in its facilities to prevent the outbreak or recurrence of diseases, including the separation of its hog breeding from growing operations, bird proofing to prevent the entry of other birds into its poultry farms, and the implementation of strict visitor screening and sanitation procedures for entry into its poultry and hog facilities.

Product-liability claims and recalls

The success of the food and beverage business depends largely upon consumers' perception of the reliability and quality of its products. Any event or development that detracts from the perceived reliability or quality of SMFB's products could materially reduce demand. For example, a contamination of Beer and NAB Division's or Food Division's products by bacteria or other external agents, such as *Listeria monocytogenes*, *Salmonella* or *E. coli*, whether arising accidentally or through deliberate third-party action, could potentially result in product liability claims. Improper storage and handling may lead to spoilage, defects, recalls, or complaints, particularly for temperature-sensitive products handled by the Food Division.

Product liability claims, whether or not they are successful, could adversely affect the reputation of the company's brands which may result in reduced sales and profitability. In particular, there is little, if any, control over handling procedures once SMFB's products have been dispatched for distribution and are therefore especially vulnerable during this phase. Even the inadvertent distribution of contaminated products may constitute a violation of law and lead to increased exposure to product liability claims, recalls, regulatory scrutiny, penalties, injunctive relief, or plant closures by authorities. Such incidents may also result in adverse publicity, which could further aggravate negative consumer reaction.

While no material product liability claim has been filed against SMFB to date, there is no assurance that claims will not arise in the future. Any such claim, whether or not successful, could damage the reputation of the company and its products and have a material adverse effect on SMFB's financial condition and results of operations.

Importation of lower-priced competing products

The Food Division may face increased competition from less expensive imported products as import duties on those products are reduced or eliminated. In particular, the Philippines is a signatory to several free trade agreements—the ASEAN Trade in Goods Agreement, the ASEAN Free Trade Agreement, the ASEAN- China Free Trade Agreement, the ASEAN-Korea Free Trade Area Agreement, the ASEAN-Korea Comprehensive Economic Cooperation Agreement, the Japan-Philippines Economic Partnership Agreement, the ASEAN People's Republic of China Comprehensive Economic Cooperation Agreement, the ASEAN-Japan Comprehensive Economic Partnership, the ASEAN-Australia-New Zealand Free Trade Area Agreement, the Philippines-European Free Trade Association Free Trade Agreement, the ASEAN-India Comprehensive Economic Cooperation Agreement, the ASEAN-India Free Trade Area Agreement, the ASEAN Trade in Goods Agreement ("**ATIGA**"), the European Free Trade Association ("**EFTA**"), and the ASEAN-Hong Kong, China Free Trade Agreement—each of which may lead to increasing lower-priced imported products entering the Philippine

market.

For example, with the coming into force of ATIGA, the Philippines eliminated intra-ASEAN import duties on 99.56% of its tariff lines, including poultry, meat of bovine animals, flour, sausage, prepared or preserved meat, cereals, bread, pastry, cakes, biscuits, fruit juices, coffee, tea or maté, sauces and preparations, ice cream, beer, certain spirits, liqueurs, and spirituous beverages.

SMFB's Food Division has already experienced the effects of increased competition due to the elimination of these import duties and expects that competition from imported products will continue to intensify. In addition, any further reduction in tariffs on imports from other ASEAN countries, such as Thailand and Vietnam, or from other countries that are party to free trade agreements with the Philippines, such as China and Japan, could lead to increased competition for its products.

Moreover, the Food Division faces direct competition from several countries. The Protein segment competes with the import of chicken leg quarters from the U.S. and Brazil; the flour milling business competes with imported flour sourced from Turkey, Vietnam, and Indonesia; and the Prepared and Packaged Food segment faces challenges from imported butter, corned beef, luncheon meat, cheese, and milk, in part due to tariffs reductions under various free trade agreements. If SMFB is unable to compete effectively with lower-priced imports, its market share and sales may decline, which could materially and adversely affect its business, financial condition, results of operations, and prospects.

To mitigate this risk, SMFB plans to invest in tailored brand-building and marketing campaigns, as well as pursue targeted new product development ("**NPD**") strategies in each product category. SMFB also undertakes to enhance profitability through cost-saving initiatives. For more information on the efforts to address these risks, please refer to the discussion on "*Maintain market leadership positions in core categories while growing the total addressable market through marketing initiatives and new product development*" on page [163] and "*Continued enhancement of profitability through cost-saving initiatives*" on page [164].

Risks associated with derivative and hedging transactions

From time to time, SMFB enters into various commodity derivative instruments, such as forward purchases, caps, and collars for wheat and soybean meal, to manage price risks on strategic commodities. In hedging transactions, if prices decrease, hedging positions may result in mark-to-market losses, which are, in turn, expected to be offset by lower raw material costs. SMFB generally hedges up to 20% of its wheat and soybean meal requirements. As hedging transactions are marked to market, to the extent that the market price of the raw materials falls below the fixed price under futures contracts, net income may be lower than it would have been had such transactions not been entered into. Consequently, the company's financial performance could be adversely affected during periods of raw material price volatility.

To mitigate this risk, SMFB exercises prudent financial risk management and has an established system for regularly monitoring its derivative and hedging transactions.

Challenges in executing expansion strategies

SMFB intends to increase sales volume through, among others, the introduction of new products, entry into new categories to broaden its product offering, expansion of its distribution network, and possible acquisitions of, or joint ventures with, other food and beverage businesses in the Philippines and in other countries. The expansion strategy will allow SMFB to expand production and generate additional value for SMFB and may be financed by a combination of additional borrowings and equity. The implementation of this expansion strategy may face uncertainties and risks, and there can be no assurance that SMFB will be successful in executing these initiatives or that the implementation of any growth plans will result in increased income.

There is also no assurance that acquisitions made or joint ventures entered into as part of these expansion plans will be successfully integrated into SMFB's operations. Such transactions may result in contingent liabilities or other financial or legal exposures that were not fully identified or quantified during due diligence. As a result, these risks may have a material adverse effect on SMFB's liquidity, financial condition, and results of operations.

The Company believes this risk can be managed through SMFB's strategies to further strengthen and solidify its position as the leading food and beverage company in the Philippines, while continuing to expand its business to meet growing consumer demand. For a more detailed discussion, please refer to the Company's Strategies on page [148] of this Offer

Supplement. However, there is no assurance that the Company can provide an effective mitigation to such risk.

Social, economic, and political risks

The ability of SMFB and its subsidiaries to successfully develop and launch new products, and to sustain demand for existing ones, depends on consumer acceptance, purchasing power, and disposable income levels. These may be adversely affected by unfavorable economic conditions in the Philippines, for example, arising from the COVID-19 pandemic and the resulting government-imposed restrictions, or by political or social instability in the markets where SMFB and its subsidiaries operate. A significant decline in disposable income or purchasing power in its target markets could materially and adversely affect SMFB and its subsidiaries' financial position and performance. Consumer preferences may shift for various reasons, including changes in culinary trends, demographics, leisure activities, and lifestyle choices. Health concerns, such as negative dietary perceptions, may also influence purchasing patterns for food and beverage products. If SMFB and its subsidiaries' marketing strategies are not successful, or fail to adapt promptly and effectively to evolving consumer preferences, SMFB and its subsidiaries' business and growth prospects could be materially and adversely affected.

Political or social instability, including any act of terrorism, in the Philippines or in other markets where SMFB and its subsidiaries operate could negatively affect general economic conditions and the business environment, potentially having a material impact on SMFB and its subsidiaries' operations, financial position, and results.

The success of SMFB and its subsidiaries also depends significantly on consumer perceptions of the reliability and quality of its products. Any event or development that undermines these perceptions could materially reduce demand. For instance, contamination of products by bacteria or other foreign agents, whether accidental or deliberate, could lead to product liability claims. Even if unsuccessful, such claims could harm brand reputation and reduce sales and profitability for the affected brand or for SMFB and its subsidiaries' portfolio as a whole. SMFB and its subsidiaries have little, if any, control over product handling once items have been dispatched for distribution, making this stage particularly vulnerable to issues. Even unintentional distribution of contaminated products may constitute a legal violation, leading to product recalls, heightened regulatory scrutiny, penalties, injunctive relief, plant closures, and adverse publicity, all of which could amplify negative consumer reactions.

In addition, SMFB and its subsidiaries' sales are affected by seasonal variations in customer purchasing patterns. In the Philippines, certain products see stronger demand during specific times of the year. As a result, performance in any given quarter is not necessarily indicative of future quarters or annual results, and SMFB and its subsidiaries' financial position and performance may fluctuate significantly from quarter to quarter.

Risks of international and export operations

SMFB exports products and maintains international operations in several countries beyond the Philippines, with plans for further international expansion. Expansion in international markets may be affected by domestic economic and market conditions, as well as social and political developments in those countries. There is no guarantee that the existing business and export operations, as well as expansion plans, will be successful. SMFB's business, financial condition, prospects, and results of operations could be adversely affected if it is not successful in the international markets where it operates or if exports to these markets are impacted by political, economic and other external factors beyond its control.

SMFB believes this risk can be managed through continued execution of regionally tailored strategies, leveraging its unique understanding of consumers.

Government price monitoring and regulation

Basic necessities such as bread, fresh pork, beef and poultry meats, fresh eggs, milk, coffee, and cooking oil, and prime commodities, such as flour, processed meats, other dairy products, and swine and poultry feeds may be made subject to price monitoring by the Government. Under the Philippine Republic Act No. 7581 (the "**Price Act**"), as amended by Republic Act No. 10623, the President of the Philippines may impose a price ceiling on basic necessities and prime commodities in the event of a calamity, emergency, illegal price manipulation, or when the prevailing prices have risen to unreasonable levels. In addition, the DTI issues a "Suggested Retail Price" list for certain prime commodities, which includes some of the Food Division's products. The DTI should be informed of any price movement in these products prior to implementation.

The Price Act imposes an automatic price control on the prices of basic commodities in areas declared under a state of calamity, emergency, martial law, or in a state of rebellion or war. Unless sooner lifted by the President, prices remain frozen for a maximum of 60 days, except for price control on basic necessities that are wholly imported and deregulated. The President may also impose a price ceiling on basic necessities and prime commodities in cases of calamity, emergency, illegal price manipulation, or when prevailing prices have risen to unreasonable levels. The implementing government agencies of the Price Act are likewise authorized to issue suggested retail prices, when necessary, for certain basic necessities and/or prime commodities for the information and guidance of concerned trade, industry, and consumer sectors. Any resulting price control may have a material adverse effect on SMFB's business, financial condition, and results of operations.

The Company believes this risk can be managed by leveraging the Company's strengths and strategies, specifically under the subheading "Identify and pursue synergies across businesses through vertical integration, platform matching and channel management" on page [154] of this Offer Supplement. However, there is no assurance that the Company can provide an effective mitigation to such risk.

Legal and regulatory risks

The businesses and operations of SMFB and its subsidiaries are subject to numerous national and local laws, rules and regulations across various industries in the Philippines and in other countries where it operates. These include laws on health, food and beverage safety, responsible sale of alcoholic beverages, solid waste management, water and air quality, as well as the use, discharge, emission, treatment, release, disposal, and handling of regulated materials and hazardous substances. Compliance with these laws requires SMFB and its subsidiaries to secure and maintain multiple approvals, licenses, and permits from various government agencies. SMFB and its subsidiaries are also subject to different taxes, duties, and tariffs.

Health, food and beverage safety, and environmental regulations in the Philippines have become increasingly stringent, and there is a likelihood that they will become even more rigorous in the future. The enactment of new laws and regulations, revised interpretations of existing provisions, or stricter enforcement by government authorities may necessitate additional capital expenditure or higher operating costs to remain compliant and maintain current operations. Moreover, stringent and varied requirements from local regulators for licenses and permits could delay or prevent the establishment or expansion of facilities and operations in certain areas.

If the compliance measures implemented by SMFB and its subsidiaries are deemed insufficient by authorities, costs may rise significantly beyond current projections, and SMFB and its subsidiaries could face potential liabilities. Non-compliance or violations of prescribed standards and limits may result in administrative, civil, or criminal proceedings by government agencies, as well as legal action from environmental groups or private individuals. Such proceedings could lead to substantial fines and penalties, and in some cases orders to suspend or revoke licenses, close operations, or impose other operational restrictions.

The Philippine government may also periodically introduce changes to laws, regulations and standards, particularly in areas such as (i) health and food and beverage safety, which could raise costs and influence public perception of SMFB and its subsidiaries' products; (ii) occupational health and safety, which could further increase compliance expenses that may not always be passed on to distributors or customers; and (iii) manufacturing, packaging, labelling, licensing, ingredient requirements, and advertising restrictions. The implementation of such measures could materially and adversely affect the business, financial condition, and results of operations of SMFB and its subsidiaries.

SMFB and its subsidiaries maintain ongoing communication with relevant government agencies and regulatory bodies to ensure that all necessary requirements, permits, and approvals are anticipated and obtained in a timely manner. SMFB and its subsidiaries foster a strong compliance culture, supported by processes that ensure adherence to applicable laws and regulations. If involved in litigation or other proceedings, SMFB and its subsidiaries aim to resolve matters amicably and in accordance with the law. In the event of any adverse ruling, SMFB and its subsidiaries diligently exhaust all available legal remedies.

Intellectual property risks

SMFB and its subsidiaries own various brand names, related trademarks, and other intellectual property rights used to prepare, package, advertise, distribute, and sell its products in the Philippines. However, certain brand names, trademarks, and patent used for some of its products are licensed from SMC. Protecting these brand names, trademarks, and other intellectual property rights is critical to maintaining SMFB and its subsidiaries' distinctive

corporate and market identities. If third parties sell products using counterfeit versions of SMFB and its subsidiaries' brands, or packaging that closely resembles them, consumers may confuse such products with SMFB and its subsidiaries' own, particularly if the counterfeit products are of inferior quality. This could harm SMFB and its subsidiaries' brand image and adversely affect sales.

Certain brands and trademarks used by SMFB and its subsidiaries, including the San Miguel name, escudo, and other marks licensed from SMC, may also be used by other members of the San Miguel group (other than SMFB and its subsidiaries) or by entities to which SMC has granted licenses. Although SMFB and its subsidiaries rely heavily on the San Miguel brand name for its beverage businesses, it has little or no control over how these other parties use the brand. Consequently, SMFB and its subsidiaries' brand image could be negatively affected by product quality or other reputational problems caused by these other users of SMC's brands and trademarks. Any incident that diminishes consumer affinity with SMFB and its subsidiaries' brands could significantly reduce their value and harm the business. A decline in the brand equity of the San Miguel name could weaken SMFB and its subsidiaries' competitive position, reduce sales, and negatively affect results of operations, potentially causing lasting reputational damage.

Furthermore, SMFB and its subsidiaries may be adversely impacted by negative news coverage or publicity, whether accurate or not, relating to quality issues, public health concerns, illness, safety incidents, customer complaints or litigation, health inspection results, manufacturing practices, employee relations, or findings by government or industry regulators concerning its operations or those of its third-party partners. Similarly, information shared on social media platforms, blogs, or other internet-based channels that reach a broad audience of consumers and stakeholders could be inaccurate or unfavorable to SMFB and its subsidiaries. Such content may harm the SMFB and its subsidiaries' business performance, prospects, and reputation.

Financial risks

In the course of its operations, SMFB and its subsidiaries is exposed to various financial risks, namely:

Interest Rate Risk

SMFB and its subsidiaries' exposure to interest rate fluctuations relates primarily to long-term borrowings and investment securities. Fixed-rate borrowings or investments expose SMFB and its subsidiaries to fair value interest rate risk, while variable rate borrowings or investments expose it to cash flow interest rate risk.

Foreign Currency Risk

Exposure to foreign currency risk arises mainly from significant movements in exchange rates that could adversely affect SMFB and its subsidiaries foreign currency-denominated transactions.

SMFB and its subsidiaries import certain critical raw materials and technologically advanced equipment for capacity expansion, which require foreign currency for payment. There is no assurance that the government will not impose foreign exchange controls in the future. If implemented, such restrictions could severely limit SMFB and its subsidiaries' ability to secure essential raw materials and equipment from abroad or to meet its foreign currency obligations, potentially having a material adverse effect on its financial position and performance.

Liquidity Risk

Liquidity risk refers to the possibility that SMFB and its subsidiaries may face difficulty meeting payment obligations during abnormal or stressed conditions.

SMFB and its subsidiaries manage liquidity risks by closely monitoring accounts receivable, inventory, loans, and payables, and maintains a committed stand-by credit facility from several local banks to ensure funding availability when needed.

Prudent fund management is applied to mitigate exposure to earnings volatility arising from fluctuations in interest and foreign exchange rates. SMFB and its subsidiaries use a combination of natural hedges, which involve holding U.S. dollar-denominated assets and liabilities, and derivative instruments to manage foreign exchange rate risk.

Credit Risk

Credit risk is the potential for financial loss to SMFB and its subsidiaries if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises primarily from trade and other receivables, as well as investment securities.

Credit risk is managed through the implementation of credit approvals, established limits, and ongoing monitoring procedures. It is the policy of SMFB and its subsidiaries to transact with a diverse base of creditworthy counterparties to reduce the likelihood of significant concentration of risk. SMFB and its subsidiaries ensure that product sales are made only to customers with an acceptable credit history and maintains an internal system for monitoring credit issuance and exposure levels. Provisions are made, where necessary, for potential losses on extended credit. Where appropriate, SMFB and its subsidiaries secure collateral or enter into master netting agreements to mitigate exposure.

RISKS RELATING TO THE PACKAGING BUSINESS

Handling of products

While the Packaging Group strictly implements product safety policies, there is no assurance that products packaged by the Packaging Group would not be contaminated during manufacturing, distribution, or retail process. Lack of care in the handling or storage by distributors of products produced by the customers of the Packaging Group, tampering, vandalism, or terrorist activities could result in the contamination or adulteration of the finished products. Any lack of care or tampering of such products, especially in instances where it is not readily capable of detection, could negatively impact the reputation of the Packaging Group and may have a material adverse effect on its business, financial performance, and results of operations.

The Packaging Group is committed to providing products and services that secure the satisfaction of its customers. It adheres to various management systems, including food safety and quality, to prevent or minimize the contamination of packaging products during manufacturing, distribution, or retail process.

Competition and challenges in product development and production processes

One of the success factors of the Packaging Group is its ability to identify, adapt to, and meet changing customer requirements and trends in the industry. Any failure to timely develop and introduce new products or enhance existing products in response to changing customer requirements or industry standards could have a material adverse effect on its business, financial condition, and results of operations.

In addition, new technology or production methods require significant capital investments and could take substantial amount of time to implement. There is no assurance that the Packaging Group will successfully develop the technology and production methods that will be accepted by existing customers or attract new customers, which could have a material adverse effect on its business, financial condition, and results of operations.

The Packaging Group continues to develop and implement product innovations and improve its production technology, processes, and efficiencies in order to compete in the packaging industry.

RISKS RELATING TO THE FUEL AND OIL BUSINESS

Volatility of the price of crude oil and petroleum products may have a material adverse effect on Petron's business, results of operations and financial condition.

Petron's financial results are primarily affected by the relationship, or margin, between the prices for its refined petroleum products and the prices for crude oil that is the main raw material for these refined petroleum products. Crude oil accounted for approximately 39%, 43%, 34%, and 46% of Petron's total cost of goods sold in 2022, 2023, 2024, and as of June 30, 2025, respectively.

Many factors influence the price of crude oil, including changes in global supply and demand for crude oil, international economic conditions, global conflicts or acts of terrorism, weather conditions, domestic and foreign governmental regulation, price wars among oil producers, and other factors over which Petron has no control.

Russia-Ukraine War and Geopolitical Tensions in the Middle East

The ongoing Russia-Ukraine war and other conflicts arising in the Middle East heavily impact global oil market, threatening oil supply from these major oil producers of the world. Sanctions and export controls against Russia have constrained oil exports contributing to tighter global supply and higher prices. Meanwhile, the broader Israel-Palestine conflict – intensified by the protracted Israel-Gaza war – has also raised regional instability and uncertainty, especially

with increased threats of escalation involving Iran and its allied groups. Houthi attacks in the Red Sea have also forced diversions of tanker routes, increased freight costs and risk of supply chain disruptions in critical oil-producing regions.

These conflicts heightened the volatility in the oil market, causing sharp fluctuations in oil prices and adding inflationary pressures and economic uncertainties worldwide.

Any escalation of the conflict between Russia and Ukraine, in the Middle East, or any other global developments that will threaten supply and demand situation for oil will continue to impact global markets and prices of oil and affect Petron's financial performance.

To minimize Petron's risk of potential losses due to volatility of international crude and product prices, Petron enters into commodity hedging for crude and petroleum products. A hedging policy developed by Petron's Commodity Risk Management Department is in place. Hedges are intended to protect crude inventories from risks of downward price movements and margin contractions. Decisions are guided by the conditions set and approved by management.

Global Trade Policy and Tariff Risks

Recent developments in U.S. trade policy have introduced significant macroeconomic uncertainties. U.S. President Donald Trump has been imposing additional tariffs on imports from Canada, Mexico, China, and from all over the world, with some economies like Canada and China responding with retaliatory increases in their own tariffs on U.S. products.

These trade policy swings and resulting trade war have sparked market turmoil, with global stock and oil markets heavily fluctuating day to day. Economists have also raised concerns on possible recession, especially in the U.S., as these tariffs will result in higher cost of goods for U.S. consumers and businesses. These developments causing heightened market volatility and recession fears would further expose Petron to price volatility that may affect the Petron's financial performance.

Petron holds approximately two (2) months of crude oil and finished petroleum products inventory in the Philippines and one (1) month for Malaysia. Accordingly, since Petron accounts for its inventory using the first-in-first-out method, a sharp drop in crude oil prices could adversely affect Petron, as it may require Petron to sell its refined petroleum products produced with higher-priced crude oil at lower prices. Petron may not be able to pass crude oil price fluctuations along to its consumers in a timely manner, or at all, due to regulatory restrictions or social and competitive concerns. In rare instances in the past, there were times when the Philippine government intervened to restrict increases in the prices of petroleum products, such as during the aftermath of severe natural disasters, and lasting only for a limited period. Petron, fully cognizant of its social responsibilities, heeds the government's calls for such price restraints. The national government has likewise been supportive and understanding of Petron's financial well-being, knowing the importance of Petron being able to carry out its mandate to ensure stable and efficient energy supply for the country. Any inability to pass on fluctuations in the price of crude oil may have an adverse effect on Petron's business, results of operations and financial condition. Moreover, even if Petron were able to pass on increases in the price of crude oil to its customers, demand for its products may decrease as a result of such price increases.

Furthermore, a sharp rise in oil prices would increase Petron's requirements for short-term financing for working capital and may result in higher financing costs. Any difficulties in securing short-term financing for working capital, or unfavorable pricing terms, may have a material adverse effect on Petron's financial condition and results of operations.

To minimize Petron's risk of potential losses due to volatility of international crude and product prices, Petron enters into commodity hedging for crude and petroleum products. Petron has a Commodity Risk Management Committee that regularly meets and actively evaluates hedging policies and strategies to protect crude inventories from risks of downward price movements and provide protection from margin contractions. Decisions are guided by the conditions set and approved by management.

Outbreak of any other highly infectious or contagious disease

Infectious disease outbreaks, such as the COVID-19 pandemic in 2020, have created significant public health concerns as well as economic disruption, uncertainty, and volatility, all of which have impacted and may continue to impact Petron's businesses. While Petron has numerous initiatives in place to mitigate the adverse impact of a pandemic, the duration and extent of the impact are beyond the control of Petron.

Such factors and uncertainties, or others of which Petron is not currently aware, may result in adverse impact to Petron's businesses, results of operations, cash flows, and financial condition due to, but not limited to increased price volatility and currency exchange rates, fluctuating demand from destabilization of markets, and decline in business activity and government regulations that may restrict or limit mobility or business operations.

To mitigate the adverse impact of oil price volatility and other market developments in Petron's operations caused by the outbreak of any highly infectious or contagious disease, Petron implements various initiatives to strengthen financial position and profitability such as optimizing refinery operations, prudent expense management, re-prioritizing capital expenditures to critical and necessary, sustained implementation of dealer sales support programs and enhancing hedging programs to manage oil price volatility and currency exchange risk. Petron continuously monitors and assesses market for any developments that could impact its operations in order to proactively prepare and respond promptly to any changes.

Petron relies primarily on a small number of suppliers for a significant portion of its crude oil requirements in each of the markets in the Philippines and Malaysia

Petron acquires crude oil for the Petron Bataan Refinery primarily through its arrangements with its wholly owned subsidiary Petron Singapore Trading Pte. Ltd. ("PSTPL"), which in turn obtains crude oil from different sources, through a combination of term and/or spot purchase contracts. For Petron's requirements for various crudes for 2025, PSTPL has term contracts with Saudi Arabian Oil Company ("Saudi Aramco"), Kuwait Petroleum Corporation ("KPC"), Iraq's State Organization for Marketing of Oil ("SOMO"), and Shell International Eastern Trading Company ("SIETCO"). Pricing under these contracts is determined through a formula that is linked to international industry benchmarks. The contract with Saudi Aramco is automatically renewed annually unless either Petron or Saudi Aramco decides to terminate the contract upon at least 60 days' written notice prior to its expiration date. The contract with KPC and SOMO is from January 1, 2025 to December 31, 2025 while the contracts with SIETCO is for three (3) years from November 6, 2023. As of June 30, 2025, none of the supply contracts has been terminated.

The supply of crude oil by Saudi Aramco, KPC, SOMO, and SIETCO on term basis and several other suppliers on a spot basis is subject to a variety of factors beyond Petron's control, including geopolitical developments in and the stability of the oil-producing countries, government regulations with respect to the oil and energy industry in those regions, weather conditions and overall global economic conditions.

A disruption in the operations of Saudi Aramco, KPC, SOMO, EMEPMI, and/or other suppliers or a decision by any of them to amend or terminate their respective contracts with Petron, could impact Petron's crude oil supply. If Petron's supply of crude oil were disrupted, Petron would be required to meet any consequent supply shortfall through other suppliers or spot market purchases. Depending on market conditions at the time and timing of the disruption, such purchases from other suppliers or the spot market could be at higher prices than Petron's purchases from Saudi Aramco, EMEPMI, or other suppliers which would adversely affect Petron's financial condition and results of operations.

If Petron is unable to obtain an adequate supply of crude oil or is only able to obtain such supply at unfavorable prices, its margins and results of operations could be materially and adversely affected.

To mitigate this, Petron maintains sufficient inventory that provides ample lead time to source for supply and meet the needs of its clients, based on projected demand.

Intense competition, increasing presence of electric vehicles (EVs), and cyclicity in global and regional refining capacities.

Petron faces intense competition from many multinational and local competitors in the sale of petroleum and other related products in the markets in which it operates. Because of the commodity nature of oil products, competition in the Philippine and international markets for refined petroleum products is largely driven by price as adjusted to account for differences in product specifications and transportation and distribution costs. Participants in the retail fuel and LPG sectors in the Philippines continue to rely on aggressive pricing and discounting to expand their market share. On the other hand, Petron's Malaysian operations are mostly subject to government price controls and quotas. As a result, competition in these market sectors is based primarily on product quality, operational cost efficiency, supply chain reliability and customer value creation.

Petron's competitiveness hinges on its ability to manage costs, improve the productivity of its service station network, increase and maintain efficiency at its refineries and terminal operations, effectively hedge against fluctuations in crude

oil prices, maximize utilization of its assets and operations and comply with and obtain additional quotas from the Malaysian government. If Petron is unable to compete effectively, its financial condition and results of operations, as well as its business prospects, could be materially and adversely affected.

In addition, the Philippine oil industry is affected by ongoing smuggling and illegal trading of petroleum products. These illegal activities have resulted in decreases in sales volume and sales price for legitimate oil market participants in the Philippines. Petron's ability to compete effectively will depend to a degree on the proper enforcement of Philippine regulations by the Philippine government, which is beyond its control.

The growing popularity and rising pressure to increase the presence of EVs all over the world also pose a risk to the fuels marketing business. Several countries, including the Philippines and Malaysia, have already implemented policies and programs to encourage and incentivize the use of EVs, and transition away from the use of fossil fuels and traditional vehicles. This could result in reduced demand for gasoline and diesel, which will adversely impact Petron's revenues. While it may take a longer time for EVs to proliferate in the Philippines and Malaysia due to infrastructure limitations, Petron continues to monitor market developments, pursue and evaluate investments in EV charging stations, and strengthen Petron's non-fuel businesses, to mitigate potential impact of increasing fleet share of EVs in the industry.

Furthermore, the global and regional refining industry has historically experienced periods of tight supply, resulting in increased prices and margins, as well as periods of substantial capacity additions, resulting in oversupply and reduced prices and margins. Any downturn in prices or margins resulting from existing or future excess industry capacity could have a material adverse impact on Petron's business, financial condition and results of operations.

Petron strengthens and expands its retail and distribution network to improve its presence in both growing and high potential markets. In addition, Petron continues to invest in building brand equity to ensure consistent market recognition.

Any significant disruption in operations or casualty loss at Petron's refineries could adversely affect its business and results of operations and result in potential liabilities

Petron's operation of its refineries and implementation of its expansion plans could be adversely affected by many factors, including accidents, breakdown or failure of equipment, interruption in power supply, human error, fires, explosions, release of toxic fumes, engineering and environmental problems, natural disasters and other unforeseen circumstances and problems. These types of disruptions could result in product run-outs, facility shutdowns, equipment repair or replacement, increased insurance costs, personal injuries, loss of life and/or unplanned inventory build-up, all of which could have a material adverse effect on the business, results of operations and financial condition of Petron.

There can be no assurance that operational disruptions will not occur in the future or that insurance will adequately cover the entire scope or extent of the losses or other financial impact on Petron.

Effect of Malaysian government policies and regulations relating to the marketing of fuel products

As in many countries, the fuel business in Malaysia is regulated by the government. The Malaysian government regulates the retail pricing structure through the automatic pricing mechanism ("APM"), pursuant to which it mandates (i) the retail prices of certain refined petroleum products, and (ii) the product cost build-up. The Malaysian government may subsidize fuel prices so that increases in international crude oil and finished products prices are not fully borne by Malaysian consumers. Effective March 30, 2017, the Malaysian government implemented a managed float system under which the Malaysian government fixes the government-mandated retail prices of RON 95 and RON 97 petroleum and diesel on a weekly basis based on the Mean of Platts Singapore ("MOPS"). If government mandated prices are lower than the fuel products' total built-up cost per the APM, Petron receives subsidies from the Malaysian government. Conversely, if government mandated prices are higher than the fuel products' total built-up cost per the APM, Petron pays duties to the Malaysian government.

Petron keeps itself updated on government policies and regulations pertaining to the oil industry in Malaysia in order to identify potential regulatory risks and proactively respond to these risks.

Compliance with and renewal of licenses, permits and other authorizations and continued compliance with safety, health, environmental and zoning laws and regulations

Petron is required to maintain licenses, permits, and other authorizations for the operations of its businesses. These licenses, permits, and other authorizations contain various requirements that must be complied with to keep the same valid. If Petron fails to meet the terms and conditions of any of the licenses, permits or other authorizations necessary for operations, these operations may be suspended or terminated.

There can be no assurance that Petron will continue to be able to renew the necessary licenses, permits, and other authorizations as necessary or that such licenses, permits, and other authorizations will not be revoked. If Petron is unable to obtain or renew them or is only able to do so on unfavorable terms, this could have an adverse effect on Petron's business, financial condition, and results of operations.

While Petron believes that it has, at all relevant times, materially complied with all applicable laws, rules and regulations and that all requirements, permits, and approvals are obtained in a timely manner, there is no assurance that changes in laws, rules or regulations or the interpretation thereof by relevant government agencies, will not result in Petron having to incur substantial additional costs or capital expenditures to upgrade or supplement its existing facilities, or being subject to fines and penalties.

Petron maintains a strong compliance culture and monitors government policies and regulations to enable Petron to identify potential regulatory risks and proactively respond to such risks.

Failure to respond quickly and effectively to product substitution or government-mandated product formulations

Any potential increase in oil prices and environmental concerns could make it more attractive for Petron's customers to switch to alternative fuels such as compressed natural gas and electric vehicles for transport and liquefied natural gas for power. Additionally, increasing biofuels content in gasoline and diesel effectively displaces refinery-produced products. For instance, the Philippine government has recently announced its mandate to increase coco methyl ester ("CME") content of biodiesel from 2% to 3%, beginning October 1, 2024, and may further increase to 4% by 2025 and 5% by 2026. In addition, the government also targets to increase ethanol content in gasoline from the current 10% to 20% by 2040.

If Petron does not respond quickly and effectively to product substitutions or government mandated product formulations in the future, its business and prospects may be adversely affected.

To ensure adherence to government product substitution requirements, Petron monitors developments in government policies and coordinates with regulators.

Reliance on significant capital expenditures and financing which are required to implement business strategies, as well as debt levels possibly adversely affect financial conditions and results of operations

Petron's business is capital intensive. Specifically, the processing and refining of crude oil and the purchase, construction and maintenance of machinery and equipment require substantial capital expenditures. Petron's ability to maintain and increase its sales, net income and cash flows could be impacted by the timely and successful completion and execution of its planned capital expenditure projects. Specifically, Petron intends to (i) reap the full benefits of its completed investments such as the new powerplant in the Petron Bataan Refinery, Diesel Hydrotreater and Marine Import Facility in the Port Dickson Refinery, (ii) continue investment in the Petron Bataan Refinery facilities to (a) ensure reliability and efficiency of critical refinery processes, and (b) maximize production of higher-value products; (iii) continue to build service stations in high-growth or high-volume sites and expand its retail network for its LPG, lubes, and non-fuel segment; (iv) expand and upgrade its logistics capacity and tank truck fleet, and (v) expand Malaysia operations with new service stations and facilities improvements in the Port Dickson Refinery and construction of new terminals to increase market reach in compliance with applicable regulations.

If Petron fails to complete its planned capital expenditure projects on time or within budget or at all, or to operate its facilities at their designed capacity, it may be unable to achieve the targeted growth in sales and profits, and its business, results of operations and financial condition could be adversely affected. Furthermore, there can be no assurance that the Petron Bataan Refinery will run at the expected capacity or achieve the expected production profile, or that there will be sufficient demand and logistical support for Petron's production. Any of the foregoing factors could adversely affect Petron's business, financial condition and results of operations.

Petron judiciously monitors its capital expenditure projects and ensures costs are within budget and progress is on track. Petron likewise practices prudent financial management.

Changes in applicable taxes, duties and tariffs

Petron's operations are subject to various taxes, duties and tariffs.

The tax and duty structure of the oil industry in the Philippines has undergone some key changes in recent years. For example, duties for the import of crude oil and petroleum products into the Philippines were increased on January 1, 2005 from 3% to 5%, and these duties were subsequently reduced to 0% with effect from July 4, 2010 (except for certain types of aviation gas). Furthermore, the Philippine government imposed an additional 12% VAT on the sale or importation of petroleum products in 2006.

There can be no assurance that any future tax changes in the Philippines or Malaysia would not have a material and adverse effect on Petron's business, financial condition and results of operations. Petron maintains a strong compliance culture and monitors government policies and regulations to enable Petron to identify potential regulatory risks and proactively respond to such risks.

Fluctuations in the value of the Philippine Peso and the Malaysian Ringgit against the U.S. Dollar

The substantial majority of the Petron's revenues are denominated in either Philippine Pesos or Malaysian Ringgit, while the substantial majority of its expenses, including crude oil purchases and foreign currency denominated debt service costs, are denominated in U.S. dollars. In the year ended December 31, 2022, 2023, 2024 and in the first six (6) months of 2025, approximately 43%, 45%, 43% and 50%, respectively, of the company's revenues were denominated in Philippine Pesos, approximately 33%, 31%, 28% and 28% respectively, of its revenues were denominated in Malaysian Ringgit, while approximately 81%, 74%, 75% and 71%, respectively, of its cost of goods sold were denominated in U.S. dollars. In addition, as of June 30, 2025, 28% of the company's outstanding debt was denominated in U.S. dollars. Petron's financial reporting currency is the Peso, and therefore depreciation of the Peso relative to the U.S. dollar would result in increases in the company's foreign currency denominated expenses as reflected in its Peso financial statements, and could also result in foreign exchange losses resulting from the revaluation of foreign currency denominated assets and liabilities, including increases in the Peso amounts of Petron's U.S. dollar-denominated debt obligations, thereby adversely affecting Petron's results of operations and financial condition.

While Petron uses a combination of natural hedges, which involve holding U.S. dollar-denominated assets and liabilities, and derivative instruments to manage its exchange rate risk exposure, its exchange rate exposures are not fully protected. There can be no assurance that the value of the Peso or the Malaysian Ringgit will not decline or continue to fluctuate significantly against the U.S. dollar, and any significant future depreciation of the Peso or the Malaysian Ringgit could have a material adverse effect on Petron's margins, results of operations and financial condition.

Petron undertakes hedging of foreign exchange risk to manage its exposure to foreign currency denominated liabilities and the risk posed by foreign exchange fluctuations in the cost of its imported petroleum products.

Dependence on experienced, skilled and qualified personnel and management team

Petron depends on experienced, skilled and qualified personnel for the management and operation of its business. Loss or shortage of such experienced, skilled or qualified personnel may lead to operating challenges and may incur additional costs in hiring and training new personnel given the high investment in technical trainings and long learning curve needed to train such personnel. Increasing competition in sourcing talents also poses an added challenge as companies vie to attract and employ people with the desired competencies. Inability to identify and train replacement employees (including the transfer of significant internal historical knowledge and expertise to new employees), the limited qualified talent in the labor market, and rising cost of contract labor may adversely affect the company's ability to manage and operate its business. The loss of a significant number of qualified personnel, if not well-managed, may disrupt and affect Petron's entire operations, outputs, and financials.

In addition, Petron significantly relies on, and will likely continue to rely on, the continued individual expertise and collective contributions of its management team. Petron recognizes that these key personnel may separate from Petron at any point (e.g., by retirement or resignation, among others); thus, a sound management succession plan is in place. However, the inability to retain and engage members of its management team or failure of the succession plan to materialize could have a material adverse effect on the overall operation of its business.

To mitigate this risk, Petron ensures that its compensation and benefit packages for its management, officers, staff and rank-and-file are comprehensive, relevant, and at par with industry standards. Promotions and pay raises are given to select employees as a recognition of their outstanding work performance. In addition, performance appraisals are conducted regularly to ensure the alignment of employees' outputs towards Petron's corporate objectives and targets.

Petron's controlling shareholders may have interests that may not be the same as those of other shareholders

SMC, directly and indirectly, holds an effective 71.78% of Petron's outstanding common equity as of June 30, 2025. SMC is not obligated to provide Petron with financial support. The interests of SMC may differ from those of the other shareholders. SMC may direct Petron in a manner that is contrary to the interests of the shareholders. There can be no assurance that conflicts of interest between SMC and the other shareholders will be resolved in favor of Petron's shareholders. If the interests of SMC conflict with the interests of Petron, Petron could be disadvantaged by the actions that SMC chooses to pursue.

Petron has adopted and consistently implemented appropriate corporate governance procedures and policies consistent with Philippine law and industry best practices to reduce or eliminate conflict of interest.

In addition, while Petron expects to benefit from its ongoing relationship with SMC and its subsidiaries and affiliates through their global reach and relationships, there can be no assurance that SMC will allow Petron to have access to such benefits.

Petron may fail to integrate acquired businesses properly

From time to time, Petron considers selective opportunities to expand both domestically and outside the Philippines through strategic acquisitions consistent with its focuses on increased production of diesel, gasoline, jet fuel, kerosene and LPG ("**White Products**"), expansion of its sales network and logistics capability, and the creation of operational synergies. However, there can be no assurance that Petron will be able to integrate its acquisitions fully in line with its strategy. Any failure to do so could have a material adverse effect on the business, results of operations and financial condition of Petron. To mitigate such risk, Petron conducts a thorough due diligence to identify any challenges and risks before any acquisition, and also develops a detailed integration plan with a dedicated team working on the project and its successful transition and integration. After any acquisition, Petron also continues to closely monitor and review the financial and operational performance of the acquired business and ensure smooth transition and integration.

The number or severity of claims for which Petron is insured increases

Petron's refining of crude oil and marketing and distribution of refined petroleum products in the Philippines and Malaysia are subject to inherent risks, such as equipment defects, malfunctions, failures or misuse, which could cause environmental pollution, leaks or spills, personal injury or loss of life, as well as damage to and destruction of the environment, which could result in liabilities that exceed Petron's insurance coverage and have a material adverse effect on its financial condition and results of operations. Petron could also be adversely affected by business interruptions caused by war, terrorist activities, mechanical failure, human error, political action, labor strikes, fire and other circumstances or events.

Petron uses a combination of reinsurance and purchased insurance to cover its properties and certain potential liabilities. Petron's insurance coverage includes property, marine cargo and third-party liability, as well as personal injury, accidental death and dismemberment, sabotage and terrorism, machinery breakdown and business interruption. One of the main insurance policies of Petron, the Industrial All Risk (the "**IAR**") policy, covers the Petron Bataan Refinery for material damages and machinery breakdown. All insurance policies relating to Petron's Philippine operations are written by Petrogen Insurance Corporation ("**Petrogen**"), formerly a wholly-owned subsidiary. In January 2021, SMC made a ₱3.0 billion equity investment in Petrogen, enabling Petrogen to expand its insurance business. For its Malaysian operations, Petron purchases insurance from Malaysian insurance companies, consistent with Malaysian law. Petron estimates the liabilities associated with the risks retained by it, in part, by considering historical claims, experience and other actuarial assumptions which, by their nature, are subject to a degree of uncertainty and variability. Among the causes of this uncertainty and variability are unpredictable external factors affecting future inflation rates, discount rates, litigation trends, legal interpretations and actual claim settlement patterns.

Petron regularly reviews and updates its insurance policies to ensure it is reasonably protected from foreseeable events and risks.

Existing or future claims against Petron, its subsidiaries, associates or joint ventures, or directors or key management

From time to time, Petron, its subsidiaries, associates or joint ventures, or directors or key management may be subject to litigation, investigations, claims and other legal proceedings. Legal proceedings could cause Petron to incur unforeseen expenses, occupy a significant amount of management's time and attention, and negatively affect Petron's business operations and financial position. Further, legal proceedings could continue for a prolonged period of time and be time-consuming with unpredictable outcomes and it is difficult for Petron to predict the possible losses, damages or expenses arising from such legal proceedings. An unfavorable outcome in these or other legal proceedings could have a material adverse effect on Petron's business, financial position, results of operations and cash flows. With respect to the ongoing legal cases, while the final outcomes of these legal proceedings are not certain, Petron believes it has strong legal grounds in each of these legal proceedings. In certain cases, Petron has made provisions in its financial statements for possible liabilities arising from adverse results of these legal proceedings.

Changes in applicable accounting standards

The PFRS Council issues, from time to time, new standards and amendments to existing standards and interpretations. There can be no assurance that the Petron's financial condition, results of operations or cash flows will not appear to be materially worse under the new standards. Furthermore, any failure to successfully adopt the new standards may adversely affect Petron's results of operations or financial condition.

Petron evaluates and studies the impact (if any) of these new standards upon pronouncements of governing bodies. Disclosures of these standards are included in the annual and quarterly notes to financial statements of Petron. Annual trainings and guided simulations are conducted for the concerned personnel prior to the adoption of such standards to ensure proper compliance. Necessary updating and changes in accounting policies and procedures are also undertaken as part of preparation and implementation.

RISKS RELATING TO THE ENERGY BUSINESS

Increased competition in the Philippine power industry

The Government has sought to implement measures designed to enhance the competitive landscape of the power market, particularly for the unregulated sectors of the industry. These measures include the privatization of National Power Corporation of the Philippines ("NPC") -owned and -controlled power generation assets, the establishment of the WESM, the start of the Retail Competition and Open Access ("RCOA"), the implementation of mandatory competitive selection process ("CSP") for distribution utilities, the implementation of the green energy option, which allows eligible end-users to directly contract with a renewable energy supplier, the implementation of the Renewable Portfolio Standards ("RPS"), which mandates electricity suppliers to source an agreed portion of their energy supply from eligible renewable energy ("RE") resources, and the establishment of the Renewable Energy Market ("REM"), a venue for the trading of Renewable Energy Certificates ("RECs") and for the compliance of electricity suppliers with their RPS obligations. Further, Republic Act No. 10667 or the Philippine Competition Act was enacted to enhance economic efficiency and promote free and fair competition in trade, industry and all commercial economic activities, prevent economic concentration which will manipulate or constrict the discipline of free markets, and penalize all forms of anti-competitive agreements, abuse of dominant position and anti-competitive mergers and acquisitions, with the objective of protecting consumer welfare and advancing domestic and international trade and economic development.

The move towards a more competitive environment could result in the emergence of new and numerous competitors. These competitors may have greater financial resources and may have more extensive experience than SMGP, giving them the ability to respond to operational, technological, financial and other challenges more quickly than SMGP. These competitors may therefore be more successful than SMGP in acquiring existing power generation facilities or in obtaining financing for, and the construction of, new power generation facilities, or in successfully bidding at CSPs conducted by the National Grid Corporation of the Philippines ("NGCP") and distribution utilities. The type of fuel that competitors use for their generation facilities may also allow them to produce electricity at a lower cost and to sell electricity at a lower price. In addition, other sources for the provision of ancillary services may arise, including technological developments or establishment of new market regimes, which may increase competition and reduce prevailing prices for these services. Moreover, a decline in oil and gas prices, which reduces the cost of producing electricity from fossil fuels, could make energy storage solutions integrated with renewable energy sources less competitive against other solutions including conventional generation. SMGP may therefore be unable to meet the competitive challenges it will face.

As a result of increased competition, SMGP could also come under pressure to review or renegotiate the terms of existing offtake agreements with customers, which may lead to a downward adjustment of tariffs, and could adversely affect the business, financial performance and results of operations of SMGP. To the extent that distribution utilities or industrial offtakers agree to purchase from other generation companies instead of purchasing from SMGP, or SMGP is unable to participate or otherwise successfully compete in bids for supply contracts, the ability of SMGP to increase its sales and sell additional electricity to distribution utilities or industrial offtakers through its generation facilities would be adversely affected.

Availability of financing and significant long-term debt as well as perpetual capital securities

SMGP expects to fund its expansion and growth plans through a combination of internally generated funds and external financing. The continued access to debt and equity financing of SMGP is subject to factors, many of which are outside of the control of SMGP. Political instability, economic downturn, social unrest, or changes in the Philippine regulatory environment could increase the cost of borrowing, decrease the price of its securities, or restrict the ability of SMGP to obtain debt or equity financing. In addition, recent disruptions in global capital and credit markets may continue indefinitely or intensify. Disruptions in the global capital and credit markets, including as a result of geopolitical tensions and uncertainties caused by events such as the Israeli–Palestinian conflict, the Russian invasion of Ukraine, rising tensions between Russia and the European Union and the U.S., as well as between the U.S. and China, and the potential for the continuation of global trade wars between key economic powers, such as the imposition by the U.S. of a 17% reciprocal tariff on Philippine exports to the United States, as well as tariffs at different rates on exports from over 180 other countries aimed at addressing trade imbalances between the U.S. and several other countries, could adversely affect SMGP’s ability to access the liquidity needed to maintain its business and pursue its growth plans.

Other factors affecting the ability of SMGP to borrow include (i) Philippine regulations limiting bank exposure (including single borrower limits) to a single borrower or related group of borrowers; (ii) compliance by SMGP with existing debt covenants, which include debt to equity ratio and debt service coverage ratio covenants; and (iii) the ability of SMGP to service new debt. The inability of SMGP to obtain financing from banks and other financial institutions or from capital markets would adversely affect its ability to execute its expansion and growth strategies and have a material adverse effect on the business, financial condition, and results of operations of SMGP.

In addition, SMGP has significant long-term debt, finance lease obligations, and perpetual capital securities.

As of June 30, 2025, the long-term debt of SMGP consists of the following: ₱55.3 billion (U.S.\$981.7 million) fixed rate bonds listed on the Philippine Dealing & Exchange Corp., ₱7.5 billion (U.S.\$133.1 million) five-year corporate notes, ₱9.5 billion (U.S.\$168.6 million) fixed rate 5-year term loan facility, U.S.\$300 million term loan, U.S.\$300 million term loan, U.S.\$300 million term loan, U.S.\$100 million term loan, U.S.\$100 million term loan, ₱28.0 billion (U.S.\$497.1 million) term loan of LPI, ₱12.9 billion (U.S.\$229.0 million) term loan of MPI, ₱38.0 billion (U.S.\$674.6 million) term loan of SMGP BESS under a 12-year Omnibus Loan and Security Agreement, ₱5.5 billion (U.S.\$97.6 million) loan of MPCL under an Omnibus Refinancing Agreement (“ORA”), U.S.\$365.9 million loan of MPCL under an Omnibus Expansion Financing Agreement, and ₱41.9 billion (U.S.\$743.8 million) term loan of MPGC under a 10-year Omnibus Loan and Security Agreement. As of June 30, 2025, the current liabilities of SMGP included accounts payable and accrued expenses of ₱93,602.6 million (U.S.\$1,661.7 million) and finance lease liabilities (current portion) of ₱4,656.9 million (U.S.\$82.7 million).

On April 25, 2019, SMGP issued U.S.\$500 million senior perpetual capital securities and on July 3, 2019, SMGP issued an additional U.S.\$300 million senior perpetual capital securities, which were consolidated into and form a single series with the U.S.\$500 million senior perpetual capital securities issued on April 25, 2019. The outstanding amount comprising the aggregate U.S.\$800 million senior perpetual capital securities issued in April and July 2019 was redeemed by SMGP in full on the relevant step up date of April 25, 2024. On November 5, 2019, SMGP issued U.S.\$500 million senior perpetual capital securities, which were redeemed by SMGP in full on May 12, 2025. On January 21, 2020, SMGP issued U.S.\$600 million senior perpetual capital securities and on October 21, 2020, SMGP issued the U.S.\$400 million senior perpetual capital securities, followed by an issuance of U.S.\$350 million senior perpetual capital securities on December 15, 2020, which were consolidated into and form a single series with the U.S.\$400 million senior perpetual capital securities issued on October 21, 2020. On May 21, 2021, SMGP executed a U.S.\$100 million syndication agreement relating to the U.S.\$200 million facility agreement dated March 9, 2021. On June 9, 2021, SMGP issued U.S.\$600 million senior perpetual capital securities followed by an issuance of U.S.\$150 million senior perpetual capital securities, which were consolidated into and form a single series with the U.S.\$600 million senior perpetual

capital securities issued on June 9, 2021. On August 26, 2022, SMGP drew U.S.\$300 million on its facility agreement with foreign banks executed on August 18, 2022. On April 19, 2024, SMGP issued U.S.\$800 million redeemable perpetual securities at an issue price of 100% in favor of a foreign financial institution.

On September 6, 2024, SMGP drew U.S.\$200 million on its facility agreement with foreign banks executed on August 30, 2024. On September 12, 2024, SMGP issued U.S.\$800 million senior perpetual capital securities, followed by an issuance of U.S.\$100 million senior perpetual capital securities on September 30, 2024, which were consolidated into and form a single series with the U.S.\$800 million senior perpetual capital securities issued on September 12, 2024. On October 9, 2024, SMGP drew an additional U.S.\$100.0 million from the facility agreement with foreign banks executed on August 30, 2024. On December 2, 2024, SMGP issued the U.S.\$500 million senior perpetual capital securities, followed by an issuance of U.S.\$100 million senior perpetual capital securities on February 19, 2025, which were consolidated into and form a single series with the U.S.\$500 million senior perpetual capital securities issued on December 2, 2024. On May 19, 2025, SMGP drew U.S.\$100 million from a facility agreement with a foreign bank executed on May 9, 2025. Similarly, on May 19, 2025, SMGP drew U.S.\$100 million from a facility agreement with another foreign bank executed on May 13, 2025 for refinancing purposes.

On May 28, 2021, SMGP drew ₱5.0 billion (U.S.\$88.8 million) from its existing loan agreement with a Philippine bank executed on May 28, 2020. On January 17, 2023, MPCL agreed with local bank lenders to amend its ORA amounting to U.S.\$145.8 million into a Philippine Peso-denominated loan amounting to ₱8.2 billion (U.S.\$145.6 million), subject to a floating interest rate with maturities up to January 2030. MPCL holds a one-time right to convert the loan into a fixed interest rate borrowing on the second anniversary. On June 15 and August 8, 2023, SMGP drew ₱5.0 billion (U.S.\$88.8 million) and ₱2.5 billion (U.S.\$44.4 million), respectively, from a ₱10.0 billion (U.S.\$177.5 million) corporate notes facility agreement executed on June 9, 2023. On October 27, 2023 and March 25, 2024, SMGP BESS drew the first tranche and second tranche, respectively, amounting to ₱28.0 billion (U.S.\$497.1 million) and ₱12.0 billion (U.S.\$213.0 million), respectively, from the ₱40.0 billion (U.S.\$710.1 million) Omnibus Loan and Security Agreement executed on October 23, 2023 with various local banks. On July 19, 2024, SMGP availed of a ₱10.0 billion (U.S.\$177.5 million) term loan from a facility agreement executed on July 17, 2024, with a local bank. On December 27, 2024 and March 27, 2025, MPGC drew the first tranche and second tranche, respectively, amounting to ₱32.5 billion (U.S.\$567.0 million) and ₱9.4 billion (U.S.\$166.9 million), respectively, from the Omnibus Loan and Security Agreement executed on December 17, 2024 with various local banks.

There is no assurance that SMGP will be able to refinance or obtain additional financing when needed on commercially acceptable terms or at all. Any additional debt financing may place restrictions on SMGP, which may, among others:

- increase vulnerability to general adverse economic and industry conditions;
- limit ability to pursue growth plans;
- limit ability to raise additional financing and access credit or equity markets to satisfy its repayment obligations as they become due on favorable terms, or at all;
- require SMGP to dedicate a substantial portion of cash flow from operations to payments on debt and capital securities, thereby reducing the availability of its cash flow to fund capital expenditure, working capital requirements and other general corporate purposes; and/or;
- limit its flexibility in planning for, or reacting to, changes in its business and its industry, either through the imposition of restrictive financial or operational covenants or otherwise.

Suspension of issuance and renewal of RES licenses

SMGP requires retail electricity supplier (“RES”) licenses to conduct its retail supply business. RES licenses are issued by the ERC and there is no assurance that the ERC will not suspend the issuance or renewal of RES licenses. For example, in June 2015, the DOE through Department Circular (“DC”) 2015-06-0010 enjoined the ERC to immediately issue the supporting guidelines including the revised rules for issuance of RES licenses. In compliance with the department circular, the ERC issued the following resolutions to govern the issuance of new RES licenses and renewal of existing RES licenses and the registration of retail customers (collectively, the “**2016 ERC RES Issuances**”):

- Resolution No. 5, Series of 2016, entitled “A Resolution Adopting the 2016 Rules Governing the Issuances of the Licenses to Retail Electricity Suppliers (RES) and Prescribing the Requirements and Conditions Therefor” (the “**RES License Guidelines**”)
- Resolution No. 10, Series of 2016, entitled “A Resolution Adopting the Revised Rules for Contestability”
- Resolution No. 11, Series of 2016, entitled “A Resolution Imposing Restrictions on the Operations of Distribution Utilities and Retail Electricity Suppliers in the Competitive Retail Electricity Market”

- Resolution No. 28, Series of 2016, entitled “Revised Timeframe for Mandatory Contestability, Amending Resolution No. 10, Series of 2016 Entitled Revised Rules for Contestability”

However, in February 2017, the Philippine Supreme Court, acting on a petition filed by certain entities, issued a temporary restraining order on the implementation of DC 2015-06-0010 and the 2016 ERC RES Issuances. In response to the temporary restraining order, and to provide guidance to relevant power industry players, the DOE issued DC 2017-12-0013 and DC 2017-12-0014 encouraging eligible contestable customers to voluntarily participate in RCOA. In 2019, the DOE issued DC 2019-07-0011, amending various issuances on the implementation of the RCOA. DC 2019-07-0011 provides that the registration of contestable customers as trading participants in the WESM shall be on a voluntary basis and that contestable customers shall source its electricity supply requirements from ERC-licensed/authorized suppliers. In light of the temporary restraining order issued by the Philippine Supreme Court, the ERC, in its meeting held on October 3, 2019, approved the resumption of the issuance of RES licenses using ERC Resolution No. 1, Series of 2011.

On March 2, 2021, the Philippine Supreme Court promulgated its decision, a copy of which was made publicly available on September 24, 2021, finally declaring DC 2015-06-0010 and the 2016 ERC RES Issuances, void for being bereft of legal basis. As a result, the temporary restraining order issued by the Philippine Supreme Court in February 2017, which enjoined the DOE and ERC from implementing DC 2015-06-0010 and the 2016 ERC RES Issuances, has been made final. In the same decision, the Philippine Supreme Court also directed the ERC to promulgate the supporting guidelines to DC 2017-12-0013 and DC 2017-12-0014.

In order to address gaps, ensure adherence to policy objectives and strengthen competition, on 24 August 2024, the ERC issued ERC Resolution No. 13, Series of 2024, entitled “A Resolution Adopting the Omnibus Rules for Customer Choice Programs in the Retail Market” (“**2024 Omnibus Rules for Customer Choice Programs**”), which provides, among others, the procedures for obtaining a RES license.

SMGP has two RES licenses, issued to its subsidiaries LPI and MPCL, which have a term of five years each and are both valid until September 29, 2028. The ability of SMGP to directly contract with contestable customers may be limited if (a) the existing RES licenses are not timely renewed, or (b) the authority of the ERC to issue ERC licenses on the basis of the 2024 Omnibus Rules for Customer Choice Programs, and the RES licenses issued and renewed by the ERC on such basis, are questioned.

Such limitation on the ability of SMGP to directly contract with contestable customers could have a material adverse effect on the business, financial condition and results of operations of SMGP.

Disruptions and fluctuations in availability and cost of fuel supply

The operations of the Sual Power Plant, Ilijan Power Plant, Masinloc Power Plant, Limay Greenfield Power Plant, Davao Greenfield Power Plant and Mariveles Greenfield Power Plant depend on the availability of fuel, in particular coal and natural gas. SMGP, through its subsidiaries, is responsible, at the cost of the latter, for supplying the fuel requirement of the Sual Power Plant, Ilijan Power Plant, Masinloc Power Plant, Limay Greenfield Power Plant, Davao Greenfield Power Plant and Mariveles Greenfield Power Plant. SMGP, through its subsidiaries, has entered into fuel supply agreements for its power plants and, subject to regulatory approval, is able to pass on the fuel cost to its customers (particularly for distribution utilities and electric cooperatives).

There is no assurance that there will not be any interruption or disruption in, or change in terms of, the fuel supplies to these power plants, or that future power supply agreements will allow the impact of fuel price fluctuations to be passed through to the customer (which could have result in positive or negative exposure), or that there will be sufficient fuel in the open market at competitive prices or sufficient transportation capacity available to ensure that these power plants receive sufficient fuel supplies required for their operations on a timely basis or at all. Moreover, geopolitical tensions and uncertainties caused by events such as the Russian invasion of Ukraine, the Israeli–Palestinian conflict, escalation in the longstanding conflict between Israel and Iran, changes in foreign policy or regulatory requirements, trade restrictions, higher tariffs and changes to existing tariffs, or the imposition of additional regulations relating to the import or export of products such as fuel supplies have impacted global trade and supply chains and adversely affected SMGP’s ability to access fuel supplies at competitive prices or in sufficient amounts for the operations of its power plants.

There is also no assurance that SMGP, through its subsidiaries, will be able to purchase all of its required fuel supplies from its regular suppliers that produce fuel of acceptable and known quality. Consequently, SMGP could experience

difficulties ensuring a consistent quality of fuel, which could negatively affect the stability and performance of these power plants.

For example, the Ilijan Power Plant sourced natural gas for its operations from the Malampaya gas facility in Palawan (“**Malampaya**”) during the term of the Ilijan IPPA Agreement. In 2022, prior to the turnover of the Ilijan Power Plant to SPPC, frequent and extended gas supply restrictions on the Malampaya gas fields were experienced. In January 2022, the Indonesian government imposed a coal export ban, which was gradually lifted as its domestic power plants stockpiled their coal inventories. While coal sourced from Indonesia accounts for approximately 80% to 90% of SMGP’s coal supply, the ban did not adversely impact plant operations.

SMGP has invested in circulating fluidized bed (“**CFB**”) or supercritical power plants (for the Limay Greenfield Power Plant, Davao Greenfield Power Plant, Units 3, 4 and 5 of the Masinloc Power Plant and Mariveles Greenfield Power Plant) that can use low-grade coal and has retrofitted its existing pulverized coal (“**PC**”) power plants (Masinloc Units 1 and 2) to use low-grade coal, which is also less expensive and relatively more abundant compared to high-grade coal (i.e., coal of 6,000 kcal upwards). There can be no assurance that SMGP will be able to obtain the quality of coal in such quantities that it requires for its operations.

SMGP has a contract with an international trader-supplier that can source coal supply from other countries such as Australia, if needed and has fuel supply agreements with international coal suppliers such as Vitol Asia Pte. Ltd. (“**Vitol**”) and PT Bayan Resources Pte. Ltd. (“**Bayan**”). Coal inventory levels during the period run at about one to one and a half months. If necessary, inventory from the portfolio of its power plants can be allocated to those plants urgently needing replenishment. SMGP also sourced domestic suppliers to potentially cover its coal requirements to mitigate the impact of the restriction. Reduced supply of high-grade coal may also cause disruptions in SMGP’s fuel supply. Effective March 2025, Indonesia introduced a benchmark price (“**HBA**”) which serves as a floor price for domestic and export sales of Indonesian coal. The introduction of HBA may impact existing and future coal contracts of SMGP in view of the set floor price (which may be higher than prevailing market prices). SMGP has been able to pass-through the increase in coal prices in the majority of its contracted capacity.

Such factors, which may include events which are beyond the control of SMGP, could affect the normal operation of these power plants or incur significant costs to source replacement power or to reconfigure its plants, which could have a material adverse effect on the business, financial condition and results of operations of SMGP.

Reliance on IPP for the operation and maintenance of the San Roque Power Plant

Power generation involves the use of highly complex machinery and processes, and the success of SMGP depends on the effective maintenance of equipment for its power generation assets. The IPP of the San Roque Power Plant is responsible for its operation and maintenance.

Although the energy conversion agreement (“**ECA**”) for the San Roque Power Plant contains bonus and penalty provisions, and SMGP monitors the IPP’s adherence to the minimum operating protocols specified in the IPPA and ECA, there is still a risk that the IPP will fail to satisfactorily perform its operations and maintenance obligations. Any failure on the part of the IPP to properly operate and/or adequately maintain the San Roque Power Plant will result in the failure of SRHI to deliver electricity, and the counterparties of SRHI in its power supply contracts (“**PSCs**”) may have a right to terminate those contracts for outages beyond applicable outage allowances in the PSCs, and replacement contracts may not be entered into on comparable terms or at all. Any of the foregoing could have a material adverse effect on the financial and operating performance of SMGP.

Market limitations under the Electric Power Industry Reform Act of 2001 (“EPIRA”)

The EPIRA limits the market share of a participant to 30% per grid and 25% of the National Grid by installed capacity. Based on the total installed generating capacities reported in the ERC Resolution on Grid Market Share Limitation and corresponding press release dated March 17, 2025 issued by the ERC (using January to December 2024 operations data for generation facilities), SMC’s market share was approximately 22% of the National Grid, 28% of the Luzon Grid, 5% of the Visayas grid and 9% of the Mindanao Grid⁷. Market share is computed by dividing the relevant installed generating capacity for the period by the total installed generating capacity of Luzon Grid, Visayas grid, Mindanao Grid

⁷ The ERC press release dated March 17, 2025 setting out the market share of the five largest players in the generation sector noted that certain industry developments, including change in ownership of some large generation facilities, have not been reflected yet. Accordingly, market share is subject to adjustment, including the change in ownership of the Ilijan Power Plant. In addition to the installed generation capacity attributable to SMGP, the ERC press release includes 183 MW attributable to Petron Corporation, an affiliate of SMGP through SMC.

or National Grid (19,419,592 kW, 3,383,868 kW, 4,292,586 kW and 27,096,046 kW, respectively, based on data provided under the ERC Resolution on Grid Market Share Limitation). While SMGP is currently within its market share cap (taking into account the greenfield power plants and expansion projects under construction and adjusting for the Chromite Transactions completed in January 2025), it may not receive permission to increase its capacity and market share further if this would result in exceeding the permitted capacity or market share prescribed by the EPIRA. Such inability to expand and grow the power business could materially and adversely affect the business prospects of SMGP.

Development of greenfield power projects and expansion projects of existing plants involves substantial project risks

The development of greenfield power projects and expansion projects of existing power plants involves substantial project risks. Project risks could emanate from various sources such as poor project planning, execution and contractor/subcontractor issues and unforeseen engineering and environmental considerations, among others. If not addressed in a timely manner, these issues may negatively impact the project, including delays in obtaining the relevant permits, which would ultimately affect SMGP's financial condition and results of operations, such as revenue loss resulting from delay in commercial operations.

In addition, the inability to secure adequate financing and negotiate acceptable offtake agreements could have a material adverse effect on the business, financial condition, results of operations and future growth prospects of SMGP.

Adverse effect of WESM price fluctuations

From the time the WESM for Luzon began operating in June 2006, market prices for electric power have fluctuated substantially. Unlike many other commodities, electric power can only be stored on a very limited basis and generally must be produced concurrently with its use. As a result, power prices are subject to significant volatility from supply and demand imbalances. Long-term and short-term power prices may also fluctuate substantially due to other factors outside of the control of SMGP, including:

- increases and decreases in generation capacity in the markets, including the addition of new supplies of power from existing competitors or new market entrants as a result of the development of new generation power plants or expansion of existing power plants or additional transmission capacity;
- changes in power transmission or fuel transportation capacity constraints or inefficiencies;
- electric supply disruptions, including power plant outages and transmission disruptions;
- changes in the demand for power or in patterns of power usage, including the potential development of demand-side management tools and practices;
- the authority of the ERC to review and, if warranted under applicable circumstances, adjust the prices on the WESM;
- the authority of the ERC to temporarily suspend WESM operations in cases of national and international security emergencies or natural calamities;
- climate, weather conditions, natural disasters, wars, embargoes, terrorist attacks and other catastrophic events;
- availability of competitively priced alternative power sources;
- development of new fuels and new technologies for the production of power; and
- changes in the power market and environmental regulations and legislation.

These factors could have a material adverse effect on the business, financial condition and results of operations of SMGP.

On March 3, 2014, the ERC issued an Order (the "**March 3, 2014 ERC Order**") declaring the prices in the WESM for the November and December 2013 billing months, as null and void, and ordered the PEMC, the operator of the WESM, to calculate and issue adjustment bills using recalculated prices. Subsequent orders were issued by the ERC setting the period for compliance of the March 3, 2014 ERC Order (collectively, the "**2014 ERC Orders**"). Certain parties including SPI, SPPC, SRHI and MPCL filed a request with the ERC for the reconsideration of the 2014 ERC Orders. Other generators also requested the Supreme Court to stop the implementation of the 2014 ERC Orders. On June 26, 2014, certain parties including SPI, SPPC and SRHI filed with the Court of Appeals a Petition for Review of these orders. On the other hand, MPCL filed its Petition for Review with the Court of Appeals on December 12, 2014. After consolidating the cases, the Court of Appeals, in its Decision dated November 7, 2017, granted the Petition for Review filed by SPI, SPPC, SRHI and MPCL declaring the 2014 ERC Orders null and void and accordingly reinstated and declared as valid the WESM prices for Luzon for the supply months November to December 2013. The Court of Appeals affirmed this Decision in

its March 29, 2019 Omnibus Resolution. The ERC appealed the Decision and Resolution of the Court of Appeals, which nullified and set aside the 2014 ERC Orders declaring the WESM prices for November and December 2013 void. On August 3, 2021, a Decision was rendered by the Supreme Court En Banc in a separate case declaring the March 3, 2014 ERC Order as null and void, which attained finality on October 11, 2022. Considering that this Decision of the Supreme Court En Banc covers the March 3, 2014 ERC Order, the difference between the actual Luzon WESM prices and the regulated prices (based on the March 3, 2014 ERC Order) for WESM sales and purchases by SPI, SPPC, SRHI, SMELC and MPCL amounting to up to ₱2,321.8 million will have to be settled with the Independent Electricity Market Operator of the Philippines (“IEMOP”), the current operator of the WESM) in favor of the relevant SMGP subsidiaries.

Expiration, termination, renewal and entry into offtake agreements and regulatory approvals of offtake agreements

SMGP, through its subsidiaries, has offtake agreements with various distribution utilities, electric cooperatives and large industrial and commercial users. While SMGP intends to renew or enter into new offtake agreements upon expiration to provide stable and predictable revenue streams, there is no assurance that SMGP will be able to renew or enter into new offtake agreements for similar volumes or at similar prices. If SMGP is unable to enter into new offtake agreements, SMGP will be further exposed to fluctuations in electricity prices in the WESM, which could materially and adversely affect the profitability of SMGP. Further, SMGP will not be able to enter into new offtake agreements with distribution utilities and electric cooperatives in the absence of a CSP.

SMGP regularly participates in CSPs to contract its capacity. In a CSP conducted by Meralco on January 5 and January 23, 2024, EERI, MPGC and SPPC emerged as the lowest bidders for the supply of 2,700 MW out of the 3,000 MW power requirement of Meralco with 1,200 MW, 300 MW and 1,200 MW in offered capacities, respectively. The contracts are for a term of 15 years and have a full fuel pass-through scheme. To date, all PSAs have already commenced supply.

In the CSP conducted by Meralco on February 26, 2024, LPI emerged as the winning bidder for the latter’s 400 MW power requirement. The contract commenced in August 2024 and ended on February 25, 2025 and had a full fuel pass-through scheme.

In another CSP conducted by Meralco for renewable energy contract capacity on July 17, 2024, SRHI emerged as the winning bidder for a 340 MW power supply contract for a period of ten years to commence in 2025 or upon the issuance of the ERC approval of the PSA, whichever comes later. On August 21, 2024, SRHI entered into a PSA with Meralco.

In the most recent CSP conducted by Meralco on August 28, 2024, MPCL emerged among the lowest bidders and is therefore set to supply 500 MW out of the 600 MW power requirement of Meralco. On September 2, 2024, a PSA was entered into by MPCL and Meralco with a term of 15 years to commence in 2025 and has a full fuel pass-through scheme.

When the current offtake agreements with Meralco expire and as SMGP’s greenfield power plants come online, there is no assurance that SMGP, through its subsidiaries, will be awarded contracts pursuant to any CSP conducted by Meralco or other distribution utilities or electric cooperatives, or will successfully negotiate with various contestable customers or RES, or that any new offtake agreements entered into will be on the same terms (including with respect to electricity volumes, pricing terms and any fuel pass-through scheme). In addition, there can be no assurance that Meralco and other offtakers will be able to meet future payment obligations under their respective agreements with SMGP.

For example, in a CSP conducted by Meralco in January 2021 for its 1,800 MW (net) power requirements, EERI and MPCL were awarded the following 20-year power supply agreements after emerging as the winning bidders: (i) PSA with EERI for the supply and delivery of 1,200 MW contract capacity with commercial operations date on November 26, 2024 expiring on November 25, 2044; and (ii) PSA with MPCL for the supply and delivery of 600 MW contract capacity with commercial operations date on April 26, 2025 and expiring on April 25, 2045. These PSAs were executed by the relevant parties and filed with the ERC on March 23, 2021 for approval. However, these PSAs were terminated by SMGP effective April 1, 2023 due to the non-occurrence of the acceptance date of ERC’s final approvals after the lapse of the longstop date prescribed in the respective agreements.

In another CSP conducted by Meralco in September 2019 in accordance with the requirements under DOE Circular No. DC2018-02-0003 (the “DOE CSP Policy”), SPPC was awarded two offtake contracts to supply an aggregate of 960 MW from the Ilijan Power Plant. The first contract was for the supply of 670 MW for baseload power requirements for a period of ten years from December 26, 2019 and the second contract was for the supply of 290 MW mid-merit power

requirements for a period of five years from December 26, 2019. In addition, SPI was also awarded a contract to supply 330 MW for baseload power requirements from the Sual Power Plant for a period of ten years from December 26, 2019. The three contracts were executed between Meralco and the relevant IPPAs and were implemented under provisional authority and were pending final approval from the ERC. However, on May 11, 2022, SPI and SPPC filed separate Joint Motions for Price Adjustment with Meralco for the 670 MW and 330 MW PSCs to allow SPI and SPPC to temporarily increase the contract price under their respective Meralco PSCs for the January to May 2022 billing periods in view of the unprecedented global increase in fuel and gas prices brought about by the Russia-Ukraine war. SPI and SPPC terminated their respective PSAs with Meralco effective October 4, 2022 while the 290 MW PSA was subsequently assigned by SPPC to SPI in January 2024 and the term of this PSA expired on December 25, 2024.

The business, cash flows, earnings, results of operations and financial condition of SMGP could be materially and adversely affected if SMGP is unable to successfully participate and bid for supply contracts with Meralco and other offtakers under favorable terms or at all, or if Meralco and other offtakers are unable to meet their payment obligations under existing agreements, and SMGP is unable to find new customers to replace Meralco and other offtakers, or if the relevant regulatory approvals are not released on time.

Administration of the output of SMGP's power portfolio necessarily involves significant risks

The administration of the output of power generation facilities necessarily involves significant risks, including:

- breakdown or failure of power generation equipment, transmission lines, pipelines or other equipment or processes, leading to unplanned outages and operational issues;
- flaws in the equipment design or in power plant construction;
- issues with the quality or interruptions to the supply of key inputs, including fuel or water;
- material changes in legal, regulatory or licensing requirements;
- operator error;
- performance below expected levels of output or efficiency;
- industrial actions affecting power generation assets owned or managed by the subsidiaries of SMGP or its contractual counterparties;
- pollution or environmental contamination affecting the operation of power generation assets;
- planned and unplanned power outages due to maintenance, expansion and refurbishment;
- inability to obtain or the cancellation of required regulatory, permits and approvals;
- opposition from local communities and special interest groups; and
- force majeure and catastrophic events including fires, explosions, earthquakes, volcanic eruptions, floods, and terrorist acts that could cause forced outages, suspension of operations, loss of life, severe damage, and plant destruction.

There is no assurance that any event similar or dissimilar to those listed above will not occur or will not significantly increase costs or decrease or eliminate sales derived by SMGP from its power generation assets. While the IPPA Agreement of SRHI provide certain reliefs in the event the San Roque Power Plant cannot produce or dispatch electricity, if any of the power generation assets of the San Roque Power Plant is unable to generate or deliver electricity to customers for an extended period of time which may be due to the aforementioned risks, its customers may be exempt from making certain payments so long as any such events continue. In addition, if SRHI fails to deliver electricity beyond the contractually agreed outage periods, its counterparts in its PSCs may have a right to terminate those contracts, and replacement contracts may not be entered into on comparable terms. Any of the foregoing could have a material adverse effect on the financial and operating performance of SMGP.

Operating and other risks leading to network failures, equipment breakdowns, planned or unplanned outages

Power generation is vulnerable to human error in operation, equipment failure, catastrophic events, natural disasters, sabotage, terrorist attacks or other events which can cause service interruptions, network failures, breakdowns or unplanned outages. There is no assurance that accidents will not occur with SMGP's power plants or that the preventive measures taken by SMGP will be fully effective in all cases, particularly in relation to external events that are not within its control. Moreover, any loss from such events may not be recoverable under SMGP's insurance policies. SMGP's income and cash flows will be adversely affected by any disruption of operations of its plants due to any of the foregoing risks. Any unplanned plant shutdowns for an extended period of time will have a material adverse effect on SMGP's ability to sell power and SMGP's results of operations could suffer. For example, from September 16, 2020 to May 12, 2021, the Sual Power Plant Unit 2 experienced an outage due to major turbine repairs to improve its

reliability moving forward. In the event of a service disruption, SMGP would typically seek to purchase replacement power, which may be at a significantly greater cost than power generated by it or than it is able to recover. SRHI is also entitled to reduction in the IPPA payments to PSALM for fixed and generation fees of the San Roque Power Plant that will compensate it for any loss in margins from prolonged outages. Nevertheless, any of these factors may be beyond SMGP's control, and their occurrences could have a material adverse effect on SMGP's business, financial condition or results of operations.

Insufficient insurance coverage for generation plants

SRPC, the IPP of the San Roque Power Plant, is responsible for maintaining insurance for all of the facilities, equipment and infrastructure for the power plant, with the exception of the dam and spillway, for which NPC is obligated to maintain insurance coverage. SRHI, however, is not a beneficiary of any of these insurance policies. SRHI also does not have any business interruption insurance coverage and is therefore uninsured for liabilities or any direct or indirect costs and losses which may be incurred, as a result of any business interruption that the San Roque Power Plant may experience. SMGP believes that there is no business interruption insurance available for the IPPA business model under which SRHI is currently operating. Accordingly, any uninsured liabilities or direct or indirect losses, including any third-party claims that result from an interruption to the business of SRHI, could have a material adverse effect on its financial condition and results of operations.

For the power plants of SPI, MPGC, LPI, MPI, MPCL, Kabankalan BESS and BESS facilities of SMGP BESS, these entities secure the necessary insurance for their respective power plants, the terms of which are reviewed regularly. Depending on the requirements of the relevant plant, the insurance policies may cover industrial all risks, erection all risks, business interruption, marine cargo insurance, sabotage and terrorism, physical material loss or damage caused by natural disasters, breakdowns or other events that could affect the facilities and processes used by its businesses. However, the business interruption insurance policies of LPI, MPGC, MPI, or MPCL do not cover any declines in production or adverse publicity that these entities may suffer as well as any significant resource that LPI, MPGC, MPI, or MPCL may invest to address such losses.

In addition, there is no assurance that SMGP will be able to renew these policies on similar or otherwise acceptable terms, or at all, or that SMGP will not experience a material increase in the premiums payable under its insurance policies. If one or more of SMGP's power projects were to incur a serious uninsured loss, a loss that significantly exceeds the limits of its insurance policies or any unexpected losses against which these subsidiaries are not fully insured, this could have a material adverse effect on their businesses, financial condition and results of operations.

No direct contractual and operational relationship

SRHI is dependent on the operator of the San Roque Power Plant to generate power from the same, and for SRPC to comply with their contractual obligations to NPC under its IPP Agreement. SRHI does not have a direct contractual relationship with the IPP and cannot directly enforce the IPP Agreement against the IPP. Failure by an IPP to comply with its obligations under its IPP Agreement may significantly reduce or eliminate power generation volumes or increase costs, thereby decreasing or eliminating revenues that SRHI can derive from selling the power generated by the San Roque Power Plant. Any claims for damages for breach, or other entitlement, benefit or relief under the IPPA Agreement arising from the breach, by the IPP, of its IPP Agreement obligations must be claimed by SRHI against PSALM through specified claim mechanisms. The IPPA Agreement does not permit set-off of claims, and SRHI is only entitled to payment of their claim after PSALM has received payment from the IPP of its corresponding claim. Accordingly, SRHI bears the risks associated with the lack of direct recourse against the IPP, delays in the enforcement of its claims and other risks related to pursuing claims or legal proceedings against a state-owned entity such as PSALM. Any of these factors could have a material adverse effect on the business, financial condition and results of operations of SMGP.

Foreign exchange risk

While most of the offtake agreements of SMGP allow adjustments for foreign exchange rate fluctuations, SMGP is subject to foreign exchange risk. A substantial amount of revenue from sales of power by SMGP is denominated in Philippine Pesos, while a portion of its expenses and obligations are denominated in U.S. dollars and SMGP regularly obtains financings from various foreign financial institutions and issues securities denominated in U.S. dollars. The scheduled payment obligations to PSALM pursuant to the San Roque IPPA Agreement of SRHI with PSALM is denominated in both U.S. dollars and Philippine Pesos. The proportion of U.S. dollars to Philippine Pesos payable under the San Roque IPPA Agreement is approximately 50% at the exchange rates prevailing as of the dates of the said agreement. SMGP, through its subsidiaries, also purchases coal as fuel for the Sual Power Plant and its greenfield power

projects using U.S. dollars and a significant portion of the capital expenditures required for its greenfield power projects are denominated in U.S. dollars.

In addition, certain PSAs entered into in the past by SMGP's subsidiaries had fixed price escalation mechanisms rather than tariff adjustment based on current foreign exchange rates, resulting in the inability to pass-through the impact of foreign exchange fluctuations.

A depreciation of the Philippine Peso, particularly with respect to the U.S. dollar, increases the Philippine Peso equivalent value of the foreign currency-denominated costs and obligations of SMGP. This could adversely affect the results of operations of SMGP and its ability to service its foreign currency-denominated liabilities.

SMGP actively evaluates combinations of natural hedges, such as holding U.S. dollar-denominated assets and liabilities and foreign exchange adjustments in the pricing for certain offtake contracts and derivative instruments to manage its exchange rate risk exposure. SMGP has entered into derivative contracts covering its net foreign currency denominated monetary liabilities. As a general policy, SMGP may hedge up to 50% of its exposure and subject to management approval, for more than 50% of its exposure if necessary. Less than 5% of the consolidated net foreign currency-denominated monetary liabilities of SMGP has been hedged as of June 30, 2025 through financial hedging arrangements with counterparty institutions. SMGP also considers redenomination of U.S. dollar-denominated obligations to Philippine Peso to minimize exposure to foreign exchange fluctuations. Nonetheless, there can be no assurance that the Philippine Peso will not depreciate significantly against the U.S. dollar or other currencies in the future or that such depreciation will not have an adverse effect on the growth of the Philippine economy or the financial condition of SMGP.

Variations in hydrological conditions and irrigation requirements

Hydroelectric generation is dependent on the amount and location of rainfall and river flows, which vary widely from quarter to quarter and from year to year. NPC owns and operates the dam and the dam-related facilities of the San Roque Power Plant and has obtained a water permit allowing it to use the water flow from the Agno River to generate power from the San Roque Power Plant with an allowable volume dictated by downstream irrigation requirements set by the National Irrigation Administration ("**NIA**").

The facilities of AHP are located within the Angat Watershed Reservation, which is managed by and is under the jurisdiction of NPC. NPC was issued a water permit dated November 28, 1979 by the National Water Resources Council pursuant to which NPC has authority to extract water from the Angat River for power generation purposes. In a resolution dated April 4, 2016, the National Water Resources Board ("**NWRB**") granted KWPP Holdings Corporation's petition for the transfer of the said water permit to itself and authorized its lease to AHC. The water discharged by the AHP is used for the following purposes: (i) the water outflow of the three Auxiliary Units of 6 MW capacity each (each, an "**Auxiliary Unit**" or collectively, "**Auxiliary Units**") flows to the Ipo Dam and is conveyed by Metropolitan Waterworks and Sewerage System ("**MWSS**") to Metro Manila for domestic use; and (ii) the water outflow of the four Main Units of 50 MW capacity each (each a "**Main Unit**" or collectively, "**Main Units**") flows to the Bustos Dam and is conveyed by NIA to the province of Bulacan for irrigation purposes.

The levels of hydroelectric production can therefore vary from period to period depending on the water levels in the reservoir and downstream irrigation and water supply requirements. In years of less favorable hydrological conditions, such as periods of drought or when the El Niño weather phenomenon occurs, the reservoir has low water levels, which reduces the amount of power that the San Roque Power Plant and the AHP are able to generate. This could reduce the revenues from the sale of power from the San Roque Power Plant and the AHP, which could have a material adverse effect on SMGP's business, financial condition and results of operations. Conversely, if too much rainfall occurs at any one time, such as during a typhoon, water may flow too quickly and at volumes in excess of the water intake capacity of the San Roque Power Plant and AHP, which may cause release of water using the spillway.

Challenges in successfully implementing its growth strategy

Implementing the growth strategy of SMGP involves: (i) substantial investments in new power generation facilities such as LNG power plants and expansion of existing power generation facilities; (ii) acquisitions of existing power generation capacity; (iii) entering into alliances with strategic partners; (iv) dispositions or divestment of portions of its interests in power generation facilities and other assets; (v) entering into new and developing technologies and services, such as energy storage solutions, particularly BESS and ancillary services, such as frequency regulating reserves; and (vi) targeting new markets, such as the renewable energy market.

For example, on March 1, 2024, Meralco PowerGen Corporation (“**MGen**”) and Therma NatGas Power, Inc. (“**TNGP**”, a subsidiary of Aboitiz Power Corporation), through their joint venture entity, (MGen and TNGP shareholdings at 60% and 40% each, respectively), Chromite Gas Holdings, Inc. (“**Chromite Gas Holdings**”), entered into binding agreements with SMGP and its relevant subsidiaries to jointly invest for a 67% equity interest in each of the following SMGP gas-fired power plants and assets: (i) the Ilijan Power Plant owned by SPPC, (ii) BCC Power Plant owned by EERI, and (iii) land owned by Ilijan Primeline Industrial Estate, Corp. (“**IPIEC**”) where the BCC Power Plant, the Batangas LNG Terminal and their respective related facilities are located (the “**Chromite Transactions**”). On December 23, 2024, the Philippine Competition Commission announced its decision to approve the transactions and the parties completed the Chromite Transactions on January 27, 2025. Following the completion of the Chromite Transactions, SMGP’s direct interest and corresponding cash flows associated with the Ilijan Power Plant, BCC Power Plant and related facilities and assets decreased. The impact on SMGP of this transaction, any future acquisitions or investments and dispositions cannot be fully predicted and any of the risks outlined herein, should they materialize, could have a material adverse effect on SMGP’s business, financial condition, results of operations and prospects.

The success in implementing the strategy of SMGP will depend on, among other things, its ability to identify and assess investment and acquisition opportunities as well as potential partners, its ability to successfully finance, close and integrate investments, acquisitions and relevant technologies for the production of power, its ability to manage construction of planned greenfield and expansion power projects within technical, cost and timing specifications, its ability to establish BESS projects and integrate these with the grid and support renewable energy sources, its ability to secure offtake agreements through CSP, its ability to control costs and maintain sufficient operational, financial and internal controls, the strength of the Philippine economy (including overall growth and income levels), the growth of the relevant target markets, and the overall levels of business activity in the Philippines.

In the regular course of business, SMGP enters into agreements for potential investments and acquisitions. For example, on June 28, 2024, SGLPC signed an investment and shareholders agreement with Citicore Renewable Energy Corporation for the 153.5 MW solar power plant to be constructed in Barangay Lucanin, Mariveles, Province of Bataan, that is expected to be completed in 2026. If general economic and regulatory conditions or market and competitive conditions change, or if operations do not generate sufficient funds or other unexpected events occur, SMGP may decide to delay, modify or forego some of its planned or contemplated projects or alter aspects of its growth strategy, and its future growth prospects could be materially and adversely affected. For example, SMGP may consider alternative technologies for planned power projects that will improve efficiencies and lower emissions.

The growth strategy of SMGP will also place significant demands on its management, financial and other resources. In particular, continued expansion will increase the challenges for financial and technical management, recruitment, training and retention of sufficient skilled technical and management personnel and developing and improving its internal administrative infrastructure. In addition, expansion into new markets will necessitate recruitment and development of expertise in new technologies, including natural gas and BESS technologies. Any inability to meet these challenges could disrupt the business of SMGP, reduce its profitability and adversely affect its results of operations and financial condition.

Dependence on the existence of transmission infrastructure

The transmission infrastructure in the Philippines continues to experience constraints on the amount of electricity that can be delivered from power plants to customers, as well as limited interconnectivity between the Luzon, Visayas and Mindanao grids.

SMGP and its subsidiaries are in constant consultation and communication with NGCP and other relevant Government institutions to address the transmission infrastructure requirements of SMGP and its subsidiaries. The DOE is mandated by law to prepare a Transmission Development Plan to be implemented by NGCP which aims to address projected infrastructure limitations and interconnectivity of sub-grids.

If these transmission constraints continue, the ability of SMGP to supply electricity from the San Roque Power Plant of SRHI and its operating and planned power projects, as well as the ability of SMGP to increase its geographical reach, will be adversely affected. This could have a material adverse effect on the business and revenue growth of SMGP from the sale of power.

Changes in taxation and certain tax exemptions and tax incentives

On March 26, 2021, President Rodrigo Duterte signed into law Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act ("**CREATE Law**") which introduced reforms to the corporate income tax and incentives systems. Effective July 1, 2020, the corporate income tax rate on domestic corporations has been reduced from 30% to 25%, while domestic corporations with net taxable income not exceeding ₱5 million and total assets (excluding land on which the corporation's office, plant, and equipment are situated) not exceeding ₱100 million are subject to 20% corporate income tax. The CREATE Law further enhanced certain incentives that investment promotion agencies may grant to business enterprises, such as additional deductions, increased net-operating loss carry-over, VAT exemption on importation and VAT zero-rating of local purchases of goods and services directly and exclusively used in the registered project or activity, among others. In view of the effectivity of the CREATE Law, registered business enterprises with incentives granted prior to the effectivity of the CREATE Law shall be subject to the following rules:

- (i) Registered business enterprises whose projects or activities were granted only an income tax holiday ("**ITH**") prior to the effectivity of the law shall be allowed to continue to avail of the ITH for the remaining period specified in the terms and conditions of their registration, provided that enterprises that have been granted the ITH but have not yet availed of such incentive upon the effectivity of the law may use the ITH for the period specified in the terms and conditions of their registration;
- (ii) Registered business enterprises whose projects or activities were granted an ITH prior to the effectivity of the law and that are entitled to the 5% tax on gross income earned incentive after the ITH shall be allowed to avail of the 5% tax on gross income incentive subject to the 10-year limit provided under the CREATE Law; and
- (iii) Registered business enterprises currently availing of the 5% gross income earned incentive granted prior to the effectivity of the law shall be allowed to continue to avail of such tax incentive for ten (10) years.

Registered subsidiaries of SMGP with incentives granted prior to the effectivity of the CREATE Law may continue to avail of the same, subject to the rules prescribed under the said law. One of the incentives retained is the continued use of ITH for the original periods specified in the terms and conditions of their respective registrations. However, the entitlement to 5% gross income tax after the ITH (granted to MPGC by the Authority of the Freeport Area of Bataan ("**AFAB**") is subject to the ten (10)-year limit for both incentives reckoned from the effectivity of the CREATE Law, instead of the original period of 21 years.

On November 8, 2024, President Ferdinand R. Marcos, Jr. signed the CREATE MORE Bill into law, officially making it Republic Act No. 12066 or also known as "CREATE MORE" (the "**CREATE MORE Act**"). The CREATE MORE Act took effect 15 days after its publication. The CREATE MORE Act, among others, introduced amendments to the National Internal Revenue Code of 1997, as amended (the "**Tax Code**") to enhance the tax incentive regime that registered business enterprises (e.g., BOI-registered entities) may receive, including: (i) VAT zero-rating on local purchases (which shall now include goods and services related to a registered project or activity such as janitorial, security, financial, consultancy, marketing, and administrative functions such as human resources, legal, and accounting services); (ii) VAT exemption on importation of goods and services; (iii) duty exemption on importation shall now include goods used for administrative purposes; (iv) an enhanced deductions regime; (v) income tax holiday; (vi) a registered business enterprise local tax that shall be assessed in lieu of all local taxes and local fees and charges imposed by a local government, during the period when the registered business enterprise enjoys income tax holiday or avails of the enhanced deductions regime; and (vii) a special corporate income tax of five percent (5%) in lieu of all national and local taxes as well as local fees and charges.

Under the CREATE MORE Act, registered business enterprises with incentives granted prior to the effectivity of the CREATE Law shall be subject to incentives in their certificate of registration or certificate of registration and tax exemption, and allowed to avail, or continue availing, of certain incentives until December 31, 2034.

On May 29, 2025, President Ferdinand R. Marcos, Jr. signed Republic Act No. 12214 or the Capital Markets Efficiency Promotion Act ("**CMEPA**"), subject to the President's exercise of line-item veto powers. The law took effect on July 1, 2025. CMEPA was legislated to allow capital markets to develop efficiently with least intervention from the Government. Among other amendments, CMEPA rationalized the tax rates across financial instruments through (i) the reduction of the stock transaction tax on the sale of shares listed with the Philippine Stock Exchange, (ii) the alignment of the tax treatment of gains from the sale of unlisted foreign shares with the sale of unlisted shares in the Philippines, (iii) the application of a uniform final withholding tax of 20% on interest income, regardless of the instrument's nature or tenor, except in the case of non-resident aliens not engaged in trade or business and non-resident foreign

corporations whose interest income will still be subject to a final withholding tax of 25%, and (iv) the reduction of documentary stamp tax on the original issuance of shares to align with the tax rates of debt instruments and secondary transfers of shares outside the stock exchange.

As of June 30, 2025, certain subsidiaries of SMGP, namely, MPCL for the Masinloc Power Plant and Masinloc BESS, SMGP Kabankalan Power Co. Ltd. ("**SMGP Kabankalan**") for the Kabankalan BESS, SMGP BESS for the various BESS projects, MPGC for the Mariveles Greenfield Power Plant and SGLPC for the Solar Power Project were registered with investments promotion agencies such as the Board of Investments ("**BOI**") and AFAB and were granted certain tax exemptions and tax incentives, deductions from taxable income subject to certain capital requirements and duty-free importation of capital equipment, spare parts and accessories.

For the plants currently availing of these incentives, if these tax exemptions or tax incentives expire, are revoked, or are repealed, the income from these sources will be subject to the 25% regular corporate income tax of net taxable income or 2% minimum corporate income tax of the gross income, whichever is higher. As a result of a loss in any tax exemptions or tax incentives, the tax expense of SMGP would increase and its profitability would decrease. The expiration, non-renewal, revocation or repeal of these tax exemptions and tax incentives, and any associated impact on SMGP, could have a material adverse effect on the business, financial condition and results of operations of SMGP. Furthermore, there can be no assurance that any pending tax legislation or future changes in the tax regime, including changes in fiscal incentives, in the Philippines would not have a material and adverse effect on SMGP's business, financial condition and results of operations.

Interest rate risk

While SMGP intends, whenever appropriate, to enter into hedging transactions which may mitigate its interest rate exposure, any such hedging policy may not adequately cover its exposure to interest rate fluctuations and such fluctuations may result in a high interest expense and have an adverse effect on its business, financial condition and results of operations.

Regulatory risks

The business of SMGP is subject to extensive government regulation, particularly for its greenfield power plants and retail supply business. Moreover, as SMGP expands its BESS capabilities and projects, it will be subject to applicable regulations under ancillary services and energy storage systems. To conduct its businesses, SMGP and its subsidiaries must obtain various licenses, permits and approvals. Even when SMGP and its subsidiaries obtain the required licenses, permits and approvals, their operations are subject to continued review under the applicable regulations, and the interpretation or implementation of such regulations is subject to change. For example, in October 2020, the DOE Secretary announced that the periodic assessment of the country's energy requirements has led the DOE to declare a moratorium on endorsements for greenfield coal power plants and subsequently clarified that the moratorium would not apply to those greenfield power plants in the pipeline for which endorsements had already been previously issued (at that time, SMGP's planned Masinloc Power Plant Units 4 and 5 expansion project and the Mariveles Greenfield Power Plant have already obtained the relevant DOE endorsement). The DOE subsequently issued "Advisory on the Moratorium of Endorsements for Greenfield Coal-Fired Power Projects in Line with Improving the Sustainability of the Philippines' Electric Power Industry" on January 11, 2021, which was dated as of December 22, 2020, to implement the moratorium. Under this advisory, effective October 27, 2020, the DOE would no longer process applications for greenfield coal-fired power generation facility projects requesting for endorsements. However, existing and operational coal-fired power generation facilities as well as any coal-fired power project which comply with the following parameters will not be affected by the moratorium: (i) committed power projects; (ii) existing power plant complexes which already have firm expansion plans and existing land site provision; and (iii) indicative power project with substantial accomplishments, specifically those with signed and notarized acquisition of land or lease agreement for the project, and with approved permits or resolutions from the relevant local government units and the relevant regional development council where the power plant will be located.

The operations of SMGP's greenfield power plants are subject to a number of national and local laws and regulations, including safety, health and environmental laws and regulations. These laws and regulations impose controls on air and water discharges, on the storage, handling, discharge and disposal of waste, location of facilities, employee exposure to hazardous substances, site clean-up, groundwater quality and availability, plant and wildlife protection, and other aspects of the operations of the business of SMGP and its subsidiaries. Failure to comply with relevant laws and regulations may result in monetary penalties or administrative or legal proceedings against SMGP or its subsidiaries, which may cause or result in the termination or suspension of the licenses or operation of their facilities.

SMGP and its subsidiaries have incurred, and expect to continue to incur, operating costs to comply with such laws and regulations. In addition, SMGP and its subsidiaries have made, and expect to continue to make, capital expenditures on an ongoing basis to comply with safety, health, and environmental laws and regulations. While SMGP believes that it has, at all relevant times, materially complied with all applicable laws, rules and regulations, there can be no assurance that SMGP and its subsidiaries will be able to remain in compliance with applicable laws and regulations or will not become involved in future litigation or other proceedings or be held liable in any future litigation or proceedings relating to safety, health, and environmental matters, the costs of which could be material. In addition, safety, health and environmental laws and regulations in the Philippines have become increasingly stringent. There can be no assurance that the adoption of new safety, health and environmental laws and regulations, new interpretations of existing laws, increased governmental scrutiny of safety, health and environmental laws or other developments in the future will not result in SMGP and its subsidiaries from being subject to fines and penalties or having to incur additional capital expenditures or operating expenses to upgrade, supplement or relocate its facilities. Moreover, in the event that future laws are enacted imposing restrictions on operations and refinancing, particularly in relation to power plants utilizing fossil fuels, then certain capital expenditures or expenses may not be recovered.

For example, the implementing rules and regulations issued by the DOE on “Renewable Portfolio Standards” mandates electric power industry participants (such as generation companies, distribution utilities and electric cooperatives) to source or produce a fraction of their electricity requirements from eligible renewable energy resources and undertake CSP in sourcing renewable energy. While activities related to sourcing renewable energy are presently favored by certain public policies, these policies can be altered or reversed, which could reduce or slow demand for renewable energy sources and energy storage technologies, including BESS. The Philippines is also a party to the 2015 Paris Agreement, which aims to keep the increase in global average of temperature to well below 2°C above pre-industrial levels and to limit the increase to 1.5°C, since this would substantially reduce the risks and effects of climate change. As a party to the agreement, the Philippines may impose more stringent regulations, particularly on coal-fired power plant emissions, requiring expensive pollution controls on coal-fired power plants, among other measures. These measures may significantly increase costs of coal-fired power plants and, at the same time, increase the cost competitiveness of renewable energy. A significant portion of the captive market may shift away from coal and other hydrocarbon fuels, which may expose the coal-fired power plants of SMGP to stranded-asset risk (i.e., hazard of an asset suffering from an unanticipated write-down, devaluation, or conversion to liability).

SMGP has been compliant with and continues to perform its obligations under applicable laws and regulations relevant to its businesses.

If SMGP and its subsidiaries fail to materially comply with all applicable regulations or if the regulations governing its business or their implementation change, SMGP or its subsidiaries may incur increased costs or be subject to penalties, which could disrupt its operations and have a material adverse effect on its business and results of operations.

Climate change policies

SMGP is currently invested in certain coal-fired power plants in the Philippines. Policy and regulatory changes, technological developments and market and economic responses relating to climate change may affect SMGP’s business and the markets in which it operates. The enactment of an international agreement on climate change or other comprehensive legislation focusing on greenhouse gas emissions could have the effect of restricting the use of coal and available financing arrangements for coal-related projects. Other efforts to reduce greenhouse gas emissions and initiatives in various countries to use cleaner alternatives to coal such as natural gas may also affect the use of coal as an energy source.

In addition, technological developments may increase the competitiveness of alternative energy sources, such as renewable energy, which may decrease demand for coal-generated power. Other efforts to reduce emissions of greenhouse gases and initiatives in various countries to encourage the use of natural gas or renewable energy may also discourage the use of coal as an energy source. The physical effects of climate change, such as changes in rainfall, water shortages, rising sea levels, increased storm intensities and higher temperatures, may also disrupt SMGP’s operations. As a result of the above, SMGP’s business, financial condition, results of operations and prospects may be materially and adversely affected.

ERC regulation of electricity rates of distribution utilities could have a material adverse effect on SMGP

The imposition of more stringent regulations and similar measures by the ERC could have a material adverse effect on

the business, financial conditions and results of operations of SMGP.

Sales to distribution utilities account for the majority of the consolidated sales volume of SMGP for the year ended 2024 and six months ended June 30, 2025. While rates charged by SMGP through its subsidiaries under their offtake agreements, including those with distribution utilities, are not regulated by the ERC, the rates that distribution utility customers charge to their customers are subject to review and approval by the ERC. Accordingly, the ability of distribution utility customers to pay the subsidiaries of SMGP largely depends on their ability to pass on their power costs to their customers. There is also no assurance that the current laws, regulations, and issuances affecting the industry, particularly the EPIRA and the issuances of the ERC, will not change or be amended in the future.

There is no assurance that the ERC will permit the distribution utility customers of the subsidiaries of SMGP to pass on or increase their rates or that subsequent reviews by the ERC will not result in the cancellation of any such increases or require such distribution utility customers to refund payments previously received from their customers. In addition, there is no assurance that any rate increases approved by the ERC will not be overturned by Philippine courts on appeal. For example, SMGP and other generation companies are parties to a petition filed in the Supreme Court by special interest groups against Meralco in relation to the increase in generation rates for the billing months of November and December 2013. In particular, the ERC issued an order dated March 3, 2014, which voided the WESM prices for the November and December 2013 billing months, and imposed prices to be recalculated by the PEMC. However, the Court of Appeals, in its decision dated November 7, 2017, declared the ERC order dated March 3, 2014 null and void and accordingly reinstated and declared as valid the WESM prices for Luzon for the supply months of November to December 2013. Upon finality, a claim for refund may be made with the PEMC.

In May 2019, the Supreme Court issued a ruling in respect of the following ERC resolutions:

- Resolution No. 13, Series of 2015, entitled “A Resolution Directing All Distribution Utilities to Conduct a Competitive Selection Process in the Procurement of their Supply to the Captive Market” (“**CSP Guidelines**”); and
- Resolution No. 1, Series of 2016, entitled “A Resolution Clarifying the Effectivity of ERC Resolution No. 13, Series of 2015” (“**ERC Clarificatory Resolution**”).

The CSP Guidelines and the ERC Clarificatory Resolution were issued by the ERC to implement the CSP, pursuant to the DOE’s Department Circular No. DC 2015-06-0008 mandating all distribution utilities to undergo CSP in securing power supply agreements.

In its decision, the Supreme Court, acting on a petition filed by certain entities, declared as void the first paragraph of Section 4 of the CSP Guidelines and the ERC Clarificatory Resolution. Consequently, all PSAs filed with the ERC on or after June 30, 2015 were directed to comply with the CSP in accordance with prevailing rules and regulations. The power purchase cost resulting from the CSP (the “**CSP Power Purchase Cost**”) would be the generation cost which the relevant distribution utility may pass on to its customers commencing on June 30, 2015. In a resolution dated July 23, 2019, the Supreme Court denied with finality all motions for reconsideration filed by various parties. In consideration of the foregoing, the PSA between Meralco and MPGC, and the PSA between Meralco and Central Luzon Premiere Power Corp. (“**CLPPC**”), were voluntarily terminated by mutual agreement of the relevant parties. SMGP regularly participates in CSPs to contract its capacity. In a CSP conducted by Meralco on January 5 and January 23, 2024, EERI, MPGC and SPPC emerged as the lowest bidders and for the supply of 2,700 MW out of the 3,000 MW power requirement of Meralco with 1,200 MW, 300 MW and 1,200 MW in offered capacities, respectively. The contracts are for a term of 15 years and have a full fuel pass-through scheme. To date, all PSAs have already commenced supply.

Further, as a result of the decision, the ERC released orders to the joint applicants of various PSA applications (the “**Joint PSA Applications**”) filed during the affected period requiring them to comply with the CSP requirements under the DOE CSP Policy and to submit the necessary DOE certifications attesting their compliance to the said circular (the “**2019 ERC Orders**”). The lack of the necessary DOE certifications could result in the dismissal of the relevant Joint PSA Applications.

In October 2019, SMGP, together with certain distribution utilities and electric cooperatives, filed motions for reconsideration of the 2019 ERC Orders claiming that the DOE CSP Policy should not apply to such Joint PSA Applications primarily on the ground that these were entered into before the implementation of the DOE CSP Policy in 2018. As of the date of this Offering Circular, some of the motions for reconsideration filed by the subsidiaries of SMGP and its respective counterparty distribution utilities were decided against SMGP. As such, the relevant distribution utilities and/or the relevant generation companies of the Joint PSA Applications may be required to refund

the difference between the generation cost actually passed on to customers and the applicable CSP Power Purchase Cost that could be passed on to customers, accruing from June 30, 2015 until the effectivity of the relevant CSP Power Purchase Cost under applicable regulations. The relevant subsidiaries of SMGP have filed their respective Petitions for Review with Prayer for the Urgent Issuance of a Temporary Restraining Order in response to the decisions not in favor of SMGP. These cases remain pending as of the date of this Offering Circular.

The ERC in the exercise of its regulatory powers may also impose fines, penalties, or sanctions on SMGP in appropriate cases. Any such fines, penalties, sanctions or restriction on the ability of distribution utilities and/or generation companies to pass on such costs or any intervention in such rates could have a material adverse effect on the business, financial conditions and results of operations of SMGP.

Trading on the WESM is affected by market volatility

While the subsidiaries of SMGP do not sell a significant amount of power through the WESM, volatile market conditions on the WESM, including temporary suspension of operations by the ERC under certain circumstances, may nevertheless pose risks to SMGP regardless of whether there is a shortage or a surplus of energy available. When the WESM experiences a shortage, there is little risk to suppliers in terms of their value-position being destroyed. However, such a suppliers' market exposes these suppliers to the risk that regulatory agencies may intervene (directly or indirectly) to dictate prices and dispatch of power plants. Consumer outrage, triggered by high prices, could precipitate attempts to suspend the WESM and return to subsidized rates regimes. Regardless of whether such a suspension ultimately comes to pass, market anticipation of such an occurrence could lead to value-destructive market distortions. On the other hand, a surplus market tends to cause spot market prices to reflect the marginal cost of producing power. One of the main features of the WESM is a merit-order dispatch scheme wherein the cheapest sources of power, such as power produced from geothermal and hydroelectric energy, are dispatched first, before the more expensive power providers. While a supplier can mitigate its exposure to surplus risks by contracting the bulk of its capacity to offtakers to protect against low spot prices, as the subsidiaries of SMGP have done, this also caps a supplier's ability to take advantage of price spikes caused by temporary market shortages.

As of June 30, 2025, the ERC has maintained a reduced primary bid cap of ₱32,000 per MWh. In addition, a permanent secondary price cap limits spot prices to ₱6,245 per MWh for as long as cumulative spot prices breach a certain threshold. Prices are automatically capped at ₱6,245 per MWh for hours where the average price for the last 72-hours exceeds ₱9,000 per MWh.

The occurrence of such events could have a material adverse effect on the business, financial condition and results of operations of SMGP.

Possible conflicts of interest

San Miguel Corporation, the sole shareholder of SMGP, controls the board of directors of SMGP and exerts significant influence over its policies, management and affairs. As a result, San Miguel Corporation is able to exercise significant control and influence over many of SMGP's corporate actions. The interests of San Miguel Corporation may differ from those of SMGP which may adversely affect the interests of the Securityholders. There can be no assurance that conflicts of interest between SMGP and San Miguel Corporation will be resolved in favor of the Issuer or the Securityholders.

Dependence on the support of San Miguel Corporation

SMGP relies upon San Miguel Corporation for certain shared services such as, but not limited to, human resources, corporate affairs, legal, finance and treasury functions. There is no guarantee that San Miguel Corporation will continue to provide these services or obtain its power requirements from SMGP in the future. Should San Miguel Corporation cease to provide these services, and if SMGP is unable to secure alternative sources of such services or enter into other power supply agreements, SMGP's business, financial condition and results of operations could be adversely affected.

Compliance with and renewal of licenses, permits and other authorizations

SMGP and its subsidiaries are required to maintain licenses, permits, and other authorizations for the operations of their respective businesses, including business permits and permits concerning, for example, health and safety, and environmental standards. These licenses, permits, and other authorizations contain various requirements that must be complied with to keep the same valid. If SMGP and its subsidiaries fail to meet the terms and conditions of any of their respective licenses, permits or other authorizations necessary for operations, their respective operations may be

suspended or terminated.

While SMGP believes, to the best of its knowledge, that it has, at all relevant times, materially complied with all applicable laws, rules and regulations and has established a strong compliance culture to ensure that all requirements, permits, and approvals are obtained in a timely manner, there is no assurance that changes in laws, rules or regulations or the interpretation thereof by relevant government agencies, will not result in SMGP having to incur substantial additional costs or capital expenditures to upgrade or supplement its existing facilities, or being subject to fines and penalties. The measures implemented by SMGP and its subsidiaries to comply with laws and regulations may also be deemed insufficient by governmental authorities. If SMGP and/or its subsidiaries fail to comply, or are deemed to be non-compliant with any applicable laws or regulations, SMGP and/or its subsidiaries, as the case may be, may be subject to penalties, which could disrupt their operations and have a material adverse effect on their businesses and results of operations. Potential liabilities for such non-compliance with the legal requirements or violations of prescribed standards and limits under these laws include administrative, civil, and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, that could limit or affect its operations such as orders for the suspension and/or revocation of permits or licenses or suspension and/or closure of operations. There can be no assurance that SMGP and its subsidiaries will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings, the costs of which could be material. In the event that SMGP and its subsidiaries become involved in any future litigation or other proceedings or is subject to any adverse rulings or decisions, such events may materially and adversely affect the business, financial condition, and results of operations of SMGP and its subsidiaries.

There can be no assurance that SMGP and its subsidiaries will continue to be able to renew the necessary licenses, permits, and other authorizations as necessary or that such licenses, permits, and other authorizations will not be revoked. If SMGP and its subsidiaries are unable to obtain or renew them or are only able to do so on unfavorable terms, this could have an adverse effect on the business, financial condition, and results of operations of SMGP and its subsidiaries.

Legal and other proceedings arising out of its operations

SMGP and its subsidiaries, from time to time, may be involved in disputes with various parties involved in the generation, supply and sale of electric power, including contractual disputes with contractors, suppliers and government agencies including those matters discussed in “Business—Legal Proceedings.” For example, SPPC and PSALM have an ongoing dispute arising from differing interpretations of certain provisions related to generation payments under the Ilijan IPPA Agreement. As a result, the parties have arrived at different computations regarding the subject payments. Nevertheless, and in accordance with the Ilijan IPPA Agreement, PSALM’s turnover of the Ilijan Power Plant to SPPC was completed on June 4, 2022. Regardless of the outcome, these disputes may lead to legal or other proceedings and may result in substantial costs and delays in the operations of SMGP. SMGP may also have disagreements with regulatory bodies in the ordinary course of its business, which may subject it to administrative proceedings and unfavorable decisions that will result in penalties and/or delay the development of its greenfield projects and its current operations. For example, in May 2022, SPI and SPPC filed separate Joint Motions for Price Adjustment with Meralco seeking approval from the ERC to temporarily increase the contract price under their respective PSCs with Meralco for a period of six months. After this request was denied by the ERC, SPI and SPPC filed separate petitions with the Court of Appeals which annulled and set aside the ERC Orders denying their request. The decision of the Court of Appeals was upheld by the Supreme Court in its Resolution dated April 3, 2024 and an entry of judgement has already been issued for this case. In such cases, the business, financial condition, results of operations and cash flows of SMGP could be materially and adversely affected.

RISKS RELATING TO THE INFRASTRUCTURE BUSINESS

Completion of infrastructure projects

SMC may not be able to fully realize the benefits of pursuing its diversification strategy through its Infrastructure business as the completion of Infrastructure projects is subject to various risks, uncertainties and limitations including:

- the need to procure materials, equipment and services at reasonable costs and in a timely manner;
- reliance on the performance of third-party providers and consultants which have an impact on the overall operating performance of the Infrastructure business; the possible need to raise additional financing to fund Infrastructure projects, which SMHC may be unable to obtain on satisfactory commercial terms or at all;

- deficiencies or delays in the design, engineering, construction, installation, inspection, commissioning, management or operation of projects, where applicable;
- penalties if concession requirements are not satisfied;
- the timely delivery by the Government of any rights of way for its projects;
- its ability to complete projects according to budgeted costs and schedules;
- market risks;
- environmental or weather disturbances and other force majeure events that can delay project construction and slow down daily operations;
- non-implementation of toll or fare adjustments provided under its concessions;
- regulatory risks; and/or
- delay in Government undertakings and/or denials of required approvals, including required concessional and environmental approvals.

Occurrence of the aforementioned events could result in delays, cost overruns, unsatisfactory construction or development or the total or partial loss of the interest of SMHC in the relevant project and have a material adverse effect on the business, financial condition, results of operation, and future growth prospects of SMHC.

SMHC continuously undertakes prudent review and due diligence in the construction of its projects. SMHC also has well-equipped technical people who monitor daily construction activities and the overall progress of the projects. Backed by strong shareholder support from SMC, a sustainable stream of cashflows, experienced management team and good relationship with government agencies and contractors, SMHC believes that it can withstand such events to see through the completion of such projects.

Enforceability of concession agreements

The continuity of operations of the Infrastructure business is highly dependent on the validity and enforceability of the applicable concession agreements which contain all the obligations and responsibility of the concessionaire and grantor over the relevant concession period.

There is no assurance that the Government will not push for the renegotiation of the terms of other concession agreements or similar agreements which it deems to be onerous, disadvantageous or inequitable. Any such compulsory renegotiation of signed agreements may create uncertainty or instability in the business environment in the Philippines which, in turn, could have a material impact on the Infrastructure's business, financial position, and results of operations.

The Infrastructure business has been compliant with and continues to perform its obligations under the applicable concession agreements which include (but not limited to) constructing, designing, and financing its various Infrastructure projects.

Inability to secure tariff increases

The commercial success of the Infrastructure business depends in part on its ability to implement tariff increases. While tariff increases are permitted contractually pursuant to pricing formulas set forth in the applicable concession agreements, these may be subject to the approval of relevant government and regulatory agencies. Any constraint on the ability to increase tariffs could have a material adverse effect on business, financial condition, and results of operations of the Infrastructure business.

SLEX, formerly South Luzon Tollway Corporation, has filed five (5) petitions for periodic toll rate adjustment with the TRB from 2012 to 2022. On June 21, 2023, TRB issued its Notice of Consolidated Resolution for the approval of the 2012 and 2014 periodic toll rate adjustment petitions, to be implemented on a staggered basis. SLEX still has three (3) pending petitions for periodic toll rate adjustments which were submitted on September 28, 2018, September 30, 2020 and September 30, 2022, respectively.

In addition, Star Infrastructure Development Corp. ("**SIDC**") has three (3) pending petitions for the Approval of Periodic Toll Rate Adjustment: (i) the 2017 petition for the Periodic Toll Rate Adjustment of 2018 to 2020 which was submitted last October 2, 2017, (ii) the 2020 petition for the Periodic Toll Rate Adjustment of 2021 to 2023 that was submitted last September 30, 2020, and (iii) the 2023 petition for the Periodic Toll Rate Adjustment of 2024 to 2026 which was submitted last October 2, 2023.

The Infrastructure business continues to engage in comprehensive discussions and has good working relationships with the relevant government and regulatory agencies to obtain proper resolutions to the pending tariff increases. In addition, the administration under President Ferdinand R. Marcos Jr. has given focus and aims to increase Infrastructure spending to 5-6% of GDP and has provided great optimism to the Infrastructure sector. This is a positive indication that long delayed Public Private Partnership (“PPP”) Projects will be implemented, including the approvals of pending toll rate adjustments.

Decrease in utilization of projects

The commercial success of the Infrastructure business depends in part on the ability to maintain or increase utilization of its Infrastructure facilities. External events may decrease the number of vehicles, airplanes or passengers that utilize the Infrastructure facilities such as rising oil prices which may result in fewer passenger vehicle journeys and increase in cost of airfares. Any decrease in utilization or any factor that would decrease patronage could have a material adverse effect on the financial condition and results of operations of the Infrastructure business.

The Infrastructure business continually adopts efficiency improvement programs (such as implementation of the Radio Frequency ID system for its toll road systems) and regular improvements and maintenance of the facilities that would improve utilization while providing convenience to motorists.

Obtaining new concessions or projects

SMHC’s plans in relation to the Infrastructure business contemplate the continued acquisition of new concessions and projects, successful participation in bids for projects as well as exploring opportunities in other sectors. SMHC’s ability to expand its business and increase operating profits is dependent on many external factors and events that are outside its control, including changes in governmental laws and policies.

RISKS RELATING TO THE CEMENT BUSINESS

Cost to Produce, Environmental Considerations, and Unabated Entry of Imported Cement

High cost to produce

The cement manufacturing process involves the use of high-quality raw materials to ensure the production of superior quality of cement. Without sufficient internal source of raw materials, cement businesses would rely on external sources, mostly from other countries, which usually entails high sourcing costs given the volatility of the market.

The Cement businesses of SMC rely on their own mining permits to provide a source for primary raw materials. This enables the cement business to manage its cost to produce while ensuring the quality of its clinker and, ultimately, its cement products.

Another factor that affects the cost to produce of the cement business is the energy source. The cement manufacturing process, particularly, the use of kilns for pyro processing, is still heavily reliant on coal procured from external sources. The cement industry thus remains sensitive to the price changes in the coal market. Furthermore, the cement manufacturing process is an energy-intensive industry which likewise makes the cement dependent on the rising cost of energy.

Reduction of energy usage through improved process efficiency, or use of alternative fuels lessens the cost to produce and at the same time, emissions. This is made possible through the investment of cement businesses to modern, state-of-the-art equipment.

The facilities of the Cement businesses of SMC are newly constructed and constantly improved using sustainable, environment-friendly, world-class and state-of-the-art equipment from leading manufacturers and suppliers around the world.

Entry of new players and increasing cement importation

The cement industry in the Philippines is highly competitive given the number of multinational cement companies with an array of high brand equity product offerings. There are also new market entrants and increasing clinker and cement

imports in the country potentially posing competition risk for the Cement business. Competition often involves aggressive pricing strategies to gain or protect market share.

In addition to domestic competition, the cement business may lose market share or experience a decline in revenue growth in the event it is unable to compete effectively against imports.

The cement business may face tighter competition due to un-curtailed cement importation by foreign players or independent traders at substantially lower prices. The entry of imported cement priced at a discount to market may result in a significant decrease of cement prices affecting the profitability of all domestic manufacturers. Countries with excess cement supply may potentially export cement products to the Philippines, including Vietnam, Indonesia, Thailand, and China. The Cement Manufacturers Association of the Philippines (“**CEMAP**”) said that total imports in 2024 increased by 8.6% year-on-year to 7.6MT.

Despite the foregoing risks on domestic competition and traded imports, the Cement business’ model and end-to-end production strategy provide effective cost management in every production process, allowing higher efficiency, profitability, and operating synergy to compete in the industry. Given its key strengths and track record to date, the cement business believes it can continue to compete strongly against new and existing players and cement importers in the industry.

As an efficient cement producer, aggressive competition is welcomed by the cement business as it allows them to place amongst the top market players. To support this, in a short space of time, the cement business has risen to become one (1) of the four (4) strong players in terms of market share despite the limited track record relative to its competitors who have already established a strong presence both locally and internationally for many years. Because of its strengths, the cement business is able to price its products competitively against other market players. The cement business will continue to capitalize and improve on these strengths to be a market mover in the cement industry.

Moreover, the cement business believes that the future growth of imported cement may be restricted due to limitations in port capacity and infrastructure in or near major areas of economic activity which constitute a significant demand for cement. In addition, the unloading of imported cement is not currently considered a first priority by port authorities.

The business, prospects, financial condition and results of operations of the cement business depend on the ability to compete effectively and maintain or increase market share. In the relatively consolidated cement industry, the cement business primarily competes based on product quality, market coverage, distribution network, product offerings, marketing strategy, brand equity and pricing.

Heavy Government regulation and environmental standards

Cement manufacturing plants are classified by the government as environmentally critical activities which results to its heavy regulations, where any violations could potentially cause the suspension or closure of operations of cement plants.

The businesses and operations of the cement business are subject to a number of health, safety, security and environment laws, rules and regulations governing the cement industry in the Philippines. These laws and regulations impose requirements relating to raw materials sourcing, cement manufacturing, and other aspects of the business of the cement business. In particular, the cement business is subject to extensive regulation by the Department of Environment and Natural Resources (“**DENR**”), Department of Energy (“**DOE**”), and local government units (“**LGU**”).

In particular, raw material sourcing and cement manufacturing are considered environmentally critical activities for which an Environmental Impact Study (“**EIS**”) and an Environmental Compliance Certificate (“**ECC**”) are mandatory. Environmental laws and regulations in the Philippines have become increasingly stringent and it is possible that these laws and regulations will become significantly more stringent in the future. The adoption of new laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments in the future may require additional capital expenditures or the incurrence of additional operating expenses in order to comply with such laws and to maintain current operations as well as any costs related to fines and penalties.

While the cement business believes that it has, at all relevant times, materially complied with all applicable laws, rules and regulations and has all the applicable and material permits and licenses necessary to operate its businesses as currently conducted, there is no assurance that changes in laws, rules or regulations or the interpretation thereof of

relevant government agencies, may not adversely impact the business operations, financial condition and results of operations of the cement business. Failure to comply with relevant laws and regulations may result in financial penalties or administrative or legal proceedings against the cement business, including the revocation or suspension of the licenses or operation of its facilities, all of which could adversely impact the business, prospects, financial condition, and results of operation of the cement business.

The cement business owns Mineral Production Sharing Agreements (“MPSAs”) which provide access to substantial limestone reserves. Given the reliance of the cement business on such mineral deposits to produce cement, the cement business is hence exposed to possible unfavorable findings of the DENR and may run the risk of being subject to penalties or worse, the revocation of any or all of its MPSAs. The cement business benefits from its own limestone reserves which the MPSAs provide and as such, is able to price competitively relative to other cement manufacturers. Should the MPSAs of the cement business be revoked, the cement business may resort to importation of clinker which is subject to price volatilities, thereby potentially reducing its margins.

To mitigate the regulatory risks, the cement business is in constant consultation with relevant government agencies and other approving bodies to ensure that all requirements, permits and approvals are anticipated and obtained in a timely manner. Further, the cement business maintains a strong compliance culture and has processes in place in order to manage adherence to laws and regulations.

The conditions under MPSA and relevant environmental laws and regulations require cement businesses to implement its approved work programs. The cement business demonstrates its commitment to adhere with these provisions by setting aside funds to implement the Environmental Protection and Enhancement Program, and by employing best practices in environmental management and mining methods to reduce the impact of mining in the environment such as maximizing the contract areas and improving the best use of mineral commodities through technological efficiency. The cement business also has a dedicated compliance team which monitors changes in environmental laws and ensures that all plants and mining sites are in compliance with relevant environmental regulations. For example, the renewal of the MPSA of NCC for another 25 years is a testament to an excellent culture of compliance exhibited by the cement business.

Prolonged or major disruption of operations in any of the cement business’s main manufacturing plants

The cement business owns and operates two (2) fully-integrated cement production facilities in Sison, Province of Pangasinan (NCC) and in Barangay Akle, San Ildefonso, Province of Bulacan (Eagle Cement), a cement grinding plant Santa Cruz, Province of Davao Del Sur (SCII), a limestone, shale and pozzolan quarry and a Limestone Pulverizing Plant in San Ildefonso, Bulacan (Eagle Cement), and a grinding and packaging facility in Limay, Bataan (Eagle Cement). As a whole, the cement business has a total annual rated cement production capacity of approximately 17.53 million MTPY of finished cement.

The plants of the Cement business, are subject to risks present in manufacturing plants such as equipment breakdowns, labor-related disruptions, natural calamities, ordinances or directives from Government agencies and power interruptions. The cement business plants are exposed to periodic repair, maintenance or servicing, plant breakdowns, industrial accidents, government action, equipment failure, human error, any sustained disruptions in the supply of raw materials and utilities such as water or electricity, natural calamities or communal unrest or acts of terrorism which may affect the normal operations of the cement business. Any prolonged major disruption caused by any of the above will cause damage to cement plants or inventories and as such may impact negatively on the financial condition and business operations of the cement business.

In any given year, the production lines of the business’ cement plants are typically shut down for a period of 30 days in aggregate for major maintenance and repair and an additional 20 days in aggregate for minor maintenance works. The business’ grinding plants also has shutdown period for maintenance and repairs. The shutdowns of the production lines are scheduled in intervals to ensure that the plant remains operational and in good condition. This operational flexibility is improved by the recent completion of integrated Line A and Ok-mill B of Pangasinan Plant of NCC, and Line 3 of Bulacan Plant of Eagle Cement. Furthermore, the cement business has also procured the necessary insurances in line with industry practice which help mitigate certain risks such as business disruptions, natural calamities and third-party liabilities.

Growth slowdown in certain key industries in the Philippines

Historically, the performance of the cement industry is primarily driven by the growth in the construction, real estate, and infrastructure industries. Growth in these key industries may be affected by certain factors including market trend, overall economic growth and government policy.

The cement business primarily serves the construction industry and by extension the infrastructure and real estate sectors. Despite the strong consumption of cement shown by the cement industry in recent years, it may still be affected should there be a national economic downturn leading to the delay of construction projects and real estate developments. A change in government policy and lowered budget spending on infrastructure may also lead to lower sales growth expectations.

There is no assurance that the construction industry and real estate and infrastructure sectors will continue to experience significant growth in the future. Any unforeseen decline in cement demand from these industries may adversely affect the business, prospects, financial condition and results of operation of the cement business.

The cement business has been optimizing its synergy within the SMC Group capitalizing on its strength being the only Filipino-owned cement companies who understand and is responsive to the Philippine Setting with abundant mineral reserves that are more than sufficient to support both the current operations and the expansion plans of its business. It has also been maximizing its material sourcing, operational improvements, to be the lowest cost-producer of cement in the country. We integrate raw material sourcing with modern manufacturing and technology which results in one of the most efficient and high-quality cement manufacturing operators. The Cement business' end-to-end production strategy allows us to achieve healthy margins against our peers.

SMC believes its cement business can leverage on the opportunities within the SMC Group to promote growth and strengthening its distribution reach specifically in Luzon. The cement business also maintains its strong presence in key areas with the highest economic activities in the Philippines.

RISKS RELATING TO THE PHILIPPINES

Concentration of SMC's operations and assets in the Philippines

Historically, the financial condition and results of operations of SMC have been influenced to a significant degree by the general state of the Philippine economy and the overall levels of business activity in the Philippines, and the Company expects that this will continue to be the case in the future. The Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine Peso, and the imposition of exchange controls. The Company cannot assure prospective investors that one (1) or more of these factors will not negatively impact the purchasing power of the Philippine consumers. Demand for many of the products of SMC is tied closely to domestic consumer purchasing power and disposable income levels. In addition, as the businesses expand their product and brand portfolios in higher-priced Premium market segments in their respective industries, their businesses and prospects will be increasingly affected by any deterioration in consumer purchasing power. Any decrease in consumer purchasing power and disposable income levels could have a material adverse effect on the business, operations, and financial condition of SMC.

The Philippines posted a promising full-year GDP growth in 2024, which averaged at 5.7%. This is relatively better compared to the previous year's expansion which averaged 5.5%. Although at a slower pace, 4Q2024 growth of 5.3% marked the 15th consecutive quarterly expansion since the country's initial recovery from the pandemic. Although Philippines' 4Q2024 GDP growth was higher compared to Malaysia (4.9%) and Thailand (3.3%), it was just at par with its ASEAN-5 neighbors' average GDP growth of 5.2% as global demand uncertainties affected the country more. For 2025, Philippine GDP expanded to 5.5% in the April to June period, which was faster than the 5.4% growth in the first quarter.

While the Philippines is still seen to post economic growth this year as its macroeconomic fundamentals are anticipated to be robust such as domestic demand, moderate inflation, accommodative monetary policy stance, and sustained OFW remittance inflows. However, this is seen at a slower pace as outlook on growth expansion is seen to be tempered by weak global demand. The World Bank (as of June 2025 through their report, East Asia and Pacific Economic Update), as well as reports from the International Monetary Fund and the Asian Development Bank, expects the Philippine economy to grow between 5.3% to 6.0% by this year, and between 5.4% to 6.1% in 2026. This is below the Department of Budget and Coordination Committee's (DBCC) 2025 GDP target at 5.5% to 6.5%.

In 2024, domestic inflation has slowed down with full-year average inflation ending at 3.2%, significantly lower compared to 6.0% the prior year. For 2025, the Bangko Sentral ng Pilipinas (BSP) has already cut its monetary policy

twice by 25bps, bringing interest rates today at 5.25%. This is on the back of the rising uncertainty from the looming deceleration in global economic activity due to ongoing geopolitical tension in the Middle East, and as outlook on inflation has moderated. However, the BSP Monetary Board has vowed to closely monitor and assess any material external factor that may arise. Between April 2025 and June 2025, inflation averaged at around 1.3%, the lowest since 2019. While inflation rose at their slowest pace in nearly six years in July at 0.9%, with the average inflation from January to July 2025 dropping to 1.7%, there is no assurance that such trend will continue.

Any future deterioration in economic conditions in the Philippines could materially and adversely affect the Company's financial position and results of operations, including the Company's ability to grow its energy portfolio, and its ability to implement the Company's business strategy. Changes in the conditions of the Philippine economy could materially and adversely affect the Company's business, financial condition or results of operations.

Factors that may adversely affect the Philippine economy include: decreases in business, industrial, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally; scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, the Southeast Asian region or globally; exchange rate fluctuations and foreign exchange controls; rising inflation or increases in interest rates; levels of employment, consumer confidence and income; changes in the Government's fiscal and regulatory policies; Government budget deficits; adverse trends in the current accounts and balance of payments of the Philippine economy; public health epidemics or outbreaks of diseases, such as re-emergence of Middle East respiratory syndrome-corona virus, severe acute respiratory syndrome, avian influenza (commonly known as bird flu) or H1N1, and the recent novel Coronavirus (COVID-19), or the emergence of another similar disease (such as Zika) in the Philippines or in other countries in Southeast Asia; natural disasters, including but not limited to tsunamis, typhoons, volcanic eruptions, earthquakes, fires, floods and similar events; political instability, terrorism or military conflict in the Philippines, other countries in the region or globally; and other regulatory, social, political or economic developments in or affecting the Philippines.

SMC is one of the largest and most diversified conglomerates in the Philippines by revenue and total assets. Nonetheless, any downturn in the Philippine economy may have a negative impact on consumer sentiment and general business conditions in the Philippines, which may materially reduce the revenues, profitability and cash flows of the Company. Moreover, there is no assurance that current or future government policies would continue to be conducive to sustaining economic growth.

Political instability in the Philippines

The Philippines has, from time to time, experienced political and military instability, including acts of political violence. In the last decade, there has been political instability in the Philippines, including extra-judicial killings, alleged electoral fraud, impeachment proceedings against two (2) former presidents, two (2) chief justices of the Supreme Court of the Philippines, and public and military protests arising from alleged misconduct by previous administrations. On February 5, 2025, the House of Representatives of the Philippines approved the articles of impeachment of the vice-president of the Philippines and forwarded the same to the Senate. Following the transmittal of the articles of impeachment to the Senate of the Philippines, the impeachment trial for the vice-president of the Philippines is expected to commence in accordance with applicable laws and regulations. On June 10, 2025, the Senate of the Philippines moved to remand the articles of impeachment to the House of Representatives of the Philippines. On June 11, 2025, the House of Representatives of the Philippines adopted House Resolution No. 2346 to certify that the impeachment proceedings initiated by it adhered to the Philippine Constitution. Additionally, the House of Representatives of the Philippines deferred accepting the articles of impeachment pending further clarification from the Senate of the Philippines about its decision to remand the same.

On June 25, 2025, the Philippine Senate Impeachment Court announced its decision to further delay the start of impeachment trial until the House of Representatives of the Philippines prosecution panel has a new composition mandated by the 20th Congress. On July 25, 2025, the Supreme Court of the Philippines, acting on petitions challenging the impeachment of the vice-president, declared the articles of impeachment against the vice-president unconstitutional as the impeachment is barred by the one year rule under the Philippine Constitution and for being in violation of the right to due process of the vice-president under the Bill of Rights. The decision of the Supreme Court of the Philippines has yet to become final, and thus, may still be challenged through the appropriate motions.

In addition, a number of officials of the Philippine government are currently under investigation or have been indicted on corruption charges stemming from allegations of misuse of public funds, extortion, bribery, or usurpation of

authority. There can be no assurance that acts of political violence will not occur in the future and any such events could negatively impact the Philippine economy.

No assurance can be given that the future political or social environment in the Philippines will be stable or that current and future governments will adopt economic policies conducive for sustaining economic growth. An unstable political or social environment, whether due to the imposition of emergency executive rule, martial law or widespread popular demonstrations or rioting, could negatively affect the general economic conditions and operating environment in the Philippines, which could have a material adverse effect on the business, operations, and financial condition of SMC.

A major deviation from the policies of the immediate past administration or fundamental change of direction, including with respect to Philippine foreign policy, may lead to an increase in political or social uncertainty and instability. Any potential instability could have an adverse effect on the Philippine economy, which may impact the Company's businesses prospects, financial condition, and results of operations.

Acts of terrorism, clashes with separatist groups and violent crimes

The Philippines has also been subject to a number of terrorist attacks and the Armed Forces of the Philippines has been in conflict with groups which have been identified as being responsible for kidnapping and terrorist activities in the Philippines. In addition, bombings have taken place in the Philippines, mainly in cities in the southern part of the country. For example, in May 2017, the city of Marawi in Lanao del Sur, Mindanao, was assaulted by the Maute Group, terrorists which were inspired by pledged allegiance to the Islamic State of Iraq and Syria ("ISIS"). Due to the clash between the Government forces and the terrorists and the risk of the armed conflict spilling over to other parts of Mindanao, martial law was declared in the entire island of Mindanao, Philippines. In October 2017, the city was declared liberated from the terrorists. Despite this, the Philippine Congress extended the imposition of martial law in Mindanao until the end of 2019, citing persistent threats of terrorism and rebellion and to ensure the total eradication of ISIS-inspired terrorists in the country. The martial law in Mindanao was lifted on January 1, 2020, while the state of national emergency was lifted on July 25, 2023. An increase in the frequency, severity or geographic reach of these terrorist acts could destabilize the Philippines, and adversely affect the country's economy. These armed conflict and terror attacks could lead to further injuries or deaths by civilians and members of the military, which could destabilize parts of the country and adversely affect the country's economy.

Territorial disputes

Competing and overlapping territorial claims by the Philippines, China and several Southeast Asian nations (such as Vietnam, Brunei and Malaysia) over certain islands and features in the West Philippine Sea (the South China Sea has been a source of tension and conflicts for decades). China claims historic rights to nearly all of the West Philippine Sea based on its so-called "nine (9)-dash line" and in recent years dramatically expanded its military presence in the sea which has raised tensions in the region among the claimant countries. In 2013, the Philippines became the first claimant country to file a case before the Permanent Court of Arbitration, the international arbitration tribunal based at the Hague, Netherlands to legally challenge claims of China in the West Philippine Sea and to resolve the dispute under the principles of international law as provided for under the United Nations Convention on the Law of the Sea ("UNCLOS"). In July 2016, the tribunal rendered a decision stating that the Philippines has exclusive sovereign rights over the West Philippine Sea (in the South China Sea) and that the "nine (9)-dash line" claim of China is invalid.

Tension in the West Philippine Sea has been triggered by the continued presence of Chinese vessels in the Philippines' exclusive economic zone. The Philippines has filed and continues to file diplomatic protests against China and has called on China to recall its ships in Philippine waters. The Armed Forces of the Philippines has also deployed additional naval vessels to protect the territories of the Philippines. In the first half of 2024, tensions in the West Philippine Sea further escalated as several violent incidents transpired. On March 23, 2024, two Chinese Coast Guard ships assaulted a Philippine Navy supply vessel with water cannons. The incident resulted in the injuries of the Filipino crew members aboard the supply boat. On June 17, 2024, an encounter between the China Coast Guard and the Philippine Navy once again occurred on a resupply mission for the BRP Sierra Madre, which is grounded in Ayungin Shoal. Personnel of the China Coast Guard rammed and boarded vessels of the Philippine Navy, which resulted in massive damage to the navy boats and injuries to Philippine Navy personnel. In the past months, beginning April 2024, there has been a standoff between the Philippines and China over the Escoda Shoal (also known as Sabina Shoal). Escoda Shoal serves as the rendezvous point for Filipino vessels carrying out resupply missions to the naval outpost in Ayungin Shoal, where the naval outpost BRP Sierra Madre, which is a main flashpoint of tensions between the Philippines and China, has been aground since 1999.

There is no guarantee that the territorial dispute between the Philippines and other countries, including China, would end or that any existing tension will not escalate further, as China has taken steps to exercise control over the disputed territory. In such event, the Philippine economy may be disrupted and its business and financial standing may be adversely affected.

Any deterioration in the Philippine economy as a result of these or other factors, including a significant depreciation of the Philippine Peso or increase in interest rate, may adversely affect consumer sentiment and lead to a reduction in consumer spending generally. This, in turn, could materially and adversely affect SMC's financial condition and results of operations, and its ability to implement its business strategy and expansion plans.

Natural catastrophes

SMC's business and operations could be severely disrupted by many factors, including accidents, breakdown or failure of equipment, interruption in power supply, human error, natural disasters, public epidemics, outbreak of diseases, and other unforeseen circumstances and problems. The Philippines has experienced a number of major natural catastrophes over the past years, including typhoons, such as super typhoon Rolly in late October 2020, super typhoon Betty in late May 2023, volcanic eruptions such as the Taal Volcano eruption in January 2020, earthquakes such as the 7.0-magnitude earthquake in Tayum, Abra in July 2022, tsunamis, mudslides, fires, droughts and floods related to El Niño and La Niña weather events. In July 2025, the Philippines was struck by tropical cyclones Crising, Dante, and Emong, causing an estimated ₱5.0 billion in infrastructure damage, according to the National Disaster Risk Reduction and Management Council of the Philippines. Natural catastrophes may materially disrupt and adversely affect the business, operations, and financial condition of SMC. There is no assurance that the insurance coverage SMC maintains for these risks will adequately compensate it for all damages and economic losses resulting from natural catastrophes.

Downgrade of Philippine credit rating

International credit rating agencies issue credit ratings for companies with reference to the country in which they are resident. As a result, the sovereign credit ratings of the Philippines directly affect companies that are residents in the Philippines, such as SMC. Historically the Philippines' sovereign debt has been rated relatively low by international credit rating agencies. Since December 31, 2019, the Philippines' long-term foreign-currency denominated debt was rated Baa2 by Moody's, BBB+ S&P Global Ratings, and BBB by Fitch (no update on this as of the date of this Offer Supplement). As of November 2023, Fitch Ratings affirmed its stable outlook and long-term foreign currency issuer default rating at 'BBB'. Likewise the Japan Credit Rating Agency' report last March 6, 2024 affirmed the stable outlook with an investment-grade credit rating at 'A-'. The ratings mainly reflect the country's high and sustained economic growth supported by solid domestic demand, a low level external debt, its resilience to external shocks supported by accumulated foreign exchange reserves, and its solid fiscal base. However, no assurance can be given that Fitch, Moody's, S&P Global Ratings or any other international credit rating agency, will not downgrade the credit ratings of the Government in the future and, therefore, of Philippine companies, including the Company. Any such downgrade could have a material adverse effect on liquidity in the Philippine financial markets and the ability of the Philippine government and Philippine companies, including SMC, to raise additional financing, and will increase borrowing and other costs.

Corporate governance, disclosure and financial reporting standards

There may be less publicly available information about Philippine public companies, including SMC, than is regularly made available by public companies in other countries. In addition, although the Company complies with the requirements of the Philippine SEC with respect to corporate governance standards, these standards may differ from those applicable in other jurisdictions. The Philippine SEC considers as best practice for public companies such as SMC, to have at least three (3) independent directors, or such number as to constitute one-third (1/3) of the board, whichever is higher. While SMC has adopted the recommended best practices of the Philippine SEC and is compliant with Philippine laws, rules and regulations, a greater number of independent directors may be required in other jurisdictions.

Foreign exchange controls

Generally, the Philippine residents may freely dispose of their foreign exchange receipts and foreign exchange may be freely sold and purchased outside the Philippine banking system. However, the Monetary Board of the BSP, with the approval of the President of the Philippines, during a foreign exchange crisis or in times of national emergency, has the statutory authority to: (i) suspend temporarily or restrict sales of foreign exchange; (ii) require licensing of foreign exchange transactions; or (iii) require the delivery of foreign exchange to the BSP or its designee banks for the issuance

and guarantee of foreign currency-denominated borrowings. The Philippine government has, in the past, instituted restrictions on the conversion of Pesos into foreign currency and the use of foreign exchange received by Philippine residents to pay foreign currency obligations.

SMC purchases certain critical key inputs from abroad and requires foreign currency to make these purchases. There is no assurance that the Philippine government will not impose economic restrictions or regulatory controls that may restrict free access to foreign currency. Any such restrictions could severely curtail the ability of SMC to pay for certain key inputs or to meet its foreign currency payment obligations, which could materially and adversely affect its financial condition and results of operations.

RISKS RELATED TO THE OFFER SHARES

The Offer Shares may not be a suitable investment for all investors

Each potential investor in the Offer Shares must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Offer Shares, the merits and risks of investing in the Offer Shares and the information contained in this Offer Supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Offer Shares and the impact the Offer Shares will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Offer Shares, including where the currency for principal or dividend payments is different from the currency of the potential investor;
- understand thoroughly the terms of the Offer Shares and be familiar with the behavior of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange rate and other factors that may affect its investment and its ability to bear the applicable risks.

Redemption at the option of the Issuer

The Offer Shares are perpetual and have no fixed final maturity date. Holders have no right to require the Company to redeem the Offer Shares at any time and they can only be disposed of by sale in the secondary market. Holders who wish to sell their Offer Shares may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Offer Shares. Therefore, holders of the Offer Shares should be aware that they may be required to bear the financial risks of an investment in the Offer Shares for an indefinite period of time.

The sale of the Offer Shares or any rights thereto prior to the listing of the Offer Shares cannot be made through the PSE. The Company has filed an application for the listing of the Offer Shares on the PSE.

Prior to the listing of the Offer Shares to the PSE, the sale of subscription rights to the Offer Shares may be treated as sale of shares and subject to documentary stamp tax, capital gains tax (on any gain derived from the sale thereof) or donor's tax (in case of donation or sale of the subscription rights to the Offer Shares for a price below the fair market value of the subscription rights).

Volatility of market price of the Offer Shares

The market price of the Offer Shares could be affected by various factors, including:

- general market, political and economic conditions;
- changes in earnings estimates and recommendations by financial analysts;
- changes in market valuations of listed stocks, in general, and stocks of other conglomerates;
- changes to government policy, legislation or regulations, and
- general operational and business risks.

In addition, many of the risks described within this section could materially and adversely affect the market price of the Offer Shares.

In part as a result of the global economic downturn, the global equity markets have experienced price and volume volatility that has affected the share prices of many companies. Share prices for many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. Fluctuations such as these may adversely affect the market price of the Offer Shares.

Additional Taxes

The sale, exchange or disposition of the Offer Shares after the Offer Period, if made outside the facilities of the PSE is subject to capital gains tax and documentary stamp tax, and if made through the facilities of the PSE (except for a dealer in securities) is subject to stock transaction tax. Changes in laws, rules and regulations may result in additional taxes on the acquisition, disposition, or transfer of the Offer Shares. For a discussion on the taxes currently imposed by the BIR, please refer to the section on “*Taxation*” on page [349] of this Offer Supplement.

Deferral of dividend payment

Dividends on the Offer Shares may not be paid or may be paid in less than full dividends, under the terms and conditions governing the Offer Shares. Holders of the Offer Shares may not receive dividends on a Dividend Payment Date or for any period during which the Company does not have sufficient retained earnings out of which to pay dividends.

Subordination to other indebtedness of the Company

The obligations of SMC under the Offer Shares are unsecured and are subordinated obligations to all of the indebtedness of the Company. The rights and claims of holders of the Offer Shares will (subject to the extent permitted by law) rank senior to the holders of the common shares of the Company and *pari passu* with the other preferred shares.

In the event of the winding-up of the Company, the Offer Shares rank junior in right of payment to all indebtedness of the Company and junior in right of payment to securities of, or claims against, the Company, which rank or are expressed to rank senior to the Offer Shares. The Offer Shares, however, rank *pari passu* with the Series 1 Preferred Shares and the other subseries of the Series 2 Preferred Shares. There is a substantial risk that an investor in the Offer Shares will not receive any return of the principal amount or any unpaid amounts due under the terms of the Offer unless SMC can satisfy in full all of its other obligations ranking senior to the Offer Shares.

There are no terms in the Offer Shares that limit the ability of SMC to incur additional indebtedness, including indebtedness that ranks senior to or *pari passu* with the Offer Shares.

Insufficient distributions upon liquidation

Upon any voluntary or involuntary dissolution, liquidation or winding up of SMC, holders of Offer Shares will be entitled only to the available assets of the Company remaining after the indebtedness of SMC is satisfied. If any such assets are insufficient to pay the amounts due on the Offer Shares, then the holders of the Offer Shares shall share ratably in any such distribution of assets in proportion to the full distributions to which they would otherwise be respectively entitled.

Subordination of payments to the Holders of the Offer Shares

SMC has and will continue to have a certain amount of outstanding indebtedness. The current terms of the financing agreements of SMC contain provisions that could limit the ability of the Company to make payments to the holders of the Offer Shares. Also, SMC may in the future, directly or indirectly through its subsidiaries, enter into other financing agreements which may restrict or prohibit the ability of the Company to make payments on the Offer Shares. There can be no assurance that existing or future financing arrangements will not adversely affect the ability of SMC to make payments on the Offer Shares.

Liquidity of the securities market

The Philippine securities markets are substantially less liquid and more volatile than major securities markets in other jurisdictions, and are not as highly regulated or supervised as some of these other markets. The Company cannot guarantee that the market for the Offer Shares will always be active or liquid upon their listing on the PSE.

In addition, the Company and the Underwriters are not obligated to create a trading market for the Offer Shares and any such market making will be subject to the limits imposed by applicable law, and may be interrupted or discontinued at any time without notice. Accordingly, the Company cannot predict whether an active or liquid trading market for the Offer Shares will develop or, if such a market develops, if it can be sustained. Consequently, a shareholder may be required to hold his Offer Shares for an indefinite period of time or sell them for an amount less than the Offer Price.

Effect of non-payment of dividends

If dividends on the Offer Shares are not paid in full, or at all, the Offer Shares may trade at a lower price than they might otherwise have traded if dividends had been paid. The sale of Offer Shares during such a period by a holder of Offer Shares may result in such holder receiving lower returns on the investment than a holder who continues to hold the Offer Shares until dividend payments resume. In addition, because of the dividend limitations, the market price for the Offer Shares may be more volatile than that of other securities that do not have these limitations.

Inability to reinvest at a similar return on investment upon redemption

On the Optional Redemption Date, as applicable and as may be defined in the relevant Offer Supplement, or at any time redemption occurs, SMC may redeem the Offer Shares at the Redemption Price, as described in “*Description of the Offer Shares*”. At the time of redemption, dividend interest rates may be lower than at the time of the issuance of the Offer Shares and, consequently, the holders of the Offer Shares may not be able to reinvest the proceeds at a comparable dividend interest rate or purchase securities otherwise comparable to the Offer Shares.

Limited voting rights

Holders of the Offer Shares will not be entitled to elect the Board of Directors of the Company. Except as specifically set forth in the Amended Articles of Incorporation of the Company and as provided by Philippine law, holders of the Offer Shares will have no voting rights (see “*Description of the Offer Shares*” of the Offer Supplement).

USE OF PROCEEDS

The gross proceeds from the Base Offer shall be ₱19,999,995,000.00 or, should the Joint Issue Managers, and the Joint Lead Underwriters and Bookrunners, in consultation with the Issuer, exercise in full the Oversubscription Option, the total gross proceeds of the offer shall be ₱30,000,000,000.00. The net proceeds from the Base Offer, after deducting from the gross proceeds the total issue management, underwriting and selling fees, listing fees, taxes and other related fees and out-of-pocket expenses, is estimated to be [₱19,829,743,780.00]. The net proceeds from the Oversubscription Option should the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners, in consultation with the Issuer, exercise in full its Oversubscription Option, after deducting from the gross proceeds, selling fees, and taxes is estimated to be [₱9,940,004,970.00].

Estimated fees, commissions and expenses are as follows:

Particulars	Amount
Underwriting and selling fees for the Series 2-S, Series 2-T, and Series 2-U Preferred Shares being sold by the Company	[₱109,999,972.50]
Taxes to be paid by the Company	[₱9,999,997.50]
Philippine SEC filing and legal research fee*	[₱2,651,250.00]
PSE filing fee (inclusive of VAT)	[₱33,600,000.00]
Estimated legal and other professional fees**	[₱10,000,000.00]
Estimated other expenses for publication, marketing, and out of pocket expenses of the underwriters and professional advisors, excluding the legal fees of the underwriters' counsel	[₱4,000,000.00]
TOTAL	[₱170,251,220.00]

* Per SEC Memorandum Circular No. 09-2025, all registration statement applications before the Markets and Securities Regulation Department shall be entitled to a thirty percent (30%) discount on the assessed registration fees until 31 December 2025. Thus, applying the discount rate, the SEC Registration Fees (initially computed at ₱3,787,500.00) shall amount to ₱2,651,250.00.

** The Estimated legal and other professional fees includes the fees for legal counsels and independent auditor engaged in relation to the Offer, which refers to (1) the fees for the Issuer's legal counsel Picazo Buyco Tan Fider Santos & Dee; (2) fees for the legal opinion delivered by Adarlo Caoile and Associates Law Firm in respect of the material permits and licenses of the Company; (3) fees for the independent auditor, R.G. Manabat & Co. (KPMG); and (4) fees that may be incurred for the engagement of SMC Stock Transfer Service Corporation as Registrar / Stock Transfer Agent and Receiving Agent.

Assuming the Oversubscription Option is fully exercised, the additional incremental estimated fees, commissions and expenses are as follows:

Particulars	Amount
Selling fees for the Series 2-S, Series 2-T, and Series 2-U Preferred Shares being sold by the Company	[₱55,000,027.50]
Taxes to be paid by the Company	[₱5,000,002.50]
TOTAL	[₱60,000,030.00]

The use of proceeds for this Offer will be for the refinancing of existing short-term loan/s that will be used to redeem the Series 2-F Preferred Shares, to partially redeem the Series 2-J Preferred Shares and the Series 2-K Preferred Shares, and/or to make additional investments in the infrastructure business, including the Manila International Airport and other airport related projects in Bulakan, Bulacan, and the tollways projects.

Refinancing of Short-Term Loans for Redemption of 223,333,500 Series 2-F Preferred Shares

A portion of the net proceeds from the Offer will be used to repay the following Philippine Peso-denominated short-term loan facilities of the Company:⁸

⁸ Details of the loans will be finalized once we finalize the Offer Supplement after the loans have been incurred.

Lender*	Amount (in Php)	Date Incurred	Maturity Date*
Total	[P16,750,012,500.00]		

*Note: To be determined.

The interest rates of the short-term loans are within the range of [●]% p.a. to [●]% p.a.

Up to [P16,750,012,500.00] from the net proceeds of the Offer will be used for the refinancing of the aforementioned short term loans which will be used to redeem the Company's 223,333,500 Series 2-F Preferred Shares which were issued on September 21, 2015, with a total outstanding amount of [P16,750,012,500.00]. On August 7, 2025, the Board of Directors of the Company approved the redemption of Series 2-F Preferred Shares on September 21, 2025.

Partial Redemption of Series 2-J Preferred Shares and Series 2-K Preferred Shares

The Company will use up to P[●] billion from the net proceeds of the Offer to fund the partial redemption of the Series 2-J and Series 2-K Preferred Shares.

On October 29, 2020, the Corporation issued 266,666,667 Series 2-J Preferred Shares with a dividend rate of 4.75% p.a. and on December 10, 2020, issued 183,904,900 Series 2-K Preferred Shares with a dividend rate of 4.50%. Under the terms of the Series 2-J Preferred Shares and Series 2-K Preferred Shares, unless the shares are redeemed on the fifth (5th) anniversary of their respective issue dates, the dividend rates for the shares will be subject to a step-up commencing on October 29, 2025 for the Series 2-J Preferred Shares and December 10, 2025 for the Series 2-K Preferred Shares.

On August 7, 2025, the Board of Directors of the Company approved the conduct of an exchange offer, through a voluntary tender offer, to exchange Series 2-J Preferred Shares and Series 2-K Preferred Shares for Series 2 Preferred Shares to be re-issued from the treasury Series 2 Preferred Shares of the Company.

On August 15, 2025, SMC issued a notice to all shareholders of the Series 2-J Preferred Shares and Series 2-K Preferred Shares to inform them of its intention to undertake a voluntary tender offer to exchange Series 2-J Preferred Shares and Series 2-K Preferred Shares in exchange for Series 2 Preferred Shares. Any remaining Series 2-J Preferred Shares and Series 2-K Preferred Shares which have not been exchanged shall be redeemed on October 29, 2025 and December 10, 2025, respectively.

Investments in Airport and airport-related projects

The Company also intends to use up to P[●] billion from the net proceeds from the Offer to invest in the Airport and other airport-related projects, by way of equity, debt, or other instruments, within 24 months from the Issue Date.

San Miguel Aerocity Inc. ("SMAI") signed a concession agreement with the Department of Transportation to construct and operate the Manila International Airport that is envisioned to be an aerotropolis, fill the gap and set the standard for a modern, world-class international airport that will address today's and future capacity requirements for air travel in the Philippines. SMAI is 100% controlled by San Miguel Holdings Corp., which is a wholly-owned subsidiary of SMC.

The proceeds from the Offer will be utilized by the Company through direct or indirect investments in SMAI or such other airport-related subsidiaries of the Company as it may deem appropriate in furtherance of the completion of such projects subject to and in compliance with existing laws, rules and regulations.

In summary, the net proceeds of the Offer shall be used as follows (in order of their priority):

Purpose	Allocation out of the Net proceeds of the Base Offer ¹	Allocation out of the Net proceeds of the Offer (Assuming Exercise of Oversubscription Option) ¹	Estimated Timing of Disbursement

Refinancing of Short-Term Loans for Redemption of 223,333,500 Series 2-F Preferred Shares	[Up to ₱16.75 billion]	[Up to ₱16.75 billion]	within 4 th quarter of 2025
Partial Redemption of Series 2-J Preferred Shares and Series 2-K Preferred Shares and/or	[Up to ₱3.07 billion]	[Up to ₱13.18 billion]	October 29, 2025 and December 10, 2025
Investments in Airport and airport-related projects			within 24 months from Issue Date
Total	[₱19.82 billion]	[₱29.93 billion]	

¹Estimate, but in no event will the total allocation exceed the net proceeds from the Offer.

Any shortfall from the net proceeds of the Offer allotted to any of the foregoing will be financed from the Company's internally generated funds.

Pending the above use of proceeds, the Company intends to invest the net proceeds from the Offer in short-term liquid investments including, but not limited to, short-term government securities, bank deposits, and money market placements which are expected to earn prevailing market rates. In the event such investments should incur losses, any shortfall will be financed from the Company's internally generated funds.

The Company shall file the appropriate SEC Form 17-C with the SEC and the PSE upon making any disbursement of the net proceeds of the Offer.

UNDERTAKING ON THE USE OF PROCEEDS

No amount of the proceeds is to be used to reimburse any officer, director, employee, or shareholder, for services rendered, assets previously transferred, money loaned or advanced, or otherwise.

The Company undertakes that it will not use the net proceeds from the Offer for any purpose, other than as discussed above. The Company's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company's management may find it necessary or advisable to alter its plans. In the event of any substantial deviation, adjustment or reallocation in the planned use of proceeds, the Company shall inform the SEC, the PSE, and the holders of the Offer Shares in writing at least 30 days before such deviation, adjustment or reallocation is implemented. Any material or substantial adjustments to the use of proceeds, as indicated above, should be approved by the Board of Directors or the Executive Committee, and disclosed to the PSE. In addition, the Company shall submit via the PSE's online disclosure system, the Electronic Disclosure Generation Technology ("EDGE"), the following disclosures to ensure transparency in the use of proceeds, namely:

- i. any material disbursements made in connection with the planned use of proceeds from the Offer;
- ii. quarterly progress report on the application of the proceeds from the Offer on or before the first 15 days of the following quarter;
- iii. annual summary of the application of the proceeds on or before January 31 of the following year; and
- iv. approval by the Board of Directors or the Executive Committee of any reallocation on the planned use of proceeds. The actual disbursement or implementation of such reallocation must be disclosed by the Company at least 30 days prior to the said actual disbursement or implementation.

The Company shall submit a certification by the Company's treasurer and external auditor on the accuracy of the information reported by the Company to the PSE, as well as a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in the Offer Supplement, if any, in the Company's quarterly and annual reports as required in items (ii) and (iii) above. Such detailed explanation will state the approval of the Board of Directors as required in item (iv) above.

PLAN OF DISTRIBUTION

SMC plans to issue the Offer Shares to institutional and retail investors in the Philippines through a public offering to be conducted through the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners, along with the Selling Agents who will take part in at least 70% of the Offer Shares (the “**Institutional Offer**”). The Offer does not include an international offering.

Joint Issue Managers

Bank of Commerce, BDO Capital & Investment Corporation, and PNB Capital and Investment Corporation are the Joint Issue Managers for the Offer, and as such, manage and coordinate the various workstreams to ensure the successful execution of the Offer.

Joint Lead Underwriters and Bookrunners

The Joint Lead Underwriters and Bookrunners have agreed to distribute and sell the Series 2-S, Series 2-T, and Series 2-U Preferred Shares at the Offer Price, pursuant to an underwriting agreement to be entered into with SMC. Subject to the fulfillment of the conditions provided in the Underwriting Agreement, the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners have committed to underwrite the following amounts on a firm basis:

Joint Lead Underwriter	Underwriting Commitment (Shares)	Underwriting Commitment (₱)
Bank of Commerce	51,333,500	3,850,012,500
BDO Capital & Investment Corporation	51,333,500	3,850,012,500
BPI Capital Corporation	23,333,000	1,749,975,000
China Bank Capital Corporation	29,333,200	2,199,990,000
Land Bank of the Philippines	13,333,500	1,000,012,500
Philippine Commercial Capital, Inc.	13,333,400	1,000,005,000
PNB Capital and Investment Corporation	38,000,000	2,850,000,000
RCBC Capital Corporation	20,000,000	1,500,000,000
Security Bank Capital Investment Corporation	26,666,500	1,999,987,500
TOTAL	266,666,600	19,999,995,000

The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to SMC of the net proceeds of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares. For further discussion, please refer to “*Plan of Distribution – Withdrawal of the Offer*” on page [136] of this Offer Supplement.

The underwriting and selling fees to be paid by the Company in relation to the Offer shall be up to 0.55% of the gross proceeds of the Offer. This shall be inclusive of fees to be paid to the Joint Issue Managers, Joint Lead Underwriters and Bookrunners, and the commissions to be paid to the Trading Participants of the PSE, which shall be equivalent to [0.15]% of the total proceeds of the sale of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares by such Trading Participant. The Trading Participant’s selling commission is inclusive of any value added tax and creditable withholding tax. The latter shall be for the account of the Trading Participant and will be withheld and remitted to the Bureau of Internal Revenue (“**BIR**”) by either the Joint Issue Managers, the Joint Lead Underwriters and Bookrunners or the Issuer.

The Joint Issue Managers, and the Joint Lead Underwriters and Bookrunners are duly licensed by the SEC to engage in underwriting or distribution of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares. The Joint Issue Managers and the Joint Lead Underwriters and Bookrunners may, from time to time, engage in transactions with and perform services in the ordinary course of its business for SMC or any of its subsidiaries.

The Joint Issue Managers and the Joint Lead Underwriters and Bookrunners, except for Bank of Commerce, have no direct relations with SMC in terms of ownership by either of their respective major stockholder/s and have no right to designate or nominate any member of the Board of Directors. Bank of Commerce is an affiliate of the Company.

The Joint Issue Managers and the Joint Lead Underwriters and Bookrunners have no contract or other arrangement with SMC by which it may return to SMC any unsold Series 2-S, Series 2-T, and Series 2-U Preferred Shares.

Overview of the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners

Bank of Commerce (“**BankCom**”), an affiliate of SMC since 2008, is a publicly-listed universal bank. On December 23, 2021, BankCom received its authority to operate as a universal bank under Monetary Board Resolution No. 1798, allowing BankCom to engage in investment banking activities. Subsequently, BankCom established its Investment Banking Group (IBG) in March 2022. On August 11, 2022, BankCom received its secondary license from the SEC to act as an Underwriter of Securities (certificate of registration no. 01-2008-00179). With these developments, BankCom’s IBG can now undertake end-to-end publicly listed capital markets transactions, including the arrangement, issue management, and underwriting of debt and equity securities. IBG is likewise responsible for the arrangement, syndication, and placement of privately issued securities, such as syndicated loans and project finance facilities. IBG may also engage in financial advisory activities, including restructuring, mergers, and acquisitions.

BDO Capital & Investment Corporation (“**BDO Capital**”) was incorporated in the Philippines in December 1998. BDO Capital is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. BDO Capital has been registered and authorized to act as an investment house since 1999 under the Investment Houses Law or Presidential Decree No. 129. It is duly licensed by the SEC to operate as an investment house and was licensed by the SEC to engage in underwriting or distribution of securities to the public. BDO Capital is licensed by the SEC as an Investment House Engaged in Dealing Government Securities and a Mutual Fund Distributor under Certificate of Registration (C.R.) No.: 01-2008-00219 issued on 29 December 2014. Said license was renewed on 29 November 2022. As of December 31, 2024, it had ₱5.44 Billion and ₱5.08 Billion in assets and capital, respectively. It has an authorized capital stock of ₱1.10 Billion, of which approximately ₱1.00 Billion represents its paid-up capital.

BPI Capital Corporation (“**BPI Capital**”) is a Philippine corporation organized in the Philippines as a wholly owned subsidiary of the Bank of the Philippine Islands. It obtained its license to operate as an investment house in 1994 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of November 2022, BPI Capital is licensed by the SEC as an Investment House Engaged in Dealing Government Securities and a Mutual Fund Distributor under Certificate of Registration (C.R.) No.: 01-2008-00210. As of December 31, 2024, its total assets amounted to ₱4.60 billion and its capital base amounted to ₱34.36 billion. It has an authorized capital stock of ₱506.44 million of which approximately ₱260.36 million represents its paid-up capital.

China Bank Capital Corporation (“**Chinabank Capital**”) is the wholly owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house on November 27, 2015, with SEC Company Registration No. CS201522558 and SEC Investment House License No. CR 01-2015-00279 (renewed on 19 November 2024), as a result of the spin-off of China Banking Corporation’s Investment Banking Group. The firm offers a full suite of investment banking solutions that enable clients to achieve their fundraising objectives and strategic goals. The company’s services include arranging, managing, and underwriting debt and equity transactions, such as bond offerings, corporate notes issuances, initial public offerings and follow-on offerings of common and preferred shares, private placement of securities, structured loans, project finance, real estate investment trusts, and asset securitizations. Chinabank Capital also provides financial advisory services, such as deal structuring, valuation, and execution of mergers, acquisitions, divestitures, joint ventures, and other corporate transactions. As of December 31, 2024, it has total assets of ₱4.06 billion and a capital base of ₱4.00 billion.

Land Bank of the Philippines (“**LANDBANK**”) is a government financial institution organized and existing pursuant to Republic Act No. 3844, otherwise known as the Agricultural Land Reform Code, as amended. Established in 1963, LANDBANK operates as a universal bank, providing a wide range of financial services to support the growth of the agriculture sector, rural communities, and other priority sectors of the economy such as infrastructure and utilities; power; micro, small and medium enterprises; healthcare and education; and environment and natural resources management, among others. Present in all 82 provinces in the country, LANDBANK is the largest development financial institution in the Philippines that promotes financial inclusion, digital transformation, and sustainable national development. LANDBANK is licensed by the SEC as an Investment House Engaged in Dealing Government Securities under Certificate of Registration (C.R.) No.: 01-2008-00243. As of December 31, 2024, LANDBANK’s total assets amounted to ₱3.44 trillion, with a capital of ₱293.13 billion.

Philippine Commercial Capital, Inc. (“**PCCI**”) was incorporated on September 23, 1975 and is among the pioneering investment banks in the country. Over the years, PCCI has built a solid track record and expertise in the Philippine capital

markets, obtaining a license to operate as a trust entity, investment house, and securities dealer on May 22, 1992. PCCI Capital obtained its investment house license on July 31, 1986, and has since cultivated a diversified and distinguished portfolio — demonstrating expertise in the trading of government securities and corporate issuances, active participation in syndicate undertakings, and operations under CR No. 01-2008-00232. Its enduring prominence in the financial industry is further reinforced by the renewal of its Investment House–Government Securities Eligible Dealer (IH-GSED) license on 28 November 2024, a testament to its stature as a seasoned and trusted authority in the public bond and preferred shares markets.

PNB Capital and Investment Corporation (“**PNB Capital**”), a wholly-owned subsidiary of the Philippine National Bank, offers a spectrum of investment banking services including loan syndications and project finance, bond offerings, private placements, public offering of shares, securitization, financial advisory and mergers and acquisitions. PNB Capital was incorporated on July 30, 1997 with SEC Certificate of Registration No: A199708720 and subsequently commenced operations on October 8, 1997. PNB Capital holds a license as an investment house and underwriter of securities. PNB Capital’s license (C.R. No. 01-2008-00234) is renewed every November of each calendar year and was renewed last on December 6, 2022. PNB Capital’s scope of corporate business includes but is not limited to: 1) Buy and sell for its own account, and/or to arrange to distribute on either a guaranteed/firm commitment basis or on a best-efforts basis securities of other corporations and of the Republic of the Philippines 2) Arrange, participate, and/or distribute in syndicate undertakings on either a guaranteed/firm commitment basis or on a best-efforts basis securities of other corporations and of the Republic of the Philippines and its instrumentalities, 3) Act as Financial Advisor/Consultant, and 4) Such other activities or business ventures directly or indirectly related to the dealing of securities. As of December 31, 2021, it had an authorized capital of ₱2.0 billion and paid-up capital of ₱1.5 billion. PNB Capital is authorized to buy and sell, for its own account, securities issued by private corporations and the Philippine Government. As of December 31, 2024, total assets of PNB Capital were at ₱2.17 billion while total capital was at ₱2.13 billion.

RCBC Capital Corporation (“**RCBC Capital**”) is a licensed investment house providing a complete range of capital raising and financial advisory services. In 1974, RCBC Capital secured its authorization to act as an Investment House pursuant to the provisions of the Investment Houses Law and the SRC. The Company has over 50 years of experience in underwriting of equity, quasi-equity and debt securities, as well as in managing and arranging the syndication of loans, and in financial advisory. RCBC Capital Corporation has been registered and authorized to act as investment house engaged in dealing government securities (with broker/dealer of securities functions) under SEC C.R. No. 01-2008-00212, issued in 2014, contingent on full compliance with the terms and conditions set by the SEC pursuant to the provisions of the Investment Houses Law and the SRC and its IRR. The Certificate was last renewed in November 2022. RCBC Capital is a wholly-owned subsidiary of the Rizal Commercial Banking Corporation and a part of the Yuchengco Group of Companies, one of the country’s largest fully integrated financial services conglomerates. As of December 31, 2024, its total assets amounted to ₱4.30 billion, and its capital base amounted to ₱3.50 billion.

Security Bank Capital Investment Corporation (“**Security Bank Capital**”) is a Philippine corporation organized in October 1995 as a wholly-owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. Security Bank Capital Investment Corporation obtained its underwriting license in 1995. Security Bank Capital, with C.R. No. 01-2008-00236, is duly registered and authorized by the Securities and Exchange Commission to operate as an Investment House (IH), Underwriter of Securities (US), Investment House/Underwriter of Securities engaged in dealing in Government Securities (IH/US with GSED), or Government Securities Eligible Dealer (GSED). Since obtaining its license on October 13, 1995, Security Bank Capital has accumulated nearly 30 years of experience in underwriting and distributing public and private capital market transactions for major conglomerates, top corporations, and the government in the Philippines. Security Bank Capital provides a wide range of investment banking services including financial advisory, underwriting of equity and debt securities, project finance, privatizations, mergers and acquisitions, loan syndications and corporate advisory services. Security Bank Capital is also involved in equity trading through its wholly-owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major equity and debt issues, both locally and internationally. As of December 31, 2024, its total assets amounted to ₱2.19 billion and its capital base amounted to ₱2.13 billion.

Assigned Joint Lead Underwriters for the Trading Participants

The Assigned Joint Lead Underwriters for the Trading Participants and the PSE to facilitate the reservation and allocation of the Series 2-S, Series 2-T, and Series 2-U Preferred Shares among the Trading Participants. Examples of the Joint Lead Underwriters for the Trading Participants’ obligations include: (i) conducting the allocation process and preparing the

trading participant final allocation list; (ii) transmitting the notice of final allocation to participating Trading Participants; and (iii) indicating the requested number of Offer Shares by each participating Trading Participant in the allocation report. For more details on responsibilities of the Assigned Joint Lead Underwriters of the Trading Participants, please refer to the TP Guidelines.

The responsibilities of Bank of Commerce and Security Bank Capital Investment Corporation as Assigned Joint Lead Underwriters for the Trading Participants include: (i) distributing the selling kits to the Trading Participants and confirming with the PSE via email that the selling kits have been sent to all Trading Participants; (ii) conducting the allocation process and preparing the Trading Participant final allocation list; (iii) transmitting the notice of final allocation to participating Trading Participants; (iv) indicating the requested number of Offer Shares by each participating Trading Participant in the allocation report; (v) confirming with the PSE that a notice of final allocation has been delivered to each participating Trading Participant; and (vi) coordinating with the Trading Participants in case the latter have questions or clarifications in relation to the Offer.

Sale and Distribution

The distribution and sale of the Offer Shares shall be undertaken by the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners who shall sell and distribute the Offer Shares to third party buyers/investors. The Joint Issue Managers and the Joint Lead Underwriters and Bookrunners are authorized to organize a syndicate of other underwriters, soliciting dealers and/or selling agents for the purpose of the Offer.

Of the 266,666,600 Series 2-S, Series 2-T, and Series 2-U Preferred Shares to be offered, at least [186,666,700] Series 2-S, Series 2-T, and Series 2-U Preferred Shares or about [70]% are being offered through the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners for subscription and sale to Qualified Buyers, other investors, and the general public (the “Institutional Offer”). The Company plans to make available up to [79,999,900] Series 2-S, Series 2-T, and Series 2-U Preferred Shares or about [30]% for distribution to the [124] Trading Participants acting as Selling Agents and to LSIs under the Local Small Investors Program of the PSE at the Offer Price (the “**Trading Participants Offer and Retail Offer**”) (subject to re-allocation as described below).

Up to [53,333,300] Offer Shares or about 20% of the Base Offer (the “**Trading Participants Offer**”) shall be offered for distribution to the respective clients of the [124] Active Trading Participants of the PSE, acting as Selling Agents. Each Trading Participant shall be allocated to [430,100] Series 2-S, Series 2-T, and Series 2-U Preferred Shares (the “**Allocation per TP**”) (computed by dividing the Series 2-S, Series 2-T, and Series 2-U Preferred Shares allocated to the Trading Participants by [124]). The balance of [900] Offer Shares will be allocated to the Trading Participants as may be determined by the Joint Lead Underwriters and Bookrunners. Trading Participants may undertake to purchase more than the Allocation per TP. Any requests for shares in excess of the Allocation per TP may be satisfied via the reallocation of any Series 2-S, Series 2-T, and Series 2-U Preferred Shares not taken up by other Trading Participants.

Any Series 2-S, Series 2-T, and Series 2-U Preferred Shares allocated to the Trading Participants but not taken up by them, will be allocated first to the Trading Participants who subscribed for their full allotment and indicated additional demand, at the sole discretion of the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners.

Trading Participants who take up the Offer Shares shall be entitled to a selling fee of [0.15]%, inclusive of any value added tax and creditable withholding tax, and will be paid to the participating Trading Participants starting on the tenth (10th) Business Day after the Issue Date.

The allocation of the Offer Shares between the Institutional Offer and the Trading Participants Offer is subject to adjustment as agreed among the Issuer, the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants Offer, Offer Shares initially allocated to the Institutional Offer may be reallocated to the Trading Participants Offer. If there is an under-application in the Trading Participants Offer and a corresponding over-application in the Institutional Offer, Offer Shares initially allocated to the Trading Participants Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of an over-application or under-application in both the Institutional Offer, on the one hand, and the Trading Participants Offer, on the other hand.

All Series 2-S, Series 2-T, and Series 2-U Preferred Shares not taken up by the Qualified Buyers, Trading Participants, the general public and the clients of the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners shall be purchased by the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners pursuant to the terms and conditions of the Underwriting Agreement. Nothing herein or in the Underwriting Agreement shall limit the rights

of the Joint Lead Underwriters and Bookrunners from purchasing the Offer Shares for their own respective accounts.

The obligations of each of the Joint Lead Underwriters and Bookrunners will be joint but not solidary, and nothing in the Underwriting Agreement shall be deemed to create a partnership or joint venture between and among any of the Joint Lead Underwriters and Bookrunners. Unless otherwise expressly provided in the Underwriting Agreement, the failure by a Joint Lead Underwriter and Bookrunner to carry out its obligations thereunder shall neither relieve the other Joint Lead Underwriters and Bookrunners of their obligations under the same Underwriting Agreement, nor shall any Joint Lead Underwriter and Bookrunner be responsible for the obligation of another Joint Lead Underwriter and Bookrunner.

Local Small Investors

In compliance with Local Small Investors Guidelines, 10% of the Base Offer or [26,666,600] Offer Shares will be allocated to Local Small Investors. A clawback mechanism is also adopted wherein the allocation to Local Small Investors is increased to 15% if the total demand is five times or more than the initial allocation for Local Small Investors. If the total demand for shares in the Local Small Investors' subscription exceeds the maximum 15% under the clawback mechanism, the underwriter(s) shall allocate the shares by balloting. The number of Offer shares to be made available to the Local Small Investors will be subject to final allocation to be determined by the Underwriters.

Each Local Small Investor applicant may subscribe for a minimum of 500 Offer Shares and up to a maximum of [13,400] Offer Shares at the Offer Price.

Trading Participants Allocation Process

Mechanics of Distribution

1. Upon receipt of the report on the Offer Shares to be taken up by Trading Participants ("**Firm Undertaking Report**") the Assigned Joint Lead Underwriters for the Trading Participants shall, with oversight from representative(s) of the other Joint Lead Underwriters and Bookrunners, input the number of Offer Shares requested by each Trading Participant in a spreadsheet designed for the reservation and allocation of the Offer Shares, as confirmed by the Receiving Agent in the Firm Undertaking Report.
2. The spreadsheet shall distribute the total number of Offer Shares to be allocated to each Trading Participant in accordance with the following process:
 - a) If the total number of Offer Shares requested by a Trading Participant, based on its Firm Undertaking Report, does not exceed the Allocation per TP, the Assigned Joint Lead Underwriters for the Trading Participants shall fully satisfy the request of such Trading Participant. Each Trading Participant is assured of not less than the Allocation per TP. The balance, if any, shall be re-distributed among those who have signified a commitment to purchase more than the Allocation per TP in their Firm Undertaking Report until all the Offer Shares allotted for distribution are fully allocated.
 - b) If the total number of Offer Shares requested by a Trading Participant exceeds the Allocation per TP, additional shares may be sourced from the Offer Shares not taken up by the other Trading Participants. The Assigned Joint Lead Underwriters for the Trading Participants, with guidance from the other Joint Lead Underwriters and Bookrunners, shall allocate the Offer Shares to Trading Participants by: (i) fully satisfying the orders of those Trading Participants who have firm orders that are less than or equal to the Allocation per TP; and (ii) distributing equitably the remaining Allocation per TP to other Trading Participants with orders for additional shares, but only up to their respective firm orders.
 - c) In no case shall any Trading Participant be awarded more than the shares indicated in its Firm Undertaking Report.
 - d) If the aggregate number of Offer Shares requested by all Trading Participants is less than the Offer Shares initially allocated to the Trading Participants Offer, the balance shall be returned to the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners for reallocation.

3. All deadlines indicated in the TP Guidelines shall be strictly followed.

Term of Appointment

The engagement of the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners shall subsist so long as the SEC Permit to Sell remains valid, unless otherwise terminated pursuant to the Underwriting Agreement.

Manner of Distribution

The Joint Issue Managers and the Joint Lead Underwriters and Bookrunners shall, at their discretion, determine the manner by which proposals for subscriptions to, and issuances of, the Offer Shares shall be solicited, with the sale of the Offer Shares to be effected only through the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners. The Joint Issue Managers and the Joint Lead Underwriters and Bookrunners may appoint other entities, including Trading Participants, to sell on their behalf.

Offer Period

The Offer Period shall commence at 9:00 a.m. on [October 13, 2025] and end at 12:00 noon on [October 17, 2025], or such other date as may be mutually agreed between the Company, the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners with the approval of the SEC and the PSE, as applicable.

Application to Purchase

All applications to purchase the Offer Shares shall be evidenced by a duly completed and signed Application to Purchase, together with two (2) fully executed specimen signature cards authenticated by the Corporate Secretary or equivalent officer with respect to corporate and institutional investors, and shall be accompanied by the proof of payment in full of the corresponding purchase price of the Offer Shares, by check or by the appropriate payment instruction, and the required documents which must be submitted to the Receiving Agent, the Joint Issue Managers, or the Joint Lead Underwriters and Bookrunners.

Corporate and institutional purchasers must also submit the following:

- (a) a certified true copy of the applicant's latest articles of incorporation and by-laws and other constitutive documents or equivalent documents, each as amended to date, duly certified by the corporate secretary or equivalent officer;
- (b) the applicant's SEC certificate of registration, duly certified by the corporate secretary or equivalent officer;
- (c) a duly notarized corporate secretary's certificate or equivalent document setting forth the resolution of the applicant's board of directors or equivalent body authorizing (i) the purchase of the Offer Shares indicated in the application and (ii) the designated signatories for the purpose, including their respective specimen signatures;
- (d) certified true copy of latest General Information Sheet ("GIS") duly certified by the corporate secretary or equivalent officer;
- (e) photocopy of any one (1) of the following valid IDs: passport/driver's license, company ID, Social Security System/Government Service and Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank or the Receiving Agent, as applicable;
- (f) two (2) specimen signature cards with specimen signatures of the signatory or signatories of the Application to Purchase; and
- (g) validly issued taxpayer identification number issued by the BIR.

Individual applicants must also submit a photocopy of any one of the following valid IDs: passport/driver's license, company ID, Social Security System/Government Service Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank.

For Applications to Purchase to be submitted by the Trading Participants, please refer to the Trading Participant Implementing Guidelines.

An applicant who is exempt from or is not subject to withholding tax or who claims reduced tax treaty rates shall, in addition, be required to submit the following requirements to the relevant Joint Issue Manager, or the relevant Joint Lead Underwriter and Bookrunner (together with their applications) who shall then forward the same to the Registrar and Paying Agent, subject to acceptance by the Company as being sufficient in form and substance:

1. Tax Residency Certificate for the period when the treaty rate is claimed, duly issued by the tax authority of the foreign country in which the income recipient is a resident.
2. Bank documents/certificate of deposit/telegraphic transfer/telex/money transfer evidencing payment/remittance of income.
3. Notarized Special Power of Attorney (“SPA”) issued by the nonresident taxpayer to his/her authorized representative(s), which shall expressly state the authority to sign the Application Form as well as to file the tax treaty relief application or Request for Confirmation.
4. When applicable, proof that shareholding in respect of which dividends are paid is not effectively connected with a permanent establishment of the foreign enterprise in the Philippines.

Depending on the circumstances of the applicant, additional/special requirements may be requested in accordance with existing rules and regulations issued by the BIR.

In case, the non-resident corporate taxpayer wishes to, instead, avail of the benefits of the tax sparing under the National Internal Revenue Code, it will have to submit the following documents:

1. Original copy of apostilled/duly authenticated Tax Residence Certificate issued by the tax authority of the country of domicile.
2. Original apostilled/duly authenticated copy of the non-resident foreign corporation’s (“NRFC”) articles of incorporation or proof of establishment in its country of residence.
3. Original copy of apostilled/duly authenticated SPA issued by NRFC to its authorized representative.

As in request for confirmation/tax treaty relief application, additional/special requirements may be requested in accordance with existing rules and regulations issued by the BIR.

In both cases, an original of the duly notarized undertaking, in the prescribed form, declaring and warranting its tax exempt status, undertaking to immediately notify the Company and the Registrar and Depository Agent of any suspension or revocation of its tax exempt status and agreeing to indemnify and hold the Company, the Registrar and Depository Agent and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or reduced withholding of the required tax will have to be submitted.

The Joint Issue Managers and the Joint Lead Underwriters and Bookrunners shall be responsible for accepting or rejecting any application or scaling down the amount of Offer Shares applied for. The application, once accepted, shall constitute the duly executed purchase agreement covering the amount of Offer Shares so accepted and shall be valid and binding on the Company and the applicant. The Joint Issue Managers and the Joint Lead Underwriters and Bookrunners shall advise the Selling Agents of any Applications that were rejected and/or scaled down, with copy to the Company.

Applications to purchase the shares allocated for Local Small Investors must be done online through the PSE Easy. The system will generate a reference number and payment instruction. Application payments for the Offer Shares must be settled within the Offer Period.

A Local Small Investor applicant should nominate in the application the PSE Trading Participant through which its shares will be lodged. Otherwise, the application shall not be accepted. In the event that a Local Small Investor applicant does not have a PSE Trading Participant, the Local Small Investor applicant, if eligible, may open a trade account. Local Small Investor applicant may refer to the Local Small Investors Guidelines for more additional information.

Local Small Investor applications will be processed on a first-come, first-served basis while final allocation of the Trading Participants will be determined pursuant to allocation mechanics. This section should be read in conjunction with the Offer Implementing Guidelines, which will be published on the PSE EDGE website.

Minimum Purchase

A minimum purchase of 500 shares shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of 100 shares.

Payment for the Offer Shares

The Offer Price of the Offer Shares must be paid in full upon submission of the application. Payment shall be in the form of either:

- (a) a cashier's/manager's or corporate check, or personal check drawn against a bank account with a BSP-authorized agent bank or any branch thereof with a clearing period of not more than one (1) Business Day and dated as of the date of submission of the Application to Purchase covering the entire number of the Offer Shares covered by the same Application. Checks should be made payable to "**SMC Preferred Shares Offer**" and crossed "Payee's Account Only" with a clearing period of not more than one (1) Business Day shall be accepted. Check payment must be made within the clearing cut-off of the last day of the Offer Period; or
- (b) through the RTGS facility of the BSP to the relevant Joint Issue Manager, Joint Lead Underwriter and Bookrunner, Selling Agent, or the Receiving Agent to whom such Application was submitted; or
- (c) via direct debit from their deposit account maintained with the relevant Joint Issue Manager, Joint Lead Underwriter and Bookrunner, or the Selling Agent; or
- (d) through other means as may be agreed between the applicant and the relevant Joint Issue Manager, Joint Lead Underwriter and Bookrunner, Selling Agent, or the Receiving Agent.

Payment by the Local Small Investors shall be made either by:

- (a) [Bank] Bills Payment under the biller name "[•]" via:
 - (i) Over-the-counter cash or check deposit payment in any [Bank] branch.
 - (ii) Online payment through [Bank] Internet Banking or [Bank] Mobile Banking App.
- (b) Online payment via DragonPay, with "[•]" as the merchant.

For over-the-counter, the Local Small Investor applicant must indicate the payment reference number.

Should the payment of the Local Small Investor be incomplete or below the full payment or below the full payment amount of the purchase, the LSI Application shall be rejected.

Refunds

In the event an Application is rejected or the amount of Offer Shares applied for is scaled down, the Joint Lead Underwriters and Bookrunners, the Selling Agents, the concerned Trading Participant, or the Receiving Agent, as may be applicable, upon receipt of such rejected or scaled down Applications, shall notify the applicant concerned that his Application has been rejected or the amount of Offer Shares applied for is scaled down, and return or refund the amount paid by the applicant with no interest thereon. With respect to an applicant whose Application was rejected, the Joint Lead Underwriter and Bookrunner, the Selling Agents, the concerned Trading Participant, or the Receiving Agent, as may be applicable, shall return the check payment of or refund the amount paid by the applicant concerned. With respect to an applicant whose Application has been scaled down, refund shall be made by the concerned Joint Lead Underwriter and Bookrunner, the concerned Selling Agents, the concerned Trading Participant, or the Receiving Agent, as may be applicable, by way of issuance of its own check payable to the order of the applicant and crossed "Payees' Account Only" corresponding to the amount in excess of the accepted Application or through other means as may be agreed between the applicant and the relevant Joint Lead Underwriter and Bookrunner, Trading Participant, Selling Agents, or Receiving Agent. All checks shall be made available for pick up by the applicants concerned at the office of the Joint Lead Underwriters and Bookrunners, the Trading Participants, or the Receiving Agent, as may be

applicable, to whom the rejected or scaled down Application was submitted within five (5) Business Days after the last day of the Offer Period. Any checks that remain unclaimed after thirty (30) days from the Issue Date shall be mailed or delivered, at the risk of the applicant, to the address specified in the Application to Purchase. The Company shall not be liable in any manner to the applicant for any check payment corresponding to any rejected or scaled-down Application which is not returned by the Joint Lead Underwriters and Bookrunners, the Selling Agent, the Trading Participants, or the Receiving Agent, as may be applicable; in which case, the Joint Lead Underwriters and Bookrunners, the Selling Agents, the Trading Participants, or the Receiving Agent, as may be applicable, shall be responsible directly to the applicant for the return of the check or otherwise the refund of the payment.

Refund in case Offer Shares are not listed

In the event the Offer Shares are not listed on PSE, the Joint Issue Managers, the Joint Lead Underwriters and Bookrunners, the Selling Agents, the concerned Trading Participant, or the Receiving Agent, as may be applicable, shall notify the applicant concerned. The Joint Lead Underwriter and Bookrunner, the Selling Agents, the concerned Trading Participant, or the Receiving Agent, as may be applicable, shall return the check payment or refund the amount paid by the applicant concerned by way of issuance of its own check payable to the order of the applicant and crossed "Payees' Account Only" or through other means as may be agreed between the applicant and the relevant Joint Lead Underwriter and Bookrunner, Trading Participant, Selling Agents, or Receiving Agent. All checks shall be made available for pick up by the applicants concerned three (3) Business Day after the intended Issue Date at the office of the Joint Lead Underwriters and Bookrunners, the Trading Participants, or the Receiving Agent, as may be applicable. Any checks that remain unclaimed after fifteen (15) Business Days from the intended Issue Date shall be mailed or delivered, at the risk of the applicant, to the address specified in the Application to Purchase.

Refund Process for Local Small Investors

All refunds shall be made directly to the Local Small Investor applicants unless respective Local Small Investor applicants' nominated PSE Trading Participants consented to process Local Small Investor refunds. In that case, all refunds may be made through the nominated PSE Trading Participant, at the Local Small Investor applicant's risk. The refunds will be processed by the Receiving Agent directly to the nominated PSE Trading Participant by transferring immediately available funds to the relevant bank account of, or via check to, each relevant nominated PSE Trading Participant in such amount representing the total refund due to all the clients of the relevant PSE Trading Participant on or before the tenth (10th) banking day after the end of the Offer Period or on [●]. The affected Local Small Investor applicants may coordinate directly with their respective nominated PSE Trading Participant, as indicated in the submitted Local Small Investor applicants.

WITHDRAWAL OF THE OFFER

The Company reserves the right to withdraw the offer and sale of the Offer Shares at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and the PSE.

The Company may also withdraw the offer and sale of the Offer Shares at any time on or after the commencement of the Offer Period and prior to the Issue Date, if any of the following events occur, in which case the Underwriting Agreement shall be deemed terminated, namely:

- a. (i) An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or (ii) occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or (iii) occurrence of any change in local, national or international financial, political, economic or stock market conditions, any of which renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration, or the SEC Permit to Sell Securities ("**Approvals**") and by this Offer Supplement, or would have a material adverse effect on the Philippine economy, on the securities or other financial or currency markets of the Philippines, or on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it, in the reasonable determination of the Joint Lead Underwriters and Bookrunners, after consultation with the Issuer, impracticable to proceed with the Offer in the manner contemplated by the Approvals and this Offer Supplement, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer's or the Joint Lead Underwriters and Bookrunners' inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Lead Underwriters and Bookrunners, or any other entity/person to take up any Offer Shares remaining after the Offer Period;

- b. An order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution, listing or issuance of the Offer Shares by any court or Governmental Authority or authority having jurisdiction on the matter, including the SEC and the PSE;
- c. Suspension, cancellation, revocation, or termination of the Approvals;
- d. Trading in the PSE is closed or suspended for at least three (3) consecutive trading days other than due to weekends or declared holidays, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Issue Date or such other date as may be approved by the PSE;
- e. There is a change or impending change in any Philippine law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order issued, made, or adopted by any Governmental Authority which (i) materially and adversely affects: (a) the ability of the Issuer to engage in the business it is presently engaged in; (b) the capacity and due authorization of the Issuer to offer and issue the Offer Shares and enter into the transaction documents in connection with the Offer; (c) any of the features of the Offer Shares, including the taxes on fees or costs in connection with the Offer, or (ii) renders illegal the performance by any of the Joint Lead Underwriters and Bookrunners of their respective obligations hereunder;
- f. Any significant, adverse, and unforeseeable change or development in the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public;
- g. The Issuer is compelled through an official order, decree, or ruling issued by any competent court or Governmental Authority to stop its operations, which is not remedied within five (5) Business Days from receipt by the Issuer of a formal notice of such decision by such competent court or Governmental Authority (as the case may be);
- h. The Issuer shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or arrangement with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or the Issuer shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; and such receiver, trustee or similar officer shall be appointed; or the Issuer shall initiate or institute (by petition, application or otherwise), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation, corporate rehabilitation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted against the Issuer; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part of the Issuer's assets; or any event occurs which under the laws of the Philippines or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing;
- i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines;
- j. The commencement or the threatened commencement in writing by any entity, person or regulatory body of any public action, court proceeding, litigation, arbitration or other similar proceeding against the Joint Lead Underwriters and Bookrunners in connection with or with respect to the issuance or sale by the Issuer of the Offer Shares or the Offer in general which renders the performance of their underwriting commitment impossible or impracticable;
- k. Any court, arbitral tribunal, or Governmental Authority which has jurisdiction on the matter issues an order restraining or prohibiting the Joint Lead Underwriters and Bookrunners, or directing them to cease, from performing their underwriting obligations which makes it impossible for the Joint Lead Underwriters and Bookrunners to perform their underwriting obligations due to conditions beyond their control;
- l. Any representation, warranty or statement of the Issuer in the Underwriting Agreement, in any certificate, or any information given in the Offer Supplement is untrue or misleading in any material respect or omitted to state a material fact necessary to make the statements therein in light of the circumstances in which they were

made, provided that such: (a) was not known and could not have been known to the Joint Issue Managers, Joint Lead Underwriters and Bookrunners on or before commencement of the Offer Period despite the exercise of due diligence, and (b) has a material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability;

- m. Unavailability of PDTC's lodgment facilities and the PSE's listing facilities used for the Offer and/or listing prior to or on the target Issue Date and such unavailability effectively prevents the ability of the Issuer and the Joint Lead Underwriters and Bookrunners to fully comply with the listing requirements of the PSE, if the impact of such unavailability on the listing of the Offer Shares remains unresolved after discussions between the Issuer and the Joint Lead Underwriters and Bookrunners in good faith; and
- n. Any force majeure event, other than the ones enumerated above, that has material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer's or Joint Lead Underwriters and Bookrunners' inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Lead Underwriters and Bookrunners, or any other entity/person to take up any Offer Shares remaining after the Offer Period.

Notwithstanding the acceptance of any Application, the Offer Shares will be issued only upon listing of such Offer Shares on the PSE, and provided that the Underwriting Agreement shall not have been terminated or cancelled, on or before the Issue Date, in accordance with the provision of the said agreement. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to the Issue Date pursuant to this section and the "*Summary of the Offer – Withdrawal of the Offer*" of this Offer Supplement, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Issue Date.

Notwithstanding the foregoing, the Company and the Joint Lead Underwriters and Bookrunners recognize and acknowledge that the PSE is a self-regulatory organization with a mandate to maintain a fair and orderly market. In this regard, the PSE may order the imposition of appropriate and reasonable sanctions and penalties on the relevant party for the cancellation of the Offer on or after the commencement of the Offer Period and prior to the Issue Date if, subsequently, the PSE determines that the cancellation or suspension of the Offer was not warranted based on the facts gathered and properly evaluated by PSE and after due and proper proceedings initiated by the PSE not later than five (5) Business Days after such cancellation or suspension.

For purposes of this section, "Governmental Authority" means any government agency, authority, bureau, department, court, tribunal, legislative body, statutory or legal entity (whether autonomous or not), commission, corporation, or instrumentality, whether national or local, of the Republic of the Philippines.

Secondary Market

SMC may purchase the Offer Shares, then tradeable at that time, at any time without any obligation to make pro rata purchases of Offer Shares from all shareholders.

Registry of Shareholders

The Offer Shares will be issued in scripless form through the electronic book-entry system of SMC Stock Transfer Service Corporation as Registrar for the Offer Shares, and lodged with PDTC as Depository Agent on Issue Date through the Trading Participants nominated by the applicants. Applicants shall indicate in the proper space provided for in the Application to Purchase the name of the Trading Participant under whose name their Offer Shares will be registered. After Issue Date, shareholders may request the Registrar, through their nominated Trading Participant, to (a) open a scripless registry account and have their holdings of the Offer Shares registered under their name, or (b) issue stock certificates evidencing their investment in the Offer Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder.

Legal title to the Offer Shares will be shown in the Registry of Shareholders which shall be maintained by the Registrar (the "**Registry of Shareholders**"). The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Offer Shares that is effected in the Registry of Shareholders (at the cost of the requesting shareholder).

The Registrar shall send (at the cost of the Company) at least once every quarter a statement of account to all shareholders named in the Registry of Shareholders, except certificated shareholders and depository participants, confirming the number of Offer Shares held by each shareholder on record in the Registry of Shareholders. Such statement of account shall serve as evidence of ownership of the relevant shareholder as of the given date thereof. Any request by the shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting shareholder.

For scripless shares, the maintenance and custody fee payable to the PDTC shall be for the account of the shareholder.

Expenses

All out-of-pocket expenses, including but not limited to, registration with the SEC and the PSE, printing, publication, communication and signing expenses incurred by the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners in the negotiation and execution of the transaction will be for the account of SMC irrespective of whether the transaction contemplated herein is completed. Such expenses are to be reimbursed upon presentation of a composite statement of account. See "*Use of Proceeds*" on page [125] for details of the estimated expenses.

THE COMPANY

OVERVIEW

San Miguel Corporation (“**SMC**”, the “**Company**”, or the “**Issuer**”), together with its subsidiaries (collectively with the Company referred to as the “**SMC Group**”) is one of the largest and most diversified conglomerates in the Philippines by revenues and total assets.

Originally founded in 1890 as a single brewery in the Philippines, SMC today owns market-leading businesses and has investments in various sectors, including beverages, food, packaging, energy, fuel and oil, infrastructure, cement, property development and leasing, car distributorship and banking services. SMC has a portfolio of companies that is interwoven into the economic fabric of the Philippines, benefiting from, as well as contributing to the development and economic progress of the nation. The common shares of SMC were listed on the Manila Stock Exchange (now the Philippine Stock Exchange, Inc., the “**PSE**”) on November 5, 1948 and as of June 30, 2025, SMC had a market capitalization of ₱185,944 million, with a common share price of ₱78.00.

SMC, through its subsidiaries and affiliates, has become a market leader in its businesses in the Philippines with an extensive portfolio of products that include beer, spirits, non-alcoholic beverages, poultry, animal feeds, flour, fresh and processed meats, dairy products, coffee, various packaging products and a full range of refined petroleum products, most of which are market leaders in their respective markets. In addition, SMC contributes to the growth of downstream industries and sustains a network of hundreds of third-party suppliers.

Since adopting its business diversification program in 2007, SMC has channeled its resources into what it believes are attractive growth sectors, which are aligned with the development and growth of the Philippine economy. SMC believes that continuing this strategy and pursuing growth plans within each business will achieve a more diverse mix of sales and operating income, and better position SMC to access capital, present different growth opportunities and mitigate the impact of downturns and business cycles.

The consolidated sales, EBITDA, and net income of SMC for the year ended December 31, 2024 were ₱1,575,379 million, ₱225,877 million, and ₱36,675 million respectively. Revenues and EBITDA recorded strong growth of 9% and 10% year-on-year, respectively.

For the six (6) months ended June 30, 2025, consolidated sales were ₱718,205 million, EBITDA was ₱126,341 million and net income was ₱66,767 million compared to consolidated sales of ₱789,021 million, EBITDA of ₱113,689 million and net income of ₱13,578 million for the six (6) month period ended June 30, 2024.

SMC’s six (6) key business groups, most of which are market leaders in their respective industries, include the following: (a) food and beverage; (b) packaging; (c) fuel and oil; (d) energy; (e) infrastructure; and (f) cement. In addition, SMC has investments in other businesses such as property development and leasing, car distributorship, banking services, and insurance.

The following table sets forth the contribution of each of the businesses of SMC to its revenues for the periods indicated:

<i>In Php millions</i>	2022		For the years ended December 31, 2023		2024		For the six months period ended June 30, 2024		2025	
	Sales	%	Sales	%	Sales	%	Sales	%		
Food and Beverage	358,853	23.8%	379,822	26.3%	400,872	25.4%	192,882	24.4%	201,200	28.0%
Packaging	37,039	2.5%	38,379	2.7%	40,162	2.5%	17,974	2.3%	19,284	2.7%
Energy	221,389	14.7%	169,590	11.7%	205,091	13.0%	98,944	12.5%	80,147	11.2%
Fuel and Oil	857,638	56.9%	801,027	55.4%	867,966	55.1%	444,490	56.3%	386,395	53.8%
Infrastructure	30,050	2.0%	34,984	2.4%	37,523	2.4%	18,493	2.3%	19,857	2.8%
Cement	8,984	0.6%	37,231	2.6%	34,934	2.2%	18,962	2.4%	17,822	2.5%
Real Estate & Others	64,414	4.3%	64,291	4.4%	64,761	4.1%	31,122	3.9%	30,303	4.2%
Eliminations	(71,776)	(4.8%)	(78,621)	(5.4%)	(75,930)	(4.8%)	(33,846)	(4.3%)	(36,803)	(5.1%)

Total	1,506,591	100.00	1,446,703	100.00	1,575,379	100.00	789,021	100.00	718,205	100.00
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The following table sets forth the contribution of the percentage of consolidated sales and consolidated net income contributed by foreign sales for the periods indicated:

Market	% to Consolidated Sales			% to Consolidated Net Income		
	2022	2023	2024	2022	2023	2024
Malaysia	20.65	19.25	17.21	17.52	8.65	4.40
Singapore	9.01	7.67	10.21	5.85	3.87	7.02
Australia	0.72	0.77	0.74	(2.71)	(0.55)	0.02
China	0.54	0.66	0.66	3.95	5.04	4.79
Indonesia	0.34	0.32	0.25	3.14	1.63	1.31
Vietnam	0.15	0.16	0.13	0.28	0.03	0.48
Others	0.14	0.16	0.17	6.35	1.23	3.40

Each of these key business groups and the primary entities through which such businesses are conducted are summarized below.

Food and Beverage

San Miguel Food and Beverage, Inc. (“**SMFB**”) is a leading food and beverage company in the Philippines, anchored on a portfolio of iconic, market-leading brands. SMFB’s products are produced, marketed, and sold under some of the most recognizable names in and top-of-mind brands in the industry, holding market-leading positions in their respective categories. Key brands include *San Miguel Pale Pilsen*, *San Mig Light*, and *Red Horse* for beer; *Cali*, *Magnolia Healthtea*, and *Magnolia Fruit Drink* for non-alcoholic beverages; *Ginebra San Miguel* for gin and *Vino Kulafu* for Chinese wine; *Magnolia* for chicken, dairy, ice cream, flour mixes, and salad aids; *Monterey* for fresh and marinated meats; *Purefoods Tender Juicy* for hotdogs; *Purefoods* for other processed refrigerated and canned meats; *Veega* for plant-based protein food products; *Star* and *Dari Crème* for margarine; *San Mig Coffee* for coffee; and *B-Meg* for animal feeds.

SMFB has three (3) operating divisions—(i) Beer and NAB, (ii) Spirits, and (iii) Food. The beverage business is managed through San Miguel Brewery Inc. and its subsidiaries (collectively, “**SMB**” or the “**Beer and NAB Division**”) and Ginebra San Miguel Inc. and its subsidiaries (collectively, “**GSMI**” or the “**Spirits Division**”). The food business under San Miguel Foods (collectively, “**SMF**” or the “**Food Division**”) is operated through several key subsidiaries, including San Miguel Foods, Inc., Magnolia Inc., The Purefoods-Hormel Company, Inc., San Miguel Mills, Inc., and San Miguel Super Coffeemix Co., Inc. SMFB reaches the entire Philippine archipelago through an extensive distribution and dealer network and exports to approximately seventy (70) markets worldwide.

SMFB is publicly-traded on the PSE under the ticker “FB” and, as of June 30, 2025, had a market capitalization of ₱311,230 million, with a common share price of ₱52.65. SMC holds an 88.76% ownership interest in SMFB as of the same date.

Selected operating data for the SMFB for the periods indicated is provided below:

	For the years ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales	358,853	379,822	400,872	192,882	201,200
Gross profit	97,373	100,600	110,932	52,726	58,116
Gross profit margin ⁽¹⁾	27.1%	26.5%	27.7%	27.3%	28.9%
EBITDA ⁽²⁾	62,729	66,822	73,077	33,928	39,256
EBITDA margin ⁽³⁾	17.5%	17.6%	18.2%	17.6%	19.5%

Net income before tax	45,769	49,878	53,667	26,177	29,842
Net income before tax margin ⁽⁴⁾	12.8%	13.1%	13.4%	13.6%	14.8%

Notes:

- (1) Calculated as gross profit divided by revenues.
- (2) EBITDA is calculated as net income before: income tax expense, net financing charges (interest income net of interest expense), extraordinary or exceptional items, foreign exchange losses (gains), marked-to-market currency losses (gains), depreciation and amortization and impairment losses.
- (3) Calculated as EBITDA divided by revenues.
- (4) Calculated as net income before income tax divided by revenues.

Packaging

The packaging business is a total packaging solutions business servicing many of the leading food, pharmaceutical, chemical, beverages, spirits, and personal care manufacturers in the region. The packaging business is comprised of SMYPC, SMYPIL, and their respective subsidiaries, SYFMC, CAI, Mincorr, and Wine Brothers Philippines Corporation, (collectively the “**Packaging Group**”).

The Packaging Group has one of the largest packaging operations in the Philippines, producing glass containers, metal crowns and caps, plastic crates, pallets and other plastic packaging, aluminum cans, paper cartons, flexibles packaging and other packaging products and services such as beverage toll filling for aluminum cans, glass and PET bottles as well as logistics services.

As of June 30, 2025, the Packaging Group has 31 packaging facilities located across the Asia-Pacific Region. As of June 30, 2025, SMC’s ownership interest in SMYPC was 65.00%.

Selected operating data for the Packaging business is provided below for the periods indicated:

	For the years ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales.....	37,039	38,379	40,162	17,974	19,284
Gross profit	9,472	9,719	11,181	5,107	5,499
Gross profit margin ⁽¹⁾	25.6%	25.3%	27.8%	28.4%	28.5%
Operating Income.....	1,648	1,915	2,600	1,362	1,592
EBITDA ⁽²⁾	4,191	4,501	5,235	2,605	2,769
EBITDA margin ⁽³⁾	11.3%	11.7%	13.0%	14.5%	14.4%
Net income before tax	(381)	277	1,249	655	948
Net income before tax margin ⁽⁴⁾	(1.0%)	0.7%	3.1%	3.6%	4.9%

Notes:

- (1) Calculated as gross profit divided by sales.
- (2) EBITDA is calculated as (a) net income (excluding items between any or all of San Miguel Global Power and its subsidiaries) plus (b) income tax expense (benefit), finance cost (less interest income) and depreciation less (c) foreign exchange gain (loss) and gain on sale of investment, in each case excluding amounts attributable to ring-fenced subsidiaries.
- (3) Calculated as EBITDA divided by sales.
- (4) Calculated as net income before income tax divided by sales.

Fuel and Oil

SMC operates its fuel and oil business through Petron Corporation (“**Petron**”), which is the only oil refining and a leading oil marketing company in the Philippines and is a strong third player in the Malaysian market. Petron has a combined refining capacity of 268,000 barrels per day and refines crude oil and markets and distributes refined petroleum products in the Philippines and Malaysia.

In the Philippines, Petron operates a refinery in Bataan (the “**Petron Bataan Refinery**”), the largest and one of the most

complex refineries in the region which Petron believes is capable of supplying approximately 40% of the country's total fuel requirements. The Petron Bataan Refinery has a crude oil distillation capacity of 180,000 barrels per day, processing crude oil into a range of petroleum products, including gasoline, diesel, liquified petroleum gas ("LPG"), jet fuel, kerosene, naphtha and petrochemical feedstock such as benzene, toluene, mixed xylene and propylene. The Company had a retail market share of 39.2% of the Philippine oil market for the period ended June 30, 2024.

Selected financial data for the business of Petron are set forth in the table below for the periods indicated:

	For the years ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	(As restated)	(As restated)		(As restated)	
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales	857,638	801,027	867,966	444,490	386,395
Gross profit	33,850	46,598	46,213	25,569	23,646
Gross profit margin ⁽¹⁾	3.9%	5.8%	5.3%	5.8%	6.1%
EBITDA ⁽²⁾	33,496	45,179	43,076	23,397	23,057
EBITDA margin ⁽³⁾	3.9%	5.6%	5.0%	5.3%	6.0%
Net income before tax	8,405	13,110	12,994	7,639	6,590
Net income before tax margin ⁽⁴⁾	1.0%	1.6%	1.5%	1.7%	1.7%

Notes:

(1) Calculated as gross profit divided by revenues.

(2) EBITDA is calculated as net income before: income tax expense, net financing charges (interest income net of interest expense), extraordinary or exceptional items, foreign exchange losses (gains), marked-to-market currency losses (gains), depreciation and amortization and impairment losses.

(3) Calculated as EBITDA divided by revenues.

(4) Calculated as net income before income tax divided by revenues.

Energy

San Miguel Global Power, together with its subsidiaries, associates and joint ventures, is one of the largest power companies in the Philippines, with a total installed capacity of 6,080 MW, as of June 30, 2025. San Miguel Global Power benefits from a diversified power portfolio, including natural gas, coal, renewable energy such as hydroelectric power and battery energy storage systems ("BESS"). Based on the total installed generating capacities reported in the ERC Resolution on Grid Market Share Limitation, SMGP's combined installed capacity comprises approximately 22% of the National Grid, 28% of the Luzon Grid, 5% of the Visayas Grid and 9% of the Mindanao Grid, as of December 31, 2024. Market share is computed by dividing the installed generating capacity of San Miguel Global Power with the installed generating capacity of Luzon grid, Mindanao grid or National grid (19,419,592 kW, 4,292,586 kW and 27,096,046 kW, respectively based on data provided under the ERC Resolution on Grid Market Share Limitation).

The table below sets forth the gross profit margin, EBITDA margin and net income before tax margin of San Miguel Global Power for the periods indicated:

	For the years ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	₱	₱	₱	₱	₱
Sales	221,389	169,590	205,091	98,944	80,147
Gross profit	23,018	38,598	50,407	26,476	26,104
Gross profit margin ⁽¹⁾	10.4%	22.8%	24.6%	26.8%	32.6%
EBITDA ⁽²⁾	42,316	43,769	55,533	30,147	34,410

EBITDA margin ⁽³⁾	19.1%	25.8%	27.1%	30.5%	42.9%
Net income before tax	4,169	15,063	17,600	9,904	38,040
Net income before tax margin ⁽⁴⁾	1.9%	8.9%	8.6%	10.0%	47.5%

Notes:

- (1) *Calculated as gross profit divided by sales.*
- (2) *EBITDA is calculated as (a) net income (excluding items between any or all of San Miguel Global Power and its subsidiaries) plus (b) income tax expense (benefit), finance cost (less interest income) and depreciation less (c) foreign exchange gain (loss) and gain on sale of investment, in each case excluding amounts attributable to ring-fenced subsidiaries.*
- (3) *Calculated as EBITDA divided by sales.*
- (4) *Calculated as net income before income tax divided by sales.*

Infrastructure

The Infrastructure business, conducted through SMHC, consists of investments in companies that hold long-term concessions in the Infrastructure sector in the Philippines. Currently operating toll roads include the SLEX, Skyway Stages 1, 2 and 3, STAR, TPLEX, NAIAX. Ongoing projects include Skyway Stage 4, the extension of SLEXTR4, SLEX Toll Road 5, Pasig River Expressway, NALEX, SALEX, CBEX, NBEX, PLEX, MALEX, TPLEX Extension, and the MRT-7.

SMHC also operates and is currently expanding the Boracay Airport, has investments in MNHPI, holds concession rights in LCWDC for the Bulacan Bulk Water Supply Project, its most recent acquisition of the Bulacan and Obando Water companies, and the recently awarded NAIA Rehabilitation Project. Additionally, SMHC has incorporated three new companies engaged in various activities that will further support the Infrastructure business.

As of June 30, 2025, SMC's ownership interest in SMHC was 100.00%

SMC has made investments in the infrastructure industry in the Philippines, through its wholly-owned subsidiary, SMHC, consisting of concessions for toll roads, airports, a seaport, bulk water supply and a mass rail transit system.

On February 15, 2024, New NAIA Infra Corp. ("**NNIC**") was incorporated by the members of the SMC-SAP & Co Consortium (the "**Consortium**"), namely, San Miguel Holdings Corp. ("**SMHC**") at 33%, RMM Asian Logistics, Inc. at 30%, RLW Aviation Development, Inc at 27%. and Incheon International Airport Corporation at 10%. On February 16, 2024, the Consortium was officially awarded by the Department of Transportation (DOTr) the contract to rehabilitate, operate and maintain the NAIA, which is the country's main international gateway.

On March 18, 2024, the Concession Agreement ("**CA**") was signed between the DOTr, and Manila International Airport Authority ("**MIAA**") and the concession company, NNIC. The CA covers a 25-year concession period, which comprises an initial term of 15 years plus a ten (10)-year extension, subject to fulfillment of conditions.

The operation of NAIA was turned-over by the Manila International Airport Authority to the concession company on September 14, 2024.

Selected financial highlights for the Infrastructure business are provided below for the periods indicated:

	For the years ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales	29,008	34,006	37,523	18,493	19,857
Gross profit.....	17,684	21,663	24,310	11,823	13,129
Gross profit margin ⁽¹⁾	61.0%	63.7%	64.8%	63.9%	66.1%
EBITDA ⁽²⁾	23,843	27,579	29,736	14,678	15,841
EBITDA margin ⁽³⁾	82.2%	81.1%	79.2%	79.3%	79.8%
Net income before tax.....	11,538	14,163	17,337	9,451	8,625
Net income before tax margin ⁽⁴⁾	39.8%	41.6%	46.2%	51.1%	43.4%

Notes:

(1) Gross Profit Margin is calculated by sales less cost of sales divided by sales.

(2) EBITDA is calculated as net income before income tax expense, net financing charges (interest income net of interest expense), extraordinary or exceptional items, foreign exchange losses (gains), marked-to-market currency losses (gains), and depreciation and amortization and impairment losses.

(3) EBITDA margin is calculated by EBITDA divided by sales.

(4) Net income before tax margin is calculated by net income before income tax divided by sales.

SMHC believes that it has benefited from the economic growth of the Philippines as evidenced in the increasing traffic volume (AADT)⁽¹⁾ as set forth in the table below for the periods indicated.

	For the years ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
SLEX TR 1, 2 & 3	376,268	351,722 ⁽³⁾	356,594	357,548	370,612
Skyway Stages 1 & 2	246,340	272,383	276,850	276,483	286,011
Skyway Stage 3 ⁽²⁾	120,954	154,736	163,031	162,635	176,534
STAR	69,790	76,775	80,650	80,758	84,412
TPLEX	26,510	29,744	30,630	31,411	33,965
NAIAx	94,482	123,977	125,348	125,246	125,614

Notes:

- (1) AADT refers to the average number of vehicles per day counted per exit in a toll road. Data is sourced through the Accounts Management System of each of the toll roads and are monitored by the Toll Monitoring Department of SMHC.
- (2) Skyway Stage 3 officially commenced its operations and started collecting toll fees on July 12, 2021.
- (3) Slightly lower AADT in 2023 due to the Seamless Project implementation. The removal of the TR3 toll plaza, as part of SLEX Seamless Project, resulted in a more accurate SLEX traffic count of unique users by eliminating the previously double-counted exit transactions of TR3 users. This shift in AADT counting, however, has no impact on SLEX revenue.

Cement

SMC conducts the cement business through San Miguel Equity Investment Inc., which owns 100% of the common stock of Northern Cement Corporation and Southern Concrete Industries Inc., and 99.96% of Eagle Cement Corporation, as of June 30, 2025.

The cement business owns and operates two fully-integrated cement production facilities in Sison, Province of Pangasinan (NCC) and in Barangay Akle, San Ildefonso, Province of Bulacan (Eagle Cement), a cement grinding plant Santa Cruz, Province of Davao Del Sur (SCII), and a limestone, shale and pozzolan quarry and a Limestone Pulverizing Plant in San Ildefonso, Bulacan (Eagle Cement). As a whole, the cement business has a total rated cement production capacity of approximately 17.53 million MTPY of finished cement.

As of June 30, 2025, SMC owns 100.00% of SMEII.

Selected financial highlights of each of the operating cement subsidiaries of SMEII are provided below:

a) Northern Cement Corporation

	For the years ended December 31,			For the six months ended June 30,	
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales	8,984	9,442	9,011	5,126	4,754
Gross profit.....	570	1,147	2,395	1,376	1,317
Gross profit margin ⁽¹⁾	6.3%	12.1%	26.6%	26.8%	27.7%
EBITDA ⁽²⁾	599	1,542	3,030	1,629	1,710
EBITDA margin ⁽³⁾	6.7%	16.3%	33.6%	31.8%	36.0%
Net income before tax.....	(63)	702	1,866	1,249	931
Net income before tax margin ⁽⁴⁾	(0.7%)	7.4%	20.7%	24.4%	19.6%

a) Notes:

b) (1) Gross Profit Margin is calculated by sales less cost of sales divided by sales.

c) (2) EBITDA is calculated as net income before income tax expense, net financing charges (interest income net expense), extraordinary or exceptional items, foreign exchange losses (gains), marked-to-market currency losses (gains), and depreciation and amortization and impairment losses.

d) (3) EBITDA margin is calculated by EBITDA divided by sales.

e) (4) Net income before tax margin is calculated by net income before income tax divided by sales

b) Southern Concrete Industries Inc. (formerly, Oro Cemento Industries Corporation)

	For the years ended December 31,			For the six months ended June 30,	
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales	-	2,421	2,284	1,166	1,153
Gross profit.....	-	12	(64)	(47)	63
Gross profit margin ⁽¹⁾	-	0.5%	(2.7%)	(4.0%)	5.5%
EBITDA ⁽²⁾	23	113	148	47	141
EBITDA margin ⁽³⁾	-	4.7%	6.5%	4.0%	12.2%
Net income before tax.....	(30)	(501)	(142)	(111)	(11)
Net income before tax margin ⁽⁴⁾	-	(20.7%)	(6.2%)	(9.5%)	(1.0%)

Notes:

(1) Gross Profit Margin is calculated by sales less cost of sales divided by sales.

(2) EBITDA is calculated as net income before income tax expense, net financing charges (interest income net expense), extraordinary or exceptional items, foreign exchange losses (gains), marked-to-market currency losses (gains), and depreciation and amortization and impairment losses.

(3) EBITDA margin is calculated by EBITDA divided by sales.

(4) Net income before tax margin is calculated by net income before income tax divided by sales

c) Eagle Cement Corporation

	For the years ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales	26,384	25,443	23,874	12,837	11,965
Gross profit.....	8,247	8,889	7,154	4,366	2,776
Gross profit margin ⁽¹⁾	31.3%	34.9%	30.0%	34.0%	23.2%
EBITDA ⁽²⁾	7,013	7,414	5,988	3,566	3,036
EBITDA margin ⁽³⁾	26.6%	29.1%	25.1%	27.8%	25.4%
Net income before tax.....	6,362	5,391	5,219	3,101	2,398
Net income before tax margin ⁽⁴⁾	24.1%	21.2%	21.9%	24.2%	20.0%

Notes:

(1) Gross Profit Margin is calculated by sales less cost of sales divided by sales.

(2) EBITDA is calculated as net income before income tax expense, net financing charges (interest income net expense), extraordinary or exceptional items, foreign exchange losses (gains), marked-to-market currency losses (gains), and depreciation and amortization and impairment losses.

(3) EBITDA margin is calculated by EBITDA divided by sales.

(4) Net income before tax margin is calculated by net income before income tax divided by sales

Others

Other investments of SMC include property development and leasing, through SMPI, car distributorship through SMC Asia Car Distributors Corp., and Velocità Motors Inc., banking services through BankCom, and insurance through Petrogen.

RECENT DEVELOPMENTS

Amendments to By-laws of the Company

On July 3, 2025, the Board of Directors approved the amendment of various provisions of the By-laws of the Company:

1. Section 2, Article II - Change in the relevant date of sending of notices of the regular stockholders meeting from at least ten (10) days prior to the date of the meeting to at least 21 calendar days prior to the date of the meeting.
2. Section 1, Article II - Change the percentage threshold for the stockholders to request to call a meeting from majority of the subscribed capital stock to at least ten percent (10%) of the subscribed capital stock.
3. Section 1-A(a), Article III - Change in the number of independent directors from two (2) to three (3).
4. Section 6, Article III - Change in the notice of regular and special board meetings from no notice requirement for regular meetings and twenty-four hours prior notice for special meetings to two (2) days prior to the scheduled meetings.
5. Section 10, Article III - Provides for the additional requirement of securing the approval of the stockholders of the Corporation for the payment of the compensation of the members of the Board of Directors.

The amendments were made to align and conform with the provisions of the Revised Corporation Code.

Approval by the SEC to the Amendments of the Articles of Incorporation

On July 7, 2025, the SEC approved the amendments to the Articles of Incorporation of SMC, specifically:

1. the reclassification of the 904,752,537 common shares currently held as treasury shares, into Series “2” Preferred Shares held in treasury; and
2. the amendment of the authorized capital stock of SMC from ₱30,000 million with a par value of ₱5.00 per share or 6,000,000,000 shares divided into 3,790,000,000 common shares and 2,210,000,000 Series “2” Preferred Shares to 2,885,247,463 common shares and 3,114,752,537 Series “2” Preferred Shares.

Such amendments were approved by the Board of Directors on January 16, 2025, and confirmed and ratified by the Stockholders of SMC on March 27, 2025.

Redemption of Senior Perpetual Capital Securities (“SPCS”)

On July 29, 2025, SMC redeemed all the outstanding US\$500 million SPCS under the US\$3,000 million Medium Term Note and Securities Programme (the “**Redeemed Securities**”). The Redeemed Securities were issued on July 29, 2020, with a rate of distribution of 5.5% per annum.

The redemption of US\$500 million SPCS was approved by the Board of Directors of SMC on June 10, 2025 and were funded by a bridge loan facility from a foreign bank.

Redemption of Series 2-F Preferred Shares and Offer to Exchange Series 2-J Preferred Shares, and Series 2-K Preferred Shares

On August 7, 2025, the Board of Directors of SMC approved the redemption of 223,333,500 Series 2-F Preferred Shares on September 21, 2025 at a redemption price of ₱75.00 per share, together with any unpaid cash dividends.

On the same day, the Board of Directors of SMC approved the offer exchange to the holders of 266,666,667 Series 2-J Preferred Shares and 183,904,900 Series 2-K Preferred Shares (collectively, the “**Exchange Share**”) at a rate of one Exchange Share to one of any of the Series 2 Preferred Shares, namely Series 2P Preferred Shares, Series 2Q Preferred Shares, and Series 2R Preferred Shares which will be reissued from the treasury Series 2 Preferred Shares of SMC. The holders of the Series 2-J Preferred Shares and Series 2-K Preferred Shares who opt not to avail of the exchange offer will receive their redemption proceeds on October 29, 2025 and December 10, 2025, respectively, at a redemption price of ₱75.00 per share.

Upon redemption, the Series 2-F Preferred Shares, Series 2-J Preferred Shares, and Series 2-K Preferred Shares shall not be considered retired and may be reissued by SMC. The trading of the Series 2-F Preferred Shares, Series 2-J Preferred Shares and Series 2-K Preferred Shares will be suspended upon redemption and may only be tradeable upon application by SMC for lifting of trading suspension in the event SMC decides to reissue it in the future, subject to compliance with the listing rules of the PSE.

Issuance of Series 2 Preferred Shares - Series 2-S Preferred Shares, Series 2-T Preferred Shares, and Series 2-U Preferred Shares

On August 7, 2025, the Board of Directors of SMC authorized the public offering of ₱19,999,995,000.00 worth of 266,666,600 Series 2 Preferred Shares with an oversubscription option of up to ₱10,000,005,000.00 worth of 133,333,400 Series 2 Preferred Shares at an offer price of ₱75.00 per share, to be issued in three subseries, namely Series 2S Preferred Shares, Series 2T Preferred Shares and Series 2U Preferred Shares.

Petron

Issuance of the ₱32,000 Million Series G, Series, H and Series I Fixed Rate Peso-denominated Bonds

On July 7, 2025, Petron issued and listed on the PDEX a total of ₱32,000 million Fixed Rate Peso-denominated Bonds.

The bonds consist of: (i) ₱15,910 million Series G Bonds maturing in 2030 with an interest rate of 6.5945% per annum; (ii) ₱4,604 million Series H Bonds maturing in 2032 with an interest rate of 6.9761% per annum; and (iii) ₱11,486 million Series I Bonds maturing in 2035 with an interest rate of 7.3896% per annum.

The proceeds of the bond issuance shall be used for: (a) the payment of Series D and Series E Fixed Rate Peso-denominated Bonds, maturing on October 19, 2025 and October 12, 2025, respectively; and (b) other existing indebtedness.

San Miguel Global Power

Purchase of Common Shares of Meralco

On July 23, 2025, San Miguel Global Power purchased a total of 43,229,796 common shares of Meralco at ₱90.00 per share from Land Bank of the Philippines through a special block sale crossed through the PSE, by virtue of the Deed of Absolute Sale of Shares which contained the terms and conditions mutually determined by and acceptable to both parties and conformably with the decision of the Court of Appeals.

Issuance of US\$223 Million SPCS in Exchange for Certain Existing Securities and US\$177 Million Additional New Securities

On July 24, 2025, San Miguel Global Power completed the issuance of US\$400 million SPCS with an initial distribution rate of 8.95% per annum, consisting of: (i) US\$223 million SPCS issued in exchange for certain existing securities namely: (i) the 7.00% SPCS issued on October 21, 2020 and December 15, 2020; and (ii) the 5.70% SPCS issued on January 21, 2020, pursuant to the exchange offers; and (ii) US\$177 million SPCS issued pursuant to the additional new securities issuance.

Availment of Term Loans by San Miguel Global Power

On August 11, 2025, SMGP availed ₱1.6 billion, ₱3.4 billion, ₱0.4 billion, and ₱4.7 billion fixed-rate notes from a ₱10,200,000 Trust Agreement executed on July 30, 2025, and will mature in 2028, 2030, 2032, and 2035, respectively.

The proceeds will be used for refinancing of existing obligations of SMGP and for general corporate purposes.

STRENGTHS AND STRATEGIES

Strengths

SMC believes that its principal strengths include the following:

Diversified platform with broad exposure to the growth of the Philippine economy

While the Philippines experienced slower GDP growth in the 2nd Quarter of 2025, at 5.5%, relative to the previous year's expansion of 5.4%, growth marked the 11th consecutive quarterly expansion since the country's initial recovery from the pandemic. The Philippines has one of the youngest demographics in Southeast Asia attractive for long-term economic growth with a median age of 25 years in 2020, also according to the PSA.

SMC is one of the largest and most diversified conglomerates in the Philippines by revenues and total assets. SMC is broadly exposed to the Philippine economy through its market-leading businesses in various sectors, including beverages, food, packaging, fuel and oil, energy, infrastructure, cement, and property development and investments in car distributorship and banking services. This diversified portfolio aligns SMC to key sectors that it believes will benefit from the forecast growth of the Philippine economy.

Synergies across businesses

SMC believes there are significant opportunities to develop and increase synergies across many of its businesses, including:

Ancillary business opportunities: SMC believes there are opportunities within its food and beverage and packaging businesses to promote growth in its energy, infrastructure, and fuel and oil businesses, by using the relevant areas to conduct the Company's activities. Initiatives would include building of service stations and retail outlets along toll roads which also serves as an opportunity for its products from various businesses. Currently, SMC is pursuing several initiatives that will create possible savings and help promote its different brands. The Company and its businesses are evaluating the potential establishment of a unified rewards program for customers of various San Miguel products and services that Petron Service Stations, Monterey Meat Shops, Treats and BankCom can offer in a retail level/end consumer level. SMC has established <https://www.sanmiguelmart.ph> (formerly the "[thehub.sanmiguel.com.ph](https://www.thehub.sanmiguel.com.ph)") an online e-commerce platform which made available the different products of SMFB and Petron. Another opportunity is maximizing the use of its radio-frequency identification technology (RFIDs) used for toll fee payment in toll roads, by expanding its access to the different Petron Service Stations and SMFB outlets.

Immediate distribution channel: The extensive retail distribution network of SMC provides an effective platform for roll-out of new products and services. For example, Petron's Treats stores in its service stations have been used as outlets for SMC's different products.

Economies of scale: SMC believes the size and scale of its distribution network operations provide significant economies of scale and synergies in production, research, and development, distribution, management and marketing.

Integration: SMC plans to continue pursuing vertical integration across the established and strategic businesses. SMC's integration strategies range from supplying the fuel and oil and power requirements to providing a total packaging solution of its various businesses. Sales bundling through existing and new channels has also been expanded. Monterey stores are now tied-up with San Miguel Foods' online ordering system and *Treats* stores in Petron service stations are now carrying a wider portfolio of SMC products.

Use of Technology: SMC continue to utilize its online ordering system, <https://www.sanmiguelmart.ph> - an online one (1)-stop shop which promotes a safer and more convenient way for consumers to order SMC products. The increased use of e-commerce platforms also greatly improved product availability, providing more consumers not only convenience, but also added safety.

Strong brand equity in the Philippines with an over 100-year legacy

Many of the businesses of SMC are leaders in their respective markets.

Food and Beverage: SMFB holds market-leading positions across various food and beverage categories, supported by substantial addressable markets and strong growth potential. It offers a comprehensive platform with a broad and complementary portfolio spanning beer and NAB, spirits, and food products, featuring a wide range of trusted brands across six categories that cater to the full spectrum of the growing domestic population. SMFB's beer business has maintained a leading market share by volume of over 90%, a position it has consistently held since 2000, based on Company estimates. The Spirits business likewise holds a dominant market position in the gin category, with market share of 99.5% as of June 30, 2025, according to the company's estimates.

For over a century, SMFB has been woven into the fabric of Filipino life, present at every meal and celebration. Guided by its "Celebrating Life" slogan, SMFB products are central to everyday moments of nourishment and enjoyment, while also playing a meaningful role in fostering connections among families and friends. Its world-class portfolio of beer and NAB, spirits, and food products is crafted to suit all occasions, from daily meals to life's most memorable events, and continues to evolve in line with changing consumer tastes and preferences.

Packaging: The Packaging Group has one of the largest packaging operations in the Philippines, producing glass containers, metal crowns and caps, plastic crates, pallets and other plastic packaging, aluminum cans, paper cartons, flexibles packaging and other packaging products and services, such as beverage toll filling for aluminum cans, PET and glass bottles as well as logistics services. The packaging business is the major source of packaging requirements of the other business units of SMC. It also supplies its products to customers across the Asia-Pacific region, the United States, and Australasia, as well as to major multinational corporations in the Philippines, including Coca-Cola Europacific Aboitiz Philippines, Inc., Nestle Philippines, Inc. and Pepsi Cola Products Philippines, Inc.

As of June 30, 2025, the Packaging Group has 31 packaging facilities located in the Philippines (glass, molds for glass and plastics, metal, PET, composite, paper, toll filling and logistics services), in China (glass, plastic, paper and trading of packaging products), Vietnam (glass and metal), Malaysia (composite, plastic films, woven bags and radiant/thermal liners), Australia (trading of packaging products, plastic manufacturing, wine closures, wine filling facilities, retail/online packaging, cargo protection and materials handling) and New Zealand (trading and plastics manufacturing).

Aside from extending the reach of the packaging business overseas, these facilities also allow the Packaging Group to serve the packaging requirements of SMB breweries in China, Vietnam, Indonesia and Thailand.

Fuel and Oil: Petron is a leading integrated oil refining and marketing company in the Philippines, with a retail market share of 39.2% of the Philippine oil market as of June 30, 2024, in terms of sales volume based on Petron estimates using its internal assumptions and calculations and industry data from the DOE. In the Philippines, Petron owns and operates the only petroleum refinery complex, with a total crude oil distillation capacity of 180,000 barrels per day. Through its network of approximately 1,800 retail service stations in the Philippines as of June 30, 2025, Petron sells

gasoline, diesel, and kerosene to private motorists and to the public transport sector. Approximately 50% of service stations are company-owned-dealer-operated service stations (“**CODOs**”) and 50% are dealer-owned dealer-operated service stations (“**DODOs**”).

As of June 30, 2025, Petron’s LPG distribution network includes more than 2,200 branch and franchise stores where Petron sell its LPG brands Petron Gasul and Fiesta Gas to households and other consumers. Meanwhile, Petron’s Lubes distribution network includes around 60 car care centers and around 1,650 service stations selling lubes.

Energy: SMGP, together with its affiliates, subsidiaries, associates and joint ventures, is one of the largest power companies in the Philippines, controlling an aggregate of 6,080 MW, as of December 31, 2024 based on the ERC Resolution on Grid Market Share Limitation. SMGP benefits from a diversified power portfolio, including natural gas, coal, renewable energy such as hydroelectric power and BESS. Based on the total installed generating capacities reported in the ERC Resolution on Grid Market Share Limitation and corresponding press release dated March 17, 2025 issued by the ERC (using January to December 2024 operations data for generation facilities), SMC’s market share was approximately 22% of the National Grid, 28% of the Luzon Grid, 5% of the Visayas grid and 9% of the Mindanao Grid⁹. Market share is computed by dividing the relevant installed generating capacity for the period by the total installed generating capacity of Luzon grid, Visayas grid, Mindanao grid or National grid (19,419,592 kW, 3,383,868 kW, 4,292,583 kW and 27,096,046 kW, respectively, based on data provided under the ERC Resolution on Grid Market Share Limitation). In addition, SMGP is engaged in distribution and retail electricity services and has various power projects in the pipeline.

Infrastructure: SMHC has become one of the major infrastructure companies in the country, with concessions in toll roads, airports, mass rail transit, and bulk water supply. SMHC has concession rights to approximately 1,162.52 kilometers of total road length serving Metro Manila and other fast-growing regions of Luzon.

Cement: The cement business group is a fairly new addition to the already diverse business of SMC. This new business, nonetheless, placed a strong market presence through its component cement businesses in Luzon, particularly, Northern Cement Corporation and Eagle Cement Corporation, which have already established its respective reputation in cement production and domestic sales. These cement businesses operate cement plants with new integrated cement manufacturing lines showcasing sustainable, environment-friendly, world-class and state-of-the-art equipment capable of producing high quality cement with strengths above and beyond the prescribed specifications.

Additionally, SMC expanded its market presence in Mindanao by establishing a cement grinding facility operated by its subsidiary, Southern Concrete Industries, Inc., which adopted all the processes, technologies, and strategies from NCC.

Well-positioned to benefit from strong macroeconomic fundamentals in the Philippines

SMC is well-positioned for significant future growth. The food and beverage and packaging businesses continue to provide stable cash flow, while its fuel and oil, energy, infrastructure, and cement businesses have grown significantly and have enabled SMC to expand its ability to generate higher returns.

Food and Beverage: SMFB is strategically positioned to capitalize on the growing demand for food and beverage products, driven by the Philippines’ sustained economic growth, accelerating urbanization, favorable demographics, and evolving consumer tastes and preferences. Internationally, SMFB’s beer brands continue to gain traction, with increasing sales and brand recognition in key overseas markets, including Indonesia, Thailand, Singapore, Hong Kong, the Middle East, United States, and the broader Asia-Pacific region.

In the domestic market, GSMI continues to expand its liquor business across the Philippines. Meanwhile, the Food Division is streamlining operations to improve profitability in core segments such as poultry, feeds, meat, and flour by optimizing supply chain synergies and focusing on stable-priced and value-added products to increase margins. SMFB’s food and beverage businesses consistently introduce new products and innovative packaging formats to drive consumer interest, expand the market, and meet the needs of a more diverse and fast-growing population, particularly in high-growth areas.

⁹ The ERC press release dated March 17, 2025 setting out the market share of the five largest players in the generation sector noted that certain industry developments, including change in ownership of some large generation facilities, have not been reflected yet. Accordingly, market share is subject to adjustment, including the change in ownership of the Ilijan Power Plant. In addition to the installed generation capacity attributable to SMGP, the ERC press release includes 183 MW attributable to Petron Corporation, an affiliate of SMGP through SMC.

Packaging: The Packaging Group aims to provide a total packaging solution to be able to serve a wide spectrum of customers thereby increasing its potential for higher growth. It also aims to benefit from trade liberalization and globalization in the ASEAN region as it further expands its exports market. Increasing environmental awareness also provides opportunities to produce more environmentally friendly products such as the use of heavy metal free paint for the design of glass containers, use of cullets for glass manufacturing as well as plastic regrinds for plastics manufacturing. The Packaging Group plans to improve margins by developing alternative sources of raw materials and optimizing recycling efforts to lower its material costs.

Fuel and Oil: Petron operates an integrated oil refining and marketing company in the Philippines and Malaysia, which it believes have favorable oil industry dynamics. The Philippines operates under a free market scheme with movements in regional prices reflected in the pump prices on a weekly basis. Malaysia, on the other hand, operates under a regulated environment and implements an automatic pricing mechanism (“**APM**”) that provides stable returns to fuel retailers. Under this program, the government provides subsidies to oil companies if the pump price is lower than the price set per APM and conversely, the oil companies pay duties to the government if the pump price is higher than the APM price.

Petron owns refineries, in both the Philippines and Malaysia, capable of producing finished petroleum products. Petron believes that the downstream oil market in the Philippines and Malaysia are still underserved and has strong potential for growth. To capture this growth and further strengthen its market position, Petron will embark on: (i) implementing competitive pricing programs to boost volumes; (ii) strategically expanding its retail outlets for fuels, and LPG to improve accessibility and availability to its customers ; (iii) improving productivity of existing service station and other sales networks; (iv) introducing new products with differentiated and superior qualities; (v) expanding lubes distribution network by putting up more sales channels such as new lubes outlets, sales centers and car care centers, and penetrating non-traditional outlets such as auto parts and repair shops; (vi) continuing to strengthen and expand its non-fuel businesses by improving the Treats convenience stores and leasing additional service station spaces to food chains, coffee shops and other consumer services or franchising those establishments to provide “value conscious” customers with a one-stop full-service experience; and (vii) intensifying its dealer and sales personnel training to further improve customer service experience.

As of June 30, 2025, Petron had ten (10) product terminals, a PME plant, a network of around 810 retail service stations, and about 320 Treats convenience stores in Malaysia. Petron has presence in the aviation segment with a 20% ownership of a multi-product pipeline to Kuala Lumpur International Airport (“**KLIA**”). The joint venture through which Petron owns its interest in the multi-product pipeline also owns a fuel terminal, the Klang Valley Distribution Terminal.

Energy: Demand for electricity in the Philippines is expected to continue to grow. According to the Philippine Energy Plan 2023-2050 published by the DOE, to meet the projected electricity demand including reserve requirements by 2050, the power system capacity addition that the Philippines will need is 122,708 MW under the reference scenario and an additional 129,681 MW under the clean energy scenario with the expected entry of more renewable energy power projects, which is broken down as follows: 2,305 MW for coal, 21,881 MW for natural gas, 20 MW for oil-based and 98,503 MW for renewable technology under the reference scenario and 2,305 MW for coal, 15,989 MW for natural gas, 20 MW for oil-based and 106,569 MW for renewable technology, and 4,800 MW for nuclear and other technologies under the clean energy scenario. Moreover, based on SMGP’s estimates, despite the continuing build-up of installed capacity, net reliable capacity remains insufficient to meet peak demand. This considers the entry of variable capacities, composed primarily of intermittent renewable energies such as solar and wind, as well as the introduction of flexible technologies, such as BESS, which compensate for the intermittency of the variable capacities.

Given the gap between projected electricity demand and committed power projects, SMGP expects that there will be a power supply shortage in the medium term until new capacity is built to meet the growing consumption.

SMGP believes it is well-positioned to take advantage of opportunities from continued growth in the Philippine electricity market, as well as from the expected power supply shortage. According to the DOE, as of April 2025, around 4,763 MW of dependable coal capacities are between 11 and 30 years old, while 420 MW are 36 years and older. As such, these coal generation capacities may be more prone to unscheduled shutdowns. To meet this need, SMGP has a defined roadmap to increase capacity by developing greenfield power plants and pursuing opportunities to invest in renewable energy projects, particularly in hydroelectric power and solar power projects and complementary technologies such as BESS.

Infrastructure: SMHC believes there are significant opportunities in building or acquiring infrastructure assets in a growing economy that has historically under-invested in infrastructure. These infrastructure projects are expected to

support and contribute to the continued growth of the Philippine economy. Thus, SMHC believes its long-term concessions and obtaining new long-term concessions from the Government's infrastructure projects in the pipeline will provide strong and stable cash flows.

Cement: Cement is the key ingredient for roads, infrastructures, and other development necessary for the delivery of services to the Filipino people, which makes the demand for cement constant, continuing and increasing. The growth of government infrastructure projects, as well as the emergence of private construction projects and residential housing projects spurs the need for cement, which promotes the development of the cement industry. In turn, the steady supply of cement assures the continuity of infrastructure projects, which is one of the key drivers of economic growth of the nation.

However, the rising cost to produce of cement may affect the cost of construction, which may, in turn, contributes to inflation due to increased spending on real estates. Furthermore, the rising cost also results in delay of completion of projects.

Nonetheless, the cement business positions itself to be resilient through implementing process improvement and cost containment measures, and investment in modern, state-of-the-art equipment designed to efficiently produce higher volume at lower cost. With this, the cement business is able to maintain the quality of its products at competitive prices, making it highly demandable and desirable choice for all projects.

Operating businesses provide sustainable streams of income and cash flows

SMC's Food and Beverage and Packaging businesses have historically provided the Company with a sustainable stream of income and have demonstrated resilience during the global financial crisis and provided SMC with a strong financial base from which to pursue its diversification strategy. For the year ended December 31, 2024, the food and beverage and packaging businesses provided 28.0% of consolidated sales and 34.7% of total EBITDA of SMC, respectively. For the year ended December 31, 2024, the fuel and oil and energy businesses contributed 68.1% of consolidated sales and 43.7% of total EBITDA of SMC, respectively. On the other hand, for the year ended December 31, 2024, the infrastructure and cement businesses and others contributed 4.6% of consolidated sales and 17.4% total EBITDA, respectively.

Highly visionary, cohesive, and experienced management team

SMC has a highly experienced and loyal senior management team that has been with their respective businesses for an average of over 20 years. The management team has a deep knowledge and understanding of the Philippine operating environment and has been able to effectively manage the group of SMC companies through periods of crisis and instability in the Philippines. The management team has successfully directed the diversification strategy of SMC into energy, infrastructure and other businesses. SMC has expanded its expertise in managing its various businesses by retaining key management personnel from acquired companies in order to maintain their expertise and leverage their industry experience.

Strong commitment to social responsibility and sustainability

Sustainability has always been an integral part of the Company's operations. It manifests *malasakit* by taking care of host communities, doing good and working to make life better for the people. SMC has gone beyond mitigating the problems of climate change or social inequality. It has established a framework for sustainability with three (3) sustainability agendas anchored on the Company's mandate to help in nation-building – namely **Good for the Planet or 'Kalikasan'** which aims to protect and nurture the environment, **Good for People or 'Kalinga'** which aims to uplift the well-being of the people in its organizations and its communities, and **Good for Progress or 'Kasaganahan'** which aims to promote inclusive economic growth and progress in the society. Its targets are anchored on the United Nations Sustainable Development Goals (UN SDGs) with overarching goals envisioned over three (3) horizons – 2030 as the more urgent and interim timeline, 2040 as the intermediate outlook, and 2050 as the long-term path, which are namely (1) Establish a circular economy approach by 2040, (2) Net Zero by 2050, (3) At least 15 million uplifted people by 2030, and (4) a fully sustainable and ethical supply chain by 2040.

Strategies of SMC

The principal strategies of SMC include the following:

Enhance strategic value and operating efficiencies among and within businesses

SMC aims to enhance the strategic value and operating efficiencies among and within businesses by pursuing operational excellence, brand enhancement, improving product visibility, targeting regions where SMC has lower market share, implementing pricing strategies and pursuing efficiencies.

Expand or diversify into businesses that contribute significantly to nation building, job creation, and economic growth

In addition to organic growth, SMC intends to continue to seek strategic acquisition opportunities or project proposals to position itself for the economic growth and industrial development of the Philippines that will significantly contribute to nation building and job creation.

Identify and pursue synergies across businesses through vertical integration, platform matching and channel management

SMC intends to create an even broader distribution network for its products and expand its customer base by identifying synergies across its various businesses. In addition, SMC continues to pursue plans to vertically integrate its production and distribution facilities for its food and beverage, packaging, energy, fuel and oil, infrastructure, and cement businesses to enable additional cost savings and efficiencies, as well as, match platforms and strengthen its channel management.

Strengthen sustainable business strategies across all operations, and continue to adopt world-leading best practices

SMC intends to strengthen sustainable strategies across all operations by leveraging its financial resources and experience to continue introducing innovative products and services. Potential investments to expand existing businesses in food and beverage facilities, constructing new power plants and infrastructure projects and the continued expansion of its various businesses. SMC believes its strong domestic market position and brand recognition provide an effective platform to develop markets for its expanding product portfolio. SMC plans to continue to invest in and develop businesses that it believes have the potential to gain leading positions in their respective markets.

SMC continues to develop strategic partnerships with global industry leaders. SMC's current partners include Kirin for beer, Hormel Netherlands B.V. for processed meats, K-Water for power and NYG, Fuso and Can-Pack for packaging products. These partnerships provide access to the latest technologies and expertise in these technologies, marketing and expansion opportunities and sharing of best practices, thereby enhancing its status as a world-class organization.

Integrate long-term sustainability goals into decision-making processes to foster a culture of environmental and social accountability

SMC believes that embedding a sustainability mindset in decision-making is a key factor to success. Sound business decisions are made when environmental and social risks and opportunities are considered alongside financial returns and growth objectives.

When the Company released its first comprehensive sustainability report in 2023, it disclosed its sustainability agenda including four (4) overarching goals aligned to the United Nations Sustainable Development Goals (U.N. SDGs): (1) Establish a circular economy approach by 2040, (2) Net Zero by 2050, (3) At least 15 million uplifted people by 2030, and (4) a fully sustainable and ethical supply chain by 2040. Having committed itself to these objectives, it has become even more imperative to evaluate investments and projects by looking at their contribution to achieving these goals.

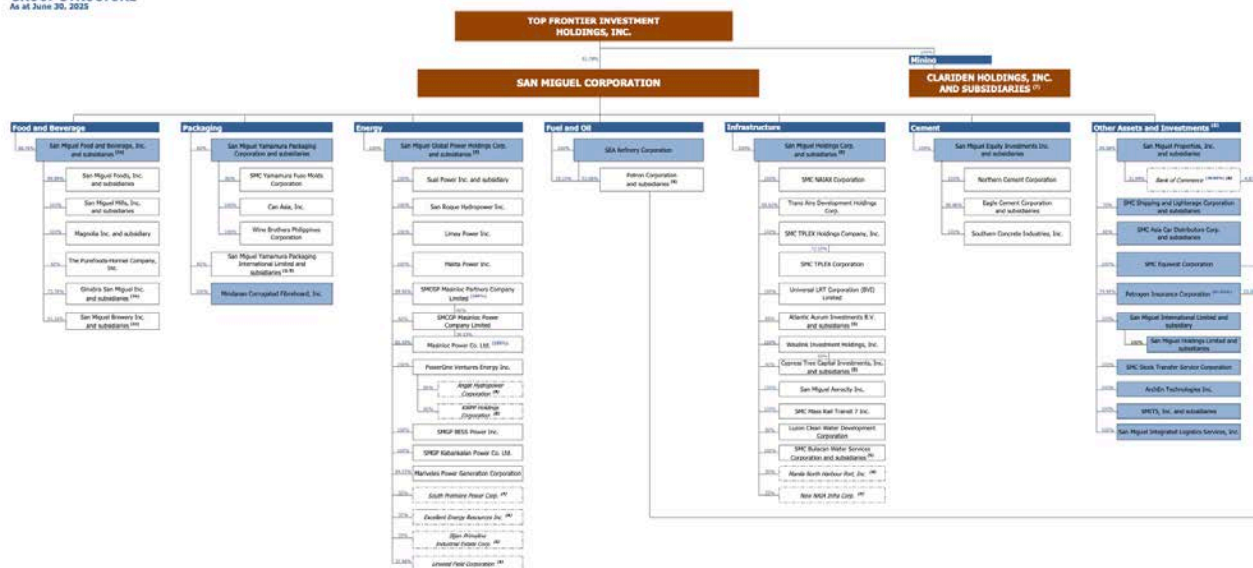
One of the first initiatives was to set up the governance mechanism for sustainability to ensure effective oversight and implementation of our sustainability agenda. This mechanism, with the Board of Directors at its core, ensures that sustainability is a key part of our operations at every level, encouraging a company-wide culture of environmental and social responsibility. The Board Sustainability Committee oversees the Company's sustainability strategies and closely monitors our ESG performance. The President and CEO spearheads SMC's sustainability efforts at executive level, including addressing the broader impacts of climate change. The Corporate Sustainability Office supports the President and CEO by helping shape strategy, set targets and track performance. At the operational level, sustainability leads and working teams drive the execution of ESG initiatives within their respective businesses.

Thus, SMC's businesses have been actively participating in crafting roadmaps and setting milestones to the goals. They have been supported in this endeavor with training in sustainability, creating awareness of global concerns,

Building a circular economy starts with the longstanding practice of returnable glass bottles for beer, recycled glass cullets for packaging and spent brewers grains for animal feeds. Coal ash for cement and plastic waste for energy come next, even as the businesses reinforce and expand circularity practices already in place. The efforts towards Net Zero start with energy efficiency initiatives across all operations, and move on to expanding renewable energy capacity in the Company's portfolio and mitigating emissions through nature-based offsets. Uplifting people comes more intrinsically, with multiple infrastructure projects completed and more under development, increasing accessibility and productivity, and multiplying jobs. Community-based projects are also part of this endeavor, and encompass education, health, livelihood and empowerment. Involving our supply chain in our sustainability journey is anchored on our own policies and practices as this calls for leading by example. Our plans include supplier's training, engagement and eventually, audits, to build the fully sustainable and ethical supply chain that SMC envision.

SMC CORPORATE STRUCTURE

SAN MIGUEL CORPORATION
GROUP STRUCTURE *



Note:
(A) Associate
(B) Joint Venture

1. San Miguel Food and Beverage, Inc. subsidiaries also include: (a) San Miguel Super Coffeemix Co., Inc., PT San Miguel Foods Indonesia and San Miguel Foods International, Limited and subsidiary, San Miguel Foods Investment (BVI) Limited and subsidiary, San Miguel Pure Foods (VN) Co., Ltd.; (b) Ginebra San Miguel Inc. subsidiaries including Distileria Bago, Inc., and East Pacific Star Bottlers Phils Inc. and (c) San Miguel Brewery Inc. subsidiaries including Iconic Beverages, Inc., Brewery Properties Inc. and subsidiary and San Miguel Brewing International Limited and subsidiaries including, San Miguel Brewery Hong Kong Limited and subsidiaries, PT. Delta Djakarta Tbk. and subsidiary, San Miguel (Baoding) Brewery Co., Ltd., San Miguel Brewery Vietnam Company Limited, San Miguel Beer (Thailand) Limited and San Miguel Marketing (Thailand) Limited. San Miguel (Baoding) Brewery Co., Ltd. and PT San Miguel Foods Indonesia are in the process of liquidation as at June 30, 2025.

2. San Miguel Yamamura Packaging International Limited subsidiaries include San Miguel Yamamura Phu Tho Packaging Company Limited, San Miguel Yamamura Glass (Vietnam) Limited, San Miguel Yamamura Haiphong Glass Company Limited, Zhaoqing San Miguel Yamamura Glass Company Limited, Foshan San Miguel Yamamura Packaging Company Limited and subsidiary, San Miguel Yamamura Packaging and Printing Sdn. Bhd., San Miguel Yamamura Woven Products Sdn. Bhd. and subsidiary, Packaging Research Centre Sdn. Bhd., San Miguel Yamamura Plastic Films Sdn. Bhd., San Miguel Yamamura Australasia Pty Ltd and subsidiaries including SMYC Pty Ltd. and subsidiary, Foshan Cospak Packaging Co Ltd., SMYV Pty Ltd, SMYP Pty Ltd and subsidiary, SMYBB Pty Ltd, SMYJ Pty Ltd and Vinocor Ltd.
 3. San Miguel Global Power Holdings Corp. subsidiaries also include San Miguel Electric Corp., SMC PowerGen Inc., SMC Power Generation Corp., Albay Power and Energy Corp., Lumiere Energy Technologies, Inc., Central Luzon Premiere Power Corp., Oceantech Power Generation Corporation and subsidiary and Prime Electric Generation Corporation and subsidiary.
 4. Petron Corporation subsidiaries include Petron Marketing Corporation, Petron Freeport Corporation, Overseas Ventures Insurance Corporation Ltd., New Ventures Realty Corporation and subsidiaries, Mema Holdings Inc. and subsidiaries, Petron Singapore Trading Pte., Ltd., Petron Global Limited, Petron Oil & Gas Mauritius Ltd. and subsidiary, Petron Oil & Gas International Sdn. Bhd. and subsidiaries including Petron Fuel International Sdn. Bhd., Petron Oil (M) Sdn. Bhd. And Petron Malaysia Refining & Marketing Bhd. (collectively Petron Malaysia), Petron Finance (Labuan) Limited and Petrochemical Asia (HK) Limited and subsidiaries.
 5. San Miguel Holdings Corp. subsidiaries also include Alloy Manila Toll Expressways, Inc., SMC Infracore Inc. and subsidiary, SMC Skyway Stage 4 Corporation, Pasig River Expressway Corporation, Intelligent E-Processes Technologies Corp., SMC Northern Access Link Expressway Corp., SMC Southern Access Link Expressway Corp., South Luzon Toll Road-5 Expressway Inc., TPLEX Operations and Maintenance Corporation, SMC NBEX Inc., SMC CBEX Inc., SMC PLEX Inc., and SMC TPLEX Extension Infrastructure Corp.
- Atlantic Aurum Investments B.V. and subsidiaries include SMC Tollways Corporation and subsidiaries including Stage 3 Connector Tollways Holdings Corporation and subsidiary, SMC Skyway Stage 3 Corporation, and SMC Skyway Corporation and subsidiary, Skyway O&M Corporation, SMC SLEX Holdings Company Inc. and subsidiaries, Manila Toll Expressway Systems Inc. and SMC SLEX Inc.
- Cypress Tree Capital Investments, Inc. and subsidiaries include Star Infrastructure Development Corporation and Star Tollway Corporation (collectively the Star Tollways Group).
- SMC Bulacan Water Services Corporation and subsidiaries include Obando Water Company, Inc. and Bulakan Water Company, Inc.
6. Other Assets and Investments also include Anchor Insurance Brokerage Corporation, Davana Heights Development Corporation and subsidiaries, Silvertides Holdings Corporation and subsidiary, Deity Holdings Corporation, Fonterra Verde Holdings Inc., One Verdana Holdings Inc. and Worldsummit Holdings Corporation.
- San Miguel Properties, Inc. subsidiaries include SMPI Makati Flagship Realty Corp., Bright Ventures Realty, Inc. and Tierra Verdosa Services Corp. (formerly Tierra Verdosa Real Estate Services, Inc. effective October 21, 2024).
- SMC Shipping and Lighterage Corporation and subsidiaries include SL Harbor Bulk Terminal Corporation.
- San Miguel Holdings Limited subsidiaries include San Miguel Insurance Company, Ltd.

II. Co-Subsidiary

7. Clariden Holdings, Inc. subsidiaries include V.I.L. Mines, Incorporated, Prima Lumina Gold Mining Corp., Excelon Asia Holding Corporation, New Manila Properties, Inc. and Philnico Holdings Limited and subsidiaries including Pacific Nickel Philippines, Inc., Philnico Industrial Corporation and Philnico Processing Corp. (collectively the Philnico Group).

EMPLOYEES

As of June 30, 2025, SMC had a total of 59,884 regular employees. Substantially all of the employees are based in the Philippines and other areas in the Asia-Pacific region. As of June 30, 2025, the approximate number of employees in each of the businesses is set forth below:

Number of Employees

Business	Number of Regular Employees
Food and Beverage	9,944
Packaging	2,574
Fuel and Oil	2,366
Energy	3,127
Infrastructure	5,056
Cement	1,256
Other Operations and Investments	<u>35,561</u>
Total	59,884

Number of Employees by Employee Category

Employee Category	Number of Regular Employees	Number of Employees Covered by CBA	Number of Employees Not Covered by CBA
Officers	436	-	436
Middle Manager Position	1,868	-	1,868
Rank & File	<u>57,580</u>	<u>6,107</u>	<u>51,473</u>
Total	59,884	6,107	53,777

As of June 30, 2025, approximately 10.20% of the regular employees of the SMC Group were parties to various collective bargaining agreements and there are 37 labor unions within the businesses of the SMC Group. The SMC Group maintains good labor relationships and a constant line of communication with its employees. SMC also engages its employees through employee relations programs to maintain a high level of employee satisfaction.

In addition to the statutory benefits, SMC initiates benefits to provide for the increased security of its employees in the following areas: health care, leaves, miscellaneous benefits, loans and financial assistance applicable to a variety of uses, retirement benefits, and survivor security and death benefits.

Within the ensuing 12 months, SMC may require additional hiring of employees to support its business expansion, the number of which cannot be determined.

The Company employs experienced, skilled, and qualified personnel for the management and operation of its business and prioritizes programs that will ensure the retention and continuous engagement of its talent. The Company's attrition rate is still lower than the industry average. The Company ensures that manpower for critical positions is adequately maintained. The Company has an established succession planning program supported by a structured mentoring program for identified replacements of retiring employees to ensure leadership strength and technical knowledge preservation necessary for continued business operation. High-potential employees are given the opportunity to accelerate their development through a structured training program to prepare them for greater roles and responsibilities. The Company also provides the continuing education or learning of employees through an education reimbursement program for post-graduate studies and employees' participation in functional technical courses, conferences, and seminars. SMC believes it has a competitive compensation and benefits package and regularly reviews its employee relations programs to continuously attract, retain and engage talent.

DESCRIPTION OF PERMITS AND LICENSES

SMC believes that it has all the applicable and material permits and licenses necessary to operate its business as currently conducted and such permits and licenses are valid, subsisting, or pending renewal.

Particularly, as a holding company, SMC's material permits and licenses necessary for its business as currently conducted, which are valid and subsisting as of the date of this Offer Supplement, are the following:

- Amended Articles of Incorporation and Certificate of Filing of Amended Articles of Incorporation issued by the SEC on July 14, 2015.
- Certificate of Registration issued by the BIR.
- Business Permit issued by the City of Mandaluyong for the year 2025.

For the list of permits and licenses of the Company's material subsidiaries, please refer to Appendix D.

COMPLIANCE WITH ENVIRONMENTAL LAWS

SMC is in compliance with environmental laws, except where such non-compliance will not have a material adverse effect on the business of SMC. On an annual basis, operating expenses incurred by SMC to comply with environmental laws are not significant or material relative to the total costs and revenues of the Company.

ENVIRONMENTAL SOCIAL GOVERNANCE AND SUSTAINABILITY INITIATIVES

SMC works to advance both sustainability and profitability hand-in-hand. With inequality, insufficient access to resources, and lack of social cohesion remaining as challenges that the Philippines is working to address in this era of climate change and global conflict — it is the responsible and right thing to do.

The shared challenges that the nation faces require concerted action of government, the private sector, and the public. A significant part of the SMC's sustainability revolves around tackling pressing problems in society and how its businesses can contribute to solving these issues. At the same time, SMC recognizes that sustainability initiatives can improve business performance and enhance shareholder value.

ESG STRATEGY

As one of the nation's largest, most diversified conglomerates, with revenues equivalent to around 6.0% of the Philippines' GDP in 2023, San Miguel has an enormous impact on the national economy and host communities, from the people it employs, and the downstream business it generates. It plays a critical role in regional and local economies across the country, supporting thousands of jobs in every region.

Sustainability has always been an integral part of SMC long before it became a catchword and a catalyzing force for positive change. Reducing its impact on the environment, fostering social inclusion, and having robust governance practices were integrated and has been part of SMC's culture over the decades. For most of its 133-year history, it has referred to these sustainable practices as part of its corporate value system of *malasakit*—that uniquely Filipino value of helping others without being prodded and without expecting anything in return. It manifests *malasakit* by taking care of the host communities, doing good and working to make life better for people.

SMC has deeply anchored its sustainability agenda on its mandate to help in nation-building. As one of the Philippines' largest and most diversified conglomerates, it has strived to use its businesses as a force for good, helping to create a better world that is not just good for a small few, but is good for everyone. In all parts of the world, people are confronted with the triple threat of climate, conflict, and COVID-19. In the Philippines, SMC ranked 1st on the list of global disaster risk hotspots based on the World Risk Index report. Prices of basic commodities and fuel continue to be affected by the geopolitical crisis. Over seven (7) million Filipinos lost their livelihoods during the pandemic.

As the economic and societal problems continue to beset the Philippines as a developing nation, this makes the sustainability situation in the country severely challenging compared with more developed nations. Thus, SMC operationalize its sustainability agenda under an overarching framework named as **"A Force for Good"**, which articulates its commitment to create positive returns for all the stakeholders and to operate for the long-term benefit of society, the environment, and the country. It embraced a **"World of Good"** agenda that envisions a world of good, where its businesses foster a sustainable future that is **"Good for the Planet"**, to protect and nurture the environment, through urgent climate action, efficient resource management and a circular economy approach; **"Good for People"**, to uplift the well-being of all the lives it touches, including people within the organization and the communities; and **"Good for Progress"**, to promote inclusive economic growth and ensure that progress occurs in harmony with nature

and society, so that all may enjoy comfortable, secure and prosperous lives. All these will lead to benefitting present and future generations of Filipinos.

In 2022, SMC embarked on a pivotal journey to advance and elevate the Company's sustainability performance. Working closely with the Board of Directors, top management, and the various businesses, an overarching sustainability blueprint has been developed that embodies San Miguel's purpose and values as well as its hopes and aspirations for a brighter and more prosperous future for all Filipinos. This sustainability blueprint presents the organizational vision and purpose along with the sustainability agenda and targets. Clear and ambitious goals focused on environmental, social, and governance areas have been defined, which are anchored on the United Nations Sustainable Development Goals (UN SDGs) and identified major levers and plays that would help in fully realizing commitments.

The following four (4) targets have been defined namely:

- **Establish a circular economy approach by 2040** by optimizing our resources by eliminating waste and pollution, circulating products and materials at their highest value, and regenerating nature.
- **Net zero by 2050** by minimizing greenhouse gas (GHG) emissions by investing in clean energy technologies and carbon reduction programs.
- **At least 15 million people uplifted by 2030** by creating equitable and transformative pathways to a sustainable future for the employees, customers, communities, nation, and beyond.
- **A fully sustainable and ethical supply chain by 2040** by upholding sustainable best practices across the supply chain ecosystems that will benefit current and future generations

Recognizing SMC's impact areas and ESG issues is a starting point to harness the Company's influence and size. While the biggest challenges are ahead, SMC have a long tradition of successful circular and even regenerative practices. SMC is currently developing a more detailed roadmap that will measure the impact of the Company's sustainability initiatives and likewise identify action steps to achieving and advancing these targets.

FOOD AND BEVERAGE BUSINESS

SMFB is a leading food and beverage company in the Philippines, anchored on a portfolio of highly recognizable, market-leading brands across various categories. Key brands include *San Miguel Pale Pilsen*, *San Mig Light*, and *Red Horse* for beer; *Cali*, *Magnolia Healthtea*, and *Magnolia Fruit Drink* for non-alcoholic beverages; *Ginebra San Miguel* for gin and *Vino Kulafu* for Chinese wine; *Magnolia* for chicken, dairy, ice cream, flour mixes, and salad aids; *Monterey* for fresh and marinated meats; *Purefoods Tender Juicy* for hotdogs; *Purefoods* for other processed refrigerated and canned meats, ready-to-eat meals, and seafood line; *Veega* for plant-based protein food products; *Star* and *Dari Crème* for margarine; *San Mig Coffee* for coffee; and *B-Meg* for animal feeds.

SMFB has three operating divisions—(i) Beer and NAB through San Miguel Brewery Inc. and its subsidiaries, (ii) Spirits through Ginebra San Miguel Inc. and its subsidiaries, and (iii) Food and Animal Nutrition through San Miguel Foods and its subsidiaries. SMFB's extensive distribution network enables it to reach the entire Philippine archipelago, with exports to approximately 70 markets worldwide.

For each of the years ended December 31, 2022, 2023, and 2024, the food and beverage businesses achieved sales of ₱358,853 million, ₱379,822 million, and ₱400,872 million; income from operations of ₱48,711 million, ₱48,411 million, and ₱55,792 million; and net income of ₱34,665 million, ₱38,105 million, and ₱40,933 million, respectively.

For the six-month period ended June 30, 2025, SMFB reported sales of ₱201,200 million, income from operations of ₱30,041 million and net income of ₱22,964 million compared to sales of ₱192,882 million, income from operations of ₱26,641 million, and net income of ₱19,977 million for the six-month period ended June 30, 2024.

The following table sets forth the contribution of the three (3) divisions to total sales for the periods indicated:

Sales ⁽¹⁾	For the years ended December 31,						For the six months period ended June 30,			
	2022		2023		2024		2024		2025	
	₱	%	₱	%	₱	%	₱	%	₱	%
Beverage Business	(in millions, except for percentages)									
Beer and NAB Division	136,230	38.0	147,341	38.8	153,355	38.3	75,073	38.9	74,588	37.1
Spirits Division	47,336	13.2	53,636	14.1	62,503	15.6	29,991	15.6	32,233	16.0

Food Division	175,287	48.8	178,845	47.1	185,014	46.2	87,818	45.5	94,379	46.9
Total	358,853	100.0	379,822	100.0	400,872	100.0	192,882	100.0	201,200	100.0

Note:

(1) Represents the external sales of each division and excludes inter-division sales.

Selected operating data for the SMFB for the periods indicated is provided below:

	For the years ended December 31,			For the six months ended June 30,	
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales	358,853	379,822	400,872	192,882	201,200
Gross profit	97,373	100,600	110,932	52,726	58,116
Gross profit margin ⁽¹⁾	27.1%	26.5%	27.7%	27.3%	28.9%
EBITDA ⁽²⁾	62,729	66,822	73,077	33,928	39,256
EBITDA margin ⁽³⁾	17.5%	17.6%	18.2%	17.6%	19.5%
Net income before tax	45,769	49,878	53,667	26,177	29,842
Net income before tax margin ⁽⁴⁾	12.8%	13.1%	13.4%	13.6%	14.8%

Strengths and Strategies

Strengths

One of the largest and most established consumer companies in the Philippines, with a rich 135-year heritage

SMFB is one of the largest consumer companies in the Philippines, with consolidated net sales of ₱400,872 million and net income of ₱40,933 million in 2024. Its Beer Division, founded in 1890 as La Fabrica de Cerveza de San Miguel, has since become a household name. SMFB's century-long heritage provides it with a deep and unmatched understanding of Filipino consumers, supported by an extensive distribution network and a portfolio of highly recognized brands that offer a significant competitive advantage.

Over the past 135 years, SMFB has consistently demonstrated adaptability, leveraging its operational expertise and consumer insights to lead market trends and successfully enter new categories.

Powerful portfolio of iconic and trusted brands that resonate deeply with SMFB's local consumers

SMFB's portfolio includes brands with long-standing reputations and strong consumer loyalty. *Ginebra San Miguel* was launched in 1834, *San Miguel Beer* in 1890, *Magnolia* in 1925, *B-Meg* in 1953, and *Purefoods* in 1956. The Beer Division is the largest producer of beer in the Philippines by sales and volume, with leading brands like *San Miguel Pale Pilsen*, *Red Horse*, and *San Mig Light*. According to internal company estimates, the Spirits Division core spirits brands, *Ginebra San Miguel* and *Vino Kulafu* are also market leaders in the gin and Chinese wine categories in Philippines at 99.5% and 71.9% volume share, respectively, as of June 30, 2025. Additionally, brands like *Purefoods* (processed meats), *Magnolia* (dairy), and *B-Meg* (animal feeds) lead their respective categories.

Internationally, SMFB has presence in over 70 countries, with *San Mig Light* established as a premium beer brand in Thailand and *Anker Bir*, a top brand in Indonesia. SMFB's beer brands are well-received in tourist markets across Asia and by expats in Hong Kong, where it operates the only local brewery. The Food Division's international footprint is growing in North America, South-East Asia, Australia, and the Middle East.

Leading market positions in high-growth consumer categories

SMFB's businesses hold leadership positions across food and beverage categories with significant growth potential. The Beer Division is the largest producer of beer in the Philippines, with a diversified product portfolio catering to various segments. As of June 30, 2025, the Spirits business had leading market share in the gin category by volume of 99.5%, according to internal company estimates. According to the Kantar (Worldpanel Division), SMFB's Food Division is a market leader by volume in several categories as of the Moving Annual Total (MAT) December 29, 2024, with 47%

for hotdogs, 61% for breaded, battered, and fried products, 58% for butter, 94% for refrigerated margarine and 48% for non-refrigerated margarine. In the same period, the Food Division had market shares of 12% for corned meats, 15% for luncheon meats and 23% for cheese.

SMFB products play a vital role in the Filipinos' daily, guided by SMFB's slogan of "Celebrating Life." Its evolving product portfolio reflects changing consumer tastes and is deeply integrated into everyday routines, providing nourishment and enjoyment to families through trusted food brands, while fostering friendships and camaraderie with its world-class portfolio of beer, NAB, and spirit products.

Strong global presence and brand equity

SMB is the 13th largest beer producer globally by volume and was among the top four Asian beer players in by revenue in 2017. SMFB enjoys high strong consumer preference and brand loyalty, for its products and a loyal following, particularly in international markets, which supports allowing it to maintain favorable pricing for its products. The Spirits Division's gin business is also a leader globally with *Ginebra San Miguel*, being recognized as the world's top-selling gin by volume according to GlobalData (2020). The Food Division's leading brands contribute over 85% of the total Food Division's revenue, spanning key categories like such as branded and processed meat, butter and spreadable fats, cheese, ice cream, animal nutrition and health, and protein.

Strategically located production facilities offering competitive advantages

SMFB's production facilities are strategically positioned across the Philippines, enabling wide market coverage and optimized distribution costs.

With seven beer production facilities situated near key consumer markets, SMFB is able to serve all regions efficiently and deliver beer products to market within five to seven days of production, ensuring both availability and freshness. Spirits are produced using fine alcohol sourced from a centralized distillery in Negros Occidental, the country's largest molasses-producing region, and are bottled at five domestic facilities across the country.

SMFB also operates a nationwide manufacturing network composed of feed mills, processing plants, and breeding and growing farms across Luzon, Visayas and Mindanao. The proximity of these facilities to consumer markets, combined with an efficient cold chain system, helps ensure optimal shelf life and minimizes perishability of fresh products. SMFB believes its facilities are among the most efficient in the country, supported by the use of modern technology. These facilities are equipped with automated machines that can manufacture and package products in a variety of formats while maintaining low production costs. Most poultry farms are equipped with tunnel ventilation systems, enabling the production of healthier, higher quality, and more cost-efficient meats.

In addition, SMFB's facilities comply with international standards, including certification from the International Organization for Standardization ("ISO"), Good Manufacturing Practices ("GMP") and Hazard Analysis of Critical Control Points ("HACCP") certifications. The Food Division also adheres strictly to food safety regulations, including mandatory recalls of products that pose potential safety risks. These stringent quality and safety standards are reflected in SMFB's strong track record, with no major food or beverage safety incidents reported in the last five years.

In October 2023, SMFB completed its first mega poultry farm in Hagonoy, Davao del Sur. The facility is equipped with controlled climate technology, automated feeding and watering systems, an air quality monitoring system, and an automated harvesting system. Over the next ten (10) years, SMFB plans to build several more mega poultry plants in strategic locations across the country. These projects are intended not only to reduce logistical costs and make food products more affordable for consumers, but also form part of SMC's broader initiative to strengthen the country's food security.

Extensive nationwide distribution network covering diverse channels

The Philippine archipelago, composed of 7,641 islands and divided into three (3) main regions — Luzon (including Greater Manila), Visayas, and Mindanao — presents distinct macroeconomic and industry dynamics. This unique geographic landscape allows SMFB to derive significant advantage from the scale of its extensive nationwide distribution network.

As the leading player in the Philippines, SMFB's products occupy prime shelf space in groceries, convenience stores, and mom-and-pop stores across the country.

SMFB believes it has the largest and most extensive distribution network in the Philippines. The Beer and NAB Division operates about 50 sales offices, having partnerships with over 400 dealers with its products present in more than 600,000 outlets. The Spirits Division manages 15 strategically located sales offices and coordinates with a network of 95 dealer sites, covering about 158,000 outlets. The Food Division's products are sold through approximately 188,000 points of sale, supported by over 600 dealers, distributors, and food service clients.

SMB is the largest producer of beer in the Philippines and is the largest primary contributor to the beverage business, accounting for 70% of total beverage business sales for the period ended June 30, 2025. GSMI is a leading spirits producer in the Philippines and largest gin producer globally by volume for the year in 2018, according to GlobalData, accounting for 30% of total beverage business sales for the same period ended June 30, 2025

In addition, SMBIL exports beer products to over 70 countries and territories worldwide in North America, South America, Europe, Africa, the Middle East, Australia, and the rest of Asia. International operations accounted for 13% of total Beer volumes for the period ended June 30, 2025.

Consumer insights fuel growth, innovation, and product development

SMFB's strong market research capabilities, extensive reach, and deep relationships with customers, dealers, and distributors enable it to leverage valuable consumer insights. By continuously monitoring consumer preferences and market trends, SMFB anticipates changes in demand and adapts its product offerings accordingly.

Through investment in market research and feedback channels, SMFB develops an optimal and manageable pipeline of new products that address emerging market gaps. Its ability to innovate and introduce new product variants consistently excites the market, enhances brand loyalty, and meets the evolving preferences of Filipino consumers.

Cost-efficiency initiatives and distinctive business model driving strong profitability

SMFB undertakes a variety of initiatives to reduce raw material and other input costs. For example, the Beer and NAB Division employs an RGB system which, with over 90% retrieval in the past five years, provides a significant competitive advantage by helping manage packaging costs. The Spirits Division controls costs by sourcing raw materials such as sugarcane molasses and alcohol from multiple third-party suppliers under supply contracts in both domestic and international open markets. It has also aggressively promoted bottle recycling, with second-hand bottles accounting for 56% of total bottles used in 2024.

In the Food Division, climate-controlled facilities have improved yields and provided a conducive environment for healthy animal growth. The division continues to explore alternative raw materials, including grains and by-products in the Animal Nutrition and Health segment, as well as alternative protein sources and flavors for the Prepared and Packaged Food segment.

Moreover, SMFB's efficient and modern production facilities enhance overall cost-efficiency. Its best-in-class technologies and processes, applies across all divisions, help reduce waste and maximize production yields. Most production facilities are fully automated, ensuring consistent product quality with minimal spoilage. Brewing production processes are regularly reviewed to optimize output and generate cost savings. Each of the Beer and NAB, Spirits, and Food Divisions have their own research and development ("R&D") teams that regularly monitor and tests production processes to ensure alignment with industry standards and to produce high-quality products at the lowest possible cost.

SMFB believes that its vertically integrated facilities allow it to better manage raw material costs and extract margins along the entire food chain while ensuring superior food safety, traceability, and supply chain reliability. The Food Division's unique "farm-to-plate" business model enables synergies across the food production and distribution process by driving economies of scale through consolidated raw material sourcing, integrated production, and shared sales, distribution, marketing, and support functions. This model also enhances operational flexibility, allowing SMFB to adapt products in response to changing market demand.

Additionally, SMFB achieves further cost efficiencies in distribution. Golden Bay Grain Terminal Corporation, an affiliate company serving both the feeds and flour operations, facilitates shipments using larger vessels, minimizing intermediate handling and leakage and resulting in lower freight and handling costs.

Strategies

San Miguel Food and Beverage's primary long-term objective is to reinforce its leadership as the premier food and beverage company in the Philippines, continuously expand to meet rising consumer demand, and contribute to national food security. Aligned with SMC's commitment to sustainability, SMFB pursues this goal through the following strategic initiatives:

Continued execution of regionally tailored strategies, leveraging SMFB's unique understanding of consumers

SMFB believes that its market-leading positions allow it to capitalize on differentiated consumer insights specific to each region and execute tailored strategies that enhance its nationwide presence.

In line with efforts to expand its reach, particularly in provincial areas, SMFB is establishing additional distribution hubs that will strengthen its network and improve direct servicing of outlets.

SMFB is also improving product availability by investing in production facilities and logistics infrastructure, such as ports and warehouse, and by increasing the deployment of sales force in these regions to expand penetration and reach in fast-developing key and remote areas.

Capacity expansions to support growing consumer demand

Capacity expansion in key regional markets is a critical element of SMFB's growth strategy to support increasing market demand nationwide, particularly in the provinces. SMFB is expanding its production capacities and manufacturing facilities in strategic areas to better serve growing demand across its business segments. In certain segments, SMFB is also transitioning from tolled facilities to company-owned facilities to optimize efficiencies, gain better control over costs and quality, and improve margins.

Over the next ten (10) years, SMFB Food Division is set to build several mega poultry farms across the country. The farms will be composed of a mix of elevated and/or multi-tiered farmhouses with ample vertical and horizontal space to allow birds freedom of movement. Each facility will be climate-controlled to maintain optimal temperature and humidity for broiler health and growth. SMFB will employ the latest farming technologies and best practices in animal health and nutrition, enabling it to consistently produce healthy, high-quality chickens that meet consumer demand for safe and affordable products.

The mega poultry farms will ensure consistent capacity availability, complementing SMFB's existing nationwide contract growing program while reducing risks associated with the transfer of contract farms to other poultry integrators. Over time, SMFB aims to establish a well-balanced mix of company-owned farms and a reliable pool of contract growers.

To support this strategy, SMFB is making direct investments in world-class facilities to achieve greater scale and control over its expansion initiatives. A key component is the development of integrated food complexes (IFC), which aim to help strengthen national food security by providing sufficient production capacity, improved cost competitiveness, enhanced product quality, and greater accessibility for consumers across different regions. Each complex is strategically located to maximize logistical advantages, such as deep-water access, proximity to local raw material sources, and convenient access to regional markets. Depending on the location, a typical IFC will include a port or grain terminal, silos and warehouses, a feed mill, breeder farm, hatchery, broiler farm, processing and further processing facilities, cold storage warehouses, and other food manufacturing capabilities such as flour mills or processed meat plants.

These developments are expected to lower production and logistical costs, making food products more affordable for consumers. Expansion efforts in the poultry segment will help mitigate supply volatility and enable more stable pricing. Modern processes and technologies will promote improved animal health and safety, ensuring high product quality. Additionally, IFCs will generate employment opportunities in host communities and will reduce the country's reliance on imported food products.

In October 2023, SMFB's inaugurated its first mega poultry farm in Hagonoy, Davao del Sur. The facility features climate-controlled housing, automated feeding and watering system, air quality monitoring system, and automated harvesting. This project forms part of SMFB's broader initiative to strengthen food security nationwide, which began with the expansion of its beer, feeds, value-added meats, ready-to-eat, and logistics businesses in recent years.

Maintain market leadership positions in core categories while growing the total addressable market through marketing initiatives and new product development

SMFB invests in tailored brand-building and marketing campaigns, as well as targeted new product development (NPD) strategies in each product category. Through these efforts, SMFB aims to further reinforce its leadership positions and expand the total addressable market. SMFB continues to implement innovative consumer promotions, and relevant, consistent, and engaging campaigns, on-ground activations, as well as occasion-creation programs, to strengthen brand demand and defend against competition.

Continue to broaden its distribution footprint and enhance penetration across channels throughout the Philippines

SMFB intends to sustain its strong growth momentum by expanding outlet coverage through promotions and increasing market penetration across all channels. Together with its dealers and distributors, SMFB's sales force plans to put greater focus on serving diverse channels as the number of outlets continues to grow across the Philippines.

SMFB also continues to develop or tap emerging channels, broaden market penetration, and capture growth opportunities through digital platforms across its Beer and NAB, Spirits, and Food Divisions. To support these distribution programs, SMFB will further strengthen its logistics capabilities and infrastructure through warehouse expansions, additional sales offices, and truck and logistics center upgrades.

Continued enhancement of profitability through cost-saving initiatives

SMFB continues to implement efficiency and process innovations, productivity enhancements, cost management measures, and continuous product portfolio reviews. This includes rationalization of unprofitable products and efforts to enhance price stability across its revenue streams. Through sustained cost-efficiency initiatives, SMFB believes it can improve margins across all divisions.

The IFCs and the mega poultry farms reflect how the Food Division is driving operational efficiencies across its facilities. By design, the IFCs offer a lower-cost operating environment, with co-located and scalable facilities that allow for future expansion.

The mega poultry farms will utilize automation to minimize inputs, manage waste, and preserve carcass quality. Feeds will be delivered from nearby feed mills via bulk trucks and dispensed into hoppers, eliminating the need for traditional plastic sacks. Automated feeding and watering systems will ensure a continuous supply of food and water while minimizing waste. Conveyor belts beneath each tier will efficiently remove manure daily, preventing ammonia build-up and discouraging fly breeding. Automated harvesting systems will transfer the birds into coops and load them onto trucks, eliminating manual handling that can damage the carcass.

Given the scale of operations, waste management will be handled more efficiently through a circular model. Feathers, offal, and mortalities will be rendered into poultry meal for use as a feed ingredient, while poultry manure will be converted into fertilizer and distributed to farmers in nearby communities, particularly corn and cassava raisers who supply SMFB with raw materials.

Exploit synergies across its combined and diversified consumer platform

Through the consolidation of the Beer and NAB, Spirits and Food Divisions, SMFB has built a strong consumer platform with significant potential to further capture both cost and revenue synergies as integration efforts continue.

Cost synergies

SMFB benefits from economies of scale and scope across our beer, spirits, and food businesses. SMFB intends to continue leveraging its strong supplier relationships by enhancing cooperation and coordination among the divisions. Strategically located production and distribution centers across the businesses also offer opportunities to optimize logistics and reduce costs. Consolidating requirements in areas such as market research, management, and marketing initiatives is likewise expected to yield further operational efficiencies and cost savings. Looking ahead, SMFB anticipates greater benefits as it continues to refine these synergies, aligned with its commitment to adopting international best practices in management and production efficiency.

Revenue synergies

With the combined food and beverage business reaching approximately 900,000 outlets covering all channels throughout the Philippines, there is substantial potential for increased coordination across product lines. Leveraging its extensive distribution network, SMFB expects to bring new products to market more quickly while improving trade efficiencies and customer loyalty through enhanced trade and promotional activities for its existing portfolio. The various divisions can also benefit from enhanced market data sharing, allowing SMFB to consolidate insights across businesses to better identify consumer trends and preferences. This would ideally reduce execution risk in launching and scaling region-specific products and initiatives. Using this market intelligence, SMFB can also uncover cross-selling opportunities among the beer, spirits, and food businesses.

Continue to integrate sustainability into the businesses

SMFB recognizes the importance of embedding social, environmental and governance (ESG) considerations into all aspects of its operations. SMFB continues to adopt sustainable development plans and practices in response to the social and environmental issues that impact its business and stakeholders.

Beverage Business

The beverage business involves the brewing, distilling, selling, marketing, and distribution of beer, NAB, and spirits. It is conducted through SMFB's majority-owned subsidiaries: SMB and its subsidiaries, which comprise the Beer and NAB Division, and GSMI and its subsidiaries, which comprise the Spirits Division. As of June 30, 2025, SMFB held 51.16% and 75.78% of the outstanding common capital stock of SMB and GSMI, respectively.

On December 1, 2020, the Board of Directors of GSMI approved the redemption of 32,786,885 preferred shares held by SMC, with the redemption proceeds paid on January 4, 2021. Following the redemption, SMC no longer held a direct equity interest in GSMI, and its indirect equity interest through SMFB increased from 67.99% to 75.78%.

SMB is the largest producer of beer in the Philippines and is the largest primary contributor to the beverage business, accounting for 70% of total beverage business sales for the period ended June 30, 2025. GSMI is a leading spirits producer in the Philippines and largest gin producer globally by volume for the year in 2018, according to GlobalData, accounting for 30% of total beverage business sales for the same period ended June 30, 2025.

The beverage business reported combined sales of ₱183,576 million, ₱200,986, and ₱215,867 million for the years ended December 31, 2022, 2023, and 2024, respectively.

For the six-month period ended June 30, 2025, the beverage business reported sales of ₱106,823 million, compared to ₱105,065 million for the same period in 2024.

Beer and NAB Division

The Beer and NAB Division is the largest producer of beer in the Philippines in terms of both sales and volume, offering a wide array of beer products across various segments and markets. Its portfolio includes the top four beer brands in the Philippines, namely *San Miguel Pale Pilsen*, *Red Horse*, *San Mig Light* and *Gold Eagle*. The Beer and NAB Division also produces non-alcoholic beverages such as ready-to-drink tea, ready-to-drink juice, and carbonates. Its flagship brand, *San Miguel Pale Pilsen*, has a 135-year history and was first produced by *La Fabrica de Cerveza de San Miguel*, which began in 1890 as a single brewery producing a single product has since evolved into the diversified conglomerate that is SMC.

In 2009, Kirin acquired a 48.39% shareholding in SMB, of which 43.249% was from SMC and the remaining 5.141% through a mandatory tender offer and purchase from public shareholders. SMC retained majority ownership of SMB, with 51.16% stake. In connection with Kirin's investment, Kirin and SMC entered into a shareholders' agreement that includes provisions on corporate governance and approvals, business cooperation, restrictions on the transfer of SMB shares, and other customary arrangements. SMFB adhered to this shareholders' agreement and agreed to be bound by its terms and conditions. As of June 30, 2025, SMFB owns 51.16% of SMB, while Kirin holds the remaining 48.54%.

In 2015, SMB acquired the NAB business from GSMI, including property, plant and equipment, finished goods inventories, and other inventories comprising containers, packaging materials, goods-in-process, and raw materials. This acquisition supports SMB's multi-beverage strategy, which aims to expand its presence in the non-alcoholic beverage market. The NAB business also benefits from SMB's RGB system, strong distribution network, and competitive

positioning.

For the years ended December 31, 2022 and 2023, the Beer and NAB Division recorded sales of ₱136,235 million and ₱147,347 million respectively, and net income was ₱21,750 million and ₱25,322 million, respectively.

For the year ended December 31, 2024, sales amounted to ₱153,362 up 4%, driven by stable domestic volumes, price adjustments, and strong consumer engagement. Net income was ₱25,625, 1% higher than in 2023.

For the six-month period ended June 30, 2025, the Beer and NAB Division had sales of ₱74,588 million, and net income of ₱12,984 million, compared to sales of ₱75,073 million and net income of ₱12,563 million for the same period in 2024.

Production Facilities and Raw Materials

Production Facilities

The Beer and NAB Division maintains a network of production facilities rather than a single consolidated brewing and production site. Currently, the Beer and NAB Division owns and operates seven production facilities in the Philippines located across the country's three main island groups of Luzon, Visayas and Mindanao, namely: (1) the Polo facility located in the National Capital Region, established in 1947; (2) the Sta. Rosa facility in Laguna Province, established in 2011; (3) the San Fernando facility in Pampanga Province, established in 1981; (4) the Mandaue facility in Cebu Province, established in 1968; (5) the Bacolod facility in Negros Province, established in 1990; (6) the Davao facility located in Davao Province, established in 1995; and (7) the Tagoloan facility in Misamis Oriental, established in 2019. As of June 30, 2025, the domestic production capacity is almost 28 million HL per year. While production at each facility is typically designed to serve its surrounding region, the Beer and NAB Division can shift the manufacturing from one site to another as operational needs or changes in demand arise.

The Beer and NAB Division uses brewing equipment and technology sourced from leading manufacturers in Germany, the U.S., Japan, and Italy. These include modern fermentation and maturation tanks, filtering systems, energy-efficient pasteurizers, and camera-type electronic bottle inspectors, among others. Each production facility is equipped with automated machinery capable of manufacturing products in a variety of packaging formats, such as bottles, cans, and kegs, to meet market preferences.

All the production facilities comply with ISO standards, including ISO 9001:2015 and ISO 14001:2015, as assessed by a pool of technical assessors. They are also certified by the Food Development Centre, an office under the Philippine National Food Authority, as compliant to food safety requirements of current GMP– HACCP standards.

International operations are conducted through SMB's wholly owned subsidiary, San Miguel Brewing International Limited ("SMBIL"), which has production facilities in five locations outside the Philippines: one production facility each in China, Hong Kong, Indonesia, Thailand, and Vietnam, with a total production capacity of 4.58 million HL per year.

In total, the Beer and NAB Division has a combined beer production capacity of about 32.58 million HL per year. In addition to producing the core San Miguel beer brands for international markets, the overseas facilities also manufacture Anker and Dragon, its local brands in Indonesia and China, respectively.

All production facilities, both domestic and international, comply with ISO requirements such 9001:2015 and ISO14001:2015, and are certified by the Food Development Centre as meeting GMP–HACCP food safety requirements.

Raw Materials

The main raw materials for brewing beer include malted barley, hops, water and yeast. Adjuncts may also be used in combination with malted barley. For NAB products, the main ingredients include water, sugar, sweeteners, fruit juice concentrates, tea extract, flavourings, colorants, and vitamins. These commodities have experienced, and may continue to experience, price fluctuations. The Beer and NAB Division sources its key raw materials for its beer using standardized procurement procedures. Malted barley and hops are generally sourced from North America, Australia, Europe, and China, while adjuncts such as corn and sugar are sourced locally, along with imported tapioca. For NAB, SMB primarily sources ingredients from Singapore, China and Europe.

Key supplier agreements for raw material typically cover a supply period of approximately one (1) to five (5) years, with a pre-determined fixed and formula-based price for the duration of the contract. In addition, depending on factors such

as price trends and raw material quality, spot purchases are made in the open market.

Packaging materials are sourced primarily from the Packaging Group of SMFB. Packaging costs represent a significant component of beer manufacturing expenses. The Beer and NAB Division sells most of its products in RGBs of varying sizes and shapes, as well as aluminum cans and kegs. As of December 31, 2024, around 90% of the RGBs used for beer were retrieved, which the Beer and NAB Division believes is the most important and preferred packaging format for beer in the Philippines. SMB's efficient RGB system reduces exposure to rising packaging, particularly those driven by increases in fuel prices, and contributes to effective cost management.

Sales and Distribution

The Beer and NAB Division markets, sells, and distributes its products primarily in the Philippines and maintains an extensive distribution system comprising seven strategically located production facilities nationwide, a broad network of sales offices and warehouses, and a system of dealerships and third-party service providers.

SMB's products are distributed and sold through approximately 600,000 outlets, including off-premise outlets such as supermarkets, grocery stores, sari-sari stores (mom-and-pop stores), and convenience stores, as well as on-premise outlets such as bars, restaurants, and hotels through around 50 sales offices and approximately 400 dealers throughout the Philippines.

To ensure distribution efficiency, the Beer and NAB Division works closely with its dealers and provides support such as systems and training related to dealer operations. It enters into distribution agreements with its dealers that define the territories in which each dealer may operate, the brands permitted for distribution, applicable performance standards, operational procedures, and the conditions under which distribution rights may be terminated. These rights, standards, and procedures are developed by the Beer and NAB Division and jointly implemented with dealers to ensure high-quality service.

International operations are conducted in Hong Kong, Indonesia, Thailand, China, and Vietnam through SMBIL, a subsidiary of SMB. Subsidiaries of SMBIL include San Miguel Brewery Hong Kong Limited, listed on The Stock Exchange of Hong Kong Limited under stock code 236, and PT Delta Djakarta Tbk, listed on the Indonesia Stock Exchange under DLTA.JK.

There is a production facility each in China, Hong Kong, Indonesia, Thailand, and Vietnam. Third-party service providers transport the products from these facilities to customers, including dealers, wholesalers, retail chains, or outlets, depending on the market. A total sales force of approximately 405 employees is maintained in these five countries, with ten sales regions in China, six in Indonesia, seven in Thailand, and five in Vietnam. In Thailand, all local sales are done through San Miguel Marketing (Thailand) Limited, a subsidiary of SMBIL.

In addition, SMBIL exports beer products to over 70 countries and territories worldwide in North America, South America, Europe, Africa, the Middle East, Australia, and the rest of Asia. International operations accounted for 13% of total Beer volumes for the period ended June 30, 2025.

Research and Development

The Beer and NAB Division employs state-of-the-art brewing technology. Its highly experienced brewmasters and quality assurance practitioners provide technical leadership and direction to continuously improve and maintain high standards in product quality, process efficiency, cost effectiveness, and manpower competence.

Technology and processes are constantly updated, and NPD is supported through the research and development of beer and NAB products. R&D activities are conducted at a technical center and pilot plant located in one of its production facilities. SMB also operates a central analytical laboratory equipped with modern instruments for strategic raw material analysis and validation, beer and NAB product evaluation, and raw material accreditation. Specialized equipment includes gas chromatography, high performance liquid chromatography, atomic absorption spectroscopy, protein analyser, and laboratory scale mashing/milling system for malt analysis. Analytical methods and validation procedures are continually enhanced and standardized across all SMB laboratories. The central analytical laboratory runs proficiency tests for brewery laboratories and suppliers to ensure continuous reliability and quality of analytical test results. It is also responsible for ensuring compliance with international standards, particularly ISO 17025:2017.

To support technical manpower development, the Beer and NAB Division operates the San Miguel School of Brewing,

offering various programs covering all levels of professional brewing technical training, from basic brewing course for new hires to advanced brewing course for senior technical personnel. Courses include highly specialized classes required to qualify the most senior technical staff, known as brewmasters. Each of the 30 brewmasters and 25 assistant brewmasters has completed extensive advanced coursework from both in-house and international institutions, and has over ten (10) years of on-the-job-training experience with SMB.

The Beer and NAB Division continues to pursue innovation to support growth and market leadership. New products and variants are explored to align with the evolving consumer profile and preferences. For example, in 2010, the NPD team introduced the first flavoured beers in the market, *San Miguel Flavored Beer* in apple and lemon variants, to appeal to younger drinkers. In 2013, SMB launched *San Mig Zero*, a low-calorie beer, and in 2020, introduced *San Miguel Free 0.0*, the first zero-alcohol beer in the local market.

To generate excitement and respond to shifts in consumer preferences, SMB launched *Red Horse Super* in 2021, the strongest locally produced beer in the market. In 2022, SMB introduced *San Mig Hard Seltzer*, a sparkling water with alcohol in citrus flavour packaged in 330 ml can format, as well as *San Mig Flavored Water*, an unsweetened, non-carbonated apple-flavoured water in returnable glass bottles. The NAB portfolio also further expanded with the launch of *Magnolia Fruit Drink Mango* in 250ml bottle in early 2023.

SMB also launched *San Miguel Cerveza Blanca* in 2022, followed by *San Miguel Cerveza Blanca* in draft and bottled variants in 2024. *San Miguel Chocolate Lager* was also introduced in 2024.

Similarly, in the international market, SMBIL launched *Anker Pineapple* in Indonesia and rolled-out a limited-edition *San Miguel Chocolate Lager* in early 2023.

Competition

In the Philippine beer market, the major competitors are Asia Brewery Inc. (“**ABI**”) and Heineken International B.V. (“**Heineken**”). Heineken previously had a joint venture with ABI, which was dissolved in 2020 and replaced with a new partnership. Effective January 1, 2021 under the new structure, Heineken established a sales and marketing office in Metro Manila, while ABI now brews and distributes Heineken’s beer brands, Heineken and Tiger, in the Philippines. These compete directly with SMB’s premium and mainstream brands, respectively.

The Beer and NAB Division’s beer products also compete with other alcoholic beverages, primarily brandy, gin, rum, and alcopops, which are close substitutes for beer. In the beer industry, and more broadly in the alcoholic beverage industry, key competitive factors include price, product quality, brand awareness and loyalty, distribution coverage, and the ability to respond effectively to shifting consumer tastes and preferences. SMFB believes that the market leadership, scale of operations, and extensive distribution network in the Philippines provide the Beer and NAB Division with significant competitive advantages.

In the non-alcoholic beverage market, competition comes from established players and brands in ready-to-drink juice and ready-to-drink tea segments. For example, *Zest-O* and *Minute Maid Fresh* compete with *Magnolia Fruit Drink*, while *C2* and *Nestea* compete with *Magnolia Healthtea*. *Cali*, on the other hand, is positioned in the soft drinks category, where *Coke*, *Pepsi* and *RC Cola* are the key players.

Spirits Division

Through GSMI, the Spirits Division is a leading spirits producer in the Philippines and was also the world’s largest-selling gin brand by volume in 2020, according to GlobalData. Based on internal company estimates, the core spirits brands, Ginebra San Miguel and Vino Kulafu, are market leaders in the gin and Chinese wine categories at 99.5% and 71.9% volume share, respectively, as of June 30, 2025. GSMI also produces some of the most recognizable spirits in the Philippine market, including gin, Chinese wine, brandy, vodka, rum, and others, and enjoys close to 50% overall industry market share as of the same period, according to internal company estimates.

Ginebra traces its roots to a family-owned distillery from the Spanish era, which introduced the Ginebra San Miguel brand in 1834. The distillery was acquired by La Tondeña Incorporada in 1924, and subsequently by SMC in 1987, forming La Tondeña Distillers, Inc. In 2003, SMFB was renamed Ginebra San Miguel Inc. in honor of the pioneering gin brand. GSMI’s flagship brand, Ginebra San Miguel, contributed 87% to GSMI’s total sales as of June 30, 2025.

The Spirits Division believes that consumer preferences in the Philippine spirits market vary significantly by region, consumers in Northern Philippines tend to favor gin and brandy, while those in the South prefer rum and Chinese wine. In recent years, brandy has gained popularity across both regions. The Spirits Division leverages the strength of its flagship brand, Ginebra San Miguel, and its broad product range to expand its business, particularly in the southern part of the country.

GSMI also exports its spirits products to markets with large Filipino communities, such as the United Arab Emirates, China, India, Taiwan, Canada, and the United States. Certain brands, including Tondeña Gold Rum and Tondeña Manila Rum, are produced exclusively for export. In addition, distilled spirits are sold and distributed in Thailand through GSMI's joint venture with Thai Life Group of Companies via Thai Ginebra Trading Company Limited.

Over the years, the Spirits Division has received numerous international awards for product quality and excellence. Since 2005, it has earned a total of 145 gold, silver, and bronze medals have been received for its various distilled spirits. Recent accolades include gold medals from Monde Selection for Archangel Reserve Premium Dry Gin, Ginebra San Miguel, Vino Kulafu, 1834 Premium Distilled Gin, GSM Premium Gin, GSM Premium Gin, and Antonov Vodka, and silver medals for GSM Blue Mojito, Primera Light Brandy, GSM Blue Light Gin, GSM Blue Margarita, and GSM Blue Pomelo.

GSMI is a public company listed on the PSE under the stock symbol "GSMI". As of June 30, 2025, GSMI had a market capitalization of ₱83,035 million and a common share price of ₱290.00.

For the years ended December 31, 2022 and 2023, GSMI's sales were ₱47,341 million and ₱53,639 million, while net income was ₱4,547 million and ₱7,046 million, respectively.

In 2024, GSMI recorded consolidated sales of ₱62,505 million, a 17% increase from 2023, driven by higher volumes and selling prices. Net income rose 3% to ₱7,257 million.

For the six-month period ended June 30, 2025, sales were ₱32,233 million and net income was ₱4,247 million, compared to sales of ₱29,992 million and net income of ₱3,676 million for the same period in 2024.

Production Facilities

The Spirits Division operates one distillery and five bottling plants. The distillery is strategically located in Negros Occidental Province, the largest molasses-producing region in the Philippines, and has a distillation capacity of 80.0 million liters per annum. The bottling plants, located across the archipelago, have a combined annual bottling capacity of 71.1 million cases as of June 30, 2025.

The five bottling plants are located in Luzon and Visayas, namely: (1) the Cauayan plant in Isabela Province, established in 2010; (2) the Sta. Barbara plant in Pangasinan Province, established in 1992; (3) the Ligao plant located in Albay Province, established in 2010; (4) the Cabuyao plant in Laguna Province, established in 1996; and (5) the Mandaue plant in Cebu Province, established in 1964.

The production facilities located in Sta. Barbara, Pangasinan; Cabuyao, Laguna; Mandaue City, Cebu; Bago City, Negros Occidental; Cauayan, Isabela; and Ligao City, Albay are certified with ISO 9001:2015.

Thai San Miguel Liquor Co. Ltd. ("**TSMI**"), a joint venture between GSMI and Thai Life Group of Companies, operates a production facility in Kanchanaburi, Thailand. It features a 75-kiloliters -per-day (KLPD) distillation column and a bottling line with an annual production capacity of 22 million liters and six million cases, respectively.

Raw Materials

Alcohol is the main raw material used in spirits, produced by converting sugarcane molasses into alcohol at the DBI distillery. To mitigate the impact of rising prices and the anticipated decline in the availability of sugarcane molasses, given its use as a key input in the Philippine government's clean fuel program, the Spirits Division also directly purchases crude and GSMI-spec alcohol from various third-party suppliers through supply contracts in both domestic and international markets. DBI also operates a separate facility capable of using cassava starch milk as an alternative raw material for alcohol production.

Products are packaged in glass bottles, most of which are sourced from the Packaging Group. In addition to using new

glass bottles, the Spirits Division maintains a network of suppliers in the Philippines that provide washed second-hand bottles. The suppliers retrieve, sort, and wash *Ginebra San Miguel* glass bottles, which are then repurchased by GSMI for recycling and reuse. For the year ended December 31, 2024, and the six-month period ended June 30, 2025, approximately 56% and 59% of glass bottles used, respectively, were second-hand bottles retrieved and purchased from these. A stringent quality control system is in place to monitor procedures and address safety concerns associated with recycled bottles. The Spirits Division believes that bottling costs for any given product can be sustained over time through the continued use of second-hand bottles. As such, it has actively implemented programs over the past few years to expand its network of second-hand bottle suppliers.

Sales and Distribution

The Spirits Division primarily markets, sells and distributes its products in the Philippines through a territorial distributorship model compared of a network of 95 dealer sites and 15 sales offices strategically located across the country as of June 30, 2025. The Spirits Division's sales team and key accounts group directly serve off- premise outlets such as mom-and-pop stores, supermarkets, grocery stores, and convenience stores, as well as on-premise outlets such as bars, restaurants and hotels. As of the same period, approximately 158,000 retail outlets are covered and served by the dealers, with general trade outlets accounting for 95% of total outlets and modern trade outlets, accounting for 5% of total outlets.

At the center of the product distribution and movement is the Spirits Division's logistics group. It leads the planning, coordination and delivery of finished goods from various plants to sales offices, warehouses, dealers, wholesalers, and select retailers.

Direct shipments to dealer sites are carried out by third-party haulers, while company-owned routing trucks deliver to directly served outlets. To expand distribution coverage and supplement its logistical assets, the Spirits Division also engages third-party service providers for warehouse management and product delivery to various destinations. The turnaround time for delivery from bottling plants to dealer is four to seven days for inland deliveries and 9 to 14 days for offshore deliveries.

While the Spirits Division has already established a substantial number of dealer sites nationwide, a key distribution strategy is the continuous development and acquisition of new dealers in high-volume potential areas, particularly in the geographically segmented Southern Philippines. This strategy is anchored on the deployment of direct selling operations teams focused on exploring and nurturing underserved areas until these become commercially viable for takeover by an existing or new dealer. Additional initiatives have also been implemented, such as systems improvement, training, incentive programs, merchandising, posterings, and various localized below-the-line activities, to sustain and ensure continued volume growth.

Research and Development

The Spirits Division continuously develops new products as it seeks to expand its existing product lines and maintains a well-equipped laboratory that provides capabilities to develop innovative product formulations, as well as a dedicated technical group focused on NPD. In addition to the popular Mojito variant of *GSM Blue Flavors*, which was launched in 2012, new variants Margarita and Gin Pomelo were introduced in 2017 to bring excitement and more options to younger consumers. In 2024, GSM Blu Lychee Marini was introduced as a lighter take on the classic martini. Sweetened with stevia, it offers a lower-calorie option with a clean, refreshing finish.

In May 2019, a new and improved *Añejo Gold Rum* was relaunched in select cities in Visayas and Mindanao. Aged in imported oak barrels for 12 years, this reformulated 65 proof version is superior in taste and aims to become the new standard of rum. It delivers a distinct vanilla flavour, as well as a smoky oak tone, is aromatic, and aims to provide a smooth drinking experience. Marketed as a product that exudes high quality, yet positioned as an economically priced low-proof rum targeting hard liquor consumers of Southern Philippines.

San Miguel Ethyl Alcohol was launched in November 2020 in response to the COVID-19 pandemic, initially to help address supply shortages and stabilize prices. With its 99.99% germ-killing formula and added moisturizer, it remains gentle on the skin and continues to be sold today, used as a disinfectant, and general antiseptic in homes, offices, and medical facilities and comes in various sizes from 250 mL and 20 Liters.

1834 Premium Distilled Gin, one the Spirits Division's premium gins, was launched in June 2021. This creation pays homage to the era when the Philippines opened its port to world trade in 1834, a time of new discoveries and cultural

exchange. This carefully crafted blend is uniquely Filipino, combining classic juniper berries and citrus with Philippine botanicals such as sampaguita and calamansi.

Another addition to Spirits Division's growing portfolio, G&T Ultralight had a limited release in December 2022. This refreshing low-proof and low-calorie spirit drink is made with all natural ingredients and comes in two variants: Apple Black Tea and Lemon Ginger, both in a 330mL slim can for a guilt-free drinking experience.

The R&D team also develops product formulations for certain toll manufacturing customers, such as the *Don Papa Rum* and all of its limited-edition variants. These are sold predominantly in Europe, North America, Australia, New Zealand, and select Asian countries.

Archangel Reserve is the Spirit's Division's most premium gin that is meticulously crafted with a refined blend of seven botanicals such as juniper berry, coriander seed, angelica root, liquorice root, lemon peel, orange peel, and lime peel, each selected for its depth, balance, and contribution to the gin's character. Expertly distilled in a copper pot still, it results in a uniquely refreshing and balanced gin. It is packaged in an emerald green frasco bottle inspired by the iconic *dama juana*, and features the image of St. Michael the Archangel. *Archangel Reserve* is a bold visual and sensory statement, honoring tradition while appealing to modern tastes. It is a celebration of craftsmanship and heritage, made for those who know and truly appreciate.

Competition

In the Philippine spirits market, competition among major players centers on brand equity through above- and below-the-line advertising, price leadership, NPD, raw material security, production efficiency, and distribution. GSMI's major competitor are Emperador Distillers, Inc. and Tanduay Distillers Inc. The former is largely known for its *Emperador Light Brandy*, which is popular among the young working class in Greater Manila and most urban cities. Tanduay Distillers, Inc.'s *Tanduay Rhum Dark Five Years* is a staple hard liquor drink in the Visayas and Mindanao regions. *Ginebra San Miguel* is the preferred brand in Northern and Southern Luzon, according to GlobalData as of 2017. As the Chinese wine segment has also seen increased consumption in recent years, the Spirits Division's *Vino Kulafu* has emerged as the top choice in this category, with strong patronage across various islands in the Visayas and parts of Mindanao, according to GlobalData (2017).

Food Division

The Food Division holds market-leading positions in many key food product categories in the Philippines and offers a broad range of high-quality food products and services to household, institutional, and foodservice customers.

The Food Division includes some of the most recognizable brands in the Philippine food industry, such as *Magnolia* for chicken, dairy, flour mixes, and salad aids; *Monterey* for fresh and marinated meats; *Purefoods Tender Juicy* for hotdogs; *Purefoods* for other refrigerated and canned processed meats, ready-to-eat viands, and a seafood line; *Veega* for plant-based protein products; *Star* for margarine, refrigerated and canned processed meats; *Dari Crème* for margarine; *San Mig Coffee* for coffee; and *B-Meg* for animal feeds.

The breadth of the Food Division spans refrigerated and canned processed meats, ready-to-eat viands, a seafood line, plant-based protein, butter, margarine, cheese, milk, ice cream, salad aids, flour mixes and coffee products ("**Prepared and Packaged Food**"); poultry and fresh meats ("**Protein**"); integrated feeds and veterinary products ("**Animal Nutrition and Health**"); as well as flour milling, bulk grain handling, foodservice, and international operations ("**Others**").

For the years ended December 31, 2022, 2023, and 2024, sales for the Food Division amounted to ₱175,288 million, ₱178,847 million, and ₱185,016 million, respectively.

For the six-month period ended June 30, 2025, sales for the Food Division amounted to ₱94,379 million, compared to ₱5,994 million for the same period in 2024.

Food Division Segments

Prepared and Packaged Food

The Prepared and Packaged Food segment includes refrigerated meats, canned products, ready-to-eat viands, a seafood line, plant-based protein products, dairy, ice cream, spreads, salad aids, and coffee.

The major operating subsidiaries for the Prepared and Packaged Food segment are The Purefoods-Hormel Company, Inc. (PHC), Magnolia, Inc., and San Miguel Super Coffeemix Co., Inc. (“**SMSCCI**”).

The processed meats business under PHC is a 60:40 joint venture between SMFB and Hormel, formed in 1998. Value-added refrigerated meats include hotdogs, nuggets, bacon, hams, seafood, ready-to-eat viands, and other meat products sold under the brand names *Purefoods*, *Purefoods Tender Juicy*, *Star*, *Higante*, *Purefoods Beefies*, *Vida*, *Purefoods Nuggets*, *Purefoods Fiesta Ham*, *Purefoods Seafood Delights*, and *Purefoods Ready-to-Eat*. Canned products such as corned beef, corned chicken, luncheon meats, sausages, sauces, meat spreads, and ready-to-eat viands are sold under the *Purefoods*, *Star*, *Ulam King* and *Bongga* brands. Plant-based protein food products in sausage, nuggets, burger patty, meatballs and ground meat formats are sold under the *Veega* brand.

The dairy and spreads business, operated through Magnolia, Inc., manufactures and markets a variety of bread spreads, milk, ice cream, salad aids, and flour mixes. Bread spreads include butter, refrigerated and non-refrigerated margarine and cheese, sold primarily under the *Magnolia*, *Dari Crème*, *Star* and *Cheezee* brands.

Production Facilities

The production facilities for the Prepared and Packaged Food segment are located in Luzon. Facilities for processed meats are in Cavite, manufacturing hotdogs, nuggets, hams, bacon, sausages, meat toppings, sauces, and canned products. Another facility manufactures bread spread products through a process that includes pasteurization, blending, chilling, and packing for spreads, as well as cooking, filling, pre-packing, and end-packing for cheeses. Other facilities in Laguna produce ice cream and ready-to-eat products, while flour mixes under the Magnolia brand are manufactured at company-owned facilities in Mabini, Batangas.

Fresh milk is imported, while other milk products and all-purpose cream are manufactured in third party-owned plants under tolling arrangements, all of which meet quality standards. Additional toll-manufacturing agreements with Halal-accredited facilities are also maintained to augment production capacity for processed meats, meet periodic volume increases, and support exports of corned beef and hotdogs to the Middle East and predominantly Muslim countries.

Raw Materials

The primary raw materials used for refrigerated meats, canned products, and ready-to-eat food are chicken, beef, and pork primal cuts, most of which are sourced through the Business Procurement Group (“**BPG**”) of the Food Division. BPG strives to secure prices lower than prevailing market or published rates. In addition to inter-company sales of chicken and pork, BPG maintains a pool of accredited suppliers for both local and imported raw materials, all of which are evaluated by a quality assurance team prior to acceptance.

All procurement, manufacturing, and pre-packing of raw materials for coffee products are handled by SMSCCI’s partner in Malaysia. Coffee mixes are imported through JDE Malaysia, while re- packing, marketing, selling, and distribution are done in the Philippines.

Sales and Distribution

San Miguel Integrated Sales (“**SMIS**”) handles the sale and distribution of products for the Prepared and Packaged Food segment directly to modern trade channels, and through distributors for general trade channels, small foodservice operators, and e-commerce. Products under the Prepared and Packaged Food segment are distributed directly by Great Food Solutions to key institutional accounts. The e-commerce channel is also served by SMIS through distributors who manage inventory, receive orders, and arrange deliveries to individual consumers using the different online platforms. Domestic distribution is managed by the outbound logistics group, which oversees planning, technical logistics services, warehousing, and transportation. The international business handles exports to serve Filipino communities in the Middle East, North America, Europe, and Asia.

Competition

The Food Division is a market leader in several categories in the Prepared and Packaged Food sector.

Every year, the Prepared and Packaged Food segment faces strong competition, mainly from other local players that employ aggressive pricing and promotional strategies. Competitors and competing brands in the processed meats category include Foodsphere, Inc. (*CDO*), Virginia Foods, Inc. (*Virginia*), and Century Pacific Food Inc. (*Swift and Argentina*). To maintain its leadership position, the Food Division adheres to strict quality standards, drives innovation across its portfolio, ensures strong visibility in both traditional and digital media, and promotes increased consumption through product bundling and various value offerings.

According to Kantar (Worldpanel Division) as of Moving Annual Total (MAT) December 29, 2024, the Food Division held the following market shares in terms of value: 50% for hotdogs; 69% for breaded, battered, and fried products; 19% for corned meats; and 24% for luncheon meats in the processed meats category. In the spreads category, it held 53% for butter, 95% for refrigerated margarine and 75% for non-refrigerated margarine, and 21% for cheese.

Animal Nutrition and Health

The Animal Nutrition and Health segment produces animal and aquatic feeds, veterinary products, and dog food. The operating subsidiary for this segment is SMFI.

Commercial feed products include hog feeds, layer feeds, broiler feeds, free-range fowl feeds, duck feeds, aquatic feeds, branded feed concentrates, and specialty and customized feeds. These are sold and marketed under various brands such as *B-Meg*, *B-Meg Premium*, *Integra*, *Expert*, *Mega Mash*, *Essential*, *Pureblend*, *Bonanza*, and *Jumbo*. SMFI also markets dog food under the *NutriChunks* brand and various veterinary products under the *San Miguel Animal Health Care* brand.

Production Facilities

For the Animal Nutrition and Health segment, compound feeds are manufactured at both company-owned feed mills and third party-owned and -operated feed plants located throughout the Philippines. All of these plants are capable of producing pelleted and crumble-format feeds, while a few plants have extrusion capabilities for producing aquatic floating feeds. The business also utilizes company- and third party-owned rendering facilities that convert animal by-products into rendered meal used as raw materials for feeds.

Raw Materials

The largest single cost component for feeds is the cost of ingredients used to prepare nutritionally balanced feed including corn, soybean meal, cassava, feed wheat, pollard, rice bran, copra, and meat meal. Corn is purchased locally, either directly from corn farmers or through traders, and occasionally from suppliers in the United States, South America, and Southeast Asia.

Prices of raw materials are subject to significant volatility due to extreme weather conditions, harvest size, transportation and storage costs, government agricultural policies, currency exchange rate fluctuations, and, more recently, geo-political conditions. To minimize the adverse effects of unexpected price increases, the Food Division enters into hedging transactions and maintains strategic buying programs.

Sales and Distribution

The Animal Nutrition and Health segment produces for both the Food Division's internal requirements and the commercial feeds market. As of June 30, 2025, roughly half of the production volume was used for the Food Division's internal requirements, while the remainder was sold to the commercial feeds market. Feeds supplied to the Protein segment are transferred at cost and are not included in the volume or revenue of the Animal Nutrition and Health segment.

Most of the products are sold through authorized distributors within defined territories, while a smaller percentage is sold directly to hog, poultry, and aquatic farm operators. For the sale of commercial feeds products, there are sales offices across the Philippines with dedicated sales teams supported by technical experts focused on expanding existing markets and developing new ones.

Competition

Competitors in the Animal Nutrition and Health segment include major domestic producers such as Univet Nutrition and Animal Healthcare Company (UNAHCO), Pilmico Foods Corporation, and ADM Animal Nutrition (Popular), as well as numerous regional and local feed mills. Foreign feeds manufacturers such as Charoen Pokphand Foods of Thailand and New Hope Group of China have also established operations in the Philippines.

Protein

SMFI is also the operating subsidiary for the Protein segment, which sells poultry and fresh meat products.

The poultry business operates a vertically integrated production process that spans from breeding broilers to producing and marketing chicken products, primarily for retail. Its broad range of chicken products is sold under the *Magnolia*

brand and includes fresh-chilled or frozen whole and cut-up products, as well as *Timplados* or marinated, ready-to-cook chicken. Through its *Magnolia Chicken Stations*, SMFI offers a wide variety of fresh and ready-to-cook products, as well as brown eggs.

The Fresh meats business breeds, grows, and processes hogs, and trades in beef and pork products. Its operations include slaughtering live hogs and processing beef and pork carcasses into primal and sub-primal meat cuts. These specialty cuts and marinated products are sold in neighborhood meat shops under the well-recognized *Monterey* brand.

Production Facilities

For the Protein segment's poultry business, company-owned facilities include a few poultry processing plants, a poultry hatchery, and a poultry breeder farm. These facilities are operated either by a specialized O&M company or by a third party.

As of June 30, 2025, more than 95% of the poultry growing output and around 75% of processing output were from tolled facilities. Almost all of these poultry growing facilities employ climate-controlled systems, which improve biosecurity and provide more stable and comfortable temperatures, thereby enhancing efficiency and reducing mortality rates. Supporting the vertically integrated poultry operations are SMFB-owned processing plants, toll-operated facilities, and an extensive network of both company-owned and third-party cold storage warehouses and distribution centers across the Philippines.

Moving forward, the Food Division will maintain an optimal mix of contracted and company-owned farms. For processing, the majority of output is expected to come from company-owned processing plants by 2030.

SMFB decided to downsize its fresh meats business due to losses related to the African Swine Fever (ASF) and the restricted movement on live hogs and pork products in many areas across the Philippines. Nonetheless, the business maintained most of its Monterey Meat Shops in areas that remain commercially viable. These shops are supplied by a combination of third party-owned hog farms operated under tolling arrangements and imported meats. Live hogs are slaughtered and processed at third party-owned and operated processing plants under tolling arrangements.

Raw Materials

The poultry business imports grandparent (GP) breeder chicks primarily from Aviagen and Cobb Vantress Inc., both leading international poultry breeding companies based in the U.S. These GP chicks are raised in growing and laying farms, where fertile eggs are collected and transported to GP hatcheries to produce day-old parent stock (PS). PS chicks are then raised in breeder houses located across the country, and the eggs they produce are sent to PS hatcheries. Once hatched, the day-old chicks are sent to the broiler farms, where they are raised by contract growers following the Food Division's standards until they reach marketable weight. Fully-grown chickens are then harvested and brought to processing plants, where they are processed into finished products before being sent to distribution centers and sold to customers.

For the fresh meats business, as of June 30, 2025, more than half of fresh meat supply came from contract growing farms, while the rest was sourced from commercial farms using B-Meg feeds or from imports.

Sales and Distribution

The Food Division sells its Protein segment products through both modern trade and general trade channels. Modern trade channels include Magnolia Chicken Stations for poultry and Monterey Meatshops for fresh meats. These are located in supermarkets, convenience stores and membership shopping clubs, and stand-alone neighborhood stores. General trade channels, which are served through distributors, include wet markets, commissaries, wholesalers, community resellers, and buyers of live broilers and hogs. Institutional accounts include quick-service restaurants and hotels. In addition, the Protein segment supplies a portion of the requirements of the Prepared and Packaged Food segment.

The Magnolia Chicken Station was a concept developed by the poultry business to bring traditional wet market practices to the supermarket. These stations offer a wider selection of cuts and better customer service in a clean, hygienic setting. As of June 30, 2025, there are more than 1,400 Magnolia Chicken Stations nationwide, a small portion of which are franchisee-owned. The rest are located in supermarkets and operated by a specialized O&M company under a modified consignment arrangement.

The Food Division pioneered in the branding of fresh meats by launching the Monty's supermarket meat shop in 1990, which later evolved into a network of neighborhood meat shops under the Monterey brand. This strategy was successful

in differentiating its high-quality meat products from competitors. Pork, beef and marinated meats products are sold in clean, air-conditioned Monterey Meatshops manned by well-trained staff.

As of June 30, 2025, there were more than 200 Monterey Meatshops across the Philippines, the majority of which were franchised, with the rest company-owned.

Most of the Protein segment's products are distributed directly from production facilities to supermarkets and foodservice operators. The distribution infrastructure includes a network of cold storage facilities throughout the Philippines and a large fleet of company-owned and third-party contracted vehicles.

Competition

Major competitors in the Protein segment include Bounty Fresh Foods Inc., Bounty Agro Ventures, Inc., and Charoen Pokphand Foods Philippines Corp. There are also a good number of commercial-scale integrators that compete on a limited regional basis or primarily in the foodservice segment. Imports from the U.S. and Brazil are also regularly brought in by traders.

The competitive landscape of the Philippine hog industry has shifted due to the impact of African Swine Fever (ASF). Some competitors, such as Robina Farms and Foremost Farms, completely depopulated their farms after being affected by ASF. With the threat of disease still present in several areas around the country, the overall domestic pork supply remains tight.

Others

Flour milling, premixes and baking ingredients, foodservice, and international operations, are categorized under "Others." The bulk of this segment is accounted for by the flour milling business and grain terminal operations.

The flour milling business operates under San Miguel Mills, Inc. ("**SMMI**"). San Miguel Foods Investment (BVI) Limited, a wholly owned subsidiary of San Miguel Foods International, Limited, operates San Miguel Pure Foods (Vn) Co., Ltd. in Vietnam. This entity is engaged in the production and marketing of processed meats which are sold under the *Le Gourmet* brand. PT San Miguel Foods Indonesia (formerly PT Pure Foods Suba Indah) is a 75:25 joint venture with PT Hero Intiputra of Indonesia. It is also engaged in the production and sale of processed meats under the *Farmhouse* and *Vida* brands, until it ceased operations on October 31, 2021.

The foodservice business of the Food Division is handled by Great Food Solutions, a group under SMFI. Great Food Solutions services key institutional accounts such as quick-service restaurants, bakeshops, pizza chains, convenience stores, and commissaries. It markets and distributes foodservice formats for value-added meats, dairy, spreads, flour, and coffee.

Production Facilities

The flour milling business owns flour milling facilities, located in Mabini and Tabangao, Batangas, including flour blending facilities that produce customized flour products. It also operates a premix plant that manufactures various premix products for both retail and institutional markets.

Production capabilities are supported by the Flour Technology Centre located in Pasig City, Metro Manila, which focuses on developing customized flour blends and new flour-based products.

SMMI also owns the Golden Bay Grain Terminal located in Mabini, Batangas, which can accommodate Panamax-sized vessels and has a discharge rate of at least 10,000 metric tons per day. SMFB believes that the terminal gives the flour milling business a competitive edge in materials handling, as vessels can offload larger quantities of raw materials directly to the milling facilities. This minimizes intermediate handling, leakage, and costs, while also generating freight savings through the use of larger vessels. The terminal, which is adjacent to the Mabini flour mill, also services the grain handling requirements of the Animal Nutrition and Health segment.

Raw Materials

Historically, the majority of the wheat requirements of the flour milling business have been sourced from the U.S. and Canada, with the remainder procured from various other countries. As of June 30, 2025, more than 80% of raw materials, particularly wheat, were imported from the U.S. and Canada. World wheat prices are monitored daily by BPG to determine long-term and short-term buying strategies to manage costs.

Sales and Distribution

The flour milling business of the Food Division focuses on offering the widest array of differentiated flour products in the Philippine market. Flour application specialists support the sales team by determining customers' specific flour requirements and conducting field baking tests to demonstrate product application. For customized products, the R&D and sales teams work closely with the customers to develop formulations tailored to their needs. The Food Division manages a nationwide distribution network that delivers flour and other bakery ingredients to major bakeries and other flour users.

Great Food Solutions distributes and markets foodservice formats for value-added meats, dairy, spreads, flour, and coffee. GFS receives a development fee from other Food Division subsidiaries for selling their products to key foodservice institutional clients. Key strategies of the food service business include offering customized solutions, direct marketing to customers, and focused relationship management.

Competition

Major competitors of the flour milling business include Universal Robina Corporation (URC), Pilmico Foods Corporation, and Philippine Foremost Milling Corporation. Newer players in the industry such as Atlantic Grains and Mabuhay Interflour Mill that have established additional capacity and compete aggressively on pricing to gain market share. While most competitors produce only a limited range of flour types, such as hard flour for bread products and soft flour for biscuits, others have started offering specialized flours for noodles and wrappers. Nevertheless, the milling business continues to innovate by offering high-value specialized flours, including new products for a variety of applications.

PACKAGING BUSINESS

The packaging business began operations in 1938 with the establishment of a glass plant that supplied glass bottles for the beer and NAB products of SMC.

Collectively called as the **"Packaging Group"**, the business is comprised of:

- a) San Miguel Yamamura Packaging Corporation (**"SMYPC"**), a joint venture company of SMC and NYG, and its subsidiaries which, as of June 30, 2025, include (i) SMC Yamamura Fuso Molds Corporation (**"SYFMC"**), the only manufacturer of glass and plastics molds in the country and a joint venture between SMYPC and Fuso Machine & Mold Mfg. Co. Ltd.; (ii) Can Asia, Inc. (**"CAI"**), a pioneer in the production of two-piece aluminum cans; and (iii) Wine Brothers Philippines Corporation, a company involved in the sale and distribution of wine products;
- b) San Miguel Yamamura Packaging International Limited (**"SMYPIL"**), also a joint venture company of SMC and NYG, and its various subsidiaries which, as of June 30, 2025, include (i) San Miguel Yamamura Phu Tho Packaging Company Limited; (ii) San Miguel Yamamura Haiphong Glass Company Limited; (iii) Zhaoqing San Miguel Yamamura Glass Company Limited; (iv) Foshan San Miguel Yamamura Packaging Company Limited and subsidiary {Foshan San Miguel Yamamura Trading Co. Ltd.}, San Miguel Yamamura Packaging and Printing Sdn. Bhd., San Miguel Yamamura Woven Products Sdn. Bhd., and subsidiary {Insa Alliance Sdn. Bhd.}; (v) San Miguel Yamamura Plastic Films Sdn. Bhd.; and (vi) San Miguel Yamamura Australasia Pty. and subsidiaries {SMYC Pty Ltd and its subsidiary, Foshan SMY Cospak Co. Ltd., Cospak Limited, SMYV Pty Ltd, SMYP Pty Ltd, SMYBB Pty Ltd, SMYJ Pty Ltd, and Vinocor Limited}; and
- c) Mindanao Corrugated Fibreboard, Inc. (**"Mincorr"**), a manufacturer of paper corrugated carton.

SMYPC and SMYPIL are both joint venture companies between SMC and NYG, one of the largest glass and plastic packaging corporations in Japan. SMYPC, has ownership in all the domestic plants of the Packaging Group, except the corrugated carton plant Mincorr, which is 100% owned by SMC. Mincorr is, nevertheless, being managed by SMYPC. The subsidiaries of SMYPIL are the Packaging Group's international facilities.

The Packaging Group has one of the largest packaging operations in the Philippines with diversified businesses producing glass, molds, metal and plastic closures, aluminum cans, plastic bottles, pallets and crates, flexibles, paper, and other packaging products. The Packaging Group also provides services such as (a) beverage filling for Polyethylene Terephthalate (**"PET"**) bottles, aluminum cans, and glass bottles, (b) pallet leasing and (c) logistics services.

The Packaging Group is the major provider of packaging requirements of the other businesses of SMC. It also supplies packaging products to customers in the Asia-Pacific region, U.S., and Australasia, as well as to major multinational

corporations across the Philippines, including Coca Cola Beverages Philippines, Inc., Nestle Philippines, and Pepsi Cola Products Philippines, Inc.

The Packaging Group holds 17 international packaging companies, particularly, located in China (glass, plastics, paper and trading of packaging products), Vietnam (glass and metal), Malaysia (composite, plastic films, woven bags and radiant/thermal liners), Australia (trading of packaging products, plastic manufacturing, wine closures and wine filling services, retail/online packaging, cargo protection and materials handling) and New Zealand (plastic manufacturing and trading of packaging product).

Aside from extending the reach of the packaging business overseas, these facilities also allow the Packaging Group to serve the packaging requirements of SMB breweries in China, Vietnam, Indonesia, and Thailand.

For each of the years ended December 31, 2022, 2023 and 2024, the Packaging Group had net sales of ₱37,039 million, ₱38,379 million, and ₱40,162 million; income from operations of ₱1,648 million, ₱1,915 million, and ₱2,600 million; and net income (loss) before tax of ₱(381) million, ₱277 million, and ₱1,249 million, respectively.

For the six-month period ended June 30, 2025, the Packaging Group had sales of ₱19,284 million, net income before tax of ₱948 million and gross profit of ₱5,499 million compared to sales of ₱17,974 million, net income before tax of ₱655 million and gross profit of ₱5,107 million for the six-month period ended June 30, 2024.

Selected operating data for the packaging business is provided below for the periods indicated:

	For the years ended December 31,			For the six months ended June 30,	
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales.....	37,039	38,379	40,162	17,974	19,284
Gross profit	9,472	9,719	11,181	5,107	5,499
Gross profit margin ⁽¹⁾	25.6%	25.3%	27.8%	28.4%	28.5%
Operating Income.....	1,648	1,915	2,600	1,362	1,592
EBITDA ⁽²⁾	4,191	4,501	5,235	2,605	2,769
EBITDA margin ⁽³⁾	11.3%	11.7%	13.0%	14.5%	14.4%
Net income before tax	(381)	277	1,249	655	948
Net income before tax margin ⁽⁴⁾	(1.0%)	0.7%	3.1%	3.6%	4.9%

Notes:

1. Calculated as gross profit divided by revenues.
2. EBITDA is calculated as net income before: income tax expense, net financing charges (interest income net of interest expense), extraordinary or exceptional items, foreign exchange losses (gains), marked-to-market currency losses (gains), depreciation and amortization and impairment losses.
3. Calculated as EBITDA divided by revenues.
4. Calculated as net income before income tax divided by revenues

Strengths & Strategies

Strengths

The Packaging Group believes that its competitive strengths include the following:

Market leader

The Packaging Group is a market leader in all its product formats in the domestic packaging industry, offering total packaging solutions to clients by producing glass containers, metal crowns and caps, plastic crates, pallets and other plastic packaging, aluminum cans, paper cartons, flexibles packaging and other packaging products and services such as beverage toll filling for aluminum cans, glass, and PET bottles as well as logistics services.

The usage growth rate for glass containers (which is the largest business of the Packaging Group) for beverage applications has been steadily growing. Glass bottles for beverages accounts for the largest share among the glass packaging format. Most of these are available in traditional mom-and-pop stores where alcoholic beverages, carbonated soft drinks, energy drinks, and ready-to-drink juices come in returnable glass bottles. Glass packaging also recorded growth in other categories such as food packaging, home care, beauty, and personal care because of its ability to portray a premium image while maintaining product quality. Although the growth of glass containers may be tempered by the increasing popularity of lightweight, unbreakable, and more affordable packaging types such as PET, the glass packaging industry will likely benefit from creation of a free trade area amongst ASEAN nations. Among the likely positive impact of the free trade area will be the ability for local glass manufacturers, such as the Packaging Group, to further expand their business in the ASEAN economies. Additionally, the glass packaging industry will likely benefit from the recently approved Extended Producer Responsibility Act in the Philippines as glass is a more sustainable packaging alternative than plastics packaging because of its property of being infinitely recyclable.

State-of-the-art manufacturing facilities

The Packaging Group maintains state-of-the-art manufacturing facilities and best practices in manufacturing and quality procedures. The Packaging Group has large available capacities and ready know-how to exploit prospects in this packaging format.

Compliance with global standards

The Packaging Group complies with global standards, recognized by key multinational and domestic customers, for Food Safety (FSSC 22000), Quality Management (ISO 9001), Environment Management (ISO 14000), various social accountability standards and other relevant standards. The Packaging Group maintains its presence to relevant organization to keep abreast with the current manufacturing standards and ensure statutory and regulatory compliance.

Synergies from partnerships with key global packaging companies

The Packaging Group gains synergies from its partnerships with global packaging players such as NYG (Japan) and Fuso Machine & Mold Mfg. Co. Ltd. (Japan).

Strategies

The strategies of the Packaging Group include the following:

Total Packaging Solutions

The Packaging Group intends to increase adoption of the total packaging solutions approach by proactively offering solutions that range from traditional packaging products to associated graphics design, conceptualization, consultancy, toll filling, trading, and logistical requirements. The Packaging Group also has put up a can filling facility to provide tolling services to the current non-alcoholic beverage customers.

In 2017, SMYA acquired all of the issued share capital of Portavin Holdings Pty Ltd., Barrosa Bottling Services Pty Ltd., and Best Bottlers Pty Ltd. These acquisitions strengthened the Packaging Group's business in Australia and expanded its product base to include wine filling services, serving the growing wine markets in the Australasia region.

Network and Client Optimization

The Packaging Group intends to optimize and leverage on its significant regional network of facilities and alliances as a gateway to enter into new markets. It is also evaluating opportunities for its international clientele on potentially providing packaging services to them in markets where these customers have a presence and are new to the Packaging Group. There is also a focus on entering into longer term contracts with key customers to enhance earnings visibility.

Product Diversification

The Packaging Group continuously innovates to enter new markets and market segments with new products such as slim cans and ends, down gauged crowns, lug caps, high-impact resistance pallets for cements, agricultural flooring, laminated paper, logistics services and wine closures (cork). In 2015, SMYPIL, through its Australian subsidiary, SMYV Pty Ltd, completed the acquisition of the assets and business of Vinocor Worldwide Direct Pty. Ltd. ("**Vinocor**"). Vinocor is a market leader in the supply of corks and closures for wine bottles in Australia, with facilities and operations based in Adelaide, South Australia. In 2018, SMYA diversified its product portfolio through the acquisition of JMP Holding Pty Ltd, a supplier of retail and online packaging, cargo protection and materials handling.

Marketing Environmentally Friendly Products

The Packaging Group expects the future consumer trend towards environmentally friendly products and sound manufacturing systems. Hence, the Packaging Group is continuously developing eco-friendly processes such as the use of cullets in glass production, use of plastic regrinds in plastic crates and pallets, toluene-free flexible packaging, and accreditation with various international standards and agencies. In recent years, the Packaging Group has been improving and upgrading its manufacturing facilities to a standard higher than established government regulations. Significant investments have been made, such as the Electrostatic Precipitator of the Packaging Group, a pollution-abating device that cost more than ₱406 million.

Packaging Solutions

Glass

The glass business is the Packaging Group's largest business segment. It has three glass manufacturing facilities, and one glass and plastics mold plant in the Philippines serving the requirements of the beverage, food, pharmaceutical, chemical, personal care and health care industries. The Packaging Group believes that SMY Glass Plant is the country's most technologically advanced glass manufacturing facility and the largest glass manufacturing facility in the Philippines.

Metal

The metal business manufactures metal caps, crowns, resealable caps, and two-piece aluminum beverage cans for a range of industries that include beer, spirits, soft drinks, condiments, and food. The Packaging Group's CAI is the pioneering two-piece aluminum can plant in the Philippines for the beverage market. SMYPC formed CAI, previously a joint venture with CANPACK S.A., for the modernization of the two-piece aluminum can manufacturing business. Utilizing the know-how and technologies of CANPACK Group on can manufacturing, CAI is capable of producing aluminum cans and ends in three categories – regular (standard), sleek, and slim cans. With its aim to introduce various aluminum can-packaging formats to the growing market in the Philippines and the Asia Pacific region, the business has expanded its product line to offer 180 ml aluminum cans in 2018. To-date, CAI is capable of producing six can sizes.

On September 30, 2022, SMYPC and CANPACK executed a Deed of Sale of Shares for the purchase by SMYPC of the Three Million and Five Hundred Thousand (3,500,000) common shares of CAI from CANPACK, resulting in a 100% shareholding of SMYPC in CAI.

Composites/Flexible Packaging

The composites/flexible packaging business manufactures flexible packaging, plastic films, industrial laminates, trademarked Envirotuff radiant barrier and woven bags. Customers for this segment include companies in the food, beverages, personal care, chemical and healthcare industries. Through the Rightpak plant and Malaysian plants, the Packaging Group manufactures flexible packaging for the food, beverage, personal care, chemical and healthcare industries. It also provides composite materials for a varied range of industries including construction, semiconductor, and electronics.

Plastics

The plastics business produces plastic crates and pallets, plastic poultry flooring, plastic preforms, bottles, caps and handles, food trays, plastic consumer and industrial containers, and plastic pails and tubs to domestic and international markets serving companies in industries such beer and beverages, chicken, agriculture, oleochemical and petroleum.

Paper

The paper business produces corrugated cartons and partition boxes. Through Mincorr, a wholly-owned subsidiary of SMC based in Davao, the Packaging Group supplies the carton packaging needs of a broad range of manufacturing and agricultural industries.

Beverage Filling

The beverage filling business is capable of filling beverages in two-piece aluminum cans as well as PET and glass bottles. The business has expanded its capability to include a retort process to serve coffee, milk, and chocolate drinks.

Adding to the existing capacity to fill beverages in PET bottles, the beverage filling facility grew its capability to fill aluminum cans for non-alcoholic beverages and glass bottles for alcoholic beverages. The business also utilizes retort technology, which enables the business to toll fill milk-based, coffee, tea, and soy-based beverages in aluminum cans.

Logistics Services

The Logistics Services started its operations by offering pallets under lease agreements to food, beverage, and storage facilities. It expanded its operations to include trucking services and warehouse management, primarily serving the Packaging Group's internal requirements and some of the SMC's trucking needs.

Production Facilities

The Packaging Group owns and operates three (3) glass plants, one (1) glass and plastics mold plant, three (3) metal packaging plants, three (3) plastics packaging plants, one (1) beverage filling plants, one (1) composite plant, one (1) paper plant and one (1) logistics services facility. The plants are strategically located throughout the Philippines. It also owns and operates 17 international packaging companies, particularly, located in China (glass, plastics, paper and trading of packaging products), Vietnam (glass and metal), Malaysia (composite, plastic films, woven bags and radiant/thermal liners), Australia (trading of packaging products, plastic manufacturing, wine closures and wine filling services, retail/online packaging, cargo protection and materials handling) and New Zealand (plastic manufacturing and trading of packaging product).

Raw Materials

The main raw materials for glass manufacturing are silica sand, soda ash, cullet, and limestone while casting molds, neckring bars and round bars are used in the production of molds. Plastics packaging main inputs are colorants/pigments, inks, HDPE resin, and regrinds while the metal packaging uses Plate TFS, aluminum coil, and lubricants. The main raw materials for flexibles packaging are PET/CPP/OPP and other films, PE films, aluminum foil, resins, and inks. In beverage filling, the main raw materials are PET Resin and PP Resin for the PET bottles, and CO₂ for beverage mixing, while paper packaging uses kraft paper. The Packaging Group sources its strategic raw materials from local and foreign suppliers with a supply period of approximately three (3) to 12 months. These suppliers undergo an accreditation process and audits to ensure the delivery of raw materials meets the quality standards of the Packaging Group.

Competition

The Packaging Group believes that it remains to be the leading packaging player in the Philippines. It continues to enjoy majority share of market in the glass, aluminum cans, metal closures, and the plastics segments mainly brought about by the strong performance of the beverage industry.

The influx of imports in flexibles, aluminum cans and glass from China is viewed as competition to the Packaging Group and the Packaging Group believes that providing total packaging solutions coupled with excellent customer service has been a core strength over its competition. Furthermore, SMYPC has been improving and upgrading its manufacturing facilities as well as offer innovative packaging designs to adapt to the market trends.

FUEL AND OIL BUSINESS

SMC operates its fuel and oil business through Petron Corporation. As of June 30, 2025, SMC directly and indirectly owns 71.78% of Petron. Petron is the only oil refining and the leading marketing company in the Philippines and is a major player in the Malaysian market. Petron has a combined refining capacity of 268,000 barrels per day and is engaged in refining crude oil and marketing and distributing refined petroleum products in the Philippines and Malaysia.

In the Philippines, Petron operates the Petron Bataan Refinery in Bataan, which it believes could supply approximately 40% of the country's total fuel requirements and has a production capacity of 180,000 barrels per day. Based on estimates using its internal assumptions and calculations and industry data from the DOE, Petron has a retail market share of approximately 39.2% of the Philippine oil market as of June 30, 2024. This estimate excludes direct imports of jet fuel by airlines, direct imports of naphtha as feedstock for petrochemical plants, direct imports of condensate as fuel for natural gas power plants, and lubes and greases.

The Petron Bataan Refinery processes crude oil into a range of petroleum products, including gasoline, diesel, LPG, jet fuel, kerosene, naphtha, and petrochemical feedstock such as benzene, toluene, mixed xylene and propylene. The completion of phase 2 of RMP-2, a U.S.\$2 billion project for the Petron Bataan Refinery, enabled Petron to convert Black Products into more valuable White Products¹⁰, which have higher margins. The completion of RMP-2 also increased Petron's production of petrochemicals and made Petron the first oil company in the Philippines capable of producing Euro IV-standard fuels.

¹⁰ Black Products refer to fuel oil and asphalts. White Products refer to diesel, gasoline, jet fuel, kerosene and LPG.

From the Petron Bataan Refinery, Petron moves its products, mainly by sea, to terminals and airport installations situated throughout the Philippines, representing the most extensive distribution network for petroleum products in the Philippines. 13 terminals in Luzon, 6 in Visayas and 8 in Mindanao, as well as four airport installations in Luzon, five airport installations in Visayas and three airport installations in Mindanao. Through this nationwide network, Petron supplies its various petroleum products such as gasoline, diesel, and LPG to its customers. Petron also supplies jet fuel to international and domestic carriers at key airports in the Philippines.

Through its network of approximately 1,800 retail service stations in the Philippines as of June 30, 2025, representing approximately 14.0% of the country's total service station count, Petron sells gasoline, diesel, and kerosene to private motorists and to the public transport sector. Approximately 50% of service stations are Petron-owned-dealer-operated service stations ("**CODOs**") and 50% are dealer-owned-dealer-operated service stations ("**DODOs**"). CODOs are Petron-owned-dealer-operated stations where Petron's investments include civil works, site development and station hardware (i.e. canopies, pumps, signages, etc.). Petron usually owns or leases the land and owns the building and equipment while dealers provide the working capital and other minor station equipment. DODOs, on the other hand, are dealer-owned-dealer-operated stations where the dealers provide the civil works, site development, working capital and station equipment. The dealers also assume ownership or lease of the land. Under this arrangement, Petron provides the station hardware. Regulation of CODOs and DODOs are generally similar. Pricing is dictated more by logistics and competition rather than the classification of a station.

As of June 30, 2025, Petron's LPG distribution network includes about 2,200 branch and franchise stores where Petron sell its LPG brands *Petron Gasul* and *Fiesta Gas* to households and other consumers. Meanwhile, Petron's Lubes distribution network includes around 60 car care centers, and around 1,650 service stations selling lubes.

Petron diversified into petrochemicals and in 2000 added a mixed xylene recovery unit to the Petron Bataan Refinery and a propylene recovery unit in 2008. Its benzene-toluene extraction unit became operational in May 2009. On July 1, 2014, Petron acquired and took over from Philippine Polypropylene Inc. ("**PPI**"), an indirect subsidiary of Petron, the operations of the polypropylene plant in order to enhance the overall efficiency of its petrochemical operations. The polypropylene plant is located in Mariveles, Bataan and is owned by Robinson International Holdings Limited ("**RIHL**"), an indirect subsidiary of Petron, which has the capacity to produce 160,000 metric tons of polypropylene resin annually. Petron invested in the expansion of its polypropylene plant to capitalize on petrochemical margins. The expansion at the polypropylene plant, which will increase its production capacity from 160,000 MT to 225,000 MT annually.

Petron entered the Malaysian market in March 2012 through the purchase of ExxonMobil's downstream oil business in Malaysia. As of June 30, 2025, Petron ranked third in the Malaysian retail market with approximately 21% market share based on Petron's estimates using its internal assumptions and calculations and industry data from a third-party market research consultant appointed by Malaysian retail market participants to compile industry data. Petron also covers the industrial segment in Malaysia, selling diesel and gasoline to unbranded mini-stations and power plants, as well as to manufacturing, plantation, transportation and construction sectors. Petron owns and operates the Port Dickson Refinery in Malaysia, which has a crude oil distillation capacity of 88,000 barrels per day, and produces a range of petroleum products, including LPG, naphtha, gasoline, jet fuel, diesel and low-sulfur waxy residue ("**LSWR**"). As of June 30, 2025, Petron had 10 product terminals, a PME plant, a network of more than 810 retail service stations, more than 320 Treats convenience stores in Malaysia. Petron has presence in the aviation segment with a 20% ownership of a multi-product pipeline to Kuala Lumpur International Airport. The joint venture through which Petron owns its interest in the multi-product pipeline also owns a fuel terminal, the Klang Valley Distribution Terminal.

Petron's products are primarily sold to customers in the Philippines and Malaysia. Petron also exports various petroleum products and petrochemical products, including LSWR, naphtha, mixed xylene, benzene, toluene and propylene, to other customers in the Asia-Pacific region. Petron's revenues from these export sales amounted to ₱15,318 million or 4% of total sales, as of June 30, 2025.

For the years ended December 31, 2022, 2023, and 2024, Petron's sales were ₱857,638 million, ₱801,027 million, and ₱867,966 million respectively, and net income was ₱6,925 million, ₱10,112 million, and ₱8,471 million respectively

For the six-month period ended June 30, 2024, and June 30, 2025, Petron's sales were ₱444,490 million and ₱386,395 million, respectively, and net income were ₱6,098 million and ₱5,252 million, respectively.

Petron's common shares are listed for trading on the PSE under the symbol "PCOR", while its preferred shares are listed and traded on the same exchange under the symbols "PRF3B", "PRF4A", PRF4B, PRF4C, PRF4D, PRF4E. In Malaysia,

Petron's common shares for its subsidiary Petron Malaysia Refining & Marketing Bhd. are listed for trading on the Bursa Malaysia under the symbol "PETRONM."

Petron's US\$550,000,000 senior perpetual capital securities is listed on the Singapore Exchange Securities Trading Limited under the name and "PETRON CORP US\$550M5.95%SPCS".

In Malaysia, Petron's common shares for its subsidiary Petron Malaysia Refining & Marketing Bhd. are listed for trading on the Bursa Malaysia under the symbol "PETRONM."

Selected financial data for the business of Petron are set forth in the table below for the periods indicated:

	For the years ended December 31,		For the six months ended June 30,		
	2022 (As restated)	2023 (As restated))	2024	2024 (As restated)	2025
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales	857,638	801,027	867,966	444,490	386,395
Gross profit	33,850	46,598	46,213	25,569	23,646
Gross profit margin ⁽¹⁾	3.9%	5.8%	5.3%	5.8%	6.1%
EBITDA ⁽²⁾	33,496	45,179	43,076	23,397	23,057
EBITDA margin ⁽³⁾	3.9%	5.6%	5.0%	5.3%	6.0%
Net income before tax	8,405	13,110	12,994	7,639	6,590
Net income before tax margin ⁽⁴⁾	1.0%	1.6%	1.5%	1.7%	1.7%

Notes:

(1) Calculated as gross profit divided by revenues.

(2) EBITDA is calculated as net income before: income tax expense, net financing charges (interest income net of interest expense), extraordinary or exceptional items, foreign exchange losses (gains), marked-to-market currency losses (gains), depreciation and amortization and impairment losses.

(3) Calculated as EBITDA divided by revenues.

(4) Calculated as net income before income tax divided by revenues.

Strengths

Petron believes that its principal competitive strengths include the following:

The Only Refinery in the Philippines

Since the closure of the Shell Tabangao Refinery in the second half of 2020, the Petron Bataan Refinery has become the only oil refinery in the country. It has a total crude oil distillation capacity of 180,000 barrels per day. Being the only oil refiner in the Philippines, Petron benefits from refining margins while providing supply security to the domestic market.

Over the years, Petron has developed and maintained a strong core base of high-quality petroleum products and has consistently made significant investments in upgrading its facilities. Petron has also focused on increasing production of higher-margin White Products and petrochemicals while minimizing production of low-margin fuel products. In the Philippines, the investment in RMP-2 allowed Petron to produce Euro IV-standard fuels and convert black products into white products.

Petron also completed constructing new facilities and structures on its existing power plant to replace some of its old generators, increase steam production, and expand power generation capacity from 140 MW to 184 MW. This is expected to generate power that would be more than enough for its internal consumption. Petron sells excess power to the grid. With the completion of the new power plant facilities, it is expected that the use of fuel oil at the Refinery will be eliminated, thereby allowing it to convert this fuel oil previously used as refinery fuel into high-value products.

In addition, Petron invested in the expansion of its polypropylene plant to increase capacity from 160,000 MT to 225,000 MT annually.

Market leadership in the Philippine downstream oil sector

With a retail market share of 39.2% of the Philippine oil market as of June 30, 2024, Petron believes it is the leader in the Philippine oil industry.

Petron has an extensive network across the country, providing accessible and reliable fuel supply for motorists, industries, and businesses, and solidifying its position as a market leader in the country's fuel industry.

Petron retails gasoline, diesel, and kerosene to motorists and the public transport sector. Its wide range of world-class fuel includes Blaze 100 Euro 6, XCS, Xtra Advance, Turbo Diesel and Diesel Max. Petron also sells its LPG brands, Gasul and Fiesta Gas, to households and other consumers through its extensive dealership network, numbering approximately 2,200 branch and franchise stores as of June 30, 2025. Petron also manufactures lubricants and greases through its blending plant in Manila and sells these products through its service stations and various lubes outlets.

Logistically advantaged supply position in the Philippines

In the Philippines, Petron transports its products from the Petron Bataan Refinery to fuel import terminal facilities throughout the Philippines. The Petron Bataan Refinery remains as the only petroleum refinery in the country.

Petron's extensive logistics network includes 27 terminals and 12 airport installations and reaches most key points in the Philippines. Given the challenges of distribution across the Philippine archipelago, this capability plays a significant role in securing Petron's leading position in the Philippines. From Bataan, products are moved mainly by sea to terminals located across the archipelago. Through its robust distribution network, Petron fuels strategic industries such as power generation, manufacturing, mining, agribusiness, among others. Petron also supplies jet fuel to international and domestic carriers at key airports in the Philippines.

The President of the Philippines recently signed the Corporate Recovery and Tax Incentives for Enterprises Act (Republic Act No. 11534) ("**CREATE Act**") into law last March 26, 2021. As part of the CREATE Act, local petroleum refineries shall be exempted from paying taxes and duties upon crude importation but will be subject to applicable taxes and duties on finished petroleum products upon lifting of refined petroleum products from the refinery. Petron believes that the CREATE Act allows it to be more competitive, as domestic petroleum refineries will now pay taxes upon lifting of finished petroleum products from the refinery, similar to importers of refined fuel which pay taxes upon importation of finished products.

Operations in markets with favorable industry dynamics

Petron operates as an integrated oil refining and marketing company in the Philippines and Malaysia, both of which Petron believes have favorable oil industry dynamics.

In April 2025, the IMF expects Philippines' GDP growth of 5.5% in 2025, mainly on the back of public investment acceleration and improvement in exports. This provides a favorable economic environment to support energy and petroleum products demand growth in the country, despite lingering challenges on global growth and inflation. In addition, the Philippines has one of the lowest per capita car ownerships, and consequently, among the lowest fuel consumption in the region. Petron believes this presents potential room for growth that Philippine fuel retailers can capitalize upon. For Malaysia, the IMF projects GDP growth of 4.40% in 2025.

The Philippines operates under a free market scheme with movements in regional prices and foreign exchange reflected in the pump prices on a weekly basis. Malaysia, on the other hand, operates under a regulated environment where pump prices are set by the government, and an automatic pricing mechanism ("**APM**") is in place which provides stable returns to fuel retailers. Under this program, if government-mandated prices are lower than the fuel products' total built-up cost per the APM, Petron will claim the difference from the Malaysian government as subsidies. Conversely, if government-mandated prices are higher than the fuel products' total built-up cost per the APM, Petron will pay duties to the Malaysian government. Effective June 10, 2024, the Malaysian government implemented targeted diesel subsidy for Peninsular Malaysia, which involves the setting of the diesel fuel price to align with market price and provision of subsidies to targeted groups.

Expanded product offering driving non-fuel retail volumes

Petron's network of service stations in the Philippines and Malaysia offers differentiated and comprehensive services to customers. Beyond just a petroleum station, Petron's service station provides a one-stop service experience to travelers on the road, offering amenities such as Treats convenience stores, restaurants, and specialty shops. These convenience stores, restaurants and specialty shops help generate non-fuel revenues and improve traffic in the service stations.

Since 2013, Petron has partnered with the Royal Malaysia Police ("**RMP**") to set up a Go-To Safety Point ("**GTSP**") at Petron stations in Malaysia. The GTSP is set up at service stations to allow the public to seek temporary shelter and to enable immediate reach out to the relevant authorities such as RMP, Fire & Rescue Department, ambulance etc. during emergencies. Thus, motorists can enjoy Petron's products and services in a safer and more secure environment.

Enhanced loyalty card program in the Philippines and successful rollout of the Petron App

Petron also offers loyalty programs that complement its retail business, such as the Petron Value Card in the Philippines and the Petron Miles Privilege Card ("**PMILES**") in Malaysia. Petron continues to upgrade existing loyalty programs and offer new and diverse programs to cater to customers' unique needs. Some of the benefits of the Petron Value Card program include 24-hour free towing and roadside assistance, reward points for every purchase and complimentary annual personal accident insurance coverage. PMILES is a loyalty card aimed at ensuring customers enjoy better value, rewards and privileges. PMILES goes beyond fuel, as customers are able redeem instant fuel and mart items, enjoy partner offers through points conversion, promo codes and discounts across a wide range of products and services. Some of PMILES loyalty program partners include Aeon, Baskin Robbins, Grab, Ikea, Lazada, Shopee, among others.

As of June 30, 2025, the extent of Petron's programs includes more than 630,000 Petron Fleet Cards and more than 1.9 million Petron Value Cards (including Petron Super Driver Cards) in the Philippines. In Malaysia, as of June 30, 2025, Petron's programs include more than 176,000 Petron Fleet Cards, more than 69,000 Petron Subsidy Cards, and more than 2.6 million active PMILES cardholder/member accounts.

On the digital front, Petron launched the Petron mobile application (the "**Petron App**") in 2016 as a companion for the everyday Filipino motorist. The Petron App provides value-added services to Petron's customers and increases interaction by cross-selling into non-fuel retail offerings, tie-ups with other merchants and insurance products, among others. In addition, contactless payment solutions through Maya are now offered in about 1,300 service stations nationwide as of June 30, 2025. Marketing programs that increase customer brand awareness, coupled with digital offerings such as online orders and pick-ups at service stations nationwide, increase customer frequency and, in turn, increase fuel sales as well as nonfuel sales.

Established position in the Malaysian downstream oil sector

Petron has an established position in the Malaysian downstream oil sector that provides geographic diversification to its portfolio, an additional platform to expand its business and stability to its operations.

Petron's network of service stations and distribution infrastructure in Malaysia facilitate the capture of a growing share of the market. It includes more than 810 service stations, around 320 Treats convenience stores, and 10 product terminals as of June 30, 2025. Petron also has a presence in the aviation segment with a 20% ownership of a multi-product pipeline ("**MPP**") to Kuala Lumpur International Airport ("**KLIA**"). The Joint venture through which Petron owns its interest in the MPP also owns a fuel terminal, the Klang Valley Distribution Terminal ("**KVDT**").

Petron's fuel supply in Malaysia comes from its Port Dickson Refinery and domestic and import purchases. The Port Dickson Refinery processes crude oil acquired from various sources. Petron has completed the construction of its diesel hydrotreater process unit, allowing the Port Dickson Refinery to comply with the Euro 5 specification for diesel (10 ppm sulfur) mandated by the Malaysian government effective April 2021. Furthermore, Petron has also completed constructing a new marine import facility in 2021 which generates freight cost and demurrage cost savings through decongestion of existing jetty.

The Malaysian government regulates the retail pricing structure through the APM, pursuant to which it mandates (i) the retail prices of certain refined petroleum products and (ii) the product cost built-up. Effective March 30, 2017, the Malaysian government implemented a managed float system under which the Malaysian government fixes the government-mandated retail prices of RON 95 and RON 97 petroleum and diesel on a weekly basis based on the Mean

of Platts Singapore. If government-mandated prices are lower than the fuel products' total built-up cost per the APM, Petron will claim the difference from the Malaysian government as subsidies. Conversely, if government-mandated prices are higher than the fuel products' total built-up cost per the APM, Petron will pay duties to the Malaysian government. This regulated environment provides stability to Petron's Malaysian operations in such sectors.

Effective June 10, 2024, the Malaysian government implemented a targeted subsidy on Diesel fuel across Peninsular Malaysia. Under this new system, pump prices for diesel increased to RM3.35 per liter from the previous RM2.20 per liter and is priced at RM2.88 per liter as at 30 June 2025. Subsidies are provided for selected groups/traders using Diesel-powered commercial vehicles, and eligible groups can apply for a RM200 monthly cash subsidy. This adjustment aims to reduce the financial burden on the government and ensures that subsidies are more effectively targeted towards those in need.

Experienced management team and employees and strong principal shareholder in San Miguel Corporation

Petron has an experienced team of managers with substantial relevant experience in refining operations and development of service stations. In addition, Petron has a team of employees skilled in managing the various aspects of its business, including a highly experienced management team at the Petron Bataan Refinery, a focused sales and marketing team, which includes a group that has years of experience in service station engineering and construction, and a research and development team that has overseen years of product development and production process improvement. Petron is also committed to the development of its employees by adopting ongoing training and development programs to ensure that operations will be run by well-equipped and capable employees. The average tenure of employees in Petron is approximately 8.8 years for the Philippines and 8.6 years for Malaysia as of June 30, 2025.

SMC, which became the controlling shareholder of Petron in 2010, directly and indirectly, holds an effective 71.78% of Petron's outstanding common equity. SMC is among the largest and most diversified Philippine conglomerates, which has market-leading businesses in various sectors, including beverages, food, packaging, energy, fuel and oil, infrastructure and property, and investments in car distributorship and banking services.

Petron believes that it benefits from its relationship as a key material subsidiary of SMC, primarily by realizing synergies, including the provision of fuels for SMC's expanding power generation business, SMC's infrastructure business and its various production facilities as well as cross-marketing opportunities with SMC's consumer and energy-related businesses. It also believes that SMC's strong balance sheet and international reach and relationships increase its leverage and bargaining power with suppliers and financial institutions as well as enhance its sources of funding for its capital expenditure projects.

Strategies

Petron's principal strategies are set out below:

Optimize Refinery Operations and Maximize Refining Margins

Maximize production of high margin refined petroleum products and petrochemicals

After the significant investments in upgrading the facilities in the refinery, Petron will continue to optimize operations and maximize the benefits from its upgraded facilities and further improve production of high-margin petroleum products and petrochemicals.

Ensure reliability and efficiency of refinery operations

Petron continuously improves the operational efficiency and profitability at the refinery, including: (i) implementation of scheduled maintenance turnarounds for reliable refining operations both in Philippines and Malaysia, (ii) enhancing crude optimization program to determine the crude mix that will yield the best product value at the lowest cost, and expanding crude oil supply sources in addition to major crude oil suppliers and (iii) managing crude oil freight costs and availability of terminal-compliant vessels with contracts of affreightment that are competitive with the spot market.

Volume Growth and Sustainable Margins

Maximize volume growth and further increase market share in the downstream oil markets in the Philippines and

Malaysia

Petron intends to leverage on its leading market position and extensive retail and distribution network in the Philippines and Malaysia to maximize its revenue and margin potential.

Petron believes that the downstream oil markets in the Philippines and Malaysia are still underserved and have strong potential for growth. To capture this growth and further strengthen its market position, Petron will embark on: (i) implementing competitive pricing programs to boost volumes; (ii) strategically expanding its retail outlets for fuels, and LPG to improve accessibility and availability to its customers ; (iii) improving productivity of existing service station and other sales networks; (iv) introducing new products with differentiated and superior qualities; (v) expanding lubes distribution network by putting up more sales channels such as new lubes outlets, sales centers and car care centers, and penetrating non-traditional outlets such as auto parts and repair shops; (vi) continuing to strengthen and expand its non-fuel businesses by improving the Treats convenience stores and leasing additional service station spaces to food chains, coffee shops and other consumer services or franchising those establishments to provide “value conscious” customers with a one-stop full-service experience; and (vii) intensifying its dealer and sales personnel training to further improve customer service experience.

These initiatives will support the Petron’s growing retail business and continuing service station network expansion.

Improve Supply Chain Reliability and Efficiency

Petron also intends to further enhance efficiencies and reduce distribution costs through supply chain improvements and enhancements to its existing facilities through: (i) expanding receiving and storage facilities and improving existing facilities to support volume growth, and (ii) reducing distribution costs through optimization and expansion of company truck fleet and rationalization of the terminal network.

Continue to pursue, implement, and build on Environmental, Corporate and Social Responsibility initiatives.

Petron intends to continue to pursue, implement and build on its various environmental, corporate and social responsibility initiatives. Sustainability at Petron is integrated in its business. Sustainability is completely aligned with Petron’s business model, its mission, and corporate culture, and aims to benefit the communities that Petron serves. Through its corporate social responsibility (“CSR”) arm, Petron Foundation, Inc. (“PFI”), Petron fuels initiatives that address national concerns in essential areas of education, environment, health and human services, and livelihood in partnership with its host communities, national government agencies and local government units, like-minded organizations, and employee volunteers. For example, for the school year 2024 to 2025, Petron had 2,467 scholars from elementary to college under its “Tulong Aral ng Petron” program, bringing its total number of scholars to over 18,000 since 2002.

In addition, Petron has an active carbon footprint management program through production efficiencies, carbon capturing, and the promotion of energy efficiencies with the installation of LEDs, solar panels and rainwater harvesting facilities in Petron stations and terminals. Petron also continues its reforestation and circular economy initiatives as well as social development initiatives undertaken in all of Petron facilities nationwide.

Moreover, compliance with the various environmental laws such as the Renewable Energy Act, the Biofuels Act, the Clean Air Act, and the Clean Water Act entails costs and additional investments on the part of Petron, resulting in higher production costs and operating expenses. In 2024, Petron spent a total of ₱49.34 million for treatment of wastes, monitoring and compliance, permits, and personnel training at the Petron Bataan Refinery while in 2023, it spent a total of ₱50.63 million.

Production Facilities

The Philippines

In the Philippines, Petron owns the Petron Bataan Refinery complex located in Limay, Bataan, which is a 180,000 bpd full conversion refinery. It has its own product piers and offshore berthing facilities, one of which can accommodate very large crude oil carriers, or “VLCCs”.

The Petron Bataan Refinery is capable of producing a range of all white petroleum products such as LPG, naphtha, gasoline, kerosene, jet fuel and diesel, with no residual fuel oil production. It also produces petrochemical feedstocks

benzene, toluene, mixed xylene, and propylene. In December 2016, Petron acquired the cogeneration power plant from SMC Powergen, Inc., which consists of four turbo generators and four solid fuel fired Circulating Fluidized Bed boilers. With the completion of phase 3 in 2022, the cogeneration power plant now consists of six turbo generators with a combined capacity of 184MW and six solid fuel fired Circulating Fluidized Bed boilers with a combined capacity of 1,200 tons per hour. This ensures the sufficient and reliable supply of steam and power for the Petron Bataan Refinery. Excess power is exported to the grid.

In addition to the Petron Bataan Refinery, Petron owns and operates a fuel additives blending plant (the “**Subic Plant**”) in the Subic Bay Freeport Zone in the Philippines with a capacity of 12,000 metric tons per year.

Petron also operates a lube oil blending plant in Tondo, Manila. The capacity of the New Lube Oil Blending Plant (“**NLOBP**”) is 90,000,000 liters per year per shift.

Malaysia

In Malaysia, Petron owns a petroleum refinery complex located in Port Dickson, Negeri Sembilan. The Port Dickson Refinery has a crude oil distillation capacity of 88,000 bpd.

The Port Dickson Refinery produces a range of petroleum products, including LPG, naphtha, gasoline, jet fuel, diesel and LSWR. With the exception of naphtha and LSWR, these products are intended to meet domestic demand in Malaysia. Petron exports its naphtha and LSWR to various customers in the Asia-Pacific region under term and spot contracts.

Crude oil for the Port Dickson Refinery is received by means of a single buoy mooring (“**SBM**”) and crude pipeline facilities that are jointly owned with Hengyuan Refining Company Berhad (formerly known as Shell Refining Company (Federation of Malaya) Berhad) through an unincorporated joint venture. Under the joint venture, Petron shares 50% of all SBM operating and capital costs and also pays a levy of one-third of the overhead and administrative charges incurred in connection with the operation of the SBM.

Refining Process and Quality Improvement Initiatives

The Petron Bataan Refinery

The Petron Bataan Refinery has been continuously implementing various programs and initiatives to achieve key performance index targets on reliability, processing efficiency, energy efficiency, safety and environmental protection.

To adapt to ever-changing market conditions, the Refinery implements margin enhancement programs to strategize production of higher value product yields.

On December 28, 2020, Petron Bataan Refinery was approved as a FAB-registered enterprise. With this registration, the Refinery would be more competitive and in a better position to sustain its operation to supply fuel for the nation.

In July 2022, phase 3 of the power plant was completed, adding 44MW to the existing co-gen facility. The project aims to benefit Petron by freeing up fuel oil previously used as refinery fuel for conversion to high-value products instead. Likewise, it will also provide revenues through the generation of incremental power for selling to the grid.

The Petron Bataan Refinery also holds three Integrated Management System (IMS) certifications, demonstrating an unwavering commitment to global standards in Quality (ISO 9001), Environmental (ISO 14001), and Safety management (ISO 45001).

The Port Dickson Refinery

The Port Dickson Refinery uses an Integrated Management System (“**IMS**”) in support of its operations. Embedded within the IMS are the Petron Operation Integrity Management System (“**POIMS**”), Control Management System (“**CMS**”), and Product Quality Management System (“**PQMS**”). In addition, the Port Dickson Refinery also practices the Loss Prevention System (“**LPS**”), the PDR Reliability System (“**PRS**”) and plant optimization initiatives for improved plant efficiency.

The Port Dickson Refinery adopted IMS in 2019 to align all existing processes under one management system. The POIMS provides a structured approach to the management of risks related to safety, security, health, environment

("SSHE") and operation integrity to comply with local regulations and laws. CMS provides a process for ensuring that Corporate Policies and In-Line Controls are implemented and effectively sustained over time. PQMS provides a work process to ensure high quality products delivered to customers. The Port Dickson Refinery was awarded with the IMS certification on December 24, 2019.

To increase plant reliability, the Port Dickson Refinery adopted the PRS, which utilizes a risk-based equipment strategy and aims to improve mechanical efficiency through routine work planning, scheduling and execution. The Port Dickson Refinery also continuously seeks improvement in the areas of process optimization, flaring, oil loss and energy conservation through the use of advanced process computer control and an integrated plant information system.

Raw Materials

Philippine Operations

The main raw material used in the Petron Bataan Refinery's production process is crude oil. Petron's crude oil optimization strategy includes the utilization of various types of crude oil, ranging from light and sweet crude to heavier, more sour alternative crude.

Petron acquires crude oil for the Petron Bataan Refinery primarily through arrangements with its wholly owned subsidiary Petron Singapore Trading Pte. Ltd. ("PSTPL"), which, in turn, obtains crude oil from foreign sources through a combination of term and/or spot purchase contracts. For Petron's various crude requirements for 2025, PSTPL has term contracts with Saudi Aramco, KPC, SOMO and SIETCO. Pricing is determined through a formula that is linked to international industry benchmarks. The contract with Saudi Aramco is automatically renewed annually unless either Petron or Saudi Aramco elects to terminate the contract upon at least 60 days' written notice prior to its expiration date. The contracts with KPC and SOMO are from January 1, 2025 to December 31, 2025. The contract with SIETCO is for three years from November 6, 2023 as of this date.

Several other crude oils are purchased on spot basis from various suppliers.

PSTPL has a term contract for the year 2025 to purchase group II base oils (J500 (500N) and J150 (150N)) and avgas. Group II base oil is Petron's main feedstock to produce automotive, industrial, and marine lubricants, while avgas is used for aviation fuel requirements.

PSTPL has a term contract for the year 2025 to purchase Asphalt and LPG. These term contracts are tendered annually and awarded to the most competitive supplier(s). Pricing is calculated using a formula based on an international standard price benchmark for these products.

Petron may import gasoline, diesel, and jet fuel. These imports are necessary if there is higher demand in the Philippines and during maintenance of the Petron Bataan Refinery. Petron ceased producing fuel oil, a lower margin product, upon the completion of the RMP-2. Pricing for products being imported is usually based on Mean of Platts Singapore.

Malaysian Operations

The main raw materials used in the Port Dickson Refinery's production process are crude oil and condensate. The Port Dickson Refinery is designed to process sweet crude oil. Petron's crude oil optimization strategy includes diversification in processing different types of local as well as regional sweet crude oil.

Petron acquires crude oil and condensate for the Port Dickson Refinery from various sources, through a combination of term purchase contracts and spot market purchases. Petron has a term supply contract for Tapis crude oil and Terengganu condensate with Exxon Mobil Exploration and Production Malaysia Inc. ("EMEPMI") until March 2026, supplemented by other short-term supply contracts and spot crude purchases. As June 30, 2025, about 47% of the crude and condensate volume is sourced from EMEPMI, while the balance from other term and spot purchases. Pricing is determined through a formula that is linked to international industry benchmarks. Petron also utilizes Port Dickson Refinery spare capacity for crude processing arrangement of third parties to optimize utilization and benefits.

A portion of the Petron's palm oil methyl ester requirements for its bio-diesel mix are sourced from the PME plant acquired by Petron Malaysia Refining & Marketing Bhd in March 2019. The plant is located at Lumut, Perak and has an annual capacity of 78,000 metric tons. Petron purchases the balance of its PME requirements from other Malaysian government-approved local suppliers. PME is the biocomponent of the biodiesel mix sold to domestic customers in

Malaysia. Petron produces a biodiesel mix comprising 7%/10%/20% PME: 93%/90%/80% diesel for the Retail sector and 7%/10% PME: 93%/90% diesel for the Commercial sector (with exception for electricity power generation and bunkering) mainly for the transportation and subsidized segment, following the Malaysian Biofuel Industry Act of 2007.

A second PME plant is currently being constructed at Port Dickson with an annual rated capacity of 146,000 metric tons to cater for the rest of the PME requirements for the biodiesel sales of Petron in Peninsular Malaysia. The plant is expected to be commissioned in 2026.

Petron also imports LPG, diesel, gasoline, jet fuel and some gasoline blending components into Malaysia to support domestic demand beyond its production level. These imports are purchased through term purchase contracts and in the spot market. Pricing is usually based on Mean of Platts Singapore for diesel, gasoline, jet fuel and some gasoline blending components, or Saudi CP for LPG.

Utilities

The principal utilities required for Petron's production process are water, electricity and steam.

Water

Deep wells and a seawater desalination plant provide the Petron Bataan Refinery's water requirements.

The Port Dickson Refinery's clean water requirements for the process units are sourced from the local municipal water source. Water for fire-fighting purposes is sourced from a lagoon located within the Port Dickson Refinery complex, supplemented by a municipal water storage tank.

Electricity and Steam

The Petron Bataan Refinery's electricity and steam requirements are sourced from the Petron Bataan Refinery's existing turbo and steam generators as well as from its cogeneration power plant. The cogeneration power plant was acquired by Petron in December 2016 from SMC Powergen Inc., a subsidiary of SMC and an affiliate of Petron. With the completion of phase 3 in 2022, the cogeneration power plant now consists of six turbo generators with a combined capacity of 184 megawatts and six solid fuel fired Circulating Fluidized Bed boilers with a combined capacity of 1,200 tons per hour.

The Port Dickson Refinery's electricity requirements are purchased from Tenaga Nasional Berhad, the Malaysian national electricity provider, while the Port Dickson Refinery's fired and waste heat boilers supply the steam requirements of the refinery's process units.

Sales and Marketing

The major markets in the petroleum industry are Retail, Industrial, LPG and Lube Trades. Petron sells its products to both industrial end-users and through a nationwide network of service stations, LPG dealerships, sales centers and other retail outlets. It also supplies jet fuel at key airports to international and domestic carriers.

Petron is not dependent on a single customer or a few customers. No single customer of Petron accounts for at least 20% of its sales.

The Philippines

In the Philippines, Petron operates the only integrated oil refinery and is a leading oil marketing company. Petron had a retail market share of 39.2% of the Philippine oil market for the period ended June 30, 2024.

Retail Service Stations

Petron had a network of around 1,800 retail service stations in the Philippines as of June 30, 2025, according to Petron's estimates. Most of these stations are located in Luzon, where demand is heaviest.

Petron employs two (2) types of service station operating structures in the Philippines: (i) CODO, which are company-owned-dealer-operated service stations, and (ii) DODO, which are dealer-owned- dealer-operated service stations. For

CODOs, Petron buys or leases the land and owns the service station structures and equipment, but third-party dealers operate the CODOs. For DODOs, third-party dealers buy or lease the land, build service station structures according to Company specifications, lease the service station equipment from Petron, and operate the DODOs. As of June 30, 2025, approximately 50% of Petron's retail service stations in the Philippines were CODOs, and approximately 50% were DODOs.

Petron's DODO Network includes Petron Bulilit Stations which are small service stations that provide the flexibility to establish a presence even in remote rural areas and make Petron's products and services accessible to more Filipinos.

To improve traffic in Petron's service stations and increase potential revenues of Petron's non-fuel business, Petron established Treats convenience stores and leases space to quick-serve restaurants and other consumer service shops in strategic service stations nationwide. The Treats convenience stores were rebranded under the brand name San Mig Food Avenue in 2011 pursuant to an agreement with San Miguel Foods Inc. The convenience stores are operated by dealers through a franchise obtained from San Miguel Foods, Inc. opened stores in Manila under the brand name "Treats," with permission from San Miguel Foods, Inc. for the use of the brand name. On March 1, 2021, Petron reacquired the Treats convenience store business from the San Miguel Food Group. The acquisition covered fixed assets in the stores, inventory, and intangible assets such as contracts and the Treats trademarks. On June 29, 2021, Petron acquired additional Treats assets from Foodcrave Marketing, Inc. The Treats acquisition optimizes the synergies between the operation of the Petron service stations and the Treats outlets located in the service stations, resulting in operational efficiencies and savings, unified customer marketing programs, maximized exposure of the Treats brand, and the provision of holistic business consulting to dealers on their businesses within the service station. As of June 30, 2025, there are more than 50 Treats outlets nationwide.

Petron continues to install the point of sale ("POS") system across its retail network throughout the Philippines. POS systems are used for gaining efficiencies through automating retail transactions and the proper monitoring of actual sales in service stations. As of June 30, 2025, Petron had installed POS terminals in approximately 1,200 retail service stations in the Philippines.

Industrial Sales

Petron believes it is the leading supplier to the Philippine industrial sector, which includes major manufacturing, aviation, marine, and power accounts. Petron had more than 1,300 direct industrial account customers as of June 30, 2025.

LPG

Petron is a leading market participant in the Philippine LPG market in terms of market share. Petron has set up more than 2,200 branch and franchise stores through its Gasul and Fiesta Gas LPG dealers as of June 30, 2025. Petron has commissioned about 21 mini-refilling plants in the Philippines as of June 30, 2025 to broaden the reach of Petron's LPG products and make them accessible to more Filipinos.

Lubricants, Specialties and Petrochemicals

To augment lubricants and greases sales, Petron has a network of about 60 Car Care Centers, around 43 Petron Lube Distributors, and around 15 Key Accounts throughout the Philippines as of June 30, 2025. Petron capitalizes on the strong lubricant distribution network of non-traditional outlets such as automotive and motorcycle parts outlets and automotive repair shops, and expanded LPG-outlet network by utilizing its LPG branch stores as outlets for Petron's lubricants and specialty products.

Petron exports various petroleum products such as lubricants and petrochemical feedstock, including naphtha, mixed xylene, benzene, toluene and propylene, to customers in the Asia-Pacific region. These products are sold through accredited traders and to end-users under term or spot contracts.

Polypropylene is sold mostly to companies engaged in the manufacture of packaging materials.

Loyalty Programs

Petron actively pursues initiatives to improve customer service and promote customer loyalty. In 2004, Petron launched the Petron Fleet Card, the first microchip-powered card in the Philippines, which is a credit card that offers rebates and

discounts on fuel, lubricants and services and provides 24-hour free towing and roadside assistance to cardholders. As of June 30, 2025, more than 630,000 Petron Fleet Cards had been issued in the Philippines. In 2008, Petron launched Petron e-Fuel Card as a promotional item. To maximize patronage of its service stations and related businesses, Petron launched a loyalty program in October 2011 through its Petron Value Card, which offers 24-hour free towing and roadside assistance, rewards points for every purchase and complimentary annual personal accident insurance coverage. In 2014, Petron introduced the Petron Super Driver Card, a variant of the Petron Value Card, to the public utility vehicle sector, specifically targeting the taxi and tricycle markets. As of June 30, 2025, Petron has issued approximately 1.9 million Petron Value Cards (including Petron Super Driver Cards).

Malaysia

Petron's fuels marketing business in Malaysia is segmented into retail and commercial business.

Retail Business

The retail business markets fuel and its related products through a dealer network comprising more than 810 retail service stations located throughout Peninsular and East Malaysia as of June 30, 2025. In Malaysia, Petron uses the CODO and DODO operating structures for its retail service stations. CODO accounted for approximately 54% of the total retail service station network of Petron while DODOs made up the 46% balance. Petron also has approximately 320 Treats convenience stores, generating non-fuel income and improving traffic in the service stations.

To further enhance the customer service experience in Malaysia, Petron launched the "Fuel Happy" campaign in 2015 with various marketing activities and events organized to reward and enchant the customers. This was followed by "Best Day at Petron" campaign launched in 2017. In 2016, Petron pioneered the country's first premium fuel with the rollout of Petron Blaze 100. As of June 30, 2025, Blaze 100 is available in more than 110 stations, mainly located in Klang Valley and the southern city Johor Bahru. Petron also offers Petron Turbo Diesel Euro 5, a premium plus diesel fuel with 7% biodiesel mix that meets Euro 5 standards, even prior to the mandatory implementation of Euro 5 diesel standards set by the Malaysian government beginning April 1, 2021. As of June 30, 2025, Petron has more than 380 service stations offering Turbo Diesel Euro 5.

Distribution

The Philippines

Petron's main storage facility in the Philippines was formerly located in Pandacan, Manila. The reclassification by local authorities of the area occupied by the Pandacan terminal prohibited the continued operation of Petron's facility in Pandacan as a petroleum storage facility and necessitated relocation to other alternative sites in Luzon. Petron ceased its petroleum product storage operations in Pandacan in January 2015.

To serve its domestic markets, Petron maintains 39 terminals and airport installations situated throughout the Philippines, representing the most extensive distribution network for petroleum products in the Philippines. The network comprises 13 terminals in Luzon, six in the Visayas and eight in Mindanao, as well as four airport installations in Luzon, five airport installations in the Visayas and three airport installations in Mindanao. Terminals have marine receiving facilities, multiple product storage tanks for liquid fuels and LPG, drummed products storage, and warehouses for packaged products such as lubricants and greases. From the Petron Bataan Refinery, refined products are distributed to the various terminals and direct large consumer accounts using a fleet of company-owned and contracted barges and tankers, and to service stations and industrial accounts through a fleet of company-owned and contracted tank trucks. The barges and tankers are chartered on term or spot contracts from third-party ship owners. From the storage terminals, bulk products are hauled by company-owned and third-party tank trucks to service stations and industrial accounts. Under the terms of the applicable contracts, the third-party owners of the contracted barges, tankers and tank trucks that are used to haul Petron's products are liable for losses and environmental issues that may arise while the products are being transported.

In its Philippine LPG business, Petron has a nationwide network of retail dealerships and outlets. Some service stations carry Petron's LPG products and accessories. Petron has stand-alone LPG operations in its terminals in Pasig City, Legazpi City, San Fernando City in Pampanga and San Pablo City in Laguna.

Lubricants and greases in various packages are transported by container vans to bulk plants and terminals outside Metro Manila. Package trucks owned by third parties are utilized to deliver these lubricants and greases to various customers

in Metro Manila and Luzon. Sales counters throughout the Philippines are appointed to sell these products.

Petron has airport installations at the Ninoy Aquino International Airport (“**NAIA**”) and 11 other airports located in major urban centers in the Philippines. These installations provide storage of aviation fuels as well as refueling services for various aircraft. Petron has presence in the airports of NAIA, Puerto Princesa City, Laoag and Clark in Luzon, Mactan, Bohol, Kalibo, Caticlan and Iloilo City in the Visayas, as well as in Davao City, Laguindingan and Zamboanga City in Mindanao via mobile into plane refueling equipment.

Malaysia

Products from the Port Dickson Refinery are distributed to service stations and commercial accounts through tank trucks that lift products via the Port Dickson Terminal’s tank truck loading facilities. These loading facilities are connected to the storage tanks inside the refinery. The refinery’s produced volume is also sent to Klang Valley Distribution Terminal (“**KVDT**”) through a multi-product pipeline. Tank trucks lift products from KVDT for delivery to Petron customers. The other terminals source products through imports from regional suppliers. Products are lifted from the terminals via tank trucks and delivered to service stations and commercial accounts. The Port Dickson terminal is located beside the Port Dickson Refinery, while the other terminals are located near major fuel product market areas.

Jet fuel is transported from the Port Dickson Refinery to KLIA through a multi-product pipeline (the “**MPP**”), which is jointly owned by Petron through its 20% ownership interest in an unincorporated joint venture with Petronas Dagangan Berhad (“**PDB**”) and Shell Malaysia Trading Sdn Bhd (“**Shell Malaysia**”), each of which has a 40% ownership interest. The MPP is a fungible products pipeline for transporting gasoline, diesel and jet fuel and is operated by PS Pipeline Sdn Bhd, a 50-50 joint venture between PDB and Shell Malaysia.

The joint venture through which Petron owns its interest in the MPP also owns the KVDT, where fuel inventory is commingled. Prior to 2015, Petron only used the MPP to transport jet fuel to KLIA and not for transporting gasoline or diesel to the KVDT. In 2015, Petron successfully completed a project linking the Port Dickson Refinery to the MPP to transport gasoline and diesel products to KVDT. This improved Petron’s logistics and reduced cost of delivery to service stations in the Klang Valley area, a major market.

LPG is bottled at the Port Dickson and Westport terminals. Most redistribution centers and stockists collect bottled LPG directly from the Port Dickson and Westport terminals. Petron has an LPG storage and bottling facility at West Port (part of Port Klang, the principal port facility serving the Klang Valley), which is a 50-50 joint venture between Petron and Boustead Petroleum Marketing Sdn Bhd. Both terminals also load Bulk LPG for industrial customers. Petron had also contracted third-party bottling facilities to expand the reach of its Gasul products in Perak and Penang in the north, Kelantan in the east coast and Johor in the south.

Petron entered the Sarawak retail market in February 2017 with an initial six DODO stations, subsequently increasing the number to 13 as of June 30, 2025. These stations are supplied through a sales and purchase term agreement with a local company, Petronesa Trading Sdn Bhd, from independent terminals located in Kuching and Tanjung Manis.

Competition

The Philippines

In the Philippines, Petron operates in a deregulated business environment, selling its products to individual, commercial and industrial customers. The enactment of the Downstream Oil Industry Deregulation Law in 1998 effectively removed the rate-setting function of the Philippine government through what was then known as the Energy Regulatory Board, leaving price-setting to market forces. It also opened the oil industry to free competition.

The Philippine downstream oil industry is deregulated and has seen the entry of approximately 500 other industry market participants, rendering the petroleum business highly competitive. Petron operates the only petroleum refinery in the country. The rest of the industry market participants are importers of finished petroleum products or purchase finished petroleum products from other market participants in the local market. In the Philippines, Petron competes with other industry market participants on the basis of price, product quality, customer service, operational efficiency and distribution network, with price being the most important competitive factor. Providing total customer solutions has increased in importance as consumers became more conscious of value.

Petron participates in the reseller (service station), industrial, LPG and lube sectors through its network of service

stations, terminals, dealers and distributors throughout the Philippines. In the reseller sector, competition is most dynamic among the major firms, as seen through the construction of service stations by Shell, Chevron, Total Philippines, Phoenix Petroleum, Seaoil and other new participants in major thoroughfares. Petron has around 1,800 retail service stations as of June 30, 2025, reaching more customers throughout the Philippines. Participants in the reseller and LPG sectors continue to resort to aggressive pricing and discounting in order to expand their market share. The number of major LPG importers in the Philippines increased from three, prior to deregulation, to about seven, with new entrants having more flexible and bigger import receiving capacities. In the industrial sector, the major market participants continue to invest heavily in order to increase their market share and tap new markets. In the lubricants sector, intense competition among many brands, including global brands such as Castrol, Mobil, Shell and Caltex, continues. Brands compete for limited shelf space, which has led to the penetration of previously unutilized markets, such as auto dealerships in malls.

Petron is the leader in the Philippine downstream oil industry with a retail market share of 39.2% of the Philippine oil market for the period ended June 30, 2024. Approximately 400 smaller oil market participants, which started operations after the deregulation of the oil industry in 1998, account for the remaining market share. Petron believes that it is the leader in terms of domestic sales volumes based on company estimates using its internal assumptions and calculations and industry data from the DOE as of June 30, 2023.

Petron believes that its competitive advantages include organization, technology, assets, resources and infrastructure. Petron continues to implement initiatives aimed at improving operational efficiencies, managing costs and risks, and maximizing utilization of its assets and opportunities.

Malaysia

In the retail service station business, Petron's Malaysian operations compete with five other main participants in the market, namely, Petronas, Shell, Caltex, BHPetrol, and Five Petroleum. Of these five, only Petronas has refinery operations in Malaysia. Market players compete in terms of product quality, customer service, supply reliability and availability. Pricing of gasoline and diesel at retail service stations is not a competitive factor since the Malaysian government regulates the pricing of these products through the APM.

Petron continues to grow its retail market share to around 21%, with over 810 service stations in Malaysia as of June 30, 2025. With Petron's customer-centric programs, service station facilities upgrades, continued retail network expansion program, introduction of innovative product lines, and improvements in logistics and refinery capabilities, Petron believes that it is well positioned to compete in the retail segment.

Petron continues to face intense competition in the industrial, aviation and wholesale market segments from other local and multinational oil companies. Petron uses its local production from the Port Dickson Refinery and its strategic terminal locations across Malaysia to remain competitive in these segments. Besides the mini stations, fisheries and some selected transportation sectors, which are governed by the APM, other sectors do not benefit from the subsidies provided for under the APM. Major participants resort to aggressive pricing in these segments in order to expand market share. The aviation market is also very competitive, as the three local refiners offload their jet fuel through the MPP to KLIA. Sales of jet fuel at the other Malaysian airports are supplied by the oil companies having the necessary storage and logistics capability. In the LPG segment, Petron competes with Petronas and NGC Energy Sdn Bhd, among others. The APM applies only for sales of LPG for domestic/household cylinders and does not cover sales of industrial and bulk LPG. Competition in this market is driven by supply reliability, dealer network efficiency and customer service. Petron, being well established, remains competitive in this segment. Overall, Petron's commercial sales remain competitive as a result of Petron's reliable and steady supply of quality fuel to sectors such as transportation, manufacturing, construction, mining, agriculture, and power generation.

The lubricants and specialties market is dominated by traditional global brands as well as established local participants. Petron leverages on its growing network of service stations and lubes distributors to market its products and to provide brand presence. Price is a major competitive factor in this market. Petron believes that it is well positioned to compete in this market due to its growing brand strength and widening network of distributors as well as national consumer promotion through service station and independent workshops.

Health, Safety and Environmental Matters

Petron is guided by its Corporate Health, Safety and Environment Policy (the "**Corporate HSE Policy**"). The principles of the Corporate HSE Policy apply to all assets, facilities, and operating and support groups of Petron. Petron has a

Corporate Technical Services Group (“**CTSG**”) responsible for formulating, implementing and enforcing its employee health, safety and environment policies, as well as ensuring compliance with applicable laws and regulations in the Philippines.

Research and Development

To enhance productivity and efficiency, improve costs and strengthen its competitiveness, Petron engages in research and development to identify improvements that can be made to its products and production processes. Petron’s Research and Development Department (“**R&D**”) conducts various technical research and testing activities to develop and enhance the performance of products and optimize production processes. In addition to research and product development, it also engages in quality control and technical training. The development, enhancement and testing of new products are continuing business activities of Petron.

R&D develops revolutionary products that meet and exceed the highest industry quality standards. Petron utilizes latest and proven technology in developing new fuel and lubricant products to improve product performance, quality level and cost-effectiveness. R&D also continuously seeks ways to develop more ecofriendly petroleum products. Petron remains fully compliant with all government laws and regulations such as the Clean Air Act and the Biofuels Act.

Expenses relating to research and development amounted to approximately ₱61 million in 2022, approximately ₱87 million in 2023, and approximately ₱87 million in 2024.

The R&D group also spearheaded the implementation of Total Quality Management (“**TQM**”) at the terminals, service stations, and Petron Research and Testing Center (“**PRTC**”) laboratories. TQM is a management system where all members of the organization participate and work together in improving processes by eliminating unnecessary steps and doing value-adding and innovative activities, thereby resulting to a more efficient, productive, and cost-saving operations.

With the implementation of TQM, Petron terminals were able to optimize resources and safeguard product quality with the use of quality assurance tools. TQM has expanded its scope to marine vessels by issuing guidelines in marine vessel tank cleaning resulting to substantial improvement in vessel turn-around and savings in tank cleaning cost. Further, R&D has continually implemented process improvement programs at service stations that reduce business losses and operating cost. PRTC laboratories were also able to save on operating costs by rationalizing critical test properties and focusing on customer requirements. With this quality system, the laboratories were able to develop innovative procedures that enhance operating efficiency, reduce hazardous waste, and provide customer-focused services. The Petron TQM program works in conjunction with Incident Prevention System wherein it focuses on quality management system without compromising loss in safety, business opportunity, and capital expenditures.

Petron’s testing facilities are ISO/IEC17025 accredited, a testament to its ability to perform tests and analyses in accordance with global standards. R&D also has long-standing partnerships with leading global technology providers in fuels, lubricants and grease products. In addition, it provides technical training to keep internal and external customers updated about the latest technology trends. By providing these updates, it fosters a culture of continuous learning, innovation within the organization, and technical expertise and competitiveness in the industry.

ENERGY BUSINESS

SMC entered the power industry in 2009 following the acquisition of rights to administer the output produced by IPPs in privatization auctions conducted by the Government through the PSALM. The following companies under the SMC Group became the IPP Administrator (“**IPPA**”) of the following plants: (1) Sual Power Inc. (“**SPI**”) became the IPPA for the Sual Power Plant, a coal-fired thermal power plant located in Sual, Pangasinan, in November 2009; (2) San Roque Hydropower Inc. (“**SRHI**”) became the IPPA for the San Roque Power Plant, a hydroelectric power plant located in San Manuel, Pangasinan, in January 2010, and (3) South Premiere Power Corp. (“**SPPC**”) also became the IPPA for the Ilijan Power Plant, a natural gas-fired combined cycle power plant located in Ilijan, Batangas, in June 2010. The Ilijan Power Plant was turned over by PSALM to SPPC in June 2022 while the Sual Power Plant was turned over by PSALM to SPI in October 2024 both in accordance with the terms of their respective IPPA agreements (the Sual Power Plant, Ilijan Power Plant and San Roque Power Plant are collectively referred to as the “**IPPA Power Plants**” to the extent applicable prior to the turnover of the power plants by PSALM to SMGP).

An IPPA under the relevant IPPA agreement has the right to sell electricity generated by the power plants owned and operated by the relevant IPPs without having to bear any of the large upfront capital expenditures for power plant

construction or maintenance. As an IPPA, SRHI also has the ability to manage both market and price risks by entering into bilateral contracts with offtakers while capturing potential upside from the sale of excess capacity through the WESM.

In September 2010, SMC consolidated its power generation business through the transfer of its equity interests in SPI, SRHI and SPPC to SMGP. SMGP also became a wholly-owned subsidiary of San Miguel Corporation and had at that time 2,545 MW combined contracted capacity from the IPPA Power Plants.

Chromite Transactions

On March 1, 2024, Meralco PowerGen Corporation (“**MGen**”) and Therma NatGas Power, Inc. (“**TNGP**”, a subsidiary of Aboitiz Power Corporation), through their joint venture entity (MGen and TNGP shareholdings at 60% and 40% each, respectively), Chromite Gas Holdings, Inc. (“**Chromite Gas Holdings**”) entered into binding agreements with SMGP and its relevant subsidiaries for Chromite Gas Holdings to jointly invest for a 67% equity interest in each of the following SMGP gas-fired power plants and assets: (i) the operating Ilijan Power Plant owned by SPPC, (ii) the adjacent BCC Power Plant owned by Excellent Energy Resources, Inc. (“**EERI**”), and (iii) land owned by IPIEC where the BCC Power Plant, the Batangas LNG Terminal and their respective related facilities are located. SMGP and Chromite Gas Holdings also entered into a binding agreement to jointly acquire Linseed Field Corporation (“**LFC**”) the developer of the Batangas LNG Terminal. The Batangas LNG Terminal is an integrated LNG import terminal at Barangay Ilijan, Batangas City, adjacent to the Ilijan Power Plant and the BCC Power Plant, which is designed to utilize onshore regasification and storage facilities supplemented with a floating storage unit. The foregoing investments are collectively referred to as the “**Chromite Transactions**”.

On December 23, 2024, the Philippine Competition Commission announced its decision to approve the transactions and on January 27, 2025, SMGP announced the completion of the Chromite Transactions. Following such completion, SMGP retains a 33% interest in each of SPPC, EERI and IPIEC and approximately 33% of LFC.

Greenfield, IPP and JV Power Projects

Building on its experience as an IPPA since San Miguel Corporation’s transfer of interests in SPI, SRHI and SPPC, SMGP embarked on the development of its own greenfield power projects. In 2013, SMGP initiated two greenfield power projects, namely, the construction of the 2 x 150 MW Davao Greenfield Power Plant which is owned by Malita Power Inc. (“**MPI**”), its wholly-owned subsidiary, and the 4 x 150 MW Limay Greenfield Power Plant which is owned by Limay Power Inc. (“**LPI**”), another wholly-owned subsidiary. Units 1, 2, 3 and 4 of the Limay Greenfield Power Plant commenced commercial operations in May 2017, September 2017, March 2018 and July 2019, respectively, while Units 1 and 2 of the Davao Greenfield Power Plant commenced commercial operations in July 2017 and February 2018, respectively.

SMGP also pursued strategic acquisitions to increase its energy portfolio. In November 2014, SMGP, through its subsidiary PowerOne Ventures Energy Inc. (“**PVEI**”), acquired a 60% stake in Angat Hydropower Corporation (“**AHC**”), the owner and operator of the 218 MW Angat Hydroelectric Power Plant (“**AHP**”).

In March 2018, SMGP completed the acquisition of 51% and 49% equity interests in SMCGP Masin Pte. Ltd. (“**SMCGP Masin**”, formerly Masin AES Pte. Ltd.) from AES Phil Investment Pte. Ltd. (“**AES Phil**”) and Gen Plus B.V., respectively. SMCGP Masin indirectly owned, through its subsidiaries, at the time of such acquisition, Masinloc Power Co. Ltd. (“**MPCL**”) and SMGP Kabankalan Power Co. Ltd. (“**SMGP Kabankalan**”, formerly SMCGP Philippines Energy Storage Co. Ltd.) (SMCGP Masin and its subsidiaries are collectively referred to as the “**Masinloc Group**”). MPCL owns the 1 x 344 MW (Unit 1), 1 x 344 MW (Unit 2), 1 x 335 MW (Unit 3) coal-fired power plants, (together, comprising the “**Masinloc Power Plant**”) and the 35.285 MWh BESS project (“**Masinloc BESS**”), all located in Masinloc, Zambales, while SMGP Kabankalan holds the 33.867 MWh BESS facility in Kabankalan, Negros Occidental (“**Kabankalan BESS**”). The capacity of Phase 1 of Kabankalan BESS (20 MWh) is contracted under an Ancillary Service Procurement Agreement (“**ASPA**”) with the NGCP with a term of 5 years which commenced in January 2022.

On September 19, 2018, Prime Electric Generation Corporation (“**PEGC**”) and Oceantech Power Generation Corporation (“**OPGC**”), both wholly-owned subsidiaries of SMGP, purchased the entire partnership interests in SMGP Kabankalan from subsidiaries of SMCGP Masin. SMGP was admitted as an additional limited partner of SMCGP Masinloc Partners Co. Ltd. (“**MAPACO**”) in 2019 (a limited partnership under the Masinloc Group) and of MPCL in June 2020. In 2022, SMGP was also admitted as a partner of SMCGP Masinloc Powers Co. Ltd. (“**MAPOCO**”, a limited partnership under the Masinloc Group) and now owns 99.96% partnership interest in MAPACO after SMCGP Masin’s 50.68% partnership interest in MAPACO and 60% partnership interest in MAPOCO were transferred to SMGP following the approval of

SMCGP Masin's petition for withdrawal of its license to operate by the Philippine SEC in August 2022.

In July 2018, PEGC acquired the entire equity interest of ALCO Steam Energy Corp. in Alpha Water Realty & Services Corporation ("**Alpha Water**"), representing 60% of the outstanding capital stock of Alpha Water. As a result, SMGP now effectively owns 100% of Alpha Water through its subsidiaries, PEGC and MPCL. Alpha Water is the owner of the land on which the Masinloc Power Plant and Masinloc BESS in Zambales Province are located.

On June 2, 2022, SMGP acquired 50% interest in Isabel Ancillary Services Co. Ltd. ("**IASCO**") through the acquisition by Power Ventures Generation Corporation ("**PVGC**") of 49.31% limited partnership interest in IASCO and the acquisition by PEGC of 50% equity interest in Isabel AS Holdings Corp., the sole general partner which owns 1.38% partnership interest in IASCO. IASCO is the operator of the 70 MW Modular Diesel Engine Power Plant in Isabel, Leyte.

SMGP, through its subsidiary Mariveles Power Generation Corporation ("**MPGC**"), developed and constructed the Mariveles Greenfield Power Plant, a 4 x 150 MW circulating fluidized bed coal-fired power plant and associated facilities in Mariveles, Bataan using high efficiency, low emission ("**HELE**") technologies. Unit 1, Unit 2 and Unit 3 commenced commercial operations on March 28, 2024, September 26, 2024 and October 26, 2024, respectively, while Unit 4 achieved commercial operations on January 9, 2025.

In addition, and as part of SMGP's diversification of its power portfolio away from traditional coal technologies, SMGP, through Excellent Energy Resources Inc. ("**EERI**"), constructed the Batangas Combined Cycle Power Plant ("**BCC Power Plant**"). The BCC Power Plant is a 1,320 MW (with a Pmin of 3 x 195 MW) combined cycle power plant located in Barangays Ilijan and Dela Paz Proper, Batangas with a net load of 1,275 MW. The BCC Power Plant utilizes regasified liquefied natural gas ("**LNG**"). Unit 1 and Unit 2 of the BCC Power Plant commenced commercial operations in December 2024 and January 2025, respectively, while Unit 3 commenced commercial operations in April 2025. On February 5, 2024, EERI executed a power supply agreement with Meralco for the supply of 1,200 MW capacity after it was declared as winning bidder in the competitive selection process conducted by Meralco on January 5, 2024, for its 1,800 MW power requirements. To date, the PSA has commenced supply. Following the completion of the Chromite Transactions, SMGP retains a 33% interest in EERI.

SMGP, through its subsidiaries SPI, SRHI, AHC, LPI, MPI, MPCL and MPGC, sells power through offtake agreements directly to customers, including Meralco and other distribution utilities, electric cooperatives and industrial customers, or through the WESM. The majority of the consolidated sales of SMGP are through long-term take-or-pay offtake contracts most of which have provisions for passing on fuel costs, foreign exchange differentials and certain other fixed costs.

Retail and Distribution

SMGP has also expanded its sale of power to a broader range of customers, including retail customers. In particular, certain subsidiaries of SMGP were issued Retail Electricity Supplier ("**RES**") licenses allowing it to enter into contracts with contestable customers and expand its customer base.

In addition, SMGP has invested in distribution services through SMC Power Generation Corp. ("**SPGC**"), which acquired 35% equity stake in Olongapo Electric Distribution Company, Inc. ("**OEDC**") in April 2013.

The following table sets forth selected data in respect of SMGP's primary operating power generation assets and interests as of June 30, 2025:

	IPPA Plant	Greenfield Plants			JV Plant	IPP Plants	
	San Roque	Davao	Limay	Mariveles	Angat	Sual	Masinloc and Masinloc BESS
Company Name	SRHI	MPI	LPI	MPGC	AHC	SPI	MPCL
Operating Segment.....	Power Generation	Power Generation	Power Generation	Power Generation	Power Generation	Power Generation	Power Generation
Type	Hydro	Coal	Coal	Coal	Hydro	Coal	Coal and Battery
Commercial Operations Date	2003	2017 (150 MW); 2018 (150 MW)	2017 (300 MW); 2018 (150 MW); 2019 (150 MW)	2024 (450 MW); ⁽⁵⁾ 2025 (150 MW) ⁽⁶⁾	1967 (112 MW); 1968 (100 MW); 1978 (6 MW)	1999	1998 (660 MW); 2018 (additional 28 MW) ⁽⁷⁾ ; 2018 and 2023 (10 MWh); 2020 (335 MW) ⁽⁸⁾
Year of Acquisition / IPPA Expiry / Asset Transfer Date ⁽¹⁾	2010 IPPA Expiry: 2028	—	—	—	2014	2009	2018
Capacity (MW) ..	345	300	600	600	218	1,294	1,035.75 ⁽⁹⁾
Technology.....	Storage Hydropower	Circulating Fluidized Bed	Circulating Fluidized Bed	Circulating Fluidized Bed	Storage Hydropower	Pulverized Coal	Pulverized Coal ⁽¹⁰⁾ and BESS
Emission Levels ⁽²⁾							
NOx(ppm)...	—	65.9	47.4	65.7	—	161.6	165.7
SOx (ppm)...	—	74.5	28.0	52.8	—	295.4	438.7
PM (mg/Nm ³)	—	12.3	7.2	30.2	—	14.3	61.7
Operator ⁽³⁾	SRPC	VPDSI	LPDSI	LPDSI	AHC	LPDSI	LPDSI
Offtakers ⁽⁴⁾	Inter-company ⁽⁴⁾ Meralco, DU, WESM	DUs, ECs, RES, WESM, DCCs	Meralco, DUs, ECs, DCCs, CCs, Inter-company ⁽⁴⁾ , RES, WESM	Meralco, Inter-company ⁽⁴⁾ , WESM,	Inter-company ⁽⁴⁾ WESM	Meralco, RES, DUs, ECs, DCCs, WESM	Meralco, DUs, CCs, RES, Inter-company ⁽⁴⁾ , NGCP, WESM

Notes:

- (1) Under the IPPA Agreement of SRHI, SMGP has the right to acquire the San Roque Power Plant in May 2028. See “Business—IPPA Power Plant.” The Sual IPPA Agreement and the Sual ECA expired on October 25, 2024, after which ownership and operations of the Sual Power Plant was transferred by PSALM to SPI on the same date, pursuant to the Deed of Sale dated October 24, 2024, executed by the parties.
- (2) Emissions as of March 31, 2025. See “Business—Safety, Health and Environmental Regulation” for information on DENR emission standards. Emission levels for the Masinloc Power Plant exclude the Masinloc BESS.
- (3) VPDSI: VisMin Power Dynamics Services Inc. (formerly, Safetech Power Services Corp.); LPDSI: Luzon Power Dynamics Services Inc. (formerly, Mantech Power Dynamics Services Corp.).
- (4) DUs: Distribution Utilities; ECs: Electric Cooperatives; CCs: Contestable Customers; DCCs: Directly Connected Customers; RES: Retail Electricity Supplier.
- (4) Within the SMGP group.
- (5) Mariveles Greenfield Power Plant Units 1, 2 and 3.
- (6) Mariveles Greenfield Power Plant Unit 4.
- (7) The retrofit of Masinloc Power Plant Unit 2 completed in 2018 and the retrofit of Masinloc Power Plant Unit 3 completed in 2023 resulted in an increase in capacities for each of the Units.
- (8) Masinloc Power Plant Unit 3.
- (9) Includes the capacity of Units 1, 2 and 3 of Masinloc Power Plant and Masinloc BESS.
- (10) Masinloc Power Plant Unit 3 utilizes supercritical boiler technology. Units 1 and 2 of the Masinloc Power Plant utilize pulverized technology.

The table below shows the power sold by SMGP for the years ended December 31, 2022, 2023 and 2024 and the six (6) months ended June 30, 2024 and 2025:

	For the years ended December 31,		For the six months ended June 30,		
	2022	2023	2024	2024	2025
	GWh	GWh	GWh	GWh	GWh
Sales through bilateral offtake agreements	25,057	21,565	29,636	14,156	11,454
Sales through WESM	2,345	3,640	6,928	3,301	3,319

The table below shows the power purchased by SMGP from WESM for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025:

	For the years ended December 31,		For the six months ended June 30,		
	2022	2023	2024	2024	2025
	GWh	GWh	GWh	GWh	GWh
Purchased power from WESM	5,158	2,519	3,084	1,413	1,264

SMGP registered revenues of ₱221,389 million, ₱169,590 million, ₱205,091 million, respectively.

The table below sets forth the gross profit margin, EBITDA margin and net income before tax margin of SMGP for the periods indicated:

	For the years ended December 31,		For the six months ended June 30,		
	2022	2023	2024	2024	2025
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales	221,389	169,590	205,091	98,944	80,147
Gross profit.....	23,018	38,599	50,407	26,476	26,104
Gross profit margin ⁽¹⁾	10.4%	22.8%	24.6%	26.8%	32.6%
EBITDA ⁽²⁾	42,316	43,769	55,533	30,147	34,410
EBITDA margin ⁽³⁾	19.1%	25.8%	27.1%	30.5%	42.9%
Net income before tax.....	4,168	15,063	17,600	9,905	38,040
Net income before tax margin ⁽⁴⁾	1.9%	8.9%	8.6%	10.0%	47.5%

Notes:

(1) Calculated as gross profit divided by sales.

(2) EBITDA is calculated as (a) net income (excluding items between any or all of SMGP and its subsidiaries) plus (b) income tax expense (benefit), finance cost (less interest income) and depreciation less (c) foreign exchange gain (loss), in each case, excluding amounts attributable to ring-fenced subsidiaries.

(3) Calculated as EBITDA divided by sales.

(4) Calculated as net income before income tax divided by sales.

Expansion Projects

Power Plant Portfolio

Masinloc Power Plant Units 4 and 5 (700 MW by 2026)

SMGP, through MPCL, intends to further expand the Masinloc Power Plant by constructing additional units utilizing supercritical pulverized coal technology (Units 4 and 5) with a planned gross installed capacity of 350 MW each (with a Pmin of 2 x 87.5 MW) and a net load of 630 MW. SMGP has signed the engineering, procurement and construction (“EPC”) contracts for the construction of Masinloc Power Plant Units 4 and 5, which are targeted for completion in 2026. As of the second quarter of 2025, overall project completion of Unit 4 and Unit 5 are 89% and 77%, respectively, with equity-backed capital expenditures of ₱48.0 billion.

Solar Power Project Portfolio

In line with its decision to significantly reduce its carbon footprint and transition to cleaner sources of energy, SMGP, through its wholly-owned subsidiary, SMC Global Light and Power Corp. (“SGLPC”), is developing a portfolio of solar power projects together with potential partners. The first phase of the solar power projects has an aggregate initial capacity of approximately 1,300 MWp across various sites in Luzon including in the provinces of Bataan, Bulacan and

Isabela, with target completion by 2028. The second phase of the planned solar projects is expected to have an aggregate initial capacity of approximately 1,100 MWp, with target completion by 2039 across the provinces of Quezon, Bohol and various locations in Mindanao, including Davao.

The proposed solar projects will be situated in areas with moderate to high photovoltaic potential using N-type solar panels to be supplied by reputable regional solar panel and inverter suppliers. In February 2022, SGLPC entered into a Solar Energy Operating Contract (130.005 MWdc) with the DOE for a 153.5 MW solar project to be located in Barangay Lucanin, Mariveles, Province of Bataan ("**Bataan Solar Project**") and thereafter, obtained a Certificate of Registration from the DOE as a renewable energy ("**RE**") developer for the Bataan Solar Project. The lease agreement for the site of the Bataan Solar Project will be located has been executed and to date, the Bataan Solar Project already secured its system impact studies and facilities studies approval from the NGCP. The DOE also issued a certificate considering the Bataan Solar Project as an Energy Project of National Significance on June 10, 2025.

SMGP and its subsidiaries continues to participate in the Government-mandated competitive selection processes ("**CSP**") for power supply agreements ("**PSAs**") with distribution utilities ("**DUs**"), and negotiate for retail supply contracts ("**RSCs**") with contestable customers for these expansion plans.

On June 28, 2024, SGLPC signed an investment and shareholders agreement with Citicore Renewable Energy Corporation for the Bataan Solar Project, which is expected to be completed in 2026. The solar power plant shall be located in a property with an area of approximately 158 hectares owned by an affiliate of SMGP. Upon commencement of operations, all capacity to be generated by this solar power plant shall be supplied to SMGP or any of its affiliates under long-term energy supply contracts.

In line with SMGP's commitment to the diversification of its power generation portfolio through the development of solar power projects, SMGP intends to handle pre-development activities and land acquisition and will lease the sites to third-party owner of plants. SMGP entities may also be the offtakers for a minimum fixed period of 20 years.

BESS Portfolio

SMGP, through its subsidiaries SMGP BESS Power Inc. ("**SMGP BESS**"), MPCL and SMGP Kabankalan, is completing the expansion of its ~1,000 MWh portfolio of BESS projects. Of these ~1,000 MWh BESS projects, 500 MWh across 17 sites attained commercial operations as of June 2025, including the 30 MWh Kabankalan (Phase 1 and 2) and 20 MWh Masinloc (Phase 2). Three BESS facilities with a combined capacity of 110 MWh located in the provinces of Tarlac, Leyte and Misamis Oriental commenced commercial operations in March 2024 while BESS facilities with a total capacity of 70 MWh across three sites and another 110 MWh across three sites are expected to be completed in 2025 and 2026, respectively. SMGP BESS has also entered into EPC contracts with ATE Energy and targets to complete the 320 MWh BESS project in Mariveles in 2026. As of May 2025, overall project completion for Unit 1 and Unit 2 of the Mariveles BESS are 27% and 40%, respectively.

Hydro Project Portfolio

On June 9, 2025, the DOE issued a Notice of Award to the potential winning bidders for the third auction round of the Green Energy Auction Program ("**GEA-3**") conducted on February 11, 2025. The GEA-3 Notice of Award included the following as among the winning bidders: (i) SRHI for an aggregate offered capacity 1,850 MW pump storage hydropower across three facilities to be completed between 2031 and 2035, and (ii) Pan Pacific Renewable Power Phils. Corp. ("**Pan Pacific**") for an aggregate offered capacity of 2,300 MW pump storage hydropower and impounding hydropower across three facilities to be completed between 2028 and 2032. On June 19, 2025 and June 20, 2025, Pan Pacific and SRHI, respectively, accepted their respective awards as winning bidders.

SMGP acquired a 40% equity interest in FPSP Holdings Corp. in December 2024 ("**FPSP Holdings**"). FPSP Holdings is a holding company that owns Pan Pacific, a company incorporated in the Philippines and primarily engaged in exploration, development and generation of energy, such as but not limited to geothermal sources of heat and power, hydro-electric power resources, wind and solar energy, as well as the development, acquisition and generation of conventional sources of energy.

Strengths and Strategies

Strengths

Industry leader with a strong growth platform

San Miguel Global Power Holdings Corporation (“**SMGP**” or “**San Miguel Global Power**”, formerly SMC Global Power Holdings Corp.), together with its affiliates, subsidiaries, associates and joint ventures, is one of the largest power companies in the Philippines, controlling 6,080 MW of combined capacity as of December 31, 2024. SMGP controls the capacities of among the largest baseload plants in the Philippines, including the Sual Power Plant (one of the largest coal-fired power plants in the Philippines in terms of installed capacity). SMGP wholly owns SPI, LPI, MPGC, MPI and MPCL, the owners of the Sual Power Plant, Limay Greenfield Power Plant, Mariveles Greenfield Power Plant, Davao Greenfield Power Plant, Masinloc Power Plant and Masinloc BESS, respectively. Moreover, SMGP owns a 60% stake in AHC, the owner and operator of the 218 MW AHP and a 33% interest in SPPC, the owner and operator of the Ilijan Power Plant (the largest natural gas power plant in the Philippines in terms of installed capacity) and 33% interest in EERI, which operates the BCC Power Plant. In addition, SMGP’s subsidiary, SRHI, is the IPPA for the San Roque Power Plant with a contracted capacity attributable to SMGP of 345 MW.

Based on the total installed generating capacities reported in the ERC Resolution on Grid Market Share Limitation and corresponding press release dated March 17, 2025 issued by the ERC (using January to December 2024 operations data for generation facilities), SMC’s market share was approximately 22% of the National Grid, 28% of the Luzon Grid, 5% of the Visayas Grid and 9% of the Mindanao Grid¹¹. Market share is computed by dividing the relevant installed generating capacity for the period by the total installed generating capacity of Luzon grid, Visayas grid, Mindanao grid or National grid (19,419,592 kW, 3,383,868 kW, 4,292,586 kW and 27,096,046 kW, respectively based on data provided under the ERC Resolution on Grid Market Share Limitation).

To capitalize on changes in the Philippine regulatory structure, SMGP, through certain subsidiaries, holds RES licenses from the ERC, allowing the entry into offtake agreements with contestable customers.

SMGP is expected to expand its market leadership with its ongoing and future expansion that is anchored on cost competitive baseload plants and renewable energy projects. In addition, SMGP is actively pursuing battery energy storage technology investments and initiatives in the Philippines that will help regulate the transmission grid over the Philippine archipelago, which is inherently prone to voltage and frequency instability.

Well-positioned to capture future demand growth

Demand for electricity in the Philippines is expected to continue to grow. According to the Philippine Energy Plan 2023-2050 published by the DOE, to meet the projected electricity demand including reserve requirements by 2050, the power system capacity addition that the Philippines will need is 122,708 MW under the reference scenario and an additional 129,681 MW under the clean energy scenario with the expected entry of more renewable energy power projects, which is broken down as follows: 2,305 MW for coal, 21,881 MW for natural gas, 20 MW for oil-based and 98,503 MW for renewable technology under the reference scenario and 2,305 MW for coal, 15,989 MW for natural gas, 20 MW for oil-based and 106,569 MW for renewable technology, and 4,800 MW for nuclear and other technologies under the clean energy scenario. Moreover, based on SMGP’s estimates, despite the continuing build-up of installed capacity, net reliable capacity remains insufficient to meet peak demand. This considers the entry of variable capacities, composed primarily of intermittent renewable energies such as solar and wind, as well as the introduction of flexible technologies, such as BESS, which compensate for the intermittency of the variable capacities.

Given the gap between projected electricity demand and committed power projects, SMGP expects that there will be a power supply shortage in the medium term until new capacity is built to meet the growing consumption.

SMGP believes it is well-positioned to take advantage of opportunities from continued growth in the Philippine electricity market, as well as from the expected power supply shortage. According to the DOE, as of April 2025, around 4,763 MW of dependable coal capacities are between 11 and 30 years old, while 420 MW are 36 years and older. As such, these coal generation capacities may be more prone to unscheduled shutdowns. To meet this need, SMGP has a defined roadmap to increase capacity by developing greenfield power plants and pursuing opportunities to invest in renewable energy projects, particularly in hydroelectric power and solar power projects and complementary technologies such as BESS.

¹¹ The ERC press release dated March 17, 2025 setting out the market share of the five largest players in the generation sector noted that certain industry developments, including change in ownership of some large generation facilities, have not been reflected yet. Accordingly, market share is subject to adjustment, including the change in ownership of the Ilijan Power Plant. In addition to the installed generation capacity attributable to SMGP, the ERC press release includes 183 MW attributable to Petron Corporation, an affiliate of SMGP through SMC.

In addition to completing the 600 MW Mariveles Greenfield Power Plant, SMGP's expansion projects include the construction and installation of the ~1,000 MWh BESS facilities with leading global battery EPC contractors, of which 500 MWh have attained commercial operations as of June 2025. SMGP plans to expand its power portfolio through further expansion of the Masinloc Power Plant (Units 4 and 5) by 700 MW. SMGP also intends to construct and develop together with potential partners a portfolio of solar power projects to significantly reduce its carbon footprint. The first phase of the solar power projects has an aggregate initial capacity of approximately 1,300 MWp across various sites in Luzon including in the provinces of Bataan, Bulacan and Isabela, with target completion by 2028. The second phase of the planned solar projects is expected to have an aggregate initial capacity of approximately 1,100 MWp, with target completion by 2039 across the provinces of Quezon, Bohol and various locations in Mindanao, including Davao.

SMGP believes that the increase in demand for electricity will also lead to growth in the ancillary reserve requirements of the country, which is expected to create significant opportunities for BESS projects. SMGP believes that it is well-positioned to capture growth in the reserve market through the expertise it has gained from operating the Masinloc BESS, the first of its kind in the Philippines. The Masinloc BESS provides more efficient ancillary services compared to other technologies, particularly for frequency regulating reserves, because of its instantaneous response time and ability to charge and discharge power. SMGP utilizes advanced lithium-ion battery technologies, such as nickel-cobalt-manganese (NCM) based lithium-ion batteries which generally have longer useful lives (estimated at 8,200 cycles), high voltage capabilities, large storage capacity and improved roundtrip efficiencies.

Finally, as a leading power company in the Philippines with a large customer base, SMGP believes that it is in a strong position to leverage its relationships with its existing customers to service their expected increase in electricity demand.

Stable and predictable cash flows

SMGP, through its subsidiaries, sells power through offtake agreements directly to customers, including Meralco and other distribution utilities, electric cooperatives and industrial customers, or through the WESM. Revenue from bilateral contracts with offtakers contributed 90%, 86%, 82%, 81% and 78% of total revenue for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively. For the six months ended June 30, 2025, approximately 31% and 47% of SMGP's consolidated sales volumes were to (i) Meralco and (ii) other distribution utilities, electric cooperatives, directly connected customers, contestable customers, and ancillary services, respectively. Based on the publicly available disclosures of Meralco, the largest distribution utility in the Philippines, SMGP is one of Meralco's largest power suppliers as of June 30, 2025, supplying approximately 6,057 GWh or 32% of Meralco's power purchases. In addition, and based on data obtained from the ERC, SMGP believes that it is one of the major players in the RES markets where it operates, as of March 2025.

In a CSP conducted by Meralco on January 5, 2024 and January 23, 2024, EERI, MPGC and SPPC emerged as the lowest bidders to supply 2,700 MW out of the 3,000 MW power requirement of Meralco with 1,200 MW, 300 MW and 1,200 MW in offered capacity, respectively. The contracts are for a term of 15 years and have a full fuel pass-through scheme. To date, all PSAs have already commenced supply.

In the CSP conducted by Meralco on February 27, 2024, LPI emerged as the winning bidder for the latter's 400 MW power requirement. The contract commenced in August 2024 and ended in February 25, 2025 and had a full fuel pass-through scheme.

In another CSP conducted by Meralco for renewable energy contract capacity on July 17, 2024, SRHI emerged as the winning bidder for a 340 MW power supply contract for a period of 10 years to commence in 2025 or upon the issuance of the ERC approval of the PSA, whichever comes later. On August 21, 2024, SRHI entered into a PSA with Meralco for this capacity.

In the most recent CSP conducted by Meralco on August 28, 2024, MPCL emerged among the lowest bidders and is set to supply 500 MW out of the 600 MW power requirement of Meralco. On September 2, 2024, a PSA was entered into by MPCL and Meralco with a term of 15 years to commence in 2025 and has a full fuel pass-through scheme.

Meralco is expected to continue to bid out additional greenfield requirements in the next few years. SMGP believes this is an opportunity for SMGP to contract its ongoing and planned expansion projects with Meralco and plans to participate in the future bidding of the greenfield requirements.

These offtake agreements provide SMGP, through its subsidiaries, with stable and predictable cash flow by enabling it to manage both market and price risks. Despite the general volatility in market prices for electric power due to supply

and demand imbalances, SMGP has been able to manage such risks through the contracted sale prices with offtakers, which also provide a long-term stable source of demand. The majority of the tariffs under these agreements take into account adjustments for fuel, foreign exchange, and inflation, thereby allowing SMGP to pass through these costs to its offtakers. In addition, SMGP's diversified portfolio of baseload and peaking power plants helps mitigate market risks through long-term, intercompany, replacement power contracts.

Control over baseload and versatile capacities

SMGP has a portfolio that includes some of the newest and largest power plants in the Philippines. The baseload and peaking plants with diversified fuel sources of SMGP allow it to manage costs and offer more competitive baseload power rates. In addition, SMGP also has capacity from its BESS facilities, which can provide more efficient ancillary services, and has synergistic effects with renewable technologies, among other applications. In particular, BESS technologies can strengthen the stability of a grid, while improving power quality.

As of December 31, 2024, the major power assets of SMGP consisted of (i) the power plants owned by SMGP through its subsidiaries as follows: the Sual Power Plant, the Masinloc Power Plant (with the Masinloc BESS), the Limay Greenfield Power Plant, the Mariveles Greenfield Power Plant, the Davao Greenfield Power Plant and representing of approximately 21%, 17%, 10%, 10% and 5% of SMGP's capacity, respectively; (ii) the San Roque Power Plant with SRHI as IPPA representing 6% of SMGP's capacity, (iii) the AHP, through AHC, representing 4% of SMGP's capacity, (iv) the Ilijan Power Plant representing 20% of SMGP's capacity and (v) the operating BESS facilities located across the Philippines, representing 7% of SMGP's capacity.

Power generated by the Sual Power Plant, Masinloc Power Plant, Limay Greenfield Power Plant, Mariveles Greenfield Power Plant and Davao Greenfield Power Plant, is primarily used as baseload supply and sold to customers pursuant to bilateral offtake agreements. Power generated by the San Roque Power Plant and the AHP is used as peaking supply, and mostly sold through the WESM or as replacement power to affiliates. The BESS facilities provide regulating and contingency reserve to the NGCP — the 10 MWh Masinloc BESS of MPCL and several BESS sites of SMGP BESS in Luzon, Visayas and Mindanao with a total capacity of 330 MWh were contracted by NGCP after MPCL and SMGP BESS were declared as winning bidders in the CSPs conducted by NGCP in 2023 and 2024 for its ancillary services requirement. Out of the 330 MWh, 220 MWh commenced operations in 2023 and 110 MWh commenced commercial operations in March 2024, following the provisional authority granted by the ERC on the relevant Ancillary Services Procurement Agreement ("**ASPA**"). The 20 MWh (Phase 1) of Kabankalan BESS in Negros Occidental also has an existing ASPA with NGCP. As of June 30, 2025, SMGP had a total of 500 MWh BESS capacities in commercial operations, which includes 30 MWh of existing BESS capacities.

As of June 30, 2025, SMGP's coal-fired plants accounted for approximately 63% of its capacity. In addition to the baseload coal-fired plants, SMGP increased its LNG capacities and continues to ramp up its BESS capacities, which together contribute to increasing the diversity of its generation portfolio. This is guided by the existing energy policy of the Government to provide relatively inexpensive and reliable power to residential and commercial customers without the need for subsidies or escalating tariffs. Feed-in-tariffs for renewable energy projects have been phased out by the Government, which makes it more challenging to embark on large-scale renewable energy projects. SMGP continues to closely monitor all relevant fuel options, including renewables. The planned expansion of its BESS portfolio, development of its solar power and hydro power project portfolios and decision not to pursue the previously planned coal-fired power plant to be located in Pagbilao, Quezon, with planned installed capacity of 600 MW, reflect SMGP's objective to reduce its overall carbon emissions and support the Government's climate policies and objectives, including the Philippines' commitments under the Paris Agreement.

SMGP believes that the size and diversity of the fuel supply of its power portfolio reduces the exposure of SMGP and its customers to fuel-type specific risks such as variations in fuel costs, and regulatory concerns that are linked to any one type of power plant or commodity price. SMGP believes that its management of the capacity of this diverse portfolio of power plants allows it to respond efficiently to market requirements at each point of the electricity demand cycle. This diversity helps it to improve the profitability of its portfolio by flexibly dispatching electricity in response to market demand and fuel cost competitiveness. SMGP and its subsidiaries can enter into bilateral contracts and trade in the WESM for the balance of its contracted capacities and energy.

Established relationships with world class partners and major participants in the Philippine power industry

Since entering the power business, SMGP has established relationships with internationally recognized participants in the power industry, including fuel suppliers in Indonesia and Australia, customers such as Meralco (its largest customer)

and partners such as Marubeni Corporation, which owns, operates and maintains the San Roque Power Plant, an IPPA Power Plant. SMGP also has strong working relationships with world-class EPC providers, such as Formosa Heavy Industries for its greenfield power plants, and battery EPC providers such as Fluence Energy, Inc. ("**Fluence**," a joint venture between Siemens and AES) for the Masinloc BESS and Kabankalan BESS, and ABB, Inc. ("**ABB**"), Wartsila Finland Oy ("**Wartsila**") and ATE Energy International Co. Ltd. ("**ATE Energy**") for BESS projects in the pipeline. SMGP has also entered into and is forging new and strategic relationships with MGEN and Aboitiz Power for the Ilijan Power Plant and the BCC Power Plant, Linseed Field Corporation, for the Batangas LNG Terminal through the terminal user agreements, and other LNG players, particularly for LNG supply and for EPC of the BCC Power Plant.

SMGP believes that these well-established relationships provide a strong foundation for its existing business and a platform of potential partners for future expansion.

A member of the San Miguel Corporation group of companies

The principal shareholder of SMGP, San Miguel Corporation, together with its subsidiaries, is one of the largest and most diversified conglomerates in the Philippines. In addition to its power business, San Miguel Corporation has market-leading businesses in vital industries that support the economic development of the country, including food and beverages, packaging, fuel and oil, infrastructure, property development and leasing, cement, car distributorship and banking.

Under the stewardship of San Miguel Corporation, SMGP has become one of the market leaders in the Philippine power industry in a relatively short period of time. San Miguel Corporation provides SMGP with key ancillary and support services in areas that promote operational efficiency, such as human resources, corporate affairs, legal, finance and treasury functions. SMGP believes it will continue to benefit from the extensive business networks of San Miguel Corporation, its in-depth understanding of the Philippine economy and expertise of its senior management to identify and capitalize on growth opportunities. Given the substantial electricity requirements of the other businesses of San Miguel Corporation, SMGP believes that it can benefit from potential revenue and operational synergies and potentially provide a large captive energy demand base for SMGP.

Experienced and highly competent management team

The senior management of SMGP has extensive experience in the Philippine power industry and has a deep understanding of the Philippine electricity markets with respect to the operational, financial, regulatory, and business development aspects of the operation and management of power plants. The senior management team of SMGP has strong professional relationships with key industry participants, such as the DOE, PSALM, NPC, TransCo, NGCP, PEMC and ERC, as well as other government offices and agencies. The employees of SMGP include experienced energy traders who pioneered WESM trading and marketing executives who have established strong relationships with the extensive customer base of NPC. The members of the Executive Committee of SMGP have an average of more than 25 years of experience in executive management and related government experience in the power industry, including strengths in key areas of engineering and finance. The executive and senior management have displayed a strong track record of growth and delivery since SMGP commenced operations in November 2009.

Strong commitment to stringent environmental policies and pollution controls

SMGP closely supervises, controls and processes improvements in the power plants it owns and operates to ensure that regulated emissions are within and below applicable environmental compliance standards. For example, SMGP uses CFB technology in its Mariveles Greenfield Power Plant, Limay Greenfield Power Plant and Davao Greenfield Power Plant. CFB technology is a technology employed to transform coal into a fuel source that is relatively low in pollutant emissions. These low emissions are made possible by processes that are not used in non-CFB coal-fired power plants, such as burning coal at low temperature and pressure, chemically washing minerals and impurities from the coal, gasification, treating the flue gases with steam to remove sulfur dioxide, carbon capture and storage technologies to capture the carbon dioxide from the flue gas and dewatering lower rank coals (brown coals) to improve the calorific value, thereby improving the efficiency of the conversion into electricity. In addition, CFB plants have other elements that reduce emissions, such as fine coal grinders, limestone injections, and electrostatic precipitators to capture dust particles that escape the boiler. See "—Safety, Health and Environmental Regulation."

SMGP is committed to further reduce its emissions. Masinloc Power Plant Unit 3 uses supercritical boiler technology which, relative to an ordinary PC boiler (subcritical), has a significantly better combustion process resulting to improved heat rate of coal, which means less coal is required to produce a megawatt of electricity. The technology also allows the

use of lower calorific value (“**CV**”) and lower sulfur coal, which is a key factor to lower SOx emissions.

In 2023, the Limay Greenfield Power Plant won the Water Conservation Initiative of the Year for the Philippines during the Asian Water Awards. The Limay Greenfield Power Plant was recognized for its program that started in 2018 and has since allowed it to save 3.7 million cubic meters of water, translating to an accumulated savings of ₱122 million.

Moreover, SMGP has dedicated teams who monitor environmental compliance with international standards. See “—*Safety, Health and Environmental Regulation*” for further details and a list of SMGP’s active ISO certifications as of March 2025.

San Miguel Global Power Portfolio

GREENFIELD, IPP AND JOINT VENTURE PROJECTS

Sual Power Plant

The Sual Power Plant is a 2 x 647 MW coal-fired thermal power plant located in Sual, Pangasinan on the Lingayen Gulf that commenced commercial operations in October 1999. It is the largest coal-fired thermal power plant in the Philippines in terms of installed capacity. The Sual Power Plant was built by CEPA Pangasinan Electric Limited pursuant to an ECA with NPC under a 25-year Build-Operate-Transfer (“**BOT**”) scheme that expired on October 25, 2024.

On September 1, 2009, SPI, was declared the winning bidder and received the notice of award for the IPPA for the Sual Power Plant. On November 6, 2009, SPI assumed the administration of the capacity of the Sual Power Plant in accordance with the provisions of the Sual IPPA Agreement with PSALM.

Turnover to SMGP

The Sual IPPA Agreement and the Sual ECA expired on October 25, 2024, after which ownership and operations of the Sual Power Plant was transferred by PSALM to SPI on the same date, pursuant to the Deed of Sale dated October 24, 2024, executed by the parties.

Power Offtakers

The capacity of the Sual Power Plant was contracted to (i) Meralco (DU) under a 10-year 330 MW offtake agreement (“**330 MW Meralco PSC**”) expiring in December 2029 as a result of the CSP conducted by Meralco in 2019, (ii) Meralco (RES) covering 60 MW and 170 MW, or a total of 230 MW, (iii) various distribution utilities, electric cooperatives covering 376 MW, and (iv) directly connected customers and third-party RES under existing PSCs covering 125 MW. The 330 MW Meralco PSC ceased effective July 24, 2023. Effective January 19, 2024, SPPC’s PSA with Meralco for the supply of 290 MW was assigned by SPPC to SPI, which later expired on December 25, 2024. On January 27, 2025, SPI executed a PSA with Meralco for the supply of 200 MW capacity for 1 year, and for which supply has commenced, pending ERC approval.

For energy-based contracts entered into by SPI directly with offtakers on a bilateral basis, pricing is based on a reasonable return over the cost structure of SPI.

For capacity-based contracts, pricing is based on a fixed and variable payment. The fixed payment represents fixed operating and maintenance expenses while the variable payment represents the energy fee, fuel and variable operating and maintenance expense.

Fuel Supply

SPI has existing coal supply agreements with Aegis, Energy Trading, ATC and PT Multi Sarana Avindo until December 31, 2025, to ensure a steady supply of coal for SPI. Further, negotiations with the existing suppliers are regularly done for additional volume to cover balance-year quantities and contract base volume for forward years and SPI continues to accredit coal supply acceptable for plant operations for more optionality and supply security. Pricing under the coal supply agreements is linked to regional coal indices, subject to adjustment based on agreed standards applicable to the quality of the coal delivered.

Operations and Maintenance

Upon turnover, LPDSI, a wholly-owned subsidiary of SMGP, became responsible for the operation and maintenance of the Sual Power Plant.

Each of the generating units of the Sual Power Plant historically has been, and is expected to continue to be, shut down for routine preventive maintenance for approximately 30 days per calendar year. SPI also expects to shut down these units for more significant preventive maintenance and repair work for a total of approximately 60 days in every fifth calendar year.

Power Transmission

Power from the Sual Power Plant is transmitted through a 25 km 230-kV transmission line from the Sual Power Plant switchyard to the Kadampat Substation located at Labrador, Pangasinan. The transmission line is owned by TransCo and operated and maintained by its concessionaire, NGCP.

Limay Greenfield Power Plant

The Limay Greenfield Power Plant, owned by SMGP through its subsidiary, LPI, is a 4 x 150 MW CFB coal-fired power plant, using HELE technologies, located in Limay, Bataan, which commenced construction in October 2013. Units 1, 2, 3 and 4 of the Limay Greenfield Power Plant achieved commercial operations in May 2017, September 2017, March 2018 and July 2019, respectively. The EPC contractors of the Limay Greenfield Power Plant are Formosa Heavy Industries Corporation and True North Manufacturing Services Corporation. In June 2017, LPI acquired all of the rights and obligations on the completion of Units 3 and 4 of the Limay Greenfield Power Plant from another wholly-owned subsidiary, Lumiere Energy Technologies Inc. LPDSI is responsible for the operation and maintenance of the Limay Greenfield Power Plant.

Power Offtakers

The Limay Greenfield Power Plant is substantially contracted to various distribution utilities, electric cooperatives, directly connected customers and contestable customers, including facilities of SMC subsidiaries, under long-term fuel pass-through offtake agreements mostly expiring in 10 years from its effective date. In a CSP conducted by Meralco on February 26, 2024, LPI emerged as the winning bidder for the latter's 400 MW power requirement for which supply commenced in August 2024 and ended in February 2025. For the six months ended June 30, 2025, 92% of revenues were from bilateral contracts while the remaining 8% was attributable to revenues from WESM. LPI was granted a RES license which is valid until September 29, 2028. The RES license gave LPI the ability to directly contract with contestable customers.

Fuel Supply

LPI has executed long-term coal supply agreements with Bayan with terms expiring on January 31, 2029 and January 31, 2032. Pricing under the coal supply agreements is subject to adjustment based on certain standards applicable to the quality or grade of the coal delivered by the supplier. LPI also executed spot coal supply contracts with local and Indonesian suppliers.

Power Transmission

Power from the Limay Greenfield Power Plant is transmitted through a 230-kV transmission line that connects to the Luzon grid through the Lamao, Limay Bataan Substation. The transmission line is owned by TransCo and operated and maintained by NGCP.

Davao Greenfield Power Plant

The Davao Greenfield Power Plant owned by SMGP through its subsidiary, MPI, is a 2 x 150 MW CFB coal-fired power plant, using HELE technologies, located in Malita, Davao Occidental, which commenced construction in September 2013. Units 1 and 2 of the Davao Greenfield Power Plant achieved commercial operations in July 2017 and February 2018, respectively.

The EPC contractors of the Davao Greenfield Power Plant are Formosa Heavy Industries Corporation and True North Manufacturing Services Corporation. VPDSI, another wholly-owned subsidiary of SMGP, is responsible for the operation and maintenance of the Davao Greenfield Power Plant.

Power Offtakers

The Davao Greenfield Power Plant is substantially contracted to various distribution utilities, electric cooperatives, directly connected customers and RES under short to long-term offtake agreements.

Fuel Supply

MPI has existing long-term coal supply agreements with Bayan, effective until January 31, 2029 and January 31, 2032. Pricing under the coal supply agreements is subject to adjustment based on certain standards applicable to the quality or grade of the coal delivered by the supplier. MPI also executed spot coal supply contracts with local supplier.

Power Transmission

Power from the Davao Greenfield Power Plant is transmitted through a 230-kV transmission line that connects to the Mindanao grid through the Culaman, Malita Substation. The transmission line is owned by TransCo and operated and maintained by NGCP.

Mariveles Greenfield Power Plant

The Mariveles Greenfield Power Plant owned by SMGP through its subsidiary, MPGC, is a 4 x 150 MW CFB coal-fired power plant located in Mariveles, Bataan, using HELE technologies which commenced construction in 2019. Unit 1, Unit 2 and Unit 3 commenced commercial operations on March 28, 2024, September 26, 2024 and October 26, 2024, respectively, while Unit 4 achieved commercial operations on January 9, 2025.

The EPC contractors of the Mariveles Greenfield Power Plant is Formosa Heavy Industries Corporation and True North Manufacturing Services Corporation. LPDSI is responsible for the operation and maintenance of the Mariveles Greenfield Power Plant.

Power Offtakers

The capacity of the Mariveles Greenfield Power Plant is contracted to Meralco for 300 MW for a period of 15 years and MPGC intends to participate in future CSPs of Meralco and other DUs and ECs for the remaining uncontracted capacity.

Fuel Supply

MPGC executed a long-term coal supply agreement with Bayan, effective until December 31, 2027. Pricing under the coal supply agreement is subject to adjustment based on certain standards applicable to the quality or grade of the coal delivered by the supplier. MPGC also executed spot coal supply contracts with local supplier.

Power Transmission

Power from the Mariveles Greenfield Power Plant is transmitted through a 500-kV transmission line that connects to Mariveles Substation. The transmission line is owned by TransCo and operated and maintained by NGCP.

Masinloc Power Plant and Masinloc BESS

Background

The Masinloc Power Plant, using HELE technologies, comprises 1 x 344 MW (Unit 1), 1 x 344 MW (Unit 2) and 1 x 335 MW (Unit 3) coal-fired power plant located in Masinloc, Zambales, and is owned and operated by MPCL. Units 1 and 2 of the Masinloc Power Plant commenced commercial operations in June 1998 and December 1998, respectively, and were originally developed and owned by NPC. Unit 3, which is a brownfield/expansion project within the Masinloc Power Plant, commenced commercial operations on September 26, 2020. MPCL also owns the Masinloc BESS.

The Masinloc BESS (Phase 1 for 10 MWh) is a pioneer grid-scale BESS in the Philippines and Southeast Asia which, SMGP believes, is the first of its kind in the region. The EPC Contractor for the Masinloc BESS is Fluence, which has installed 1,125 MW in BESS capacity in 95 projects across 20 countries and is a leading vendor for utility-scale energy storage systems, according to Navigant Research.

The Masinloc Power Plant and Masinloc BESS (Phase 1) were acquired by SMGP on March 20, 2018, pursuant to its acquisition of 51% and 49% equity interests in SMCGP Masin from AES Phil and Gen Plus B.V., respectively.

LPDSI is responsible for the operation and maintenance of the Masinloc Power Plant.

Power Offtakers

Units 1, 2 and 3 of the Masinloc Power Plant are substantially contracted through medium to long-term bilateral contracts with Meralco and other distribution utilities, contestable customers, third-party RES, and affiliates. The RES license of MPCL was renewed and is valid until September 29, 2028. The Masinloc BESS provides regulating reserve ancillary services to the Luzon Grid under an ASPA with NGCP, under a take-or-pay scheme for capacity payments for both charging and discharging capacity, subject to dispatch protocols and guidelines. In the CSP conducted by Meralco on August 28, 2024, MPCL emerged among the lowest bidders and is therefore set to supply 500 MW out of the 600 MW power requirement of Meralco. The contract is for a term of 15 years to commence in August 2025 or upon issuance of ERC approval of the PSA, whichever comes later and has a full fuel pass-through scheme.

Fuel Supply

MPCL continues to maintain multiple supply agreements, from short- to long-term, and with various reputable mining companies and traders that can deliver the different qualities required by the Masinloc Power Plant with different boiler designs and required coal specifications. MPCL has two units of sub-critical boiler technology and one unit of supercritical boiler technology that require different qualities of coal for optimal operations. MPCL has contracts with Bayan, Vitol, RWOOD, ATC and a local supplier covering majority of the coal requirements of the Masinloc Power Plant. All contracts have standard adjustments based on a certain formula applicable to the quality or grade of the coal delivered.

Power Transmission

Power from the Masinloc Power Plant is transmitted through a 230-kV transmission line that connects to the Luzon grid through the Bolo Substation. The transmission line is owned by TransCo and operated and maintained by NGCP.

Angat Hydroelectric Power Plant

The AHP is an operating hydroelectric power plant located at the Angat reservoir in San Lorenzo, Norzagaray, Bulacan, approximately 58 km northeast of Metro Manila. The AHP was privatized through an asset purchase agreement between PSALM and Korea Water Resource Corporation (“**K-water**”). K-water assigned its rights in favor of AHC, a joint venture between K-water and PVEI.

The project has a total electricity generating capacity of 218 MW, comprised of four main units of 50 MW capacity each and three auxiliary units of 6 MW capacity each. The Main Units 1 and 2, together with the Auxiliary Units 1 and 2 were commissioned in 1967. The Main Units 3 and 4 were commissioned in 1968. The Auxiliary Unit 3 was commissioned in 1978. The Auxiliary Unit 3 was manufactured by Allis-Chalmers and Ebara and all the other units were manufactured by Toshiba Corporation of Japan. All units are run by the Francis-type turbines, which are the most commonly used model in hydroelectric power generation. In August 2018, AHC completed the rehabilitation and turnover of the Angat Dam and Dykes in accordance with the Operations and Maintenance Agreement with PSALM and NPC.

In September 2021, AHC entered into a Rehabilitate-Operate-Maintain Agreement for Auxiliary Units 4 and 5 with combined capacity of 28 MW, owned by the MWSS and located at the AHP. Under the agreement, AHC will rehabilitate Auxiliary Units 4 and 5 and thereafter operate and maintain the same for 23 years under a profit-sharing arrangement with MWSS. The rehabilitation of the units is currently ongoing and is targeted to be fully completed by the third quarter of 2026 after which the operation period will commence.

Fuel Supply and Water Rights

The AHP utilizes water resources of the Angat reservoir. The Angat reservoir is 35 km long and 3 km wide at its widest points, and has surface of 2,300 hectares and viable storage volume of 850 million cubic meters. The water discharged by the project is used for the following two purposes: (i) water discharged through Auxiliary Units and through the spillway that flows to the Ipo reservoir is used to supply 97% of the residential drinking water of Metro Manila; and (ii)

water discharged through Main Units that flows downstream to the Bustos reservoir is utilized for irrigation purposes.

Water rights surrounding the AHP are co-owned and governed by the following entities, with its respective purposes, pursuant to the Water Code of the Philippines, Angat Reservoir Operation Rules issued and regulated by NWRB as implemented by a Memorandum of Agreement on the Angat Water Protocol between MWSS, NIA, AHC, PSALM, NPC and NWRB: (i) MWSS, for domestic water supply to Metro Manila; (ii) provincial government of Bulacan, for water supply in the Bulacan Province; (iii) NIA, for irrigation diversion requirements; and (iv) AHC (through a lease contract with KWPP), for power generation.

Power Offtakers

AHC sells the majority of its generated capacity to the WESM at the prevalent spot price. The Main Units are operated as peaking units. The strategy for the Main Units is to allocate daily water release during peak hours. Auxiliary Units are operated as baseload units, as the water requirement from MWSS is continuous throughout the day, thus eliminating any discrete optionality to choose the hour of allocation. AHC periodically enters into short-term power supply contracts for the capacity of its auxiliary units, including replacement contracts with the subsidiaries of SMGP, and continues to explore options to contract this capacity.

Operations and Maintenance

AHC undertakes the operation and maintenance of AHP. The operations and maintenance team consists of a local technical team who have been operating the AHP supported by technical experts seconded from K-water.

AHC has entered into technical services agreements with each of K-water and PVEI to ensure that the appropriate level of technical and management support will be provided for the operation and maintenance requirements of AHC.

Retail Services

SMGP is pursuing downstream vertical integration by capitalizing on changes in the Philippine regulatory structure to expand its sales of power to a broader range of customers, including retail customers. The two RES licenses issued to SMGP, through LPI and MPCL have a term of five years each and are valid until September 29, 2028.

The RES licenses allow the relevant subsidiary of SMGP to enter into retail supply contracts (“**RSCs**”) with contestable customers and expand its customer base. As of February 2025, LPI and MPCL supply an equivalent of 710 MW to contestable customers, including various facilities of SMC subsidiaries. Based on data obtained from the ERC, SMGP believes that it is a major player in the RES markets where it operates, supplying over 140 contestable customers as of February 2025. SMGP currently holds a direct market share of 15% of the contestable customer market, with Aboitiz, Meralco (RES), Ayala, and FGen group holding 28%, 25%, 8% and 8%, respectively, based on the Competitive Retail Electricity Market Report from the ERC as of February 2025.

Sales Strategy and Customers

SMGP seeks to sell substantially all the power generated by its portfolio of power plants to offtakers whether in the form of distribution utilities, electric cooperatives, RES, NGCP, directly connected customers or contestable customers. For the six months ended June 30, 2025, approximately 31% and 47% of consolidated sales volumes were to (i) Meralco and (ii) other distribution utilities, electric cooperatives, directly connected customers, contestable customers and ancillary services, respectively. Based on publicly available disclosures of Meralco, SMGP believes that it is one of Meralco’s largest power suppliers as of June 30, 2025, supplying approximately 6,057 GWh or 32% of Meralco’s power purchases. Meralco is the largest distribution utility in the Philippines. With regards to the national distribution market, SMGP believes that it holds a significant share of the other distribution utilities and electric cooperatives published in the DOE website and contracts filed with the ERC. SMGP is cautious to over-contract its capacities and seeks to leave at least 10% of its available capacity for merchant risk and for replacement power. SMGP prioritizes baseload and off-peak contracts with full fuel pass-through schemes and long tenor. SMGP capitalizes on organic and captive demand from San Miguel Corporation affiliates and strategic partners and suppliers. SMGP also seeks to dispatch capacity and offtake volume on a portfolio basis to optimize cost of generation.

Currently, the capacities of the Sual Power Plant, Masinloc Power Plant, Limay Greenfield Power Plant, Mariveles Greenfield Power Plant, San Roque Power Plant, Ilijan Power Plant and BCC Power Plant are contracted under medium to long-term offtake agreements with Meralco and its affiliates, various distribution utilities, electric cooperatives, and

industrial customers under existing offtake agreements. These agreements typically include take-or-pay provisions whereby a customer is required to pay for a minimum contracted amount of power, regardless of whether or not the customer takes delivery of the entire amount, with the result that revenue from these offtake agreements is relatively stable for the duration of the agreements.

If the generation output available to the subsidiaries of SMGP from these plants exceeds the amount deliverable under their offtake agreements, such subsidiaries of SMGP offer the excess power for sale through the WESM at the market clearing price. SMGP believes that offtake agreements with distribution utilities and electric cooperatives, while subject to approval of the ERC, are relatively better in pricing compared to retail supply contracts with contestable customers.

The power generation capacity of the San Roque Power Plant and the AHP at any given time depends on the water levels in the reservoir and downstream irrigation requirements. The San Roque Power Plant and the Main Units of the AHP are operated as peaking units. Available water is used to generate power during peak hours when prices are higher.

The Auxiliary Units of AHP are operated as baseload units, as the water requirement from MWSS is continuous throughout the day, thus eliminating any discretion to choose the hour of allocation. AHC is exploring options to contract the capacity of its Auxiliary Units.

SMGP plans to contract a substantial portion of the capacity of BESS projects to provide ancillary services to the grid. It can also take advantage of arbitrage opportunities in the WESM, particularly during peak hours when prices may be more than double. BESS projects may also be contracted with other entities such as electric cooperatives or power plants.

Competition

San Miguel Global Power Holdings Corporation ("**SMGP**" or "**San Miguel Global Power**", formerly SMC Global Power Holdings Corp.), together with its affiliates, subsidiaries, associates and joint ventures, is one of the largest power companies in the Philippines. Based on the total installed generating capacities reported in the ERC Resolution on Grid Market Share Limitation and corresponding press release dated March 17, 2025 issued by the ERC (using January to December 2024 operations data for generation facilities), SMC's market share was approximately 22% of the National Grid, 28% of the Luzon Grid, 5% of the Visayas Grid and 9% of the Mindanao Grid¹². Market share is computed by dividing the relevant installed generating for the period by the total installed generating capacity of Luzon grid, Visayas grid, Mindanao grid or National grid (19,419,592 kW, 3,383,868 kW, 4,292,586 kW and 27,096,046 kW, respectively based on data provided under the ERC Resolution on Grid Market Share Limitation).

Based on the ERC press release dated March 17, 2025, the other large players in the generation sector are Aboitiz Equity Ventures, Inc., which holds interests in Aboitiz Power Corporation and Hedcor, Inc., among others, First Gen Corporation and Ayala Corporation, which holds interests in ACEN Corporation. Based on available data received from the IEMOP as of the first quarter of 2025, SMGP believes that it is the second largest and largest private generation company in terms of market share for installed generating capacity and actual generation, respectively, in the Philippines.

With the Government committed to privatizing the majority of NPC-owned power generation facilities and the establishment of WESM, the generation facilities of SMGP will face competition from other power generation plants that supply the grid during the privatization phase. SMGP will face competition in both the development of new power generation facilities and the acquisition of existing power plants, as well as competition for financing for these activities. The performance of the Philippine economy and the potential for a shortfall in the Philippines' energy supply have attracted many potential competitors, including multinational development groups and equipment suppliers, to explore opportunities in the development of electric power generation projects within the Philippines. Accordingly, competition for and from new power projects may increase in line with the long-term economic growth in the Philippines.

Customers

SMGP, through its subsidiaries, sells power, through PSAs, either directly to customers (e.g., distribution utilities, electric cooperatives, industrial customers and retail electricity suppliers) or through the WESM.

¹² The ERC press release dated March 17, 2025 setting out the market share of the five largest players in the generation sector noted that certain industry developments, including change in ownership of some large generation facilities, have not been reflected yet. Accordingly, market share is subject to adjustment, including the change in ownership of the Ilijan Power Plant. In addition to the installed generation capacity attributable to SMGP, the ERC press release includes 183 MW attributable to Petron Corporation, an affiliate of SMGP through SMC.

For the year ended December 31,						
Customers	2022		2023		2024	
	Volume Sold (GWh)	Revenue (in millions ₱)	Volume Sold (GWh)	Revenue (in millions ₱)	Volume Sold (GWh)	Revenue (in millions ₱)
Meralco	12,713	82,050	10,456	70,420	14,787	91,444
WESM	2,345	21,656	3,640	24,054	6,928	36,254
Total Major Customers	15,058	103,706	14,096	94,474	21,715	127,698
Others ⁽¹⁾	12,344	117,683	11,147	75,116	14,849	77,393
Total Sales	27,402	221,389	25,243	169,590	36,564	205,091

For the six months ended June 30				
Customers	2024		2025	
	Volume Sold (GWh)	Revenue (in millions ₱)	Volume Sold (GWh)	Revenue (in millions ₱)
Meralco	6,614	40,650	4,563	26,386
WESM	3,301	19,203	3,319	17,533
Total Major Customers	9,915	59,853	7,882	43,919
Others ⁽¹⁾	7,542	39,091	6,891	36,228
Total Sales	17,457	98,944	14,773	80,147

Note:

- (1) Includes non-Meralco distribution utilities, electric cooperatives, retail electricity suppliers, directly connected customers, contestable customers, sales to distribution customers, sales to related parties and sales to NGCP for ancillary services.

Safety, Health and Environmental Regulation

Power operations are subject to extensive, evolving and increasingly stringent safety, health and environmental laws and regulations. These laws and regulations include the Philippine Clean Air Act of 1999 (“**Clean Air Act**”), the Philippine Clean Water Act of 2004 (“**Clean Water Act**”), Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990, the Department of Labor and Employment Occupational Safety and Health Standard of 1989, as amended, and Republic Act No. 11058 (otherwise known as “An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Therefor”). Such legislation addresses, among other things, air emissions, wastewater discharges as well as the generation, handling, storage, transportation, treatment and disposal of toxic or hazardous chemicals, materials and waste. It also regulates workplace conditions within power plants and employee exposure to hazardous substances. The Occupational Safety and Health Standard, meanwhile, was formulated to safeguard the workers’ social and economic well-being as well as their physical safety and health.

For its BESS sites, SMGP is committed to ensuring the safety of its employees and the community and has designed measures such as a fire protection system, with a fire wall, automatic fire shutters, and sprinkler system, and a double wall system composed of the blast wall and fire wall, to add additional layers of safety. The fire wall (Boral) has a 60/60/60 fire resistance level meaning it is able to maintain structural adequacy, integrity, and insulation for at least 60 minutes during fire testing. Its thermal regulation features include louver-type windows and doors and dedicated high-voltage air conditioning units. The prismatic cell design of the BESS with can-type battery enclosures provides additional safety features such as its fuse countermeasure and overcharge safety device while also promoting stability, space-efficiency and flexibility. The BESS also has a disaster resilient design, and is able to withstand 7-9 magnitude earthquakes (Seismic Zone 4) and super typhoons (i.e., wind speeds up to 270 kph).

SMGP, through its relevant subsidiaries, complies for its company-owned generation plants, and it believes that SRPC, the IPP of the San Roque Power Plant whose capacity is managed by SRHI, comply, in all material respects with all applicable safety, health and environmental laws and regulations.

The following is a list of SMGP’s active certifications as of March 2025:

Standard	Description	Facility/ Location	Validity
ISO 9001:2015	Quality Management Systems	Limay Greenfield Power Plant	2027
ISO 45001:2018	Occupational Health & Safety Management System	Limay Greenfield Power Plant	2027
ISO 14001:2015	Environmental Management Systems	Limay Greenfield Power Plant	2027
ISO 9001:2015	Quality Management Systems	Davao Greenfield Power Plant	2026

Standard	Description	Facility/ Location	Validity
ISO 45001:2018	Occupational Health & Safety Management System	Davao Greenfield Power Plant	2026
ISO 14001:2015	Environmental Management Systems	Davao Greenfield Power Plant	2026
ISO 22301: 2019	Business Continuity Management Systems	Davao Greenfield Power Plant	2027
ISO 9001:2015	Quality Management Systems	Mariveles Greenfield Power Plant	2027
ISO 45001:2018	Occupational Health & Safety Management System	Mariveles Greenfield Power Plant	2027
ISO 14001:2015	Environmental Management Systems	Mariveles Greenfield Power Plant	2027
ISO 45001:2018	Occupational Health & Safety Management System	Masinloc Power Plant	2026
ISO 14001:2015	Environmental Management Systems	Masinloc Power Plant	2026

For each of its greenfield power plants, SMGP will comply with all applicable safety, health and environmental laws and regulations, including securing the necessary environmental compliance certificate (“**ECC**”) in accordance with Philippine law.

SMGP applies the same focus and resources on operational excellence in its portfolio of coal-fired power plants as with its environmental compliance. Efficient emission mitigation begins with a dynamic fuel preparation process that ensures coal fineness through the use of reliable and versatile coal milling and grinding equipment. SMGP plans to use dynamic classifiers to further improve coal fineness in the future. This would allow more efficient burning of coal (reducing nitrogen oxide or “**NOx**”) and the use of lower CV coal with lower sulfur content (reducing sulfur oxide or “**SOx**”). High CV coal with high sulfur content inherently does not only have higher emissions but are also significantly more expensive.

In addition to standard environmental control facilities customarily found in modern coal fired power plants such as enclosed coal conveyor and storage systems, ash storage systems, waste water treatment systems and air pollution and smoke stack systems, SMGP’s power plants have the following environmental control equipment and features that ensure that its **NOx**, **SOx** and particulate matter (“**PM**”) emissions are within and below applicable local limits set by the DENR and emission limits set by the World Bank:

- Circulating fluidized bed technology (used in SMGP’s greenfield power plants, Limay, Davao and Mariveles) operate the boilers at relatively lower pressure and temperatures (below 800 degrees centigrade) compared to Pulverized Coal (“**PC**”) technology. This results in better combustion and lower **NOx** and material particulates.
- Limestone injection to the fuel as it goes to the boiler is used for SMGP’s plants to further reduce their **SOx** and particulate matter emissions.
- Unit 3 of the Masinloc Power Plant uses supercritical boiler technology, which, relative to an ordinary PC boiler (subcritical), has a significantly better combustion process resulting to a much improved heat rate of coal – meaning less coal is required to produce a megawatt of electricity. This also allows the use of lower CV and lower sulfur coal, which is a key factor to lower **SOx** emissions. For Sual Power Plant and Unit 3 of the Masinloc Power Plant (the “**Masinloc PC units**”), SMGP uses Flue Gas Desulfurization (“**FGD**”) equipment that can remove up to 90% of the **SOx** and particulate matter in the flue gas emissions of these plants. The Sual Power Plant uses limestone, while the Masinloc PC Units use seawater to scrub **SOx** and particulate matter from the flue gases.
- For the greenfield plants, SMGP uses Electrostatic Precipitators (“**ESP**”) to remove particulate matter such as dust and soot, through an electrostatic charge that captures these materials from the flowing gases on their way out the smokestack.
- SMGP conducts regular meetings with the IPP of the Sual Power Plant to ensure the plant’s fuel efficiency and compliance to environmental standards.
- For the Masinloc PC units, SMGP has reduced the CV and sulfur content of coal used from 6,100 kcal and 0.5% to only 5,500 kcal and 0.25%, respectively. This is accomplished without derating the power output of the units as a result of a recent retrofit work done on Unit 2 and preventive maintenance of Unit 1 that have retained and even improved the heat rate of these units.

SMGP also plans to explore the use of catalytic reduction technology on its PC plants to further improve its **NOx** emissions. This is an advanced active emission control technology that injects a liquid reductant agent through a special catalyst which is predominantly ammonia, into the flue gases to capture and remove **NOx** emissions.

SMGP closely monitors and publishes on a weekly basis the emission data of the Limay and Davao Greenfield Power Plants, which are reviewed by both the DOE and the DENR. These power plants have emission levels that are less than 50% of the applicable local and World Bank emission limits.

The coal-fired power plants of SMGP have maintained levels of emission lower than the standards set by the DENR. The following table sets forth the level of NO_x, SO_x and PM emissions of the power plants owned and operated by SMGP, as well as the applicable emission control standards as of June 30, 2025:

Power Plant	NO _x		SO _x		PM	
	Emission level	DENR Standard	Emission level	DENR Standard	Emission level	DENR Standard
	(ppm)		(ppm)		(mg/Nm ³)	
Sual Power Plant	162.58	732	258.46	524	13.70	200
Masinloc Power Plant (Units 1 and 2)	181.07	732	482.12	524	59.84	200
Masinloc Power Plant (Unit 3)	120.32	487	82.56	245	4.98	150
Limay Greenfield Power Plant	54.80	487	36.13	245	7.71	150
Davao Greenfield Power Plant	62.24	487	64.34	245	10.23	150
Mariveles Greenfield Power Plant (Units 1 to 4)	73.28	487	64.77	245	26.11	150

In addition, coal mining in the Philippines is subject to environmental, health and safety laws, forestry laws and other legal requirements. These laws govern the discharge of substances into the air and water, the management and disposal of hazardous substances and wastes, site clean-up, groundwater quality and availability, plant and wildlife protection, reclamation and rehabilitation of mining properties after mining is completed and the restriction of open-pit mining activities in conserved forest areas.

Notwithstanding the foregoing, the discharge of chemicals, other hazardous substances and pollutants into the air, soil or water by the power plants owned or managed by SMGP may give rise to liabilities to the Government and to local Government units where such facilities are located, or to third parties. In addition, SMGP may be required to incur costs to remedy the damage caused by such discharges or pay fines or other penalties for non-compliance.

Further, the adoption of new safety, health and environmental laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments in the future may require that SMGP make additional capital expenditures or incur additional operating expenses in order to maintain the operations of its generating facilities at their current level, curtail power generation or take other actions that could have a material adverse effect on the financial condition, results of operations and cash flow of SMGP.

On an annual basis, operating expenses incurred by SMGP to comply with environmental laws are not significant or material relative to SMGP's total cost and revenues.

Environmental Social Governance and Sustainability Initiatives Roadmap to Net Zero

In line with SMGP's decision to significantly reduce its carbon footprint and transition to cleaner sources of energy, SMGP has developed a roadmap to Net Zero by 2050 anchored on a decarbonization strategy that includes constructing and integrating greenfield projects that aim to increase its renewable energy portfolio to at least 35% by 2030 and at least 50% by 2040. This renewable power generation energy mix is aligned to DOE's commitment to cleaner energy transition. The renewable projects in SMGP's roadmap include expansion of Angat and San Roque hydropower plants, construction of solar power plants in multiple locations, and construction of new hydropower plants in Aklan, Visayas (250 MW by 2035) and Northern Luzon (2,300 MW by 2030 and 2032). SMGP also has plans to integrate BESS to its coal power plants (in Mariveles, Sual, Masinloc and Malita) for energy arbitrage application that will utilize the off-peak capacity of the coal plants to store energy to the BESS facilities and discharge during peak hours to augment the power generation of the coal units. The BESS integration will maintain the carbon footprint of SMGP while increasing a valuable peak capacity.

SMGP is also pursuing decarbonization of its thermal plants anchored on desulphurization, denitrification and carbon extraction to sequester emissions and may also adopt ammonia co-firing depending on the technology development.

Desulphurization is simple, yet effective core technology. Seawater mist will be used as a washing medium to clean the exhaust flue gas of SO_x. This simple process makes use of the natural alkalinity of the seawater in the chemical absorption of SO_x. Discharge water from the power plant's sea water cooling will be used as a reagent input for the SO_x absorption. The absorption process takes place by means of spray scrubbing. If the natural alkalinity is too low or discharging of effluent is not allowed, SO_x scrubbing is performed in closed loop mode. In this mode, the washing

medium is recycled, and a neutralizing agent (50% wt. NaOH, Na₂CO₃) is added in metered doses to obtain a certain absorption capacity.

Denitrification uses ammonia as key reducing agent. The technology that will be used for denitrification is a process called Selective Catalytic Reaction or SCR. This is a widely used technology in several industrial processes including power generation to scrub the NO_x out of the gas emissions. NO_x in exhaust flue gas is converted to Nitrogen (N₂) and water (H₂O) by using ammonia as a catalytic reagent. NO_x emissions are however initially oxidized being mixed with ammonia. To effect the catalytic reaction using ammonia (NH₃) as a reducing agent, the flue gas is maintained at a high temperature (~200 °C).

Carbon extraction systems utilize selective membranes that allow certain gases to pass through while blocking others. The polymer-based membranes are designed to have high permeability for CO₂ only. The CO₂-rich permeate stream is then compressed and collected for further utilization or storage. The facilitated transport membranes take advantage of the reversible chemical reaction which takes place between the CO₂ molecules and the reactive amine carrier (ammonia-based), significantly promoting the transport of CO₂ across the membrane. Non-reactive components will only transport through the membrane via the physical solution-diffusion mechanism. To achieve high CO₂ flux, the permeate gas is also connected to a vacuum to obtain a high driving force.

SMGP's initiatives have included not pursuing some of its intended coal facilities, including the previously planned power plant to be located in Pagbilao, Quezon, with planned installed capacity of 600 MW and disposing of its ownership interests in Bonanza Energy, Daguma Agro and Sultan Energy, which have coal exploration, production and development rights over approximately 17,000 hectares of land in Mindanao in December 2022.

Verde Island Passage Ecosystem Preservation

Verde Island is an island situated along the bodies of Verde Island Passage (“VIP”) between the islands of Luzon and Mindoro. Recent independent dive expeditions both along the Ilijan shoreline and the Verde Island shoreline show pristine and flourishing coral farms and diverse marine life.

In May 2024, a Memorandum of Understanding (“MOU”) was signed between DENR, DOE, Aboitiz Equity Ventures (“AEV”), Metro Pacific Investments Corporation (“MPIC”) and SMC to assume joint stewardship of the VIP. The MOU requires the three companies (shareholders of Ilijan power plants and LNG terminal) to collaborate with relevant local governments, NGO, international development agencies, coastal communities to protect and enhance the biodiversity and coastal marine resources of VIP. The MOU will be in effect for 5 years with possible extension and funding from the 5 stakeholders to ensure the protection of VIP. Part of the MOU requires the three companies to establish a marine science biological research station with facilities in VIP and at the five provinces nearby in partnership with higher educational institutions to work towards the improvement of the quality of life of people near VIP.

SMGP Foundation, Inc.

SMGP, through the SMGP Foundation, Inc. (the “Foundation”), has undertaken various projects and programs that are aligned with the United Nations Sustainable Development Goals. The Foundation focuses on four key thrusts: health, education, livelihood (economic empowerment) and environmental stewardship. One of its major initiatives is the “**Ridge to Reef Conservation Program: Project 747**” which aims to plant seven million trees across four thousand hectares in at least seven provinces in the Philippines. This will be achieved through a combination of reforestation efforts, the establishment of protected forest reserves, biochar production and mangrove rehabilitation. Recently the Foundation launched its new initiative for the conservation and protection of marine biodiversity which is Project BLUE (Balanced and Healthful Life Underwater Ecosystem) which includes coral reef rehabilitation project and A Journey to One (1) Million Pawikan Hatchlings. Moreover, the Foundation places strong emphasis on education, with flagship initiatives that invest in human capital development such as scholarship programs that prioritize indigenous peoples (IP) and youth from local communities where SMGP operates. The Foundation also implements a livelihood (economic empowerment) program called “**Masaganang Negosyo, Masaganang Buhay**”, which aims to establish community-led livelihood projects that foster social entrepreneurship, among other goals. Lastly, the Foundation supports several health programs that promote the well-being of local communities and vulnerable groups, while also building the capacity of frontliners (Barangay Health Workers) in host communities.

The Foundation collaborates with indigenous peoples (“IP”) in the communities where it operates, particularly around SMGP Power Plants located in the areas of Malita, Davao Occidental; Mariveles and Limay in Bataan; Masinloc, Zambales; and Angat, Bulacan. It has conducted and supported numerous culturally sensitive CSR activities, such as

honey processing, bread making, basket weaving, scholarship programs, biochar initiatives, community partnerships for Project 747, school supply donations and Christmas gift giving). SMGP has also implemented programs in support of IP groups that are not directly impacted by its operations.

Sustainability Report

In addition, SMGP completed its first sustainability report (“**2018 Sustainability Report**”) using the Global Reporting Initiative (“**GRI**”) as a framework, demonstrating SMGP’s commitment and awareness of the importance of sustainability and social responsibility to its stakeholders. The 2018 Sustainability Report covers the five power plants which SMGP owns and operates namely the Angat Hydroelectric Power Plant, Limay Greenfield Power Plant, Davao Greenfield Power Plant, and the Masinloc Power Plant, along with its corporate office. The 2018 Sustainability Report has been published with the GRI organizational mark after undergoing the GRI materiality disclosures service, which granted the GRI organization mark to this report in June 2020.

In the process of completing its 2018 Sustainability Report, SMGP conducted engagement and materiality testing to identify the specific GRI topics that are material to both the internal and external stakeholders of SMGP. This resulted in 25 out of 33 topics identified as material or critical to stakeholders, translating into 102 disclosures across the economic, environmental, and social categories of the GRI.

SMGP commissioned the University of Asia and the Pacific (“**UA&P**”) to assist it in writing the 2018 Sustainability Report in accordance with the process and principles of the GRI.

SMGP, through UA&P, tapped three (3) experts in the fields of economic, environment, and social to comprise its External Review Committee (ERC-GRI) members. The ERC-GRI reviewed and provided external assurance and validation to the 2018 Sustainability Report. This included the review of the content and data quality of the 2018 Sustainability Report in relation to the GRI Standards. A collective statement was written by the ERC-GRI members to provide their findings and recommendations.

In line with the principles of the GRI, the report was a collaborative effort by the employees of SMGP. A sustainability core team, a steering council, and technical working groups across each plant site were formed with the goal of embedding the sustainability process across SMGP’s operations. The sustainability mission of SMGP drives it to provide reliable, accessible, and affordable energy to the country through powering the economic progress of the country, constant support and partnership with our communities, protecting employee welfare, and the responsible stewardship of nature.

SMGP released its Integrated Sustainability Report covering the years 2021 and 2022 and Sustainability Scorecard covering the year 2023 in the third quarter of 2024. Please refer to San Miguel Corporation’s 2024 Sustainability Report for updates on SMGP.

Insurance

Pursuant to the IPPA arrangement of SMGP, SRPC is responsible for maintaining insurance for all the facilities, equipment and infrastructure of the San Roque Power Plant, with the exception of the dam and spillway, for which NPC is obligated to maintain insurance. SMGP is not a beneficiary of any of these insurance agreements. SMGP employs risk management for purposes of analyzing the risks faced by its business in determining the appropriate insurance policies. SMGP does not have business interruption insurance for the San Roque Power Plant and believes that there is no business interruption insurance available for the IPPA business model under which SMGP is currently operating. SMGP maintains the necessary policies to cover such insurable risks for the ownership and operation of the Mariveles Greenfield Power Plant, Limay Greenfield Power Plant, Davao Greenfield Power Plant, Sual Power Plant, Masinloc Power Plant and the BESS projects as are customary in the power generation industry, which are reviewed regularly.

Intellectual Property

SMGP owns exclusive rights to its corporate name. Management believes that the business of SMGP as a whole is not materially dependent on any trademark or on any other intellectual property.

INFRASTRUCTURE BUSINESS

The Infrastructure business, conducted through SMHC, consists of investments in companies that hold long-term concessions in the Infrastructure sector in the Philippines. Currently operating toll roads include the SLEX, Skyway Stages

1, 2 and 3, STAR, TPLEX, NAIAX. Ongoing projects include Skyway Stage 4, the extension of SLEXTR4, SLEX Toll Road 5, Pasig River Expressway, NALEX, SALEX, CBEX, NBEX, PLEX, MALEX, and the MRT-7.

SMHC also operates and is currently expanding the Boracay Airport, has investments in MNHPI, holds concession rights in LCWDC for the Bulacan Bulk Water Supply Project, its most recent acquisition of the Bulakan and Obando Water companies, and the recently awarded NAIA Rehabilitation Project. Additionally, SMHC has incorporated three new companies engaged in various activities that will further support the Infrastructure business.

As of June 30, 2025, SMC's ownership interest in SMHC was 100.00%.

SMC has made investments in the infrastructure industry in the Philippines, through its wholly-owned subsidiary, SMHC, consisting of concessions for toll roads, airports, a seaport, bulk water supply and a mass rail transit system.

Certain details of these investments are set forth in the table below:

% SMC Effective Ownership Interest		Expected Project Cost	Concession Length	Start of Concession Period
Concession		(in millions)		
TPLEX	72.55% ⁽¹⁾	₱29,969	35 years	2008
Boracay Airport	99.92% ⁽²⁾	₱15,312	25 years	2012
MRT-7	100.00% ⁽³⁾	\$1.540 ⁽³⁾	25 years	From issuance of Certificate of Substantial Completion
SLEX Toll Road (TR) 1, 2, & 3	76.00% ⁽⁴⁾	Completed	30 years	2006
SLEX TR4	76.00% ⁽⁴⁾	₱27,491 ⁽⁴⁾	30 years	2006
Skyway Stage 1 & 2	83.45% ⁽⁵⁾	Completed	30 years	2011
Skyway Stage 3	85.50% ⁽⁶⁾	₱70,348	30 years	From issuance of Toll Operation Certificate
Skyway Stage 4	80.01% ⁽⁷⁾	₱56,531	30 years	From issuance of Toll Operation Certificate for each Phase
NAIAx	100.00%	Completed	30 years	2015
Star Tollway	100.00% ⁽⁸⁾	Completed	36 years	2000
Manila North Harbor	50.00% ⁽⁹⁾	₱11,881	25 years	2009
Bulacan Bulk Water Supply Stage 1 & 2	90.00% ⁽¹⁰⁾	Completed	30 years	2016
New Manila International Airport	100.00% ⁽¹¹⁾	₱343,576	50 years	From issuance of Certificate of Substantial Completion for the First Implementation Phase
SLEX TR5	90.00% ⁽¹²⁾	₱28,154	30 years	From issuance of Toll Operation Certificate for each Segment
PAREX	90.00% ⁽¹³⁾	₱81,528	30 years	From issuance of Toll Operation Certificate
NALEX	88.89% ⁽¹⁴⁾	₱148,344	30 years	From issuance of Toll Operation Certificate
SALEX	88.89% ⁽¹⁵⁾	₱152,394	30 years	From issuance of Toll Operation Certificate
CBEX	100.00% ⁽¹⁶⁾	₱22,921	35 years	From issuance of Toll Operation Certificate or Toll Operation Permit for any Section

NBEX	100.00% ⁽¹⁷⁾	₱44,771	35 years	From issuance of Toll Operation Permit
PLEX	100.00% ⁽¹⁸⁾	₱30,456	35 years	From issuance of Toll Operation Certificate
MALEX	100.00% ⁽¹⁹⁾	₱38,988	50 years	
SMC TPLEX Extension Infrastructure Corp.	100.00% ⁽²⁰⁾	₱23,581	34 years	
New NAIA Infra Corp.	33.00% ⁽²¹⁾	₱71,699	15 years	
Bulacan Water Company, Inc.	90.00% ⁽²²⁾	Completed	19 years	2024
Obando Water Company, Inc.	90.00% ⁽²³⁾	Completed	18 years	2024

Notes:

[1] Ownership through SMC TPLEX Corporation (formerly Private Infra Dev Corp.), through STHCI through SMHC equity interest

[2] Ownership through TADHC, through SMHC equity interest

[3] Ownership through SMC Mass Rail Transit 7 through SMHC equity interest. Project cost at \$1.54 billion

[4] Ownership through SMHC equity interest: 95% SMHC to AAIBV, 100% AAIBV to SMC SLEX Holdings Company, Inc. and 80% SMC SLEX Holdings Company, Inc. to SLEX. All major capex has been completed prior to equity acquisition except for TR4.

[5] Ownership through SMHC equity interest: 95% SMHC to AAIBV, 100% AAIBV to SMC Tollways Corporation and 87.84% SMC Tollways Corporation to Skyway. All major capex has been completed prior to equity acquisition

[6] Ownership through SMHC equity interest: 95% SMHC to AAIBV, 100% AAIBV to S3CTHC and 90% S3CTHC to MMSS3

[7] Ownership through SMHC equity interest: 100% SMHC to SMCI, 80.01% SMCI to MMSS4

[8] Ownership through SMHC equity interest: 100% SMHC to Wiselink, 60% Wiselink to CTCII, 100% CTCII to SIDC and 40% SMHC to CTCII and 100% CTCII to SIDC

[9] Ownership through SMHC common equity interest: 50.00% SMHC to MNHPI

[10] Ownership through SMHC common equity interest: 90% SMHC to LCWDC

[11] Ownership through SMHC equity interest: 100% SMHC to SMAI

[12] Ownership through SMHC equity interest: 90% SMHC through South Luzon Toll Road-5 Expressway Inc. to SLEX TR5

[13] Ownership through SMHC equity interest: 100% SMHC to PAREX

[14] Ownership through SMHC equity interest: 88.89% SMHC to NALEX

[15] Ownership through SMHC equity interest: 88.89% SMHC to SALEX

[16] Ownership through SMHC equity interest: 100% SMHC to CBEX

[17] Ownership through SMHC equity interest: 100% SMHC to NBEX

[18] Ownership through SMHC equity interest: 100% SMHC to PLEX

[19] Ownership through SMHC equity interest: 100% SMHC to MALEX

[20] Ownership through SMHC equity interest: 100% SMHC to SMC TPLEX Extension Infrastructure Corp.

[21] Ownership through SMHC equity interest: 33% SMHC to New NAIA Infra Corp.

[22] Ownership through SMHC equity interest: 90% through SMC Bulacan Water Services Corporation ("SBWSC")

[23] Ownership through SMHC equity interest: 90% through SMC Bulacan Water Services Corporation ("SBWSC")

For each of the years ended December 31, 2022, 2023, and 2024, the Infrastructure business had revenues of ₱30,050 million, ₱34,984 million, and ₱37,523 million; and net income before tax of ₱11,538 million, ₱14,163 million, and ₱17,337 million, respectively.

For the six-month period ended June 30, 2025, the Infrastructure business had revenues of ₱19.857 million and net income of ₱6,838 million.

Selected financial highlights for the Infrastructure business are provided below for the periods indicated:

**For the years ended
December 31,**

**For the six months ended
June 30,**

	2022	2023	2024	2024	2025
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales	29,008	34,006	37,523	18,075	19,857
Gross profit.....	17,684	21,663	24,310	11,669	13,129
Gross profit margin ⁽¹⁾	61.0%	63.7%	64.8%	64.6%	66.1%
EBITDA ⁽²⁾	23,843	27,579	29,736	14,678	15,841
EBITDA margin ⁽³⁾	82.2%	81.1%	79.2%	81.2%	79.8%
Net income before tax.....	11,538	14,163	17,337	9,451	8,625
Net income before tax margin ⁽⁴⁾	39.8%	41.6%	46.2%	52.3%	43%

Notes:

- (1) Gross Profit Margin is calculated by sales less cost of sales divided by sales.
- (2) EBITDA is calculated as net income before income tax expense, net financing charges (interest income net of interest expense), extraordinary or exceptional items, foreign exchange losses (gains), marked-to-market currency losses (gains), and depreciation and amortization and impairment losses.
- (3) EBITDA margin is calculated by EBITDA divided by sales.
- (4) Net income before tax margin is calculated by net income before income tax divided by sales.

Strengths and Strategies

Strengths

Project portfolio vital to the growth of the Philippine economy

SMHC has ownership interests in various companies that hold concession rights in infrastructure projects, which are vital to the development and growth of the Philippine economy. These include operating tollways, such as the SLEX TR 1, 2 & 3, Skyway Stages 1,2 & 3, STAR tollway, TPLEX and NAIAX, serving as the main thoroughfares for motorists. The SLEX is a key gateway through which business and commerce are transported and conducted throughout this region. Notably, according to the Philippine Statistics Authority data, in 2024, the gross regional domestic product of NCR, Central Luzon, and CALABARZON approximates ₱14.8 trillion which accounts for 56% of the total gross domestic product of the country. The Skyway Stage 3 has been opened to motorists and received Notice to Collect Toll from the Toll Regulatory Board (“TRB”) last July 12, 2021. SMHC is also spearheading the development of the following projects: Boracay Airport, Manila North Harbor, Skyway Stage 4, SLEX TR4, MRT-7, and the Manila International Airport, which are projected to further support the growth in the areas they will serve.

As of June 30, 2025, traffic has already increased by 4% versus the same period of last year.

	For the years ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
SLEX TR 1, 2 & 3	376,268	351,722 ⁽³⁾	356,594	357,548	370,612
Skyway Stages 1 & 2	246,340	272,383	276,850	276,483	286,011
Skyway Stage 3 ⁽²⁾	120,954	154,736	163,031	162,635	176,534
STAR	69,790	76,775	80,650	80,758	84,412
TPLEX	26,510	29,744	30,630	31,411	33,965
NAIAX	94,482	123,977	125,348	125,246	125,614

Notes:

- (1) AADT refers to the average number of vehicles per day counted per exit in a toll road. Data is sourced through the Accounts Management System of each of the toll roads and are monitored by the Toll Monitoring Department of SMHC.
- (2) Partial operations — Sections 1, 2 and 3A. These reflects AADT for partial operations of Sections 1 and 2 in 2017 and Sections 1, 2 and 3A for 2018 and 2019. There is one remaining section (with two exits – Sison and Rosario) still under construction.
- (3) Slightly lower AADT in 2023 due to the Seamless Project implementation. A 15% discrepancy in traffic was accounted due to non-inclusion of TR3 traffic but has no impact in revenue.

Highly experienced technical team

The Infrastructure business is composed of a highly experienced and qualified technical team, with extensive knowledge in the Philippine Infrastructure industry. In addition, the technical team has gained further expertise in the regulatory, business development and financial aspect of the Infrastructure business during construction and operations of various infrastructure projects. Strong professional relationships have also been developed with key industry participants, such as the DOTr, the Department of Public Works and Highways of the Philippines (“**DPWH**”), the Civil Aviation Authority of the Philippines (“**CAAP**”), the Philippine National Construction Company (“**PNCC**”) and the Toll Regulatory Board (“**TRB**”) as well as reputable construction contractors.

Strong principal shareholder

With SMC being one of the largest and most diversified conglomerates in the Philippines, the Infrastructure business believes that it can increase its leverage and bargaining ability that is vital for the implementation and completion of its projects. SMC has continuously provided the necessary financial support to the capital-intensive Infrastructure business.

Under the stewardship of SMC, the Infrastructure business has become one of the major players in the industry in a relatively short period of time. SMHC believes it will continue to benefit from the extensive business networks of SMC, its in-depth understanding of the Philippine economy, and the expertise of its senior managers to identify and capitalize on growth opportunities.

Strategies

Focusing on the improvement of Infrastructure in the Philippines

SMHC believes there are significant opportunities in building and participating in Infrastructure projects in the country that has historically under-invested in Infrastructure. These Infrastructure projects are expected to support and contribute to the continued growth of the Philippine economy. Thus, SMHC believes its long-term concessions and obtaining new long-term concessions from Government’s Infrastructure projects in the pipeline will provide strong and stable cash flows.

Potential to extract synergies across businesses

SMC’s push for Infrastructure development supports other businesses of SMC. These capital-intensive Infrastructure projects propel businesses like cement, oil and energy especially during the construction stage. Completed or operating Infrastructure projects on the other hand create an ecosystem for other businesses to operate more efficiently and enhance its strong distribution network.

Areas and projects being developed by the Infrastructure business present opportunities for the other businesses of SMC. For example, the TPLEX, Boracay Airport, MRT-7, other road projects and the Manila International Airport are expected to complement and present opportunities for fuel and oil, energy, and other businesses of SMC, as well as further expand the distribution network for food and beverages business of SMC.

Synergies with the other businesses of SMC will also contribute to the growth of SMHC as partnerships with these companies can create additional income for SMHC through the use of service facilities and advertising space rentals.

Toll Road Concessions

Presidential Decree No. 1112 was signed authorizing the establishment of toll facilities on public improvements, creating a board for the regulation thereof and for other purposes. It is the same decree that states that the resources of the private sector can be tapped to provide certain Infrastructure services to the general public and in return would have the right to collect toll fees in order to get a reasonable rate of return. The TRB (under the DOTr) was established to be the governing authority of all tolled Infrastructure facilities in the Philippines. It is also empowered to enter into contracts, determine public improvements that can be operated as tolls, monitor operations and maintenance of tolled facilities, and approve tariff or toll rates for public Infrastructure projects.

Currently, there are 13 operational toll road facilities in the country recognized by the TRB, which are the TPLEX, Skyway Stages 1&2, Skyway Stage 3, NAIAX, SLEX TR1, 2 and 3, STAR, Subic-Clark-Tarlac Expressway (“**SCTEX**”), North Luzon Expressway (“**NLEX**”), Manila-Cavite Expressway (“**CAVITEX**”), Muntinlupa Cavite Expressway (“**MCX**”), Cavite-Laguna Expressway (“**CALAX**”), Cebu-Cordova Link Expressway (“**CCELEX**”), and Harbor Link Segment 10. Out of these thirteen

(13) operating toll facilities in the country, six (6) are owned and controlled by SMHC namely Skyway Stages 1 & 2, Skyway Stage 3, SLEX, STAR, TPLEX, and NAIAX. Projects such as SLEX TR4 is currently under construction while PAREX and SLEX TR5 are in the design and planning stage. SMHC has rights to approximately 1,162.52 kilometers of total road length serving Metro Manila and other fast-growing regions of Luzon.

TOLL ROAD PROJECT	Length (km)	Status
Tarlac Pangasinan La Union Expressway (TPLEX)	89.21	Section 1, 2, 3A & 3B Operational
Skyway (Stages 1 and 2) with extension	33.42	Operational
South Luzon Expressway (SLEX TR1-TR3)	36.13	Operational
Southern Tagalog Arterial Road (STAR)	41.90	Operational
NAIAx with Tramo Extension	6.30	Operational
Skyway Stage 3 (NLEX-SLEX Link SMC)	17.93	Operational
Skyway Stage 4/SEMME/ C6 Expressway (Phase 1&2)	56.74	For Implementation upon delivery of ROW
SLEX TR4	66.74	For Implementation upon delivery of ROW
SLEX TR5	420.00	Approved by the Office of the President
Pasig River Expressway (PAREX)	19.37	Approved by the Office of the President
Northern Access Link Expressway (NALEX)	136.00	Approved by the Office of the President
Southern Access Link Expressway (SALEX)	40.65	Approved by the Office of the President
Cavite-Batangas Expressway (CBEX)	27.06	Signed Toll Concession Agreement
Nasugbu-Bauan Expressway (NBEX)	60.90	Signed Toll Concession Agreement
Pangasinan Link Expressway (PLEX)	42.76	Ongoing Detailed Engineering Design
Marilao Access link Expressway (MALEX)	8.00	Ongoing Detailed Engineering Design
TPLEX Extension (TPLEXE)	59.4	Ongoing ROW Acquisition
TOTAL SMC.....	1,162.52	76.35%
Others (Non-SMC)		
Subic Clark Tarlac Expressway (SCTEX)	94.00	Operational
North Luzon Expressway (NLEX)	106.40	Operational
CAVITEX	22.40	Operational
Cavite Laguna Expressway (CALAX)	46.08	Awarded by DPWH – Partially Operational
Muntinlupa Cavite Expressway (MCX)	4.00	Operational
NLEX-SLEX Connector Road	8.00	Partially Operational
Cebu-Cordova Link Expressway (CCLEX)	8.50	Operational
Harbor Link Segment 10	8.18	Operational
Camarines Sur Expressway	15.21	Ongoing Construction
C5 South Link Expressway	7.70	Partially Operational
Subic Freeport Expressway (SFEX)	8.80	Operational
Central Luzon Link Expressway (CLLEX) Phase 1	30.70	Operational
TOTAL OTHERS (Non-SMC)	359.97	23.64%
GRAND TOTAL	1,522.49	100.00%

Tarlac-Pangasinan-La Union Expressway (“TPLEX”)

In August 2009, SMC made its first Infrastructure investment by acquiring a 35% (currently 72.55%) stake in SMCTC. SMCTC holds the 35-year BTO concession for TPLEX. The TPLEX is an 89.21 km toll expressway that connects the northern part of Luzon to Manila. The TPLEX is expected to be integrated with other major expressways (including the NLEX and SCTEX) for seamless toll system management and for the convenience of motorists.

Project cost for the development of TPLEX is estimated at ₱29,969 million, which is funded by a combination of debt, equity and Philippine government subsidy.

Construction commenced in October 2010. Section 1 (from Tarlac to Carmen) was completed in April 2014. Section 2 (from Carmen to Urdaneta) was completed December 2014. Binalonan exit in Section 2 opened in July 2016. Section 3A until Pozzorubio was completed in December 2018. Construction from Talogtog to Pozzorubio and the Bued Viaduct is already completed. The last segment from Pozzorubio to Rosario was opened last July 15, 2020.

TPLEX has ongoing enhancement projects including the expansion of existing and construction of additional Lay-Bys, supply and installation of street lighting at a black spot area, and construction of Cross Underdrain at Section 3.

For the years ended December 31, 2022, 2023, and 2024, the AADT of TPLEX was around 26, 510, 29,744, and 30,630 vehicles, respectively. As of June 30, 2025, the ADT of TPLEX was around 33,965.

South Luzon Expressway (SLEX)

SMC SLEX is the concessionaire of the SLEX which currently spans 36.13 km from Alabang, Muntinlupa to Sto. Tomas, Batangas. SLEX is composed of four (4) toll road segments, namely TR1, TR2, TR3, and TR4 which are intended to operate as an integrated expressway. Currently operational are TR1, TR2, and TR3. These were classified into four (4) segments to clearly define the scope of work (including rehabilitation and/or construction works) for each.

TR1 involved the rehabilitation and upgrade of the Alabang viaduct which included the widening of the atgrade portion of the roads, retrofitting of the existing structure, and the replacement and expansion of the elevated portion from six (6) to eight (8) lanes. TR2 involved the widening of the SLEX segment between Filinvest exit and Sta. Rosa, Laguna from four (4) to eight (8) lanes and segment between Sta. Rosa, Laguna to Calamba, Laguna from four (4) to six (6) lanes. TR3 involved the construction of a four (4)-lane roadway from Calamba, Laguna to Sto. Tomas, Batangas. The construction of this section connected Metro Manila, SLEX, and STAR.

For the years ended December 31, 2022, 2023, and 2024, the AADT of SLEX was around 376,268, 351,722, and 356,594 vehicles, respectively. As of June 30, 2025, the ADT of SLEX was around 370,612.

Construction is ongoing within the Escudero Properties in Tiaong, Quezon with ongoing coordination with the DPWH to expedite the acquisition of ROW. TR4, a 66.74-km four (4)-lane road, is expected to start operation by 2025. It is divided into six (6) sections: Sto. Tomas to Makban in Laguna; Makban to San Pablo City; San Pablo to Tiaong, Quezon; Tiaong to Candelaria, Quezon; Candelaria to Tayabas, Quezon; and Tayabas to Lucena City. It will include seven (7) interchanges in Sto. Tomas, Makban, San Pablo City, Tiaong, Candelaria, Sariaya and Lucena City.

SLEX also has ongoing improvement projects, including widening its main carriageway and constructing additional viaducts, interchanges, and toll plazas. The SLEX Widening project started its full-blast works in 2023 and is deemed to be completed by 2026. Some projects are expected to be completed by 2025, such as the Alabang Viaduct project, Susana Heights Entry Plaza NB and SB, and the Sto. Tomas Interchange. The remaining improvement projects, the Mamplasan Project and Sipit Interchange, are expected to be completed by 2026. Construction of TR4, on the other hand, is still in progress with an overall accomplishment of 37.99% as of December 31, 2024. ROW acquisition on all sections is already at 80.97% or 54.04km out of 66.74km.

The whole project is estimated to cost around ₱27,491 million.

South Luzon Expressway Toll Road 5 ("SLEX TR5")

SLEX TR5, also known as the Quezon-Bicol Expressway, is a 420-km two (2)-lane each direction, toll road project which starts from SLEX TR4 in Brgy. Mayao, Lucena City, Quezon, and ends at Matnog, Sorsogon, near the Matnog Ferry Terminal. This four (4)-lane expressway project will be made up of eight (8) segments: Lucena to Gumaca, Quezon (59.60 km), Gumaca to Tagkawayan, Quezon (62.40 km), Tagkawayan to Sipocot, Camarines Sur (59.0 km), Sipocot to Naga City, Camarines Sur (35.40 km), Naga City to Polangui, Albay (48.00 km), Polangui to Legaspi City, Albay (35.00 km), Legaspi to Sorsogon City, Sorsogon (54.30 km), and Sorsogon City to Matnog, Sorsogon (62.78 km).

Centered on the proposal submitted by the joint venture ("JV") of the PNCC and SMHC, the SLEX TR 5 was officially designated as a certified toll road project in a TRB resolution dated June 29, 2020. On June 3, 2022, the Supplemental Toll Operations Agreement was signed and granted by TRB.

The SLEX TR5 will run parallel to the current Philippine National Railway, Maharlika Highway, and Padre Burgos National Road or Quirino Highway, facilitating the creation of new growth centers in the Quezon and Bicol areas, as well as other southern sections of the country. The project aims to reduce the travel time from Lucena to Matnog from nine (9) hours to five and a half (5 1/2) hours, and connect major urban centers in Quezon and Bicol, providing access to tourist destinations, ro-ro ports, fish ports, and food production/agriculture areas.

Following TRB's approval of Pertconsult-JFCA Joint Venture as the project's IC, SLEX TR-5 has started several pre-construction activities in 2024. IC certified drawings were already submitted to TRB, while structural and other drawings, which are partially approved by the IC, are still subject for review and resubmission. There is also a proposal for the Padre Burgos Interchange, awaiting TRB's approval. ROW acquisition is still in progress.

As of June 30, 2025, South Luzon Toll-road 5 Expressway, Inc is a 90% owned subsidiary of SMHC.

Pasig River Expressway ("PAREX")

PAREX is a 19.37 km six (6)-lane, all elevated expressway which runs through the entirety of the Pasig River. The project begins at Radial Road 10 (R10) in Manila and ends at Circumferential Road 6 (C6), where it will connect to the South East Metro Manila Expressway. This will link and utilize a 2.7-kilometer section of Skyway Stage 3 between Nagtahan and Plaza Azul. Once finished, the ₱81,528 million project will have the following segments: 251 R-10-Plaza Azul (5.74 km), Plaza Azul-San Juan River via Skyway Stage 3 (2.70 km), San Juan River-C5 Intersection (7.32 km), and C5 Intersection-C6 Intersection (6.30 km).

The Pasig River Expressway is a joint project agreement between the Philippine National Construction Corporation (“PNCC”) and SMHC. Last September 21, 2021, SMC, through its affiliate Pasig River Expressway Corporation, together with DPWH, DOTr and TRB signed the Execution of the Supplemental Toll Operations Agreement (“STOA”) for the financing, construction, operations and maintenance of the project. The groundbreaking ceremony was held last September 24, 2021.

The PAREX will run through Manila, Makati, Mandaluyong, Pasig, Taguig, municipality of Pateros in Metro Manila and Taytay in Rizal province, establishing a direct link between Metro Manila’s western and eastern cities through an elevated expressway. It is expected to ease the decongestion of R-10, EDSA, and C-5 by creating a link between Metro Manila’s toll roads and freeways. Not only that this will contribute to the Philippine Road transportation system’s efficiency by delivering safe and dependable Infrastructure, but this would also lead a historic endeavor to rehabilitate Metro Manila’s main river, the Pasig River.

In 2024, despite several pushbacks raised by various stakeholders, it was cleared that the 19.37-km project was only put on-hold and not cancelled. During the year, PAREX has completed the Pasig River dredging and is preparing to proceed with the neighboring rivers adjacent to Pasig River. ECC application and DED services are still in progress. In addition, the company also has ongoing review for the harmonization with Pasig River Esplanade Project, other DPWH’s projects, and addressing concerns of various stakeholders.

As of June 30, 2025, SMHC has an ownership interest of 90% in the PAREX.

Southern Access Link Expressway (“SALEX”)

The Southern Access Link Expressway is a 40.65 km toll elevated expressway network comprising of Section 1: C3-R10 Extension, Section 2 Segment 1: Shoreline Expressway, Section 2 Segment 2: Quirino Extension, and Section 2 Segment 3: Buendia Extension. Section 1 (4.52km) is a four (4)-lane elevated structure connecting MMSS3 at Sgt. Rivera in Quezon City to Shoreline Expressway at R-10. Section 2 Segment 1 (25.29km), an elevated six (6)-lane expressway, is the main spine along Manila Bay that will link MMSS3 and PAREX with Shoreline Expressway. It will begin at a connection with NALEX and runs south until it joins PAREX at Delpan Bridge, where it breaks. It will start again from PAREX at Ayala Bridge until it reaches Manila Cavite Toll Expressway and NAIAX. Section 2 Segment 2, an elevated four (4)-lane structure, starts from the intersection of Quirino Avenue and Osmena Highway and ends at its connection with the Shoreline Expressway along Roxas Boulevard. Section 2 Segment 3, an elevated four (4)-lane structure, is a vital link of NAIAX with Shoreline Expressway and Makati Central Business District at Buendia Avenue.

The SALEX is a joint project between PNCC and SMHC. The STOA for the ₱152,394 million project was signed on June 20, 2022.

The SALEX aims to provide vital links and road capacity to deliver the full economic potential of the Manila International Airport (“MIA”). Moreover, due to congested traffic in NLEX, McArthur Highway, EDSA, SLEX, the project intends to provide alternative routes and road networks that will service passenger traffic.

As of June 30, 2025, SMC Southern Access Link Expressway Corporation, the joint venture company for the SALEX, is a 88.89% owned subsidiary of SMHC.

Northern Access Link Expressway (“NALEX”)

The NALEX is a toll expressway that aims to connect the MIA, Metro Manila, and Central Luzon. The project is composed of two (2) phases: Phase 1, with an estimated project cost of ₱148,344 million, is divided into Section 1 (Balintawak – MIA), and Section 2 (MIA – Tarlac City and TPLEX), and Phase 2 which runs from Masantol, Pampanga to Tarlac City. The NALEX Phase 1 Section 1 is a 19.4-km elevated toll road that begins at Skyway Stage 3 – Balintawak and ends at MIA. Meanwhile, the project’s Phase 1 Section 2 is an at-grade expressway that runs from MIA to Tarlac City and TPLEX. This

117-km toll road is divided into three (3) segments: Bulacan-Guagua (41 km), Guagua-Mabalacat (31 km), and Mabalacat-Tarlac (45 km), with 8 interchanges/exits in total. NALEX Phase 2, on the other hand, will be a demand-driven expansion that will serve as an alternate route for Phase 1 Section 2. This expansion is a 69.2 km toll road divided into two (2) segments: Macabebe-Arayat, and Arayat-Tarlac. Once constructed, this project intends to provide a more accessible and convenient route from Metro Manila and Central Luzon to the MIA, and vice versa.

As of June 30, 2025, SMC Northern Access Link Expressway Corporation, the joint venture company for the NALEX, is a 88.89%-owned subsidiary of SMHC.

Cavite-Batangas Expressway ("CBEX")

The CBEX, a 27.06-km unsolicited toll road project, is a joint venture between the Provincial Government of Cavite and SMHC. It is a four (4)-lane expressway which begins with a connection to Cavite-Laguna Expressway ("CALAX") in Silang, Cavite and travels southwest parallel with the Emilio Aguinaldo Highway and ends at Tagaytay-Nasugbu Highway. It will traverse the municipalities of Silang, Amadeo, Tagaytay, Indang, Mendez, Alfonso in Cavite and Nasugbu, Batangas, and will have three (3) access/interchange points in Silang, Tagaytay, and Nasugbu/Alfonso. This ₱22,921 million project aims to provide an additional highway that will help mitigate the road congestion in CALABARZON.

The Original Proponent Status and Certificate of Successful Negotiations was signed last September 1, 2022. The Notice of Award was signed and granted on January 24, 2023. On February 7, 2023, the Joint Venture Agreement and the Toll Concession Agreement was signed between the Provincial Government of Cavite and SMHC.

As of June 30, 2025, the ICE contract was already awarded to Pertconsult International. ECC application is currently on-hold due to consideration of new alignment.

Nasugbu-Bauan Expressway ("NBEX")

NBEX is a 60.9-km toll road project that aims to ease congestion and create a more accessible route in the southeast part of Luzon. The project alignment begins at Tagaytay-Nasugbu Highway in Brgy. Kaylaway, runs parallel with the Tuy-Balayan Highway up to the Municipality of Balayan, then runs parallel with the PalicoBalayan-Batangas Road and ends at the Municipality of Bauan. This four (4)-lane expressway will connect the municipalities of Nasugbu, Tuy, Balayan, Calaca, Lemery, Agoncillo, Taal, San Nicolas, Santa Teresita, San Luis, and Bauan. There will be five (5) access/interchange points in (1) Nasugbu (Kaylaway), (2) Nasugbu, (3) Balayan, (4) Lemery, (5) Bauan.

The NBEX is a joint venture between the Provincial Government of Batangas and SMHC. The Certificate of Acceptance was signed on April 21, 2022, and its Notice of Award was signed last March 10, 2023. On March 22, 2023, the Joint Venture agreement was signed between the parties. The Toll Concession Agreement of this ₱44,771 million project was signed on July 31, 2023.

As of June 30, 2025, the design and ICE TOR were already submitted to the LGU and awaiting approval. EIA Report preparation and ROW activities are also in progress.

Pangasinan Link Expressway ("PLEX")

PLEX, a 42.76-km unsolicited expressway proposal, is a joint venture between the Provincial Government of Pangasinan and SMHC. The project is composed of two (2) phases: Phase 1, which runs from the Binalonan section of TPLEX to Lingayen, and Phase 2, which extends from Lingayen to Alaminos. PLEX's Phase 2 will be implemented once the traffic demand is met/upon reaching a certain level of traffic. This ₱30,456 million project aims to improve the intra-provincial traffic and create a more accessible route within the province of Pangasinan.

The Original Proponent Status and Certificate of Successful Negotiations was granted by the Province of Pangasinan to SMHC last May 18, 2023. The Notice of Award was signed and issued on July 10, 2023.

Marilao Access Link Expressway ("MALEX")

MALEX is an 8-km toll road that aims to link North Luzon Expressway (NLEX) to the MIA. Also known as the Airport Toll Road, MALEX is part of the 50-year MIA Concession Agreement signed on September 18, 2019 with the ROP through DOTR. This six (6)-lane expressway project, which has an estimated cost of ₱38.99 billion before financing, will have three (3) interchanges in (1) NLEX-McArthur, (2) McArthur-Talipit and (3) Talipit-MIA.

As of June 30, 2025, the detailed engineering and design has been completed, and ROW acquisition activities are ongoing.

TPLEX Extension (“TPLEXE”)

The TPLEX Extension Project is an unsolicited toll road project that aims to facilitate the development of regions in Northern Luzon and improve the interconnectivity of Central Luzon with Metro Manila. Initially, the submitted proposal is composed of four (4) phases: Phase 1 – Rosario, La Union to San Juan, La Union, Phase 2 – San Juan, La Union to Candon City, Ilocos Sur, Phase 3 – Candon City, Ilocos Sur to Vigan City, Ilocos Sur, and Phase 4 – Vigan City, Ilocos Sur to Laoag City, Ilocos Norte. However, upon evaluation, only Phase 1 was granted by the Government.

The 59.4-km toll road project is a four (4)-lane expressway divided into three (3) segments: (1) Rosario-Tubao, (2) Tubao-Naguilian, and (3) Naguilian -San Juan. There will be five (5) interchanges: (1) Rosario, La Union, (2) Tubao, La Union, (3) Naguilian, La Union, (4) Bauang, La Union, and (5) San Juan, La Union.

On July 3, 2024, the Concession Agreement was signed between SMC TPLEX Extension Infrastructure Corp. and the Government of the Republic of the Philippines, acting through DPWH as the Grantor.

Skyway System

Skyway Stage 1 and 2

SMC SKYWAY was incorporated on November 27, 1995 as a joint venture between P.T. Citra Lamtoro Gung Persada (“**Citra**”) and the Philippine National Construction Corporation with the primary and exclusive responsibility and privilege of financing, designing, and constructing, under a build-transfer-operate (“**BTO**”) scheme, the South Metro Manila Skyway and Metro Manila Tollways.

SMC SKYWAY entered into a BTO scheme with the Government under which SMC SKYWAY was to construct an elevated expressway from Alabang, Muntinlupa City to Buendia, Makati City and to rehabilitate the at-grade from Magallanes, Makati City to Alabang, Muntinlupa City. Stages 1 and 2 of the Skyway Project, which have been in operation since December 1998 and December 2010, respectively, are now being operated and managed by SOMCO. SMC SKYWAY holds 40% of the outstanding capital stock of SOMCO.

Skyway Stage 1 consists of the construction of a 9.02 km elevated road from Bicutan, Parañaque City to the Buendia, Makati City as well as the rehabilitation of the 13.43 km at-grade road from Alabang, Muntinlupa to Magallanes, Makati City. Skyway Stage 1 was first opened to traffic in 1999, with an AADT of 160,000 vehicles, broken down into 25,000 and 135,000 vehicles on the elevated highway and at-grade road, respectively. Skyway Stage 2 consists of a 6.88 km elevated toll road from Bicutan, Parañaque City to Alabang, Muntinlupa, to be integrated with Skyway Stage 1 and operated as 1 sub-system of the MMS.

The STOA was later amended in 2007 to include Stage 2 of the Skyway Project. This portion of the project covers 6.88 km of an elevated expressway from Bicutan to Alabang, extending the 9.02 km elevated toll road from Makati to Bicutan. Stage 2 involved the construction of six travel lanes, with four lanes at the Sucat Ramp Toll Plaza leading westward to Dr. A. Santos Avenue. The Sucat-Alabang Section, on the other hand, has four travel lanes from Sucat going down to the two-lane slip ramps leading to the South Luzon Tollway in front of Hillsborough Subdivision.

Originally scheduled for completion in April 2011, Phase 1 of Skyway Stage 2 was completed in November 2010 and opened to the public in December the same year. Phase 2 of Skyway Stage 2 was completed in March 2011.

For the years ended December 31, 2022, 2023, and 2024 the AADT of Skyway was around 246,340, 272,383, and 276,850 vehicles, respectively.

As of June 30, 2025, the ADT of Skyway was around 286,011 vehicles.

On June 29, 2019, the construction of the Skyway-Alabang South Extension Project (also known as Skyway Extension) began. This project aims to decongest the existing Skyway System and SLEX by widening the existing lanes approaching Sucat exit, and providing an elevated viaduct running from Susana Heights, connecting it to the existing Alabang Viaduct. This is foreseen to lessen the at-grade traffic through the diversion of motorists from at-grade to elevated. The

northbound side of the Skyway Elevated Extension was opened to the public last April 2021, while the southbound side was also opened last December 2021.

As of June 30, 2025, SMC Skyway Corporation ("**SMCSC**") is an 87.84%-owned subsidiary of SMC Tollways Corporation. SMC Tollways is a 95% owned subsidiary of SMHC through AAIBV.

Skyway Stage 3

Skyway Stage 3 Project is a 17.93-km elevated roadway from Buendia, Makati City to Balintawak, Quezon City. Skyway Stage 3 Project is a priority infrastructure project of the government meant to decongest major thoroughfares within Metro Manila and stimulate the growth of trade and industry in Southern, Central, and Northern Luzon. The project covers a concession period of 30 years from the issuance of the Toll Operation Certificate. This was opened partially to the public last December 29, 2020, free of toll, and was formally inaugurated and opened to motorists, still free of toll, on January 14, 2021. The Toll Operations Permit was issued on July 1, 2021, and MMSS3 started collecting toll fees on July 12, 2021.

On November 16, 2012, SMC Skyway Stage 3 Corporation (formerly Citra Central Expressway Corp.) was incorporated as a stock corporation under the laws of the Republic of the Philippines with the primary purpose to finance, design and construct (under a BOT scheme with the Philippine government) the Skyway Stage 3 project. Subsequently, the Supplemental Toll Operation Agreement ("**STOA**") covering the Skyway Stage 3 project was signed on September 26, 2013, among TRB, PNCC, and SMCSS3C.

For the years ended December 31, 2022, 2023, and 2024 the AADT of Skyway Stage 3 was around 120,954, 154,736 vehicles, and 163,031, respectively. As of June 30, 2025, the AADT of Skyway Stage 3 is 176,534 vehicles.

As of June 30, 2025, SMC Skyway Stage 3 Corporation is an 85.50% owned subsidiary of SMHC through Stage 3 Connector Tollways Holdings Corp. ("**S3CTHC**"). S3CTHC is a 100% owned subsidiary of SMHC through SMC Tollways Corporation.

Skyway Stage 4

Skyway Stage 4 is a 56.74-km roadway from South Metro Manila Skyway to San Jose Del Monte, Bulacan and another spur to Luzon Avenue. Skyway Stage 4 serves as another expressway system that aims to further decongest EDSA, C5 and other major arteries of the Metropolis. Further, it aims to provide faster alternate routes and accessibility for the motorist when travelling from the province of Rizal and Calabarzon area to Metropolis. The project covers a concession period of 30 years (from start of operations), with an estimated cost of ₱56,351 million.

On February 17, 2014, SMC Skyway Stage 4 Corporation (formerly Citra Intercity Tollways Inc) was incorporated as a stock corporation under the laws of the Republic of the Philippines to engage in the construction of toll roads, toll road facilities, including but not limited to the Metro Manila Expressway ("**MME**") or C6 and any of its stages, linkages and extensions pursuant to a build and transfer or other scheme duly approved by the appropriate Philippine authorities. Subsequently, the Supplemental Toll Operation Agreement ("**STOA**") covering the Skyway Stage 4 project was executed on July 4, 2014, among TRB, PNCC, and MMSS4.

As of June 30, 2025, SMC Skyway Stage 4 Corporation ("**SMCSS4C**") is 80.01% owned subsidiary of SMHC through its wholly owned subsidiary, SMC Infraventures Inc. ("**SMCI**").

STAR Tollway

In 2013, SMHC acquired equity interest in SIDC which holds the concession over the STAR Tollway, through its 58.31% membership interest in Sleep Coop and 50% shares in Wiselink Investment Holdings, Inc. ("**WIHI**"). Sleep Coop and WIHI own 40% and 60% of Cypress Tree Capital Investments, Inc. ("**CTCI**"), respectively, which owns 100% of SIDC.

STAR Tollway is composed of two stages – Stage 1 which involves the operation and maintenance of the 22.16 km toll road from Sto. Tomas, Batangas to Lipa City, Batangas and Stage 2 which involves the financing, design, construction, operation and maintenance of the 19.74 km toll road from Lipa City, Batangas to Batangas City, Batangas. The entire system had a full year AADT of 62,453 vehicles in 2019.

For the years ended December 31, 2021, 2022, and 2023, the AADT in STAR Tollway were 61,609, 69,790, and 76,775 vehicles, respectively. As of June 30, 2025, the ADT of Star increased to 84,412 vehicles.

As of June 30, 2025, SIDC is a wholly owned subsidiary of SMHC through CTCII. CTCII is a subsidiary wholly owned by SMHC with 60% ownership through WIHI and 40% previously owned by Sleep Coop, which was transferred to SMHC after its liquidation.

NAIAx

SMC NAIAX Corporation (formerly Vertex Tollways Devt. Inc.), a wholly-owned subsidiary of SMHC, was incorporated on May 31, 2013, for the purpose of holding the 30-year concession rights (including a two-year construction period) for the NAIAX project.

The ₱26,540 million NAIAX was the third PPP project awarded under the administration of President Benigno Aquino III. It was awarded by the DPWH through a competitive bidding process to Optimal Infrastructure Development, Inc. (“**Optimal**”) in 2013. Eventually, Optimal nominated SMCNC as the concessionaire of the said project. The concession agreement between DPWH and SMCNC was finalized and signed on July 8, 2013.

The project covers the financing, design, construction, operation and maintenance of a new tollway system, approximately 6.30 km in length, serving as interface to the Skyway Stage 1 and 2 and CAVITEX. The NAIAX (i) significantly reduces travel time from Skyway Stage 1 and 2 to Roxas Boulevard; (ii) provides easy access to airports in Metro Manila, linking them to Skyway Stages 1 and 2 and the CAVITEX and (iii) boosts tourism by providing access to and from Entertainment City, paving the way for further developments within the PAGCOR Entertainment City.

Partial operations of Phase 2A commenced in September 2016 and Phase 2B was completed and became fully operational in December 2016, with toll collections starting in January 31, 2017. Ramps 1 and 17 opened in June 2017, with toll collections starting in July 2017. Furthermore, the construction of an 836-meter, two (2)- lane entry on-ramp structure along Aurora Boulevard in Pasay City (also known as Tramo) has been opened to the public on March 1, 2024. It is expected to enhance the accessibility of NAIA Terminals 1 and 2 for vehicles coming from EDSA Southbound. The elevated viaduct will connect to NAIAX at the intersection of Aurora Boulevard and Domestic Road from the existing Tramo Flyover and EDSA.

For the years ended December 31, 2022, 2023, and 2024 the AADT of NAIAX was at 94,482, 123,977, and 125,348 vehicles, respectively. As of June 30, 2025, the AADT of NAIAX increased to 125,614 vehicles.

Airport Concession

Boracay Airport

In April 2010, SMHC acquired a 93.0% stake in Caticlan International Airport Development Corp. (subsequently renamed TADHC), while the remaining 7% interest was held by Akean Resorts Corporation, a non-affiliated entity. TADHC holds a 25-year concession for the Boracay Airport, granted by the Republic of the Philippines, through the DOTC (now, DOTr), under a contract, add, operate and transfer scheme under the BOT law.

As of June 30, 2025, SMHC owns 99.92% of TADHC.

Boracay Airport is the principal gateway to the Boracay Island, a popular resort for passengers traveling from Manila. The airport has seen recent upgrades including a longer runway and accommodation of international flights. With the influx of tourist during the holidays, the Boracay Island has welcomed 2.0 million tourists by end of 2017. With the closure in 2018, tourists dropped to about 550,000 according to the Department of Tourism.

For the years ended December 31, 2022, 2023, and 2024, tourists of Boracay Airport were around 1,264,381, 1,581,026, and 1,592,654 respectively, according to data from the Airport Operations and Control Centre of Boracay Airport. As of June 30, 2025, total passengers were 833,157.

The planned expansion of the airport is expected to be completed in stages and involves the following: (i) upgrade and extension of the runway, from original scale of 950 meters long and 30 meters wide, to 2,100 meters long and 45 meters wide to accommodate larger international and domestic aircraft; (ii) upgrade of the Boracay Airport and its facilities to comply with International Civil Aviation Organization standards and the Manual of Standards for Aerodromes of the

CAAP; (iii) replacement of the old 550 square meter terminal with a new world class passenger and cargo terminal and to commence construction of new terminal in 2016; (iv) improvement of road networks around Boracay Airport and its facilities; and (v) upgrade of air navigational systems.

The construction of the new passenger terminal building is 31.31% complete. Meanwhile, the supply, installation, testing, and commissioning of an outdoor substation is 63.79% completed. However, both works are currently suspended until further notice, while the revision of the DED for the new passenger terminal building has already been completed. On the other hand, the covering of the open ditch & drainage is at 98.23% complete. Works for this are currently ongoing.

Manila International Airport

SMHC was granted the Original Proponent Status (“OPS”) by the DOTr for the construction of the Manila International Airport in Bulakan, Bulacan last September 22, 2017. The site of the airport has an aerial distance of 28.5km from NAIA and 61.3km from Clark. Total available area for the airport site and other development is around 2,500 hectares.

The submission and opening for the Swiss Challenge commenced on July 31, 2019. Since there were no qualified challengers that participated, the Notice of Award (“NOA”) was issued on August 14, 2019, and was officially received by SMHC on August 19, 2019. SMAI, the special purpose company incorporated by SMHC to implement the project, then proceeded with the execution of the Concession Agreement with the DOTr on September 18, 2019.

As of June 30, 2025, the overall progress is at 84.62%. Site clearance, land filling works, and ground improvement works are 100.00%, 72.37%, and 94.27% complete, respectively. The San Miguel Team continues to work on the Airport Masterplan along with the critical components of the MIA.

SMAI is also working with various parties for the design, construction, and financing of other critical components of the MIA.

Ninoy Aquino International Airport

On February 16, 2024, the Consortium, led by San Miguel Holdings Corp., has officially won the contract to rehabilitate, operate and maintain the NAIA which is the country’s main international gateway. The Consortium is comprised of SMHC owning 33%, RMM Asian Logistics Inc. owning 30%, RLW Aviation Development Inc. owning 27% and Incheon International Airport Corp owning 10%. Together, the members of the consortium incorporated the concession company, New NAIA Infra Corp. in the same ownership percentage sharing.

On March 18, 2024, the Concession Agreement was signed with the concession company, New NAIA Infra Corp. The operation of NAIA was turned-over by the Manila International Airport Authority to the concession company on September 14, 2024.

The Consortium is required to rehabilitate, operate, optimize, and maintain NAIA, which covers improvements to its runway, main terminals and other facilities.

Mass Rail Transit Concession

MRT-7

In October 2010, SMC acquired a 51% stake in Universal LRT, which holds the 25-year concession for the MRT-7 project, a planned expansion of the Metro Manila mass transit rail system, home to over 10 million inhabitants. MRT-7 is a Build-Gradual Transfer-Operate-Maintain (BGTOM) project for the development, financing, operation and maintenance of a 22-km light rail transit that will be linked with the existing MRT-3 Line at SM North EDSA, Quezon City. The construction period for the project is about 42 months. The rail component of the MRT-7 is envisioned to have 14 stations plus a depot and will operate 108 rail cars in a 3-car train configuration, with capacity of 448,000 to as many as 850,000 passengers daily. The project also includes an Intermodal Transport Terminal that can accommodate up to 60 buses and other public utility vehicles, and a 22-km six-lane access road connecting the Intermodal Transport Terminal to the Bocaue exit of NLEX.

SMC fully acquired 100% stake in Universal LRT, effective July 1, 2016. The MRT-7 project is progressing well, with construction returning to normal levels. Work on sections from Quezon Memorial Circle to Quirino Highway traversing Commonwealth Avenue and Regalado Avenue, is currently ongoing.

The railway project's overall accomplishment as of June 30, 2025 is at 80.76%. Site development and construction of other facilities in the depot are in progress. Realignment of Highway Component after the new location of Station 14 was approved by SJDM and DOTR is also in progress. Approval of DOTR for submitted variation orders is also pending.

Bulacan Bulk Water Supply Project

The Bulacan Bulk Water Supply Project aims to provide clean and potable water to the province of Bulacan that is environmentally sustainable and at a price that is equitable. The project also aims to help various water districts in Bulacan to meet the increasing water demand of consumers, expand its current service area coverage and increase the number of households served by providing a reliable source of treated bulk water.

On December 17, 2015, LCWDC was incorporated as a stock corporation under the laws of the Republic of the Philippines with the primary purpose to finance, design, construct, maintain, and operate water treatment and conveyance facilities. LCWDC and MWSS officially signed the Concession Agreement on January 15, 2016.

SMC through SMHC owns 90% of LCWDC, which will serve as the concessionaire for a period of 30 years (inclusive of the two (2)-year construction period). The construction of the Water Treatment Plant and Pipeline Conveyance Facility for Stages 1 & 2 has been completed. The ongoing system improvement projects for Stages 1 & 2 consist of the construction of the Multi-Purpose Building (Warehouse and Workshop) and the installation of Fiber Optic Network to the existing Remote Terminal Units ("RTUs"). The MWSS Board has approved the updated business plan for Stage 3. The Final DED of Stage 3A-1 (Pipe Conveyance Extension) has also been approved. Procurement activities for Stages 3A-1 (Pipe Conveyance Extension) & Stage 3A-2 (Norzagaray Water System) are also ongoing. Lastly, there is an ongoing Hydrological Study for Stage 3A-3 (Angat-Bustos Water System) and a study and exploration of potential water sources for future demand. ECC was already secured for Stage 3.

Bulakan and Obando Water Companies Acquisition

The acquisition of Bulakan and Obando Water Companies aims to broaden the scope of SMHC's waterworks portfolio and expand its current service coverage. On April 8, 2024, SMC Bulacan Water Services Corporation was incorporated under Philippine laws to carry on the general business of constructing, operating, maintaining, managing, leasing, acquiring & rehabilitating waterworks, industrial water supply systems and water utilities and systems. SMC Bulacan Water Services Corporation is a wholly-owned subsidiary of SMHC.

On October 22, 2024, SMC Bulacan Water Services Corporation, acquired 90% ownership interests in Bulakan Water Company, Inc ("BWCI") and Obando Water Company, Inc. ("OWCI"). BWCI is a joint venture with Bulakan Water District while OWCI is a joint venture with Obando Water District.

Newly-Incorporated Companies

Three new companies were recently incorporated which will engage in various activities that will support the Infrastructure business, namely Prestige Airport Lounge Corp., Air Gate Media Inc., and SMC Skyport Development Corporation. These companies will conduct and carry on the business of accommodation and food service activities, professional, scientific, and technical activities such as advertising, and real estate activities.

As of June 30, 2025, all three companies are wholly-owned subsidiaries of SMHC.

Ports Concession

Manila North Harbor

MNHPI is the terminal operator of Manila North Harbor, a port facility situated at Tondo, City of Manila. The port can accommodate all types of vessels such as containerized and non-container type vessels. Under the Contract for the Development, Operation and Maintenance of the Manila North Harbor entered with the Philippine Ports Authority on November 19, 2009, the Philippine Ports Authority awarded MNHPI the sole and exclusive right to manage, operate, develop and maintain the Manila North Harbor for 25 years, renewable for another 25 years. MNHPI commenced operations on April 12, 2010.

To ensure fast, efficient, and effective delivery of port services, MNHPI has increased its cargo handling capacity which now boasts of major equipment such as 6-ship-to-shore quay container cranes and 20 rubber-tyred gantry cranes, all part of the plans and programs of MNHPI to transform Manila North Harbor into a premier and modern port.

On October 19, 2013, MNHPI formally inaugurated the North Passenger Terminal Complex, a passenger terminal facility which boasts of facilities designed to provide utmost safety, security and comfort to passengers and is the first of its kind in the Philippines, able to accommodate 2,000 passengers at any given time.

The ownership of SMC in MNHPI through SMHC as of June 30, 2025, is 50.00%.

Competition

SMC is one of the major players in the infrastructure sector holding investments in companies with long term concession agreements with the Philippine government. It is currently managing and operating various infrastructure projects, namely: (1) TPLEX, (2) Skyway Stages 1 to 3, (3) NAIA Expressway, (4) SLEX TR1 to TR4, (5) STAR, (6) MRT7, (7) Boracay Airport, and (8) Manila North Harbor.

The infrastructure sector is a key investment area in the Philippines that is seen to provide a big potential to facilitate the development of other sectors. This has been a priority of the current Philippine government, which has also attracted other conglomerates in the Philippines to enter this sector.

Other major players in this sector include Metro Pacific Investment Corporation operating the following: (1) the NLEX, (2) SCTEX, (3) CAVITEX, (4) the Cavite – Laguna (“**CALAX**”) Expressway, (5) LRT1 Extension and O&M in partnership with Ayala Corporation and (6) Maynilad; and Ayala Corporation, which was awarded the concession for the Daang Hari Expressway, a four-kilometer toll road in Cavite in 2011.

Another major player is the Megawide Construction Corporation (“**Megawide**”). It currently operates the Parañaque Integrated Terminal Exchange (“**PITX**”) and also entered into a joint venture for the construction of the Metro Manila Subway Project (“**Tokyu-Tobishima-Megawide JV**”) and the Malolos-Clark Railway Project (“**HDEC-Megawide-Dongah JV**”). PITX is an intermodal terminal in southwest Metro Manila developed by the MWM Terminals Inc., a consortium led by the Megawide. It serves as a hub with departure and arrival bays for buses, jeepneys, and taxis; and has a maximum daily capacity of 100,000 passengers.

Aboitiz-GMR-Megawide Cebu Airport Corp. (“**AGMCAC**”), a consortium between the Megawide and India’s GMR Group, was formed to develop and operate MCIA for 25 years. Last September 2022, GMCAC signed a deal with Aboitiz Infracapital, Inc. (“**AIC**”) for the acquisition of MCIA shares. However, in late 2024, AIC has assumed full ownership of AGMCAC after acquisition of Megawide and GMR’s outstanding shares. In addition to the MCIA acquisition deal, AIC, through AGMCAC, has recently signed the concession agreement to update, operate, and maintain the Laguindingan Airport in Misamis Oriental and also has existing unsolicited proposal to develop and operate New Bohol International Airport in Panglao. Apart from working towards the airport business, AIC has several water projects, including the Apo Agua (Davao City Water District), Lima Water Corporation, and minority stake in Balibago Waterworks System.

The Luzon International Premier Airport Development (“**LIPAD**”) Corporation, which consists of Filinvest Development Corporation, JG Summit Holdings Inc., Philippine Airport Ground Support Solutions Inc. and Changi Airports Philippines (I) Pte. Ltd., was formally awarded the operations and management of the Clark International Airport. The new airport was designed to accommodate eight million passengers per year and connects the 9,450-hectare New Clark City. The structure was completed in September 2020 and began its operations last May 2022.

CEMENT BUSINESS

SMC conducts the Cement business through San Miguel Equity Investments Inc., which owns 100% of the common stock of Northern Cement Corporation, Southern Concrete Industries Inc., and 99.96% of Eagle Cement Corporation as of June 30, 2025.

The cement business owns and operates two fully-integrated cement production facilities in Sison, Province of Pangasinan (NCC) and in Barangay Akle, San Ildefonso, Province of Bulacan (Eagle Cement), a cement grinding plant in Santa Cruz, Province of Davao Del Sur (SCII), and a limestone, shale and pozzolan quarry and a Limestone Pulverizing Plant in San Ildefonso, Bulacan (Eagle Cement). As a whole, the cement business has a total annual rated cement production capacity of approximately 17.53 million MTPY of finished cement.

Details of the cement production facilities per business are as follows.

The NCC Plant is strategically located in the Province of Pangasinan that allows it to readily serve key markets in Northern Luzon, specifically in Pangasinan, Ilocos, La Union and the Cordillera Administrative Region. Its location likewise provides a positive outlook on the expansion of its market areas in Regions 2 and 3. These, together with its reliable and established dealership network, provide a significant competitive advantage in the distribution of cement in the key markets in its covered areas.

NCC distributes most of its cement products through its qualified and accredited dealers that transport the cement products from the plant to various destinations. The rest of the cement products are directly delivered to end consumers through bulk carriers managed by NCC. This enables NCC to distribute to the highest value and fastest growing markets, particularly in Northern Luzon.

The end-to-end business model of NCC has enabled it to manage cost and margins in every stage of the cement production and distribution process, allowing for higher efficiency, profitability, and operating synergy.

Eagle Cement is one of the top four largest cement player in the Philippines and owns a large cement plant with three (3) integrated production lines, a grinding plant and a limestone pulverizing plant. It has the largest integrated single plant production capacity in terms of cement output in the Philippines through its primary cement production facility located in Barangay Akle, San Ildefonso, Bulacan. Through the plant and two distribution centers in Cavite and Batangas, it serves 19 distribution areas across five Luzon regions. It is vertically integrated with strategic locations and on-site quarries that provide access to raw material reserves.

As of June 30, 2025, SMC owns 100.00% of SMEII.

Northern Cement Corporation

Northern Cement Corporation, with 100% of its issued and outstanding common stock owned by SMEII, has more than 50 years of cement production and domestic sales experience, mainly, in the Central Luzon (Region 3), and North Luzon (Regions 1 and 2) markets. It manufactures Type 1 and Type 1T cement, the major cement products in the industry.

NCC was incorporated and registered with the SEC on February 10, 1967. NCC is a holder of an MPSA, with MPSA No. 106-98-1, granted by, and executed with, the Philippine Government through the Department of Environment and Natural Resources on March 12, 1998, covering a contract area of 630.4978 hectares within Sison, Pangasinan and has been renewed for another twenty-five years, which will expire on the year 2048. From the commencement of its operations in February 1970 in Sison, Province of Pangasinan, it has been engaged in the business of manufacturing, developing, processing, exploiting, buying and selling cement and/or other allied products.

Presently, it owns and operates an integrated cement manufacturing plant composed of three (3) dry-process rotary kilns and four (4) finish mills, composed of Lines 1 and 2, and the newly constructed Line A and Ok-Mill B. The existing production facility has an overall capacity of 6.93 million MTPY of finished cement, equivalent to 173 million 40-kg bags. The raw materials used in its cement manufacturing process are generally a mixture of quarried materials – limestone, shale and gypsum.

On June 14, 2021, the SEC approved the merger of NCC and San Miguel Northern Cement, Inc. ("**SMNCI**"), a wholly-owned subsidiary of SMEII which was incorporated and registered with the SEC on October 2, 2017 to engage in the business of manufacturing, developing, processing, exploiting, importing, exporting, buying, selling or otherwise dealing in such goods as cement and other products of similar nature. The effective date of the merger is July 1, 2021, with NCC as the surviving corporation.

Prior to the merger, SMNCI commenced the design, development, and construction of two (2) integrated state-of-the-art cement production lines from crushing to cement packaging (Lines "A" and "B"), adjacent to the existing cement facilities and quarry site of NCC.

With the merger having been approved by the board of directors and stockholders of NCC and SMNCI, respectively, on March 3, 2021, and subsequently by the SEC as aforementioned, the SMNCI project was transferred to NCC. The additional supply of cement produced by the new Line A facilities and OK-Mill B is targeted to meet the strong demand in Northern Luzon (Region 1 and Region 2), the Cordillera Administrative Region (CAR), and Central Luzon (Region 3).

Selected financial highlights for NCC are provided below for the periods indicated:

	For the years ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales	8,984	9,442	9,011	5,126	4,754
Gross profit.....	570	1,147	2,395	1,376	1,317
Gross profit margin(1).....	6.3%	12.1%	26.6%	26.8%	27.7%
EBITDA(2)	599	1,542	3,030	1,629	1,710
EBITDA margin(3)	6.7%	16.3%	33.6%	31.8%	36.0%
Net income before tax.....	(63)	702	1,866	1,249	931
Net income before tax margin(4)	(0.7%)	7.4%	20.7%	24.4%	19.6%

Notes:

(1) Gross Profit Margin is calculated by sales less cost of sales divided by sales.

(2) EBITDA is calculated as net income before income tax expense, net financing charges (interest income net expense), extraordinary or exceptional items, foreign exchange losses (gains), marked-to-market currency losses (gains), and depreciation and amortization and impairment losses.

(3) EBITDA margin is calculated by EBITDA divided by sales.

(4) Net income before tax margin is calculated by net income before income tax divided by sales

Southern Concrete Industries Inc. (formerly, Oro Cemento Industries Corporation)

Southern Concrete Industries Inc. (formerly, Oro Cemento Industries Corporation) ("SCII"), a wholly owned subsidiary of SMEII, was incorporated and registered with the SEC on June 1, 2016 to engage in the business of manufacturing, developing, processing, exploiting, importing, exporting, buying, selling or otherwise dealing in such goods as cement and other goods of similar nature and/or products derived therefrom. SCII has constructed a cement grinding plant in Santa Cruz, Province of Davao del Sur with world-class equipment capable of producing 2 million MTPY of finished cement while minimizing impact to the environment. SCII declared its full commercial operations on May 31, 2023. Prior to its commercial operations, SCII commenced its promotional trial campaign and distribution activities simultaneous with the completion of the commissioning stage of its plant.

Selected financial highlights for SCII are provided below for the periods indicated:

	For the years ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
(in millions, except percentages)					
	₱	₱	₱	₱	₱
Sales	-	2,421	2,284	1,166	1,153
Gross profit.....	-	12	(64)	(47)	63
Gross profit margin(1).....	-	0.5%	(2.7%)	(4.0%)	5.5%
EBITDA(2)	23	113	148	47	141
EBITDA margin(3)	-	4.7%	6.5%	4.0%	12.2%
Net income before tax.....	(30)	(501)	(142)	(111)	(11)
Net income before tax margin(4)	-	(20.7%)	(6.2%)	(9.5%)	(1.0%)

	For the years ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
(in millions, except percentages)					
	₱	₱	₱	₱	₱
Sales		2,421	2,284	1,166	1,153

Gross profit.....		12	(64)	(47)	63
Gross profit margin(1).....		0%	(3%)	(4.1%)	5.5%
EBITDA(2)	23	113	148	47	141
EBITDA margin(3)		4.6%	6.4%	4.0%	12.2%
Net income before tax.....	(30)	(501)	(142)	(111)	(11)
Net income before tax margin(4)		(20.7%)	(6.2%)	(9.5%)	(0.9%)

Notes:

(1) Gross Profit Margin is calculated by sales less cost of sales divided by sales.

(2) EBITDA is calculated as net income before income tax expense, net financing charges (interest income net expense), extraordinary or exceptional items, foreign exchange losses (gains), marked-to-market currency losses (gains), and depreciation and amortization and impairment losses.

(3) EBITDA margin is calculated by EBITDA divided by sales.

(4) Net income before tax margin is calculated by net income before income tax divided by sales

Eagle Cement Corporation

Eagle Cement was incorporated in the Philippines and registered with the SEC on June 21, 1995. It was a 60.21%-owned subsidiary of Far East Holdings, Inc., an entity incorporated and domiciled in the Philippines.

On October 4, 2022, the Board of Directors of SMEII approved the acquisition of 99.9581% of Eagle Cement, a Company engaged in the business of manufacturing, marketing, sale and distribution of cement. The acquisition price is ₱22.02 per share.

SMC, through SMEII completed the acquisition of Eagle Cement at the end of December 2022 through an initial 88.5% of the equity interest and tender offer which got 11.46% of the outstanding shares. Post the tender offer, SMC now owns 99.96% of Eagle Cement via wholly owned subsidiary San Miguel Equity Investments Inc.

Eagle Cement is primarily engaged in the business of manufacturing, developing, processing, marketing, sale and distribution of cement, cement products, minerals and other by-products. It is now one of the top four largest players in the Philippine cement industry and has the fastest growing market share amongst all competitors in the industry since it started its commercial operations in 2010.

Eagle Cement has three (3) subsidiaries as follows:

South Western Cement Corporation (SWCC)

SWCC was incorporated in the Philippines on December 26, 1994. Its primary purpose is to engage in manufacturing, marketing, sale and distribution of cement, cement products and by-products. SWCC holds two (2) MPSAs covering mining areas in Malabuyoc, Province of Cebu, granted by the DENR in November 1996. In July 2019, the DENR also granted SWCC a Special Use Agreement in Protected Area for Seaport Facility (covering the Tanon Strait Seascape) located in Malabuyoc, Cebu. The cement business acquired 100% equity interest in SWCC in December 2016. To date, SWCC has not commenced commercial operations.

Solid North Mineral Corporation (SNMC)

SNMC was incorporated in the Philippines on July 19, 1995. Its primary purpose is to engage in mining and quarrying activities, and to manufacture and distribute cement products and other minerals. It was acquired by the cement business on November 4, 2021. SNMC holds Mineral Production Sharing Agreements (MPSA) covering mining areas located in the Province of Bulacan.

SNMC is operating a limestone, shale and pozzolan quarry and a Limestone Pulverizing Plant in San Ildefonso, Bulacan with an annual capacity of one million (1,000,000) MT. Bulk of its production are used as input in the cement business's cement production and are supplied to power companies.

Armstrong Flyash and Logistics Inc. (AFALCI)

Armstrong Fly-ash and Logistics Company, Inc. (AFALCI) was incorporated in the Philippines and registered with SEC on June 2, 2015. AFALCI is engaged in the business of manufacturing, sale and distribution of fly-ash, bottom ash, hi carbon and other by-products.

Eagle Cement has the newest, state-of-the art, and single largest fully-integrated cement production facility in the Philippines located in Barangay Akle, San Ildefonso, Bulacan (the “**Bulacan Cement Plant**”). The Bulacan Cement Plant consists of three (3) integrated production lines with a combined annual cement production capacity of approximately Eight Million Six Hundred Thousand (8,600,000) MT or Two Hundred Fifteen Million (215,000,000) bags per annum. It is strategically located near demand-centric areas and in close proximity to rich limestone and shale reserves covered by the exclusive mineral rights of Eagle Cement.

Eagle Cement promotes the distribution of its high-quality products through strong mass media marketing efforts and grassroots below-the-line activation partnership-building programs with dealers, distributors, and retailers. Through its holistic brand building activities, Eagle Cement continues to enhance its value proposition which develops strong client relationships. The sound credit management framework employed by the cement business ensures a substantially liquid financial position that provides options in short-term financial planning and in long-term capital development strategy.

Selected financial highlights for Eagle Cement are provided below for the periods indicated:

	For the years ended December 31,			For the six months ended June 30,	
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
	(in millions, except percentages)				
	₱	₱	₱	₱	₱
Sales	26,384	25,443	23,874	12,837	11,965
Gross profit.....	8,247	8,889	7,154	4,366	2,776
Gross profit margin ⁽¹⁾	31.3%	34.9%	30.0%	34.0%	23.2%
EBITDA ⁽²⁾	7,013	7,414	5,988	3,566	3,036
EBITDA margin ⁽³⁾	26.6%	29.1%	25.1%	27.8%	25.4%
Net income before tax.....	6,362	5,391	5,219	3,101	2,398
Net income before tax margin ⁽⁴⁾	24.1%	21.2%	21.9%	24.2%	20.0%

Notes:

(1) Gross Profit Margin is calculated by sales less cost of sales divided by sales.

(2) EBITDA is calculated as net income before income tax expense, net financing charges (interest income net expense), extraordinary or exceptional items, foreign exchange losses (gains), marked-to-market currency losses (gains), and depreciation and amortization and impairment losses.

(3) EBITDA margin is calculated by EBITDA divided by sales.

(4) Net income before tax margin is calculated by net income before income tax divided by sales

Strengths and Strategies

Strengths

For the Cement business, it believes that its principal competitive strengths include the following:

Strong player in the cement industry

SMC’s cement business (SMEII) is an established reputation in the industry with long experience in cement production and domestic sales. It has a leading and contemporary cement plants with new integrated production line showcasing sustainable, environment-friendly, world-class and state-of-the art equipment capable of producing high quality cement products with comprehensive strength above and beyond the prescribed specifications.

It has a strong market presence and is considered a leading cement player in Luzon with significant growth in other market areas/regions as a result of its improved operations and upgraded production capacity

Fully-integrated manufacturing facility with state-of-the art production lines

The cement business owns and operates two fully-integrated cement production facilities in Sison, Province of Pangasinan (NCC) and in Barangay Akle, San Ildefonso, Province of Bulacan (Eagle Cement), a cement grinding plant Santa Cruz, Province of Davao Del Sur (SCII), a limestone, shale and pozzolan quarry and a Limestone Pulverizing Plant in San Ildefonso, Bulacan (Eagle Cement), and a grinding and packaging facility in Limay, Bataan (Eagle Cement). As a whole, the cement business has a total annual rated cement production capacity of approximately 17.53 million MTPY of finished cement.

Details of the cement production facilities per business are as follows:

Northern Cement Corporation

NCC operates a fully-integrated cement manufacturing plant in Barangay Labayug, Sison, Pangasinan. It owns and operates an integrated cement manufacturing plant composed of three (3) dry-process rotary kilns and four (4) finish mills, composed of Lines 1 and 2 and the newly constructed Line A and Ok-Mill B. Its integrated cement production lines have total annual rated cement production capacity of approximately 6.93 million MTPY of finished cement, equivalent to 173 million 40-kg bags. Presently, Line A of the new and additional production line is on full commercial operations which further enhance the total capacity of the Pangasinan Plant. Its production facility is located in proximity with its quarry areas that enables it to maintain end-to-end production of cement from raw material sourcing and processing, clinker production, grinding and mixing, to packaging and cargo loading, thereby providing it with significant process, cost, and quality control and more efficient operations.

The production lines utilize state-of-the-art technology in the production of Type 1 and Type 1T cement, the major cement products in the industry. The facilities are regularly checked, maintained and upgraded with the latest machinery to consistently achieve improved operating efficiencies. Constant improvement and rehabilitation of the facilities and manufacturing process ensure a high quality of cement produced in the most efficient manner. The plant also has a post-production facility where cement is stored in silos until such a time that these are sold and delivered to distributors and/or consumers in 40-kilogram bags, tonner bag and in bulk. The plant maintains a total of nine (9) roto packing machine that can accommodate about 324 trucks per day and five (5) bulk and three (3) tonner loading facilities capable of simultaneously loading five (5) bulk carriers and three (3) tonner trucks.

It distributes the majority of its cement products through its qualified and accredited dealers that transport the cement products from the plant to various destinations with no additional outlay for transportation equipment. The rest of the cement products are directly delivered to end consumers through bulk carriers which enables it to distribute to the highest value and fastest growing markets, particularly in Northern Luzon.

The end-to-end production strategy, which seamlessly integrates critical raw material sourcing with modern manufacturing technology resulting in one of the most efficient cement manufacturing operations in the country. It also enables it to manage cost and margins in every stage of the cement production and distribution process, allowing for higher efficiency, profitability, and operating synergy.

NCC owns and operates an integrated cement manufacturing plant in Pangasinan composed of three dry-process rotary kilns and four finish mills. With the completion of third integrated production line and a grinding mill, annual rated capacity of NCC is now at 6.93 million MTPY of finished cement. The raw materials used in its cement manufacturing process are generally a mixture of quarried materials – limestone, shale and gypsum.

On June 14, 2021, the SEC approved the merger of NCC and San Miguel Northern Cement, Inc. (“**SMNCI**”), a wholly-owned subsidiary of SMEI which was incorporated and registered with the SEC on October 2, 2017 to engage in the business of manufacturing, developing, processing, exploiting, importing, exporting, buying, selling or otherwise dealing in such goods as cement and other products of similar nature. The effective date of the merger is July 1, 2021, with NCC as the surviving corporation.

Prior to the merger, SMNCI commenced the design, development, and construction of two (2) integrated state-of-the-art cement production lines from crushing to cement packaging (Lines “A” and “B”), adjacent to the existing cement facilities and quarry site of NCC. The SMNCI project was projected to have an overall capacity of 3.63 million MTPY of clinker and 4.73 million MTPY of finished cement, or 118.3 million 40-kg bags.

With the merger having been approved by the board of directors and stockholders of NCC and SMNCI, respectively, on March 3, 2021, and subsequently by the SEC as aforementioned, the SMNCI project was transferred to NCC. As of June 1, 2023, NCC declared the commencement of commercial operations of Line A.

Eagle Cement Corporation

Eagle Cement is one of the top four largest cement player in the Philippines and owns a large cement plant with three integrated production lines, a grinding plant and a limestone pulverizing plant. It has the largest integrated single plant production capacity in terms of cement output in the Philippines through its primary cement production facility located in Barangay Akle, San Ildefonso, Bulacan. Through the plant and two distribution centers in Cavite and Batangas, it serves 19 distribution areas across five Luzon regions. It is vertically integrated with strategic locations and on-site quarries that provide access to raw material reserves.

Eagle Cement has the newest, state-of-the art, and single largest fully-integrated cement production facility in the Philippines located in Barangay Akle, San Ildefonso, Bulacan (the **“Bulacan Cement Plant”**). The Bulacan Cement Plant consists of three (3) integrated production lines with a combined annual cement production capacity of approximately Eight Million Six Hundred Thousand (8,600,000) Metric Tonnes (**“MT”**) or Two Hundred Fifteen Million (215,000,000) bags per annum. It is strategically located near demand-centric areas and in close proximity to rich limestone and shale reserves covered by the exclusive mineral rights of Eagle Cement.

Strategic location of plant and access to vast limestone reserves

Plants are strategically located in the Province of Bulacan and Pangasinan that allows it to readily serve key markets in Luzon. Its location likewise provides a positive outlook on the expansion of its market areas. These, together with its reliable and established dealership network, provide a significant competitive advantage in the distribution of cement in the key markets in its covered areas.

NCC is a holder of an MPSA granting it the rights to a total of 630.4978 hectares of land in Sison, Pangasinan as a source of raw materials for its plant, with an estimated limestone deposit of approximately 730 million MT. The extensive limestone deposits provide ample supply to support the cement business’s raw material requirements in the long-term covering both the current operations and expansion plans.

Eagle Cement and its subsidiaries have several MPSA granted by the Philippine Government through the Mines and Geosciences Bureau (**“MGB”**) either through direct grant or through deed of assignment.

Competent management, operating and marketing teams with proven track record in the cement industry

Managed by professional management team with extensive experience and highly trained technical and marketing workforce composed of goal-oriented young professionals ensuring the cement business’s growth and continued excellence. Its lean organization is responsive and immediately adapts to market changes with a deep knowledge of the operating environment with long standing relationships with customers, suppliers and distributors.

Unique Sales and Marketing Structure

NCC established a customer technical service that provides technical assistance and training to customers in the evaluation of concrete raw materials, mix design preparation, and trial mix through its own Concrete Academy; and conducts on-site compressive and flexural strength testing and aggregates testing in its Mobile Concrete Laboratory, the first in the industry.

The continuous improvement of the cement products is likewise made possible through the establishment of an in-house concrete laboratory duly accredited with the government as part of the cement business’s thrust to ensure the quality of its products.

Well positioned for growth opportunities in the infrastructure industry of the country

The Philippine cement market grew by 3.4% compound annual growth rate in a period ten (10) years from 2015 to 2024. The cement market showed a strong recovery in 2021 driven by infrastructure and residential projects after COVID-19 pandemic interrupted the growth pattern of the cement market in 2020. Although overcapacity in neighboring countries lead to cement import surge, local cement market is expected to grow until 2026. The government intends to expand the infrastructure modernization initiatives and implement the new **“Build, Better, More”** program which includes,

among others, transportation infrastructure programs, network development program for the expansion of connectivity and road systems across the country and asset preservation program involving maintenance, rehabilitation and reconstruction.

The integrated cement manufacturing plants, along with the ongoing development and establishment of its additional production lines combined with its annual rated capacity of approximately 17.53 million MTPY of finished cement or 438.25 million bags per annum, will ensure its strong position in the market, taking advantage of this opportunity.

Strategies

Cement Group's principal strategies are set out below:

Increase production capacity and grow distribution channels in key growth areas

Continues to develop and improve the plant operations, production and capacity through innovative technology and measures to ensure increase in supply of cost-efficient cement products. The newly constructed production lines of SMC cement will ensure a steady supply of cement products that will cater to the existing and new market areas in Northern Luzon, Regions 2 and 3.

With the growing supply of cement products, it will tap on additional qualified dealers to become its partner in reaching out to new market areas and increasing its market coverage.

Expand market presence through development of product portfolio and enhancement of customer proposals

Continue to offer different varieties of fighting brands that are descriptive of the quality of the products and are identifiable with the region or area where the products will be distributed.

Further enhance its products' visibility and value through various brand-building activities that maximizes on social media and other digital media platforms, and still backed by traditional mass media and extensive below-the-line activations and loyalty programs.

Strengthen its partnerships with dealers and distributors through various below-the-line activations and participation in industry-specific events which are aligned with the positioning of its products. To maintain its strong relationships with dealers and distributors, it has established (i) the key accounts group which handle the requirements of the large-scale distributors/dealers and institutional clients; and (ii) loyalty programs that provide incentives to dealers and distributors which achieve a certain order volume within a specific period of time.

Continues to provide efficient and effective technical solutions, support and resources to the customers to establish and gain market trust and continued partnership. It is also strengthening its existing Concrete Academy and Mobile Concrete Laboratory programs to be able to reach more institutional accounts and customers.

Further enhance its compliance and corporate social responsibility programs

Enhance its corporate social responsibility and compliance programs to ensure business continuity. Its ESG initiatives include environment protection and enhancement programs, promotion of innovative and environment-friendly products, programs geared towards strict monitoring and enforcement of regulatory compliances, strengthening of customer technical and mobile laboratory services, social development and management program and extension of Malasakit program to Indigenous Cultural Communities, and employee welfare and development programs that offer continuous holistic personnel development to create a resilient and engaged workforce who fully embrace and live the cement business values, among others.

Production Facilities

Northern Cement Corporation

NCC operates a fully-integrated cement manufacturing plant in Barangay Labayug, Sison, Pangasinan. It owns and operates an integrated cement manufacturing plant composed of three (3) dry-process rotary kilns and four (4) finish mills, composed of Lines 1 and 2, and the newly constructed Line A and Ok-Mill B. Its integrated cement production lines have total annual rated cement production capacity of approximately 6.93 million MTPY of finished cement,

equivalent to 173 million 40-kg bags. Its production facility is located in proximity with its quarry areas that enables it to maintain end-to-end production of cement from raw material sourcing and processing, clinker production, grinding and mixing, to packaging and cargo loading, thereby providing it with significant process, cost, and quality control and more efficient operations.

The production lines utilize state-of-the-art technology in the production of Type 1 and Type 1T, cement, the major cement products in the industry. The facilities are regularly checked, maintained and upgraded with the latest machinery to consistently achieve improved operating efficiencies. Constant improvement and rehabilitation of the facilities and manufacturing process ensure a high quality of cement produced in the most efficient manner. The plant also has a post-production facility where cement is stored in silos until such a time that these are sold and delivered to distributors and/or consumers in 40-kilogram bags, tonner bag and in bulk. The plant maintains a total of nine (9) roto packing machine that can accommodate about 324 trucks per day and five (5) bulk and three (3) tonner loading facilities capable of simultaneously loading five (5) bulk carriers and three (3) tonner trucks.

It distributes the majority of its cement products through its qualified and accredited dealers that transport the cement products from the plant to various destinations with no additional outlay for transportation equipment. The rest of the cement products are directly delivered to end consumers through bulk carriers which enables it to distribute to the highest value and fastest growing markets, particularly in Northern Luzon.

The end-to-end production strategy, which seamlessly integrates critical raw material sourcing with modern manufacturing technology resulting in one of the most efficient cement manufacturing operations in the country. It also enables it to manage cost and margins in every stage of the cement production and distribution process, allowing for higher efficiency, profitability, and operating synergy.

NCC owns and operates an integrated cement manufacturing plant in Pangasinan composed of three dry-process rotary kilns and four finish mills. The existing production facility has an annual rated capacity of 6.93 million MTPY of finished cement. The raw materials used in its cement manufacturing process are generally a mixture of quarried materials – limestone, shale and gypsum.

On June 14, 2021, the SEC approved the merger of NCC and SMNCI, a wholly-owned subsidiary of SMEII which was incorporated and registered with the SEC on October 2, 2017 to engage in the business of manufacturing, developing, processing, exploiting, importing, exporting, buying, selling or otherwise dealing in such goods as cement and other products of similar nature. The effective date of the merger is July 1, 2021, with NCC as the surviving corporation.

Prior to the merger, SMNCI commenced the design, development, and construction of two (2) integrated state-of-the-art cement production lines from crushing to cement packaging (Lines “A” and “B”), adjacent to the existing cement facilities and quarry site of NCC. The SMNCI project is projected to have an overall capacity of 3.63 million MTPY of clinker and 4.73 million MTPY of finished cement, or 118.3 million 40-kg bags.

With the merger having been approved by the board of directors and stockholders of NCC and SMNCI, respectively, on March 3, 2021, and subsequently by the SEC as aforementioned, the SMNCI project was transferred to NCC. As of June 1, 2023, NCC declared the commencement of commercial operations of Line A.

The additional supply of cement is targeted to meet the strong demand in Northern Luzon (Region 1 and Region 2), the Cordillera Administrative Region (CAR), and Central Luzon (Region 3).

The NCC Plant is strategically located in the Province of Pangasinan that allows it to readily serve key markets in Northern Luzon, specifically in Pangasinan, Ilocos, La Union and the Cordillera Administrative Region. Its location likewise provides a positive outlook on the expansion of its market areas in regions 2 and 3. These, together with its reliable and established dealership network, provide a significant competitive advantage in the distribution of cement in the key markets in its covered areas.

Southern Concrete Industries Inc. (formerly, Oro Cemento Industries Corporation)

SCII has constructed a cement grinding plant in Santa Cruz, Province of Davao del Sur with world-class equipment capable of producing 2 million MTPY of finished cement while minimizing impact to the environment. While SCII is in the process of completing the commissioning stage of its plant, it already conducted its promotional trial campaign and distribution activities. SCII declared the commencement of its commercial operations on May 31, 2023.

Eagle Cement Corporation

Eagle Cement is one of the top four largest cement player in the Philippines and owns a large cement plant with 3 integrated production lines, a grinding plant and a limestone pulverizing plant. It has the largest integrated single plant production capacity in terms of cement output in the Philippines through its primary cement production facility located in Barangay Akle, San Ildefonso, Bulacan. Through the plant and two distribution centers in Cavite and Batangas, it serves 19 distribution areas across five Luzon regions. It is vertically integrated with strategic locations and on-site quarries that provide access to raw material reserves.

Eagle Cement has the newest, state-of-the art, and single largest fully-integrated cement production facility in the Philippines located in Barangay Akle, San Ildefonso, Bulacan (the **“Bulacan Cement Plant”**). The Bulacan Cement Plant consists of three (3) integrated production lines with a combined annual cement production capacity of approximately Eight Million Six Hundred Thousand (8,600,000) MT or Two Hundred Fifteen Million (215,000,000) bags per annum. It is strategically located near demand-centric areas and in close proximity to rich limestone and shale reserves covered by the exclusive mineral rights of Eagle Cement.

Eagle Cement, through SNMC, is operating a limestone, shale and pozzolan quarry and a Limestone Pulverizing Plant in San Ildefonso, Bulacan with an annual capacity of one million (1,000,000) MT. Bulk of its production are used as input in the cement business’s cement production and are supplied to power companies.

Raw Materials

The cement business obtains its principal raw materials on a competitive basis from various suppliers here and abroad. It is not aware of any dependency upon one or a limited number of suppliers for essential raw materials as it continuously looks for new principals/traders where the strategic raw materials could be sourced out and negotiations are done on a regular basis. It has contracts with various suppliers for varying periods ranging from three to twelve months. All contracts contain renewal options.

Competition

The Group owns leading brands with the highest quality in the industry, substantial market share leads over its nearest competitors, successful pricing strategies, and strong financial position.

NCC’s major competitor in its core market area (Region 1 and CAR) is LafargeHolcim Philippines (**“LHP”**). LHP has a cement production facility located in La Union, a nearby province of Pangasinan where NCC’s cement plant is located.

About sixty-three percent (63%) of the country’s total cement demand comes from Luzon region. Eagle Cement currently distributes its products in the following areas of the Luzon region: National Capital Region, Region I (La Union, Pangasinan), Region II (Cagayan, Isabela, and Nueva Vizcaya), Region III (Nueva Ecija, Bulacan, Pampanga, Tarlac, Bataan, Zambales, and Aurora), and Region IVA (Cavite, Laguna, Batangas, Rizal, and Quezon). As of 2024, NCR still serves as the center of construction and infrastructure activities in the country. The cement business is considered as one of the leading players in areas with the highest economic activity in the Philippines with an estimated market share of 42% in the combined area of NCR, Region III, and Region IVA, based on internal market survey.

Eagle Cement does not sell its products in other countries. With the foreseen increase in both private and public construction activities, supported by the commitment of the national government towards infrastructure development, there remains a strong positive outlook on the Philippine economy which translates to sustained and impressive growth prospects for the cement industry. The cement business is uniquely well-positioned to capitalize on these market conditions to maintain its robust financial performance through modern production technology, strategic raw material sources, strong brand equity and established customer and dealer relationships.

Health, Safety and Environmental Matters

The nature of the operation of cement businesses entail compliance with several laws and regulations governing protection of the environment - among others, environmental impact assessment, mining standards, air emissions, water use, water and waste water discharges, and management and disposal of solid and hazardous wastes. The cement businesses are compliant with all these laws and has obtained all necessary permits, licenses, and approvals to operate its manufacturing plants.

Eagle Cement and NCC, as (Integrated Management System) companies, are holders of ISO 140001 certificates covering the environmental management system for manufacture and selling of cement products. These certifies that the cement businesses are implementing its respective environmental compliance above and beyond the regulatory standards.

In addition, NCC's Environment Management Policy states, NCC is committed to fulfill compliance obligations to protect the environment where we operate, for the prevention of pollution, sustainable use of resources, mitigation, and adaptation to climate change, and for the protection of biodiversity ecosystems. We endeavor to improve our environmental performance, taking into account the significant aspects and impacts in our business operations, the needs and expectations of our customers, and of relevant interested parties in achieving our environmental objectives and targets. We pursue improvements to our environmental management system in keeping with our corporate values, anchored on our Vision and Mission, in our desire to become a world-class cement company and a true advocate of responsible mining." True to its commitment, the Annual Environmental Protection and Enhance Program of NCC rated an accomplishment rate of 89% in 2022, which is higher than the passing rate of 85%, demonstrating a result exceeding the regulatory standards.

OTHERS

Other investments of SMC include property development and leasing, through San Miguel Properties, Inc., car distributorship through SMC Asia Car Distributors Corp., and Velocità Motors Inc., banking services through BankCom, and insurance through Petrogen Insurance Corporation.

Properties Business

Established in 1990 as the corporate real estate arm of SMC, SMPI is aiming to be one of the major players in the property development sector of the country. SMPI is 99.98% owned by SMC and is primarily engaged in the management, development, sale and lease of the conglomerate's real estate assets.

Moving forward, SMPI is considering to venture into integrated township developments and sustainable tourism projects.

Cavite Projects

SMPI offers a diverse portfolio of mid-range homes in General Trias, Cavite, namely Bel Aldea, Maravilla, and Asian Leaf, offering townhouse units and single attached house-and-lots, with floor areas ranging from 41.75 to 132.00 square meters.

Bel Aldea

Bel Aldea is a 12-hectare development, which serves the economic housing segment, offers smartly designed townhouse units, with an average floor area of 42 square meters.

Maravilla

Spanning 17-hectare, Maravilla is a mid-range residential community located at General Trias, Cavite, offering Spanish Mediterranean houses, which offered new house models to suit the changing needs of the market.

Asian Leaf

Asian Leaf is a seven (7)-hectare premier residential community at the heart of General Trias, Cavite, composed of single attached house and lots, with floor areas ranging from 64.91 to 140.00 square meters. Fusing modern Asian architecture and vibrant landscaping, Asian Leaf is perfect for homeowners looking for a tranquil and ideal haven.

Wedge Woods

Wedge Woods is located west of Sta. Rosa, Laguna - in Silang, Cavite, offering prime lots on a rolling terrain, with a majestic view of Mount Makiling.

Bugsuk Island Resort Development

Located at the southern-most tip of Palawan is the 12,000-hectare Bugsuk Island with a powdery 40-kilometer coastline that intends to be a world-class island resort development with commitment to conserve its natural resources for future generations to enjoy.

Mariveles Economic Zone Project

A 500-hectare industrial park development under the flagship of E-Fare Investment Holdings, Inc., and registered under Authority of the Freeport Area of Bataan. The Mariveles Economic Zone Project intends to provide an attractive location for private investments, stimulate regional economic activity and generate employment opportunities.

Metro Manila Projects

The first project of SMPI is the SMC Head Office Complex, now considered as a landmark, which has served as a catalyst in transforming the area now known as the Ortigas Business District.

SMPI has expanded its portfolio, serving the high-end market with its foray into townhouse developments, such as Dover Hill in San Juan City, One Dover View and Two Dover View in Mandaluyong City, and Emerald 88 in Pasig City, and ventured also in hospitality segment through its Makati Diamond Residences (“**MDR**”) in Makati City.

Dover Hill

A 95-unit luxury townhouse development in Addition Hills, San Juan City that offers three (3) to five(5)-bedroom units ranging from 202 up to 355 square meters. A three-car parking area located directly below each unit ensures maximum convenience. Aside from its amenities like the swimming pool and playground, within the Dover Hill compound is Dover Club, a five (5)-storey amenity building which includes a fully equipped, state-of-the-art fitness gym, and a party venue with its own kitchen and dining area good for up to 30 guests. Dover Hill also has a swimming pool and playground.

One Dover View and Two Dover View

Both located along Lee St., Mandaluyong, One Dover View and Two Dover View are exclusive and premier condominium-townhouse projects, offering three (3) and four (4) bedrooms, with only 23 and eight (8) units, respectively. Floor areas range from 222.80 to 327.10 square meters.

Emerald 88

Located along Dr. Sixto Avenue, Pasig City, Emerald 88 is a 14 three (3)-level townhouse unit development, with generous floor areas ranging from 187.48 to 216.94 square meters. Each unit has a two (2)-car garage.

Makati Diamond Residences (MDR)

MDR is a luxury serviced apartment with 410 spacious guest rooms ranging from 41 square meters up to as much as 204 square meters and has top-of-the-line amenities and health and wellness facilities. Conveniently located in Makati Central Business District, the location of MDR provides easy access to many multinational companies, shopping, dining and entertainment destinations.

Banking

SMC, through SMPI, made a series of acquisitions of BankCom shares in 2007 and 2008 representing 39.93% ownership interest and additional acquisition of BankCom shares in December 2018, through SMC Equivest Corporation, representing 4.69% ownership interest.

The Company, through SMC Equivest Corporation, made additional equity investments in BankCom in the form of: (i) subscription of ₱5.5 billion preferred shares in August 2021; and (ii) an acquisition of common shares comprising 1.40% of the outstanding common shares of BankCom in October 2021.

On December 23, 2021, the Monetary Board of the Bangko Sentral ng Pilipinas, in its Resolution No. 1798, approved the upgrade of the banking license of BankCom from commercial bank to universal bank, subject to the public offering of its shares and listing the same with the PSE within one (1) year from the date of the grant of the universal banking

license. On February 15, 2022, the SEC issued its pre-effective letter relating to the registration of securities of up to 1,403,013,920 common shares of BankCom to be listed and traded in the Main Board of the PSE in relation to its initial public offering (“**IPO**”).

On February 16, 2022, the PSE approved the application for the listing of up to 1,403,013,920 common shares of BankCom, which includes the 280,602,800 common shares subject of the IPO. On March 15, 2022, the SEC issued its Order rendering effective the registration of up to 1,403,013,920 common shares of BankCom, and the Certification of Permit to Offer Securities for Sale. The 1,403,013,920 common shares of BankCom were listed with the Main Board of the PSE on March 31, 2022. On November 2, 2022, BankCom has been conferred the authority to operate as the latest universal bank in the Philippines.

Bank of Commerce, a universal bank licensed by the Bangko Sentral ng Pilipinas (“**BSP**”), traces its origins to the Overseas Bank of Manila, established in Binondo, Manila in 1963. In 2008, SMC bought into the Bank and became a major stakeholder through the voting stake of San Miguel Properties, Inc. in the Bank. In December 2020, the Intellectual Property Office (IPO) granted the copyright license for “BankCom” as the Bank’s official short name.

The Bank provides innovative banking solutions and a complete range of products and services in deposit, commercial loans, credit card services, consumer banking, transaction banking, corporate banking, investment banking, treasury, asset management, trust and investments. In terms of service reach, the Bank has retail and corporate online banking facilities, 140 branches and 272 automated teller machines (“**ATMs**”) strategically located nationwide as of June 30, 2025.

Universal Banking License

In November 2022, the Monetary Board of the BSP conferred on the Bank the authority to operate as a universal bank.

With a universal banking license, the Bank will have more opportunities to generate and warehouse interest bearing assets like marketable securities, generate more fee-based income, and manage risk of securities underwritten and held for trading. This will also enable the Bank to enhance its marketing relationship with existing and prospective clients in the large corporate and middle market segments as it will be carrying a broader range of products, from traditional working capital lines and term loans to project finance, initial public offerings, mergers and acquisitions, financial advisory, etc. The latter services are essential to large businesses in planning their expansion programs as a response to the increasing demand brought about by the robust economy.

DESCRIPTION OF PROPERTY

The general asset description and locations of the various plants and farms owned and leased by the SMC Group are included as Appendix “C” of this Offer Supplement.

The properties included in Appendix “C” of this Offer Supplement that are owned by the SMC Group are free of liens and encumbrances.

The properties in Appendix “C” of this Offer Supplement are in good condition, ordinary wear and tear excepted.

The SMC Group is continuously evaluating available properties for sale the cost or details of which cannot be determined at this time.

MANAGEMENT

The overall management and supervision of SMC is undertaken by the board of directors (the “**Board of Directors**”). The executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning SMC’s business operations, financial condition and results of operations for its review.

Board of Directors

Currently, the Board consists of the following members, three (3) of whom are independent directors. The table below sets forth certain information regarding the members of the Board:

Name	Age	Citizenship	Position
Ramon S. Ang	71	Filipino	Chairman and Chief Executive Officer
John Paul L. Ang	45	Filipino	Vice Chairman, President and Chief Operating Officer
Cecile L. Ang	43	Filipino	Director
Aurora T. Calderon	72	Filipino	Director
Joselito D. Campos, Jr.	74	Filipino	Director
Jose C. De Venecia, Jr.	88	Filipino	Director
Ernesto M. Pernia	81	Filipino	Director
Joseph N. Pineda	62	Filipino	Director and Treasurer
Alexander J. Poblador	71	Filipino	Director
Thomas A. Tan	71	Filipino	Director
Bryan U. Villanueva	56	Filipino	Director and Chief Finance Officer
Iñigo U. Zobel	68	Filipino	Director
Douglas L. LuYm	83	Filipino	Independent Director
Felipe M. Medalla	75	Filipino	Independent Director
Margarito B. Teves	82	Filipino	Independent Director

Fifteen (15) members of the Board of Directors were elected during the Annual Stockholders’ Meeting of the Company held on June 10, 2025.

Ramon S. Ang is the Chairman and the Chief Executive Officer since June 11, 2024. He was President and CEO from November 2, 2021 until June 11, 2024. He was the Vice Chairman of the Company from January 28, 1999 until June 11, 2024. He was the President and Chief Operating Officer since March 6, 2002 to November 2, 2021. He has been a member of the Board of Directors of the Company for twenty-six (26) years since 1999. He is the Chairman of the Executive Committee of the Company. He also holds, among others, the following positions in other publicly listed companies: President and Chief Executive Officer of Top Frontier Investment Holdings, Inc. and Petron Corporation; President of Ginebra San Miguel, Inc.; Chairman of the Board of Directors of San Miguel Brewery Hong Kong Limited (listed in the Hong Kong Stock Exchange), and Petron Malaysia Refining & Marketing Bhd. (a company publicly listed in Malaysia) ; and Chairman of the Board of San Miguel Food and Beverage, Inc. He is also the Chairman of the Board of San Miguel Brewery Inc.; Chairman of the Board and Chief Executive Officer, and President and Chief Operating Officer of San Miguel Global Power Holdings Corp.; Chairman of the Board and President of San Miguel Holdings Corp., SMC Tollways Corporation, SMC SLEX, Inc., San Miguel Equity Investments Inc., San Miguel Properties, Inc., and San Miguel Aerocity Inc.; Chairman of the Board and Chief Executive Officer of SMC Asia Car Distributors Corp.; Chairman of the Board of San Miguel Foods, Inc., Eagle Cement Corporation, San Miguel Yamamura Packaging Corporation, Clariden Holdings, Inc., Anchor Insurance Brokerage Corporation, Philippine Diamond Hotel & Resort, Inc., and SEA Refinery

Corporation; President and Chief Executive Officer of Northern Cement Corporation. He is also the sole director and shareholder of Master Year Limited and the Chairman of the Board of Privado Holdings, Corp. He is also a director of Metro Pacific Investments Corp. and New NAIA Infra Corp. He formerly held the following positions: Chairman of the Board of Liberty Telecoms Holdings, Inc. and Cyber Bay Corporation, President and Chief Operating Officer of PAL Holdings, Inc. and Philippine Airlines, Inc.; Director of Air Philippines Corporation; and Vice Chairman of the Board and Director of Manila Electric Company. Mr. Ang has held directorships in various domestic and international subsidiaries of the Company in the last five (5) years. He has a Bachelor of Science degree in Mechanical Engineering from Far Eastern University. As a director of a number of companies including listed companies, Mr. Ang has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global and Best Practices on November 15, 2024.

John Paul L. Ang is the Vice Chairman, President and Chief Operating Officer since June 11, 2024. He was elected as a director of the Company on January 21, 2021 and has been a member of the Board of Directors for four (4) years. He is also a Member of the Executive Committee of the Company. Mr. Ang holds directorships in other listed companies namely, Petron Corporation, San Miguel Food and Beverage, Inc., and Top Frontier Investment Holdings, Inc. He is also the President and Chief Executive Officer of San Miguel Food and Beverage Inc. since 2024, Eagle Cement Corporation since 2016, Solid North Mineral Corp., and Southwestern Cement Corporation since 2017. He is the Chairman and President of San Miguel Equity Investments, Inc. He is also the Vice Chairman of San Miguel Global Power Holdings Corp. since 2021. He is also a director of San Miguel Brewery Inc., SMC Tollways Corporation, SMC SLEX Inc., Aerofuel Storage Management Inc., Argonbay Construction Company, Inc., Pacific Nickel Philippines, Inc., Philnico Industrial Corporation, and KB Space Holdings, Inc. He is the President of Armstrong Ash-fly and Logistics Company Inc. Mr. Ang graduated with a degree in Bachelor of Arts Major in Interdisciplinary Studies at the Ateneo de Manila University. As a director of a number of companies including listed companies, Mr. Ang has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global and Best Practices on November 15, 2024.

Cecile L. Ang was elected as a Director of the Company on June 10, 2025. She is a Director of Ginebra San Miguel Inc. since May 30, 2024. She is also a Director of SMPI Makati Flagship Realty Corporation, San Roque Hydropower Inc, Armstrong Fly-Ash and Logistics Company, Inc., and Board Advisor of Bank of Commerce. She is the Chairman of San Miguel Foundation Inc and originated the Better World Centers of the San Miguel Foundation. She is also a director in other subsidiaries of the San Miguel Group. She has worked with various companies under the San Miguel Group such as Petron Corporation, Intelligent e-Process Technologies Corp, and San Miguel Foods, Inc. She currently the President of Diamond Hotel Philippines. She obtained her Bachelor of Arts with a degree in European Studies from the Ateneo de Manila University.

Aurora T. Calderon has been a director of the Company since June 10, 2014. She has been a member of the Board of Directors of the Company for eleven (11) years. She is also Senior Vice President and the Senior Executive Assistant to the Chairman and Chief Executive Officer of SMC. She is a member of the Corporate Governance Committee and Sustainability Committee of the Company. She holds the following positions in other publicly listed companies, namely: Director and Treasurer of Top Frontier Investment Holdings, Inc.; and Director of San Miguel Food and Beverage, Inc., Ginebra San Miguel, Inc., Petron Corporation, San Miguel Brewery Hong Kong Limited (listed in the Hong Kong Stock Exchange), and Petron Malaysia Refining & Marketing Bhd. (a company publicly listed in Malaysia). She is also a member of the Board of Directors of San Miguel Global Power Holdings Corp., SMC Tollways Corporation, SMC SLEX, Inc., Petron Marketing Corporation, Petron Freeport Corporation, New Ventures Realty Corporation, Las Lucas Construction and Development Corporation, Thai San Miguel Liquor Company Limited, San Miguel Equity Investments Inc., SMC Asia Car Distributors Corp., San Miguel Yamamura Packaging Corp., and San Miguel Aerocity Inc. She was formerly a Director of PAL Holdings, Inc., Philippine Airlines, Inc., Trustmark Holdings Corporation, Zuma Holdings and Management Corporation, Air Philippines Corporation, and Manila Electric Company. A certified public accountant, Ms. Calderon graduated magna cum laude from the University of the East with a degree in BS Business Administration, major in Accountancy. In addition, Ms. Calderon holds directorships in various SMC domestic and international subsidiaries. As a director of a number of companies including listed companies, Ms. Calderon has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by SGV&Co. on September 26, 2024.

Joselito D. Campos, Jr. has been a Director since May 31, 2010. He has been a member of the Board of Directors of the Company for fifteen (15) years. He is a member of the Related Party Transactions Committee of the Company. He is the Managing Director and Chief Executive Officer of Del Monte Pacific Ltd., President and Chief Executive Officer of Del Monte Philippines, Inc. He is also the Chairman of the Board and Chief Executive Officer of the NutriAsia Group of Companies, Chairman of the Board of Fort Bonifacio Development Corp. and Vice Chairman of the Board of Ayala

Greenfield Development Corp. He is also a Director of FieldFresh Foods (P) Ltd. He was the former Chairman of the Board and Chief Executive Officer of United Laboratories, Inc. and its regional subsidiaries and affiliates. He is also the Honorary Consul in the Philippines for the Republic of Seychelles. He is Chairman of the Metropolitan Museum of Manila and a Trustee of the Asia Society in the Philippines, the Philippines-China Business Council, the Philippine Center for Entrepreneurship and a member of the WWF (World Wildlife Fund) for Nature - Philippines. He graduated with a degree in BS Commerce, Major in International Business from the University of Santa Clara, California and a Masters in Business Administration degree from Cornell University, New York. As a director of a number of companies including listed companies, Mr. Campos has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global and Best Practices on November 15, 2024.

Jose C. De Venecia, Jr. is a Director of the Company since March 16, 2017. He has been a member of the Board of Directors of the Company for eight (8) years. He was former Speaker of the House of Representatives (from 1992 to 1998, and from 2001 to 2008). Before joining politics, he was an international entrepreneur, engaged in the business of port operations in Saudi Arabia, agriculture in Africa, mass housing in Iraq and oil exploration in the United Arab Emirates. He has a Bachelor of Arts degree in Journalism from the Ateneo de Manila University. He completed his secondary education at De La Salle College, Manila. As a director of a number of companies including listed companies, Mr. De Venecia, Jr. has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global and Best Practices on November 10, 2023.

Ernesto M. Pernia was elected as a Director of the Company on August 4, 2022 for almost three (3) years) and is a Member of the Sustainability Committee of the Company. Mr. Pernia was the Secretary of Socioeconomic Planning and Director General of the National Economic and Development Authority of the Philippines from 2016 until 2020. Since 2013, he has served as Professor Emeritus of Economics, University of the Philippines (U.P.), after having been on the faculty of the U.P. School of Economics for several years. He likewise held the position of Economist at the Asian Development Bank from 1999-2003. Mr. Pernia obtained his MA Economics degree from the University of Bridgeport, Connecticut in 1969, his AB Economics degree from the University of San Carlos in 1967, his degree of Bachelor of Theology from the UST Central Seminary in 1965, and his AB in Philosophy degree from the San Carlos Major Seminary (Cebu) in 1963. Mr. Pernia has served as Chairman of the Board of Trustees of the University of San Carlos, and a Director on the board of the Philippine-American Academy of Science and Engineering. He was also a former President of the Philippine Economic Society. Mr. Pernia has most recently attended the training on Corporate Governance conducted by the Center for Global Best Practices on November 15, 2024.

Joseph N. Pineda was elected as a Director of the Company on June 10, 2025. He is the Senior Vice President – Treasurer and Deputy Chief Finance Officer of the Company. Effective June 1, 2021, he was also appointed Head of Treasury of SMC. Effective February 1, 2025, Mr. Pineda was appointed Treasurer of SMC replacing Mr. Constantino. He was formerly Vice President prior to his promotion on July 27, 2010 and has been the Deputy Chief Finance Officer since December 2005. He was previously Special Projects Head of SMC since January 2005. Mr. Pineda has a degree of Bachelor of Arts in Economics from San Beda College and obtained units towards a Masters in Business Administration degree from De La Salle University. In addition, Mr. Pineda holds directorships in various SMC domestic and international subsidiaries. On November 15, 2024, he attended the corporate governance training conducted by Center for Global Best Practices.

Alexander J. Poblador has been a Director of the Company since September 1, 2009 for almost sixteen (16) years and a Member of the Related Party Transactions Committee and Sustainability Committee of the Company. He has been a member of the Board of Directors of the Company for fifteen (15) years. He is the Founding Partner and Chairman of the Executive Committee of Poblador Bautista & Reyes Law Office. Atty. Poblador is a practicing lawyer, specializing in the fields of commercial litigation, international arbitration, real estate finance and project development, bankruptcy and corporate reorganization. He also sits as a member of the Board of Directors of Alpha Aviation Group (Phil), Inc., Alsa Industries, Inc., Delfi Foods Inc., Delfi Marketing Inc., Xytron International, Inc. and B-Light Universal Trading, Inc. He is a graduate of the University of the Philippines with a degree in Bachelor of Laws cum laude, class valedictorian, and Bachelor of Arts in Political Science cum laude. He also holds a Master of Laws degree from the University of Michigan, at Ann Arbor, School of Law (De Witt Fellow). As a director of a number of companies including listed companies, Atty. Poblador has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global Best Practices on November 15, 2024.

Thomas A. Tan was elected as a Director of the Company on June 10, 2025. He was elected as a Director of the Company on June 14, 2012. He has been a member of the Board of Directors of the Company for 10 years until his resignation on July 31, 2022. He is the President and General Manager of SMC Shipping and Lighterage Corporation and its subsidiaries,

director of San Miguel Foods, Inc., Aerofuel Storage Management Inc., Jethandler Asia Services Inc.; Chairman of Picanto de Alta Realty Corp.; Chairman and President of Kyron Landholdings, Inc. and President of Saturn Cement Corporation and Sakomoto International Packaging Corp. He obtained a degree in Bachelor of Science, Major in Physics in 1974 from the Ateneo de Manila University and a Masters in Business Management degree from the Asian Institute of Management in 1976.

Bryan U. Villanueva was elected as a Director of the Company on June 10, 2025. He is the Senior Vice President and Chief Finance Officer of the Company effective February 1, 2025. He was formerly SVP for Special Corporate Projects – Office of the President of SMC since November 2023 and Chief Finance Officer of San Miguel Aerocity Inc., a position which he has held since 2020. He has been a consultant of SMC since 2018. Prior to joining SMC, Mr. Villanueva was the Managing Director, Global Head of Finance Sponsors Coverage at Standard Chartered Bank (Singapore) from 2008 to 2017. He was previously with Framework Capital Corporation (Singapore) as Director from 2006 to 2008, Executive Director at UBS Investment Bank (Hong Kong) from 2002 to 2006 and an Associate at Goldman Sachs (US/Singapore/Hong Kong) from 1998 to 2002. In 1991, he obtained a degree in BS Management Engineering from Ateneo de Manila University. He also has a Masters degree in Business Administration, Major in Finance from Wharton Business School. On November 15, 2024, he attended the corporate governance training conducted by Center for Global Best Practices.

Iñigo U. Zobel has been a Director of the Company since October 2009 and was an Independent Director of the Company from May 5, 1999 until October 2009. He has been a member of the Board of Directors of the Company for twenty-six (26) years. He is a Member of the Executive Committee of the Company. He holds the position of Chairman of the Board of Top Frontier Investment Holdings, Inc. and is a Director of PAL Holdings, Inc., which are both publicly listed companies. He is also the Chairman of the Board and President of Zygnet Prime Holdings Inc.; Chairman of the Board of IZ Investment Holdings, Inc. and E. Zobel, Inc.; Director of E. Zobel Foundation, Inc. Calatagan Golf Club, Inc., Calatagan Bay Realty, Inc., Hacienda Bigaa, Inc., MERMAC, Inc., among others. He was formerly Chairman (2015-2016), Vice Chairman (since 2016) and President (since 2015) of Manila North Harbour Port, Inc., Philippine Airlines, Inc., and President and Chief Operating Officer of Air Philippines Corporation. He was formerly an Independent Director of San Miguel Brewery Inc., San Miguel Pure Foods Company, Inc., San Miguel Properties, Inc., and Ginebra San Miguel, Inc. He attended Santa Barbara College, California, U.S.A. As a director of a number of companies including listed companies, Mr. Zobel has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global Best Practices on November 15, 2024.

Douglas L. Lu Ym was elected as an independent director of the Company on June 10, 2025. Mr. Lu Ym is currently the President of Far East Corn Refining Co., and Associated Brokerage System, Inc. He is Chairman of Magna Holding, Inc. and Chairman and President of Lu Do & Lu Ym Corp. He is a Director, Treasurer and Executive Vice President of Mactan Electric Company, Inc. He earned a degree in Business Administration from the Sta. Clara University, California in 1964.

Felipe M. Medalla was elected as an Independent Director of the Company on August 8, 2024. He was the Governor and Chairman of the Monetary Board of the Bangko Sentral ng Pilipinas from July 1, 2022 to July 2, 2023. He was a member of the Monetary Board from 2011 to 2022. He was the Secretary of the Socio-Economic Planning and Director General of the National Economic and Development Authority from 1998 to 2001. Prior to being a member of the Monetary Board, he spent 35 years as a member of the academe. He was Dean of the School of Economics at the University of the Philippines – Diliman from 1994 to 1998, where he was also a professor from 1991 to 2011, and an Instructor, Assistant Professor and Associate Professor from 1976 to 1991. Dr. Medalla obtained his PhD degree in Economics from the Northwestern University, Evanston Illinois, USA in 1983. He earned his MA Economics degree from the University of the Philippines in 1976, and his AB-BSC (Economics-Accounting) degree cum laude from De La Salle University in 1970. Mr. Medalla attended the training conducted by Center for Global Best Practices on November 15, 2024.

Margarito B. Teves was elected as an Independent Director of the Company on June 14, 2012 and is the Chairman of the Audit and Risk Oversight Committee and a Member of the Corporate Governance Committee and Related Party Transactions Committee of the Company. He has been a member of the Board of Directors of the Company for thirteen (13) years. He is also an Independent Director of Petron Corporation, a publicly listed company, SMC Tollways Corporation (formerly, Atlantic Aurum Investments Philippine Corporation), AB Capital Investment Corp., Alphaland Corporation, Alphaland Balesin Island Club, Inc., Alphaland Corporation, The City Club at Alphaland Makati Place, Inc., and Atok-Big Wedge Corporation. He is also the Managing Director of The Wallace Business Forum and Chairman of the Board of Think Tank Inc. and a director of Pampanga Sugar Development Co. He was Secretary of the Department of Finance of the Philippine government from 2005 to 2010, and was previously President and Chief Executive Officer of the Land Bank of the Philippines from 2000 to 2005, among others. He holds a Master of Arts in Development Economics

from the Center for Development Economics, Williams College, Massachusetts and is a graduate of the City of London College, with a degree of Higher National Diploma in Business Studies which is equivalent to a Bachelor of Science in Business Economics. As a director of a number of companies including listed companies, Mr. Teves has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by SGV & Co. on September 26, 2024.

Senior Management

The table below sets forth the executive officers of the SMC Group as of the date of this Offer Supplement.

Name	Age	Citizenship	Position
Virgilio S. Jacinto	69	Filipino	Senior Vice President, General Counsel, Corporate Secretary and Compliance Officer
Joseph N. Pineda	62	Filipino	Senior Vice President – Deputy Chief Finance Officer and Treasurer
Aurora T. Calderon	70	Filipino	Senior Vice President and Senior Executive Assistant to the Chairman and Chief Executive Officer
Lorenzo G. Formoso III	63	Filipino	Senior Vice President and Head of SMC Infrastructure Business
Cecile Caroline U. De Ocampo	60	Filipino	Senior Vice President and Head of Corporate Mergers and Acquisitions
Bryan U. Villanueva	56	Filipino	Senior Vice President – Chief Finance Officer
Bella O. Navarra	65	Filipino	Senior Vice President and Comptroller
Susan Y. Yu	49	Filipino	Senior Vice President - Head of Corporate Procurement

Virgilio S. Jacinto is the Senior Vice President - Corporate Secretary, General Counsel, and Compliance Officer of SMC (since October 2010). He is also the Corporate Secretary and Compliance Officer of Top Frontier Investment Holdings, Inc. and Corporate Secretary of Ginebra San Miguel, Inc. and other subsidiaries and affiliates of SMC. He is a Director of Petron Corporation. He was formerly the Vice President and First Deputy General Counsel from 2006 to 2010 and appointed as SMC General Counsel in 2010. He was Director and Corporate Secretary of United Coconut Planters Bank, Partner at Villareal Law Offices and Associate at SyCip, Salazar, Feliciano & Hernandez Law Office. Atty. Jacinto is an Associate Professor at the University of the Philippines, College of Law. He obtained his law degree from the University of the Philippines cum laude where he was the class salutatorian and placed sixth in the 1981 bar examinations. He holds a Master of Laws degree from Harvard Law School. He holds various directorships in various local and offshore subsidiaries of SMC. On September 26, 2024, he attended the corporate governance training conducted by SGV & Co.

Lorenzo G. Formoso III is the Senior Vice President and Head of SMC Infrastructure Business. Atty. Formoso holds various directorships in various local and offshore subsidiaries of SMC. He is a member of the Board of Directors of SMC SLEX, Inc., SMC Mass Rail Transit Inc., SMC Skyway Corporation, SMC Skyway Stage 3 Corporation, SMC TPLEX Corporation, Trans Aire Development Holdings Corp., Previously, he was a consultant of the Company for Infrastructure and Transportation from July 2009 to August 2010. He was previously Assistant Secretary of the Department of Transportation and Communication of the Philippine Government from September 2006 to June 2009 and Deputy Commissioner of the Commission on Information and Communications Technology. He obtained his Juris Doctor degree from University of California, Davis School of Law and a degree in Bachelor of Arts in Philosophy from the University of the Philippines. Atty. Formoso is a director in various SMC subsidiaries. On November 15, 2024, he attended the corporate governance training conducted by Center for Global Best Practices.

Cecile Caroline U. De Ocampo is the Senior Vice President and Head of Corporate Mergers and Acquisitions of SMC. She has been the head of Corporate Mergers and Acquisitions since 2016. She has been an officer of the Company since 2002 as Assistant Vice President for Planning and Project Development, and later as Vice President in 2007. She was Planning and Product Development Manager of the Company since 2002. She has been with the Company in various

positions since 1990 and has been with Corporate Planning and Development since 2002 until 2007. She is a graduate of Ateneo de Manila University with a degree in BS Management Engineering. On November 15, 2024, she attended the corporate governance training conducted by Center for Global Best Practices.

Bella O. Navarra is the Senior Vice President and Comptroller of the Company. Ms. Navarra holds various directorships in various local and offshore subsidiaries of SMC. Since 2000, Ms. Navarra was VP and Comptrollership Manager of the Company. Prior to joining SMC, Ms. Navarra was Vice President – Office of the Treasurer at SGV & Company from 1989 to 2000. She was also audit manager at PCI Bank from 1980 to 1989. She graduated with a degree in BS Accounting from the University of the East. On November 15, 2024, she attended the corporate governance training conducted by Center for Global Best Practices.

Susan Y. Yu is the Senior Vice President of the Company and Head of Corporate Procurement. Ms. Susan Yu holds various directorships in various local and offshore subsidiaries of SMC. Prior to this appointment, Ms. Susan Yu was Vice President for Special Projects at Petron Corporation from January to February 2024, and Vice President, Senior Procurement Manager at Petron Corporation from April 2009 to December 2023. She was also AVP and Senior Procurement Manager at San Miguel Brewery Inc from March 2008 to March 2009, AVP and Senior Procurement Manager at CSU from 2006 to 2008 and was at CSU Corporate Procurement from 2003 to 2006. She was Fuel Purchasing and Risk Management Manager at Philippine Airlines from 1997 to 2003. She graduated with a degree in BS Management from De La Salle University and has an MBA from Ateneo de Manila University. On September 26, 2024, she attended the corporate governance training conducted by SGV&Co.

Committees of the Board of Directors

The Company's Board of Directors appoints directors to the five (5) Board committees set forth below. Each member of the respective committees named below holds office as of the date of this Offer Supplement and will serve until his successor is elected and qualified. The five (5) committees are: (i) the Executive Committee; (ii) the Audit and Risk Oversight Committee; (iii) the Related Party Transactions Committee; (iv) the Corporate Governance Committee; and (v) the Sustainability Committee. The attendance of a majority of its members will constitute a quorum for the committee to transact business. The committee will act only on the affirmative vote of at least a majority of the members present at a meeting at which there is a quorum.

Executive Committee

The Executive Committee is tasked to help and assist the officers in the management and direction of the affairs of the Company. It acts within the powers and authority granted upon it by the Board and is called upon when the Board is not in session to exercise the powers of the latter in the management of the Company, with the exception of the power to appoint any entity as general managers or management or technical consultants, to guarantee obligations of other corporations in which the Company has lawful interest, to appoint trustees who, for the benefit of the Company, may receive and retain such properties of the Company or entities in which it has interests, and to perform such acts as may be necessary to transfer ownership of such properties to trustees of the Company, and such other powers as may be specifically limited by the Board or by law.

The Executive Committee is currently composed of five (5) directors that includes the President. The Chairman of the Executive Committee is the Chairman, Mr. Ramon S. Ang. The members of the committee are Messrs. John Paul L. Ang, Douglas L. LuYm, Iñigo U. Zobel and Ms. Aurora T. Calderon.

Audit and Risk Oversight Committee

The Audit and Risk Oversight Committee is responsible for assisting the Board in the performance of its oversight responsibility on financial reports and financial reporting process, internal control system, audit process and plans, directly interfacing with internal and external auditors, and in monitoring and facilitating compliance with both the internal financial management manual and pertinent accounting standards, including regulatory requirements, elevating to international standards the accounting and auditing processes, practices and methodologies of the Company. The committee performs financial oversight management functions, specifically in the areas of credit management, markets liquidity, operational, legal and other risks, as well as crisis management. The Audit and Risk Oversight committee has primary responsibility for recommending the appointment and removal of the Company's external auditor. Presently, the Company's external auditor is R.G. Manabat & Co.

The Audit and Risk Oversight Committee is composed of five (5) members, three (3) of whom are non-executive and independent directors. All committee members have relevant background, knowledge, skills or experience in the areas of accounting, auditing and finance. The members of the committee are Mr. Felipe M. Medalla (Independent), Mr. Douglas L. LuYm (Independent), Ms. Aurora T. Calderon, and Mr. Ernesto M. Pernia. The chairperson of the Audit Committee is Mr. Margarito B. Teves (Independent).

Related Party Transactions Committee

The Related Party Transactions Committee is tasked to review all material related party transactions (“RPTs”) of the Company to make certain that these are entered into, as a matter of policy, on an arms-length basis and at market rates. It shall evaluate existing relations between and among businesses and counterparties to ensure the identification of all related parties, including changes in relationships of counterparties, and that RPTs are monitored. The committee is responsible for ensuring that appropriate disclosures are made relating to the Company’s RPT exposures and policies on conflict of interest. It shall also oversee the periodic review of RPT policies and procedures.

The Related Party Transactions Committee is composed of five (5) members. The members of the committee are Messrs. Margarito B. Teves (Independent), Douglas L. LuYm (Independent), Aurora T. Calderon and Alexander J. Poblador. The Chairman of the Related Party Transactions Committee is Mr. Felipe M. Medalla (Independent).

Corporate Governance Committee

The Corporate Governance Committee is tasked to ensure the Company’s compliance and proper observance of corporate governance principles and practices. It oversees the implementation of the Company’s corporate governance framework and the performance evaluation of the Board and its committees, as well as top management, to ensure that management’s performance is at par with the standards set by the Board. The committee advises the Board on the establishment of a formal and transparent procedure for developing policy on remuneration of directors and senior management that is aligned with the long-term interests of the Company, ensuring that compensation is consistent with the Company’s culture and strategy, as well as the business environment in which it operates. It likewise reviews and oversees the implementation of policies relating to business interest disclosures and conflict of interest, appointments and promotions of officers, and succession planning. Further, the committee determines the nomination and election process for the Company’s Board of Directors, and screens and shortlists candidates to the Board in accordance with the qualifications and disqualifications for directors defined in the Company’s by-laws, Manual on Corporate Governance, and applicable laws and regulations.

The Corporate Governance Committee is composed of five (5) directors of the Company, three (3) of whom are Independent Directors. The Corporate Governance Committee chairperson is Mr. Felipe M. Medalla (Independent). The members of the committee are Messrs. Margarito B. Teves (Independent), Douglas L. LuYm (Independent), Aurora T. Calderon and Alexander J. Poblador.

Sustainability Committee

The Sustainability Committee is tasked to assist the Board in fulfilling its oversight responsibilities in relation to the objectives, policies, and practices of the Company pertaining to sustainability. The main functions and duties of the Sustainability Committee include the following: review the effectiveness of the strategies, policies, principles, and practices of the Company pertaining to sustainability and operational excellence, as a Group; provide oversight and input to management to ensure that the strategies, goals, and principles of the Group pertaining to sustainability and operational excellence (i.e., pertaining to the environment, employees, and communities in which it operates) are aligned with, promote, and encourage its commitment toward sustainability; advise on the Sustainability Report prior to reporting to the Board; review issues relating to sustainability arising from independent audits and assurance reports, as well as any matters highlighted by the consultants; consider and recommend to the Board positioning on relevant emerging sustainability issues; provide the Board with assurance of the quality and technical content of the sustainability information used by the Board, and of the sustainability information issued publicly by the Group; oversee the stakeholder dialogue process and its outcomes that address social and environmental matters regarding the strategic sustainability goals; and oversight of the Corporate Sustainability Office, among others.

The Sustainability Committee is composed of five (5) directors of the Company. The Sustainability Committee chairperson is Mr. Douglas L. LuYm (Independent). The members of the committee are Ms. Cecile L. Ang, Ms. Aurora T. Calderon, Messrs. Felipe M. Medalla (Independent), and Margarito B. Teves (Independent).

Corporate Governance

The Company recognizes that good governance helps the business to deliver strategy, generate and sustain shareholder value, and safeguard shareholders' rights and interests. The Company's Board of Directors, management and employees adhere to the highest standards of corporate governance as a vital component of sound business management.

The Company's Board of Directors, led by Vice Chairman Ramon S. Ang, believes in conducting the business affairs of the Company in a fair and transparent manner and in maintaining the highest ethical standards in all the Company's business dealings.

Manual on Corporate Governance

The first Manual on Corporate Governance of the Company was approved by the Board of Directors on June 27, 2002. On May 10, 2017, the Board of Directors approved a new Manual on Corporate Governance (the "**Manual**") to align with the Code of Corporate Governance for Publicly-Listed Companies issued by the SEC under SEC Memorandum Circular No. 19, series of 2016. The Manual is available for examination in the Company's corporate website at https://www.sanmiguel.com.ph/storage/files/reports/SMC_Amended_Manual_on_Corporate_Governance_05.10_.17-Final_.pdf

The evaluation by the Company to measure and determine the level of compliance of the Board of Directors and top-level management with its Manual is vested by the Board of Directors on the compliance officer. The Compliance Officer is mandated to monitor compliance by all concerned with the provisions and requirements of the Manual. The Compliance Officer has certified that the Company has substantially adopted all the provisions of the Manual.

Pursuant to its commitment to good governance and business practice, the Company continues to review and strengthen its policies and procedures, giving due consideration to developments in the area of corporate governance which it determines to be in the best interests of the Company and its stockholders. On April 14, 2010, the Board of Directors amended the Manual pursuant to the Revised Code of Corporate Governance issued by the SEC under its Memorandum Circular No. 6, series of 2009. On March 27, 2014, the Board of Directors approved further amendments to the Manual to reflect the requirements of the SEC on the annual training requirement of directors and key officers of the Company, and the requirements on the reporting of compliance with the Manual. On May 10, 2017, the Company amended the Manual on Corporate Governance in compliance with the regulations of the SEC Memorandum Circular No. 19, Series of 2016 which adopted the Code of Corporate Governance for Publicly Listed Companies.

There are no such material deviations from the Company's Manual of Corporate Governance for which a satisfactory explanation was not offered.

Amendments to the By-laws of the Company

On July 3, 2025, the Board of Directors approved the amendment of various provisions of the By-laws of the Company:

1. Section 2, Article II - Change in the relevant date of sending of notices of the regular stockholders meeting from at least ten (10) days prior to the date of the meeting to at least 21 calendar days prior to the date of the meeting.
2. Section 1, Article II - Change the percentage threshold for the stockholders to request to call a meeting from majority of the subscribed capital stock to at least ten percent (10%) of the subscribed capital stock.
3. Section 1-A(a), Article III - Change in the number of independent directors from two (2) to three (3).
4. Section 6, Article III - Change in the notice of regular and special board meetings from no notice requirement for regular meetings and twenty four hours prior notice for special meetings to two (2) days prior to the scheduled meetings.
5. Section 10, Article III - Provides for the additional requirement of securing the approval of the stockholders of the Corporation for the payment of the compensation of the members of the Board of Directors.

The amendments were made to align and conform with the provisions of the Revised Corporation Code.

Compliance and Monitoring System

To ensure adherence to corporate governance principles and best practices, the Board of Directors has appointed a Compliance Officer for the Company, Atty. Virgilio S. Jacinto. The Compliance Officer is responsible for monitoring

compliance by the Company with the provisions and requirements of the Manual, as may be amended from time to time, applicable laws and the rules and regulations of the relevant regulatory agencies. The Compliance Officer holds the position of Senior Vice President and has direct reporting responsibilities to the Chairman of the Board.

In the regular board meeting held on August 10, 2017, the Board approved the adoption by the Corporate Governance Committee, and the Related Party Transactions Committee of their respective Charters, as reviewed and endorsed by each Committee. The approval of the adoption by the Audit and Risk Oversight Committee of its Charter was approved by the Board on August 13, 2012 upon the endorsement of the Audit Committee. The Charters of the Audit and Risk Oversight Committee, the Corporate Governance Committee, and the Related Party Transactions Committee each outline the purpose, membership and qualifications, structure and operations, duties and responsibilities, reporting process and performance evaluation of the said Board Committees, and the procedures which shall guide the conduct of its functions, to ensure adherence by the Company to the best practices of good corporate governance. The full texts of said Charters may be viewed at the Company's corporate website at <https://www.sanmiguel.com.ph/corporate/corporate-governance/companys-policies>.

The Company submits its Integrated Annual Corporate Governance Reports (I-ACGR) in accordance with SEC Memorandum Circular No. 15, series of 2017. Such I-ACGRs are posted in the Company's corporate website at <https://www.sanmiguel.com.ph/disclosures/annual-corporate-governance-report-acgr> for the guidance of the investing public.

The Company encourages its directors and officers to attend continuous professional education programs.

The Company organizes an annual seminar or program on Corporate Governance for directors and key officers, in accordance with SEC regulations.

The Company continues to review and strengthen its policies and procedures on corporate governance, giving due consideration to developments in the area of corporate governance, which it determines to be in the best interests of the Company and its stockholders.

Shareholder and Investor Relations

The Company responds to information request from the investing community and keeps shareholders informed through timely disclosures to the PSE and SEC, annual shareholders meeting, investors briefing and conferences, the website of the Company and responses to email and telephone queries. The disclosures of the Company and other filings with the PSE and SEC are available for viewing and download from the website of the Company.

The Company through the Investor Relations Group under Corporate Finance holds regular briefings and meetings with investment and financial analysts.

Family Relationships

Mr. John Paul L. Ang and Ms. Cecile L. Ang are the children of Mr. Ramon S. Ang. There are no other family relationships up to the fourth civil degree either by consanguinity or affinity among the Company's directors, executive officers or persons nominated or chosen by the Company to become its directors or executive officers.

Involvement in Certain Legal Proceedings

Save for the pending cases in the ordinary course of business of the Company and its subsidiaries and affiliates, and their clients, where they are impleaded as executive officer and/or director or counsel, none of the directors, executive officers or control persons of the Company have been the subject of any (a) bankruptcy petition, (b) conviction by final judgment in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses, (c) order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, which is not subsequently reversed, suspended or vacated, or (d) judgment of violation of a securities or commodities law or regulation by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, which has not been reversed, suspended or vacated, for the past five (5) years up to the date that is material to the evaluation of his or her ability or integrity to hold the relevant position in the Company.

Compensation of Directors and Executive Officers

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid in the ensuing fiscal year to the Chief Executive Officer and four (4) senior executive officers of the Company are as follows:

NAME	YEAR	SALARY	BONUS	OTHERS	TOTAL
Total Compensation of the Chief Executive Officer and Senior Executive Officers ¹³	2025 (estimated)	₱226.6 million	₱68.0 million	₱4.7 million	₱299.3 million
	2024	₱162.8 million	₱149.2 million	₱23.7 million	₱335.7 million
	2023	₱184.8 million	₱49.7 million	₱28.3 million	₱262.8 million
All other officers and directors as a group unnamed	2025 (estimated)	₱375.5 million	₱112.9 million	₱78.7 million	₱567.1 million
	2024	₱354.7 million	₱126.7 million	₱76.4 million	₱557.8 million
	2023	₱265.7 million	₱80.6 million	₱62.6 million	₱408.9 million
Total	2025 (estimated)	₱602.1 million	₱180.9 million	₱83.4 million	₱866.4 million
	2024	₱517.5 million	₱275.9 million	₱100.1 million	₱893.5 million
	2023	₱450.5 million	₱130.3 million	₱90.9 million	₱671.7 million

The following are the directors' fees received by the directors, and the respective per diems for 2024 received for their attendance in Board and Committee meetings:

<u>Name of Director</u>	<u>Total Per Diems</u>	<u>Directors' Fees</u>	<u>Total</u>
1. Ramon S. Ang	₱400,000.00	₱4,826,031.70	₱5,226,031.70
2. John Paul L. Ang	₱400,000.00	₱4,826,031.70	₱5,226,031.70
3. Aurora T. Calderon	₱500,000.00	₱4,826,031.70	₱5,326,031.70
4. Joselito D. Campos, Jr.	₱420,000.00	₱4,826,031.70	₱5,246,031.70
5. Teresita L. De Castro	₱540,000.00	₱4,826,031.70	₱5,366,031.70
6. Jose C. De Venecia, Jr.	₱400,000.00	₱4,826,031.70	₱5,226,031.70
7. Menardo R. Jimenez	₱390,000.00	₱4,826,031.70	₱5,216,031.70
8. Felipe M. Medalla	₱150,000.00	-	₱150,000.00
9. Estelito P. Mendoza	₱460,000.00	₱4,826,031.70	₱5,286,031.70
10. Diosdado M. Peralta	₱580,000.00	₱4,826,031.70	₱5,406,031.70
11. Ernesto D. Pernia	₱440,000.00	₱3,619,523.78	₱5,266,031.78
12. Alexander J. Poblador	₱460,000.00	₱4,826,031.70	₱5,286,031.70
13. Reynato S. Puno	₱560,000.00	₱4,826,031.70	₱5,386,031.70
14. Margarito B. Teves	₱560,000.00	₱4,826,031.70	₱5,386,031.70
15. Ramon F. Villavicencio	₱400,000.00	₱4,826,031.70	₱5,226,031.70
16. Inigo U. Zobel	₱400,000.00	₱4,826,031.70	₱5,226,031.70
TOTAL	₱7,060,000.00	₱72,390,475.50	₱79,450,475.50

Section 10 of the Amended By-laws of the Company provides that the Board of Directors shall receive as compensation no more than 2% of the profits obtained during the year after deducting therefrom general expenses, remuneration to officers and employees, depreciation on buildings, machineries, transportation units, furniture and other properties. Such compensation shall be apportioned among the directors in such manner as the Board deems proper. The Company provides each director with reasonable per diem of ₱50,000 and ₱20,000 for each Board and Committee meeting attended, respectively. In 2024 and 2023, the members of the Board of Directors of the Company were paid an aggregate amount of ₱72.39 million.

There were no employment contracts between the Company and a named executive officer. There were neither compensatory plans nor arrangements with respect to a named executive officer.

Other Arrangements

¹³ The Chief Executive Officer and senior executive officers of the Company for 2025 are Ramon S. Ang, John Paul L. Ang, Aurora T. Calderon, Virgilio S. Jacinto and Bryan U. Villanueva. The Chief Executive Officer and senior executive officers of the Company for 2024 are Ramon S. Ang, John Paul L. Ang, Ferdinand K. Constantino, Aurora T. Calderon, and Virgilio S. Jacinto. The Chief Executive Officer and senior executive officers of the Company for 2023 are Ramon S. Ang, Ferdinand K. Constantino, Aurora T. Calderon, Virgilio S. Jacinto and Joseph N. Pineda

There are no other arrangements for which the directors are compensated by the Company for services other than those provided as a director.

Employment Contract

In lieu of an employment contract, the directors are elected at the annual meeting of stockholders for a one (1) year term. Any director elected in the interim will serve for the remaining term until the next annual meeting.

Warrants or Options

There are no outstanding warrants or options held by the Company's President, named executive officers and all directors and officers as a group.

OWNERSHIP AND CAPITALIZATION

Share Capital

As of June 30, 2025, the Company had the following outstanding capital stock:

Title of Each Class	Number of Shares of Common and Preferred Stock Outstanding as of June 30, 2025	
Common Shares	2,383,896,588	
SUB-TOTAL (Common Shares)		2,383,896,588
Series "2-F" Preferred Shares	223,333,500	
Series "2-I" Preferred Shares	169,333,400	
Series "2-J" Preferred Shares	266,666,667	
Series "2-K" Preferred Shares	183,904,900	
Series "2-L" Preferred Shares	165,358,600	
Series "2-M" Preferred Shares	173,333,325	
Series "2-N" Preferred Shares	100,115,100	
Series "2-O" Preferred Shares	187,859,700	
SUB-TOTAL (Preferred Shares)		<u>1,469,905,192</u>
TOTAL Outstanding Shares		3,853,801,780

List of Top 20 Stockholders

The top 20 common and preferred stockholders of the Company as of June 30, 2025 are as follows:

	Stockholder Name	Common	Preferred S2	Total Shares	% Total Outstanding Capital Stock
1.	Top Frontier Investment Holdings, Inc.	1,424,111,661	0	1,424,111,661	<u>36.95%</u>
2.	PCD Nominee Corporation (Filipino)	311,725,574	1,048,845,262	1,360,570,836	35.30%
3.	Privado Holdings, Corp.	368,140,516	0	368,140,516	<u>9.55%</u>
4.	Government Service Insurance System	0	133,333,330	133,333,330	3.46%
5.	PCD Nominee Corporation (Non- Filipino)	100,145,262	9,018,975	109,164,237	2.83%
6.	Social Security System	0	52,461,833	52,461,833	<u>1.36%</u>
7.	Republic of the Philippines	27,636,339	0	27,636,339	<u>0.72%</u>
8.	SGOC Holdings Corporation	1,512,895	25,955,500	27,468,395	0.71%
9.	San Miguel Brewery Inc. Retirement Plan	0	20,153,700	20,153,700	0.52%
10.	Social Security System Assigned to Mandatory Provident Fund	0	17,999,999	17,999,999	0.47%
11.	LOCC Holdings Corporation	0	17,774,875	17,774,875	<u>0.46%</u>
12.	Tincobar Holdings Corporation	0	17,774,875	17,774,875	<u>0.46%</u>
13.	Saint Bruno Holdings Corporation	0	17,774,875	17,774,875	<u>0.46%</u>
14.	CCJ Holdings Corporation	0	17,774,875	17,774,875	<u>0.47%</u>
15.	Petron Corporation Employees' Retirement Plan	14,250,900	0	14,250,900	0.37%
16.	The Insular Life Assurance Company Ltd.	0	13,333,330	13,333,330	0.35%
17.	Greater Reunion Holdings Inc.	0	11,785,250	11,785,250	<u>0.31%</u>

18.	Millennium Energy, Inc.	10,807,380	0	10,807,380	0.28%
19.	San Miguel Corporation Retirement Plan FIP	0	8,233,400	8,233,400	0.21%
20.	Sysmart Corporation	5,100,607	0	5,100,607	0.13%
	TOTAL	2,263,431,134	1,412,220,079	3,675,651,213	95.38%

Foreign Ownership by Nationality as of June 30, 2025

Nationality	SMC-Common	SMC2F	SMC2I	SMC2J	SMC2K	SMC2L	SMC2M	SMC2N	SMC2O
American	668	-	-	-	-	-	-	-	-
Australian	25	-	-	-	-	-	-	-	-
Austrian	2	1	-	-	-	-	-	-	-
Belgian	1	-	-	-	-	-	-	-	-
British	39	-	-	-	-	-	-	-	-
Canadian	50	1	-	-	-	-	-	-	-
Chinese	426	2	1	-	-	-	-	-	-
Chinese/Hong Kong	2	-	-	-	-	-	-	-	-
Danish	6	-	-	-	-	-	-	-	-
Dutch	3	-	-	-	-	-	-	-	-
Filipino	31,643	125	99	48	18	27	5	39	38
French	4	-	-	-	-	-	-	-	-
German	19	-	-	-	-	-	-	-	-
Indian	7	-	-	-	-	-	-	-	-
Irish	3	-	-	-	-	-	-	-	-
Israeli	3	-	-	-	-	-	-	-	-
Italian	1	-	-	-	-	-	-	-	-
Jamaican	1	-	-	-	-	-	-	-	-
Japanese	16	-	-	-	-	-	-	-	-
Korean	5	-	-	-	-	-	-	-	-
Lithuanian	1	-	-	-	-	-	-	-	-
Malaysian	5	-	-	-	-	-	-	-	-
New Zealand	6	-	-	-	-	-	-	-	-
Others	14	1	1	1	1	1	-	1	1
Pakistani	1	-	-	-	-	-	-	-	-
Portuguese	4	-	-	-	-	-	-	-	-
Singaporean	4	-	-	-	-	-	-	-	-
Spanish	116	-	-	-	-	-	-	-	-
Swedish	4	-	-	-	-	-	-	-	-
Swiss	8	-	-	-	-	-	-	-	-
Taiwanese	10	-	-	-	-	-	-	-	-
Ukrainian	1	-	-	-	-	-	-	-	-
TOTAL	33,098	130	101	49	19	28	5	40	39

Security Ownership of Directors and Officers

The owners of more than 5% of the Company's voting^a securities (both common and preferred shares) as of June 30, 2025 are as follows:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent to Total Outstanding Capital Stock
Common	Top Frontier Investment Holdings, Inc.^b 5th Floor, ENZO Bldg., No. 339 Sen. Gil Puyat, Makati City	Iñigo U. Zobel, Filipino, Director of the Company; and Ramon S. Ang, Filipino, the President and Chief Executive Officer of the Company, are beneficial owners of 52.82% and 34.86% ^c of the outstanding common stock of Top Frontier Investment Holdings, Inc., respectively.	Filipino	1,472,668,340	38.21%
Common	PCD Nominee Corporation (Filipino) Makati City	Various individuals/ Entities	Filipino	311,725,574	35.30%
Series 2 Preferred Shares	PCD Nominee Corporation (Filipino) Makati City	Various individuals/ Entities	Filipino	1,048,845,262	
Common	Privado Holdings, Corp. Room 306 Narra Building, 2776 Pasong Tamo Extension, Makati City	Ramon S. Ang, Filipino, as beneficial owner of 100% of the outstanding capital stock of Privado Holdings, Corp.	Filipino	373,623,796 ^d	9.69%

^a Common stockholders have the right to vote on all matters requiring stockholders' approval. The holders of the Series "2" Preferred shares shall not be entitled to vote except in matters provided for in the Corporation Code: amendment of articles of incorporation; adoption and amendment of by-laws; sale, lease exchange, mortgage, pledge, or other disposition of all or substantially all of the corporate property; incurring, creating or increasing bonded indebtedness; increase or decrease of capital stock; merger or consolidation with another corporation or other corporations; investment of corporate funds in another corporation or business; and dissolution.

^b The shares owned by Top Frontier Investment Holdings, Inc. are voted, in person or by proxy, by its authorized designate. As of June 30, 2025, Top Frontier Investment Holdings, Inc. has voting rights to a total of 1,472,668,340 shares of the Company, inclusive of 48,556,679 common shares that are lodged with the PDTC, which represent about 61.78% of the outstanding common capital stock of the Company.

^c As of June 30, 2025, through Privado Holdings, Corp., Far East Holdings, Inc. and Master Year Limited, all stockholders of record of Top Frontier Investment Holdings, Inc.

^d Inclusive of 368,140,516 common shares held in the name of Privado Holdings, Corp. and 5,483,280 common shares which are lodged with the PDTC.

The following are the number of shares comprising the Company's capital stock owned of record by the Chief Executive Officer, the directors, and key officers of the Company, as of June 30, 2025:

Name of Owner	Amount and Nature of Ownership		Citizenship	Total No. of Shares and Percent to Total Outstanding Capital Stock
	Common	Preferred		
Ramon S. Ang	1,345,429 (D) 368,140,516 (I) ^a 5,483,280 (I) ^b 194,076,265 (I) ^c 143,642,255 (I) ^d 175,370,472 (I) ^e 295,741 (I) ^f		Filipino	888,353,958 (23.05%)
John Paul L. Ang	5,000 (D)		Filipino	5,000 (0.00%)
Cecile L. Ang	5,000 (D)		Filipino	5,000 (0.00%)
Aurora T. Calderon	22,600 (D)		Filipino	22,600 (0.00%)
Joselito D. Campos, Jr.	9,149 (D)		Filipino	9,149 (0.00%)
Jose C. de Venecia, Jr.	5,000 (D)		Filipino	5,000 (0.00%)
Ernesto M. Pernia	5,000 (D)		Filipino	5,000 (0.00%)
Joseph N. Pineda	5,000 (D) 62,715 (I)		Filipino	67,715 (0.00%)
Alexander J. Poblador	5,000 (D)		Filipino	5,000 (0.00%)
Margarito B. Teves	5,000 (D)		Filipino	5,000 (0.00%)
Iñigo U. Zobel	16,171 (D) 777,871,381 (I) ^g		Filipino	777,887,552 (20.18%)
Thomas A. Tan	5,000 (D)	200,000 (I)	Filipino	205,000 (0.01%)
Bryan U. Villanueva	5,000 (D)		Filipino	5,000 (0.00%)
Felipe M. Medalla	5,000 (D)		Filipino	5,000 (0.00%)
Douglas L. LuYm	5,000 (D)		Filipino	5,000 (0.00%)
Virgilio S. Jacinto	180,830 (D)		Filipino	180,830 (0.01%)
Lorenzo G. Formoso III	20,000 (D)		Filipino	20,000 (0.00%)
Cecile Caroline U. De Ocampo	1,950 (D)	47,800 (I)	Filipino	49,750 (0.00%)
Bella O. Navarra	116,913	65,000 (I)	Filipino	181,913 (0.00%)
Susan Y. Yu			Filipino	0 (0.00%)

^a Through his 100% shareholdings in Privado Holdings, Corp.

^b Through his 100% shareholdings in Privado Holdings, Corp. which has shares which are lodged with the PDTC.

^c Through his direct shareholdings in Master Year Limited which has shares in Top Frontier Investment Holdings, Inc. which in turn has shares in the Company.

^d Through his direct shareholdings in Privado Holdings Corp. which has shares in Top Frontier Investment Holdings, Inc. which in turn has shares in the Company.

^e Through his direct shareholdings in Far East Holdings, Inc. which has shares in Top Frontier Investment Holdings, Inc. which in turn has shares in the Company.

^f Through his direct shareholdings in Top Frontier Investment Holdings, Inc. which has shares in the Company.

^g Through his 52.82% shareholdings in the common stock of Top Frontier Investment Holdings, Inc.

The aggregate number of shares owned of record by the President and Chief Executive Officer, key officers and directors (as a group) of the Company as of June 30, 2025 is 1,667,023,467 or approximately 43.26% of the outstanding capital stock of the Company.

Voting Trust of Holders of 5% and more

There is no person holding more than 5% of the Company's voting securities under a voting trust arrangement.

Changes in Control

The Company is not aware of any change of control or arrangement that may result in a change in control of the Company since the beginning of its last fiscal year.

MARKET PRICE OF AND DIVIDENDS ON THE EQUITY OF SMC AND RELATED SHAREHOLDER MATTERS

Market Information

The common shares of SMC are listed on the PSE. The high and low sales prices for each period are indicated in the table below.

The common shares and Series 2 Preferred Shares of SMC are traded on the PSE. The high and low closing prices for each quarter from 2022 to 2024 and for the first and second quarters of 2025 are as follows.

Class of Shares	2025			
	1 st		2 nd	
	High	Low	High	Low
Common	86.00	65.20	82.90	77.35
Preferred – 2F	74.50	72.40	74.00	71.70
Preferred – 2I	73.85	71.50	73.00	71.10
Preferred – 2J	72.00	69.75	73.00	70.80
Preferred – 2K	71.95	68.50	72.00	69.55
Preferred – 2L	79.80	76.00	79.20	78.00
Preferred – 2N	81.50	77.00	80.00	77.00
Preferred – 2O	82.75	80.00	82.00	80.00

Class of Shares	2024							
	1 st		2 nd		3 rd		4 th	
	High	Low	High	Low	High	Low	High	Low
Common	124.70	101.10	109.00	98.50	102.00	85.35	89.90	81.00
Preferred – 2F	73.50	71.50	73.00	71.50	74.00	71.70	73.90	71.60
Preferred – 2I	73.75	70.10	72.50	69.50	73.00	70.00	73.80	70.40
Preferred – 2J	73.90	67.00	69.95	65.05	71.00	66.55	73.00	69.50
Preferred – 2K	75.00	66.00	69.95	65.00	70.00	65.35	72.00	67.00
Preferred – 2L	79.00	75.25	78.20	75.00	78.30	76.05	78.50	76.00
Preferred – 2N	78.80	76.50	79.90	77.00	80.50	77.30	81.00	77.00
Preferred – 2O	80.70	76.75	81.00	76.00	81.50	79.00	82.45	79.90

Class of Shares	2023							
	1 st		2 nd		3 rd		4 th	
	High	Low	High	Low	High	Low	High	Low
Common	116.40	92.75	108.90	102.20	109.50	97.00	115.50	101.80
Preferred – 2F	76.00	74.00	74.95	73.00	74.90	72.00	74.30	70.00
Preferred – 2I	75.95	70.50	74.00	70.50	74.80	69.00	73.60	70.50
Preferred – 2J	72.95	67.00	71.90	68.10	71.50	66.00	70.00	65.00
Preferred – 2K	73.90	62.00	71.80	66.00	71.20	65.30	70.00	62.00
Preferred – 2L	-	-	-	-	-	-	79.00	75.00
Preferred – 2N	-	-	-	-	-	-	78.95	75.50
Preferred – 2O	-	-	-	-	-	-	78.70	75.50

Class of Shares	2022							
	1 st		2 nd		3 rd		4 th	
	High	Low	High	Low	High	Low	High	Low
Common	115.00	98.95	110.00	100.00	107.80	92.10	103.40	92.80
Preferred – 2F	79.75	75.05	78.20	75.00	77.50	75.30	76.50	74.00
Preferred – 2H	77.40	75.20	76.70	74.50	76.00	74.00	75.50	73.80
Preferred – 2I	79.60	76.00	80.00	76.00	77.00	75.30	75.75	72.00
Preferred – 2J	78.00	76.20	76.50	70.50	75.00	70.00	74.00	67.50
Preferred – 2K	77.00	74.25	76.00	72.15	74.50	71.15	73.00	67.10

Dividends and Dividend Policy

Cash dividends declared by the Board of Directors of SMC and paid to common shareholders amounted to ₱1.40

per share in 2024.

Cash dividends declared by the Board of Directors of SMC and paid to all Series “2” – Subseries “2-F”, Subseries “2-I”, Subseries “2-J”, Subseries “2-K”, Subseries “2-L”, Subseries “2-M”, Subseries “2-N”, and Subseries “2-O” preferred shareholders amounted to ₱5.1054, ₱4.751625, ₱3.5625, ₱3.478125, ₱6.26564583, ₱6.78723958, ₱6.607725 and ₱6.80326667 per share, respectively, in 2024.

Dividends may be declared at the discretion of the Board of Directors and will depend upon the future results of operations and general financial condition, capital requirements, its ability to receive dividends and other distributions and payments from its subsidiaries, foreign exchange rates, legal, regulatory and contractual restrictions, loan obligations and other factors the Board of Directors may deem relevant.

The table below sets forth the amount of dividends declared and paid since 2020.

Common Shares					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2020	Cash	0.35	March 12	April 3	April 30
	Cash	0.35	June 30	July 15	July 31
	Cash	0.35	September 10	October 9	October 30
	Cash	0.35	December 3	January 4, 2021	January 22, 2021
Total:		1.40			
2021	Cash	0.35	March 11	April 5	April 30
	Cash	0.35	June 8	July 2	July 28
	Cash	0.35	September 9	October 8	October 29
	Cash	0.35	December 2	January 4, 2022	January 21, 2022
Total:		1.40			
2022	Cash	0.35	March 10	April 1	April 29
	Cash	0.35	June 14	July 1	July 27
	Cash	0.35	September 22	October 7	October 28
	Cash	0.35	December 7	January 6	January 27, 2023
Total:		1.40			
2023	Cash	0.35	March 9	March 31	April 28
	Cash	0.35	June 13	June 30	July 26
	Cash	0.35	September 7	October 6	October 27
	Cash	0.35	December 7	January 5, 2024	January 26, 2024
Total:		1.40			
2024	Cash	0.35	March 11	March 27	April 26
	Cash	0.35	June 11	June 28	July 26
	Cash	0.35	November 7	November 22	December 2
	Cash	0.35	December 5	January 3, 2025	January 24, 2025
Total:		1.40			
2025	Cash	0.35	March 13	March 28	April 25
	Cash	0.35	June 10	June 27	July 23
Total:		0.70			

Preferred Shares - Series 1					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2020	Cash	1.0565625	January 23	March 20	April 3
Total:		1.0565625			

Preferred Shares - Series 2C					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2020	Cash	1.50	January 23	March 20	April 3
	Cash	1.50	May 28	June 19	July 3
	Cash	1.50	August 6	September 21	October 5
	Cash	1.50	November 5	December 18	January 8, 2021
Total:		6.00			
2021	Cash	1.50	January 21	March 19	April 5
	Cash	1.50	May 6	June 21	July 2
	Cash	1.50	August 5	September 21	October 1
Total:		4.50			

Preferred Shares - Series 2D					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2020	Cash	1.11433125	January 23	March 20	April 3
	Cash	1.11433125	May 28	June 19	July 3
	Cash	1.11433125	August 6	September 21	October 5
Total:		3.34299375			

Preferred Shares - Series 2E					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2020	Cash	1.18603125	January 23	March 20	April 3
	Cash	1.18603125	May 28	June 19	July 3
	Cash	1.18603125	August 6	September 21	October 5
	Cash	1.18603125	November 5	December 18	January 8, 2021
Total:		4.74412500			
2021	Cash	1.18603125	January 21	March 19	April 5
	Cash	1.18603125	May 6	June 21	July 2
	Cash	1.18603125	August 5	September 21	October 1
Total:		3.55809375			

Preferred Shares - Series 2-F					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2020	Cash	1.27635	January 23	March 20	April 3
	Cash	1.27635	May 28	June 19	July 3
	Cash	1.27635	August 6	September 21	October 5
	Cash	1.27635	November 5	December 18	January 8, 2021
Total:		5.10540			
2021	Cash	1.27635	January 21	March 19	April 5
	Cash	1.27635	May 6	June 21	July 2
	Cash	1.27635	August 5	September 21	October 1
	Cash	1.27635	November 11	December 21	January 7, 2022
Total:		5.10540			
2022	Cash	1.27635	February 10	March 21	April 1
	Cash	1.27635	May 5	June 21	July 4
	Cash	1.27635	August 4	September 21	October 4
	Cash	1.27635	November 14	December 21	January 3, 2023

Total:		5.10540			
2023	Cash	1.27635	January 26	March 21	April 4
	Cash	1.27635	May 11	June 21	July 5
	Cash	1.27635	August 3	September 21	October 5
	Cash	1.27635	November 9	December 21	January 4, 2024
Total:		5.10540			
2024	Cash	1.27635	January 18	March 21	April 4
	Cash	1.27635	May 14	June 21	July 4
	Cash	1.27635	August 8	September 20	October 4
	Cash	1.27635	November 7	December 20	January 3, 2025
Total:		5.10540			
2025	Cash	1.27635	January 16	March 21	April 4
	Cash	1.27635	May 8	June 20	July 4
Total:		2.55270			

Preferred Shares - Series 2G					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2020	Cash	1.23361875	January 23	March 20	April 3
	Cash	1.23361875	May 28	June 19	July 3
	Cash	1.23361875	August 6	September 21	October 5
	Cash	1.23361875	November 5	December 18	January 8, 2021
Total:		4.93447500			
2021	Cash	1.23361875	January 21	March 19	April 5
Total:		1.23361875			

Preferred Shares - Series 2H					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2020	Cash	1.1854125	January 23	March 20	April 3
	Cash	1.1854125	May 28	June 19	July 3
	Cash	1.1854125	August 6	September 21	October 5
	Cash	1.1854125	November 5	December 18	January 8, 2021
Total:		4.7416500			
2021	Cash	1.1854125	January 21	March 19	April 5
	Cash	1.1854125	May 6	June 21	July 2
	Cash	1.1854125	August 5	September 21	October 1
	Cash	1.1854125	November 11	December 21	January 7, 2022
Total:		4.7416500			
2022	Cash	1.1854125	February 10	March 21	April 1
	Cash	1.1854125	May 5	June 21	July 4
	Cash	1.1854125	August 4	September 21	October 4
	Cash	1.1854125	November 14	December 21	January 3, 2023
Total:		4.7416500			

Preferred Shares - Series 2I					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2020	Cash	1.18790625	January 23	March 20	April 3
	Cash	1.18790625	May 28	June 19	July 3

	Cash	1.18790625	August 6	September 21	October 5
	Cash	1.18790625	November 5	December 18	January 8, 2021
Total:		4.75162500			
2021	Cash	1.18790625	January 21	March 19	April 5
	Cash	1.18790625	May 6	June 21	July 2
	Cash	1.18790625	August 5	September 21	October 1
	Cash	1.18790625	November 11	December 21	January 7, 2022
Total:		4.75162500			
2022	Cash	1.18790625	February 10	March 21	April 1
	Cash	1.18790625	May 5	June 21	July 4
	Cash	1.18790625	August 4	September 21	October 4
	Cash	1.18790625	November 14	December 21	January 3, 2023
Total:		4.751625			
2023	Cash	1.18790625	January 26	March 21	April 4
	Cash	1.18790625	May 11	June 21	July 5
	Cash	1.18790625	August 3	September 21	October 5
	Cash	1.18790625	November 9	December 21	January 4, 2024
Total:		4.751625			
2024	Cash	1.18790625	January 18	March 21	April 4
	Cash	1.18790625	May 14	June 21	July 4
	Cash	1.18790625	August 8	September 20	October 4
	Cash	1.18790625	November 7	December 20	January 3, 2025
Total:		4.751625			
2025	Cash	1.18790625	January 16	March 21	April 4
	Cash	1.18790625	May 8	June 20	July 4
Total:		2.37581250			

Preferred Shares - Series 2-J					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2020	Cash	0.890625	November 5	December 18	January 8, 2021
Total:		0.890625			
2021	Cash	0.890625	January 21	March 19	April 5
	Cash	0.890625	May 6	June 21	July 2
	Cash	0.890625	August 5	September 21	October 1
	Cash	0.890625	November 11	December 21	January 7, 2022
Total:		3.562500			
2022	Cash	0.890625	February 10	March 21	April 1
	Cash	0.890625	May 5	June 21	July 4
	Cash	0.890625	August 4	September 21	October 4
	Cash	0.890625	November 14	December 21	January 3, 2023
Total:		3.562500			
2023	Cash	0.890625	January 26	March 21	April 4
	Cash	0.890625	May 11	June 21	July 5
	Cash	0.890625	August 3	September 21	October 5
	Cash	0.890625	November 9	December 21	January 4, 2024
Total:		3.562500			
2024	Cash	0.890625	January 18	March 21	April 4

	Cash	0.890625	May 14	June 21	July 4
	Cash	0.890625	August 8	September 20	October 4
	Cash	0.890625	November 7	December 20	January 3, 2025
Total:		3.562500			
2025	Cash	0.890625	January 16	March 21	April 4
	Cash	0.890625	May 8	June 20	July 4
Total:		1.781250			

Preferred Shares - Series 2-K					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2021	Cash	0.84375	January 21	March 19	April 5
	Cash	0.84375	May 6	June 21	July 2
	Cash	0.84375	August 5	September 21	October 1
	Cash	0.84375	November 11	December 21	January 7, 2022
Total:		3.37500			
2022	Cash	0.84375	February 10	March 21	April 1
	Cash	0.84375	May 5	June 21	July 4
	Cash	0.84375	August 4	September 21	October 4
	Cash	0.84375	November 14	December 21	January 3, 2023
Total:		3.37500			
2023	Cash	0.84375	January 26	March 21	April 4
	Cash	0.84375	May 11	June 21	July 5
	Cash	0.84375	August 3	September 21	October 5
	Cash	0.84375	November 9	December 21	January 4, 2024
Total:		3.37500			
2024	Cash	0.84375	January 18	March 21	April 4
	Cash	0.84375	May 14	June 21	July 4
	Cash	0.103125	May 14	June 21	July 4
	Cash	0.84375	August 8	September 20	October 4
	Cash	0.84375	November 7	December 20	January 3, 2025
Total:		3.478125			
2025	Cash	0.84375	January 16	March 21	April 4
	Cash	0.84375	May 8	June 20	July 4
Total:		1.68750			

Preferred Shares - Series 2L					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2024	Cash	1.48396875	January 18	March 21	April 4
	Cash	1.48396875	May 14	June 21	July 4
	Cash	0.3297708333333333	May 14	June 21	July 4
	Cash	1.48396875	August 8	September 20	October 4
	Cash	1.48396875	November 7	December 20	January 3, 2025
Total:		6.26564583			
2025	Cash	1.48396875	January 16	March 21	April 4
	Cash	1.48396875	May 8	June 20	July 4
Total:		2.96793750			

Preferred Shares - Series 2M					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2023	Cash	1.5703125	November 9	December 21	January 4, 2024
Total:		1.5703125			
2024	Cash	1.5703125	January 18	March 21	April 4
	Cash	1.5703125	May 14	June 21	July 4
	Cash	0.5059895833333333	May 14	June 21	July 4
	Cash	1.5703125	August 8	September 20	October 4
	Cash	1.5703125	November 7	December 20	January 3, 2025
Total:		6.78723958			
2025	Cash	1.5703125	January 16	March 21	April 4
	Cash	1.5703125	May 8	June 20	July 4
Total:		3.1406250			

Preferred Shares - Series 2N					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2024	Cash	1.5649875	January 18	March 21	April 4
	Cash	1.5649875	May 14	June 21	July 4
	Cash	0.3477750	May 14	June 21	July 4
	Cash	1.5649875	August 8	September 20	October 4
	Cash	1.5649875	November 7	December 20	January 3, 2025
Total:		6.607725			
2025	Cash	1.5649875	January 16	March 21	April 4
	Cash	1.5649875	May 8	June 20	July 4
Total:		3.1299750			

Preferred Shares - Series 2O					
Year	Type	Per Share Amount (₱)	Date Declared	Record Date	Payment Date
2024	Cash	1.611300	January 18	March 21	April 4
	Cash	1.611300	May 14	June 21	July 4
	Cash	0.3580666666666667	May 14	June 21	July 4
	Cash	1.611300	August 8	September 20	October 4
	Cash	1.611300	November 7	December 20	January 3, 2025
Total:		6.80326667			
2025	Cash	1.611300	January 16	March 21	April 4
	Cash	1.611300	May 8	June 20	July 4
Total:		3.222600			

Similarly, the subsidiaries of SMC may declare dividends at the discretion of their respective boards of directors and will depend upon the future results of operations and general financial condition, capital requirements, its ability to receive dividends and other distributions and payments from their respective subsidiaries, foreign exchange rates, legal, regulatory and contractual restrictions, loan obligations and other factors their respective boards of directors may deem relevant.

For the years 2022, 2023, and 2024 the Company received the following dividends and distribution income:

	2022	2023	2024
	<i>(In Millions)</i>		
Dividends and distribution income	₱14,681	₱15,788	₱34,486

Below is the breakdown of the dividend and distribution income of the Company mentioned above as of December 31, 2022, 2023, and 2024:

	December 31, 2022	December 31, 2023	December 31, 2024
San Miguel Food and Beverage, Inc.	11,120	14,162	17,047
San Miguel Equity Investments Inc.	-	-	5,200
San Miguel Properties Inc.	-	-	3,999
SMC Shipping & Lighterage Corp.	-	-	3,002
San Miguel Insurance Company Limited	-	-	1,173
San Miguel Integrated Logistics Services, Inc.	-	-	700
SMITS, Inc.	100	100	788
Petron Corporation	470	640	619
Mindanao Corrugated Fibreboard Inc.	-	-	565
Petrogen Insurance Corporation	-	-	322
SMC Equivest Corporation	-	-	318
San Miguel Yamamura Packaging Corporation	-	130	163
San Miguel Global Power Holdings Corp.	1,617	-	-
Top Frontier Investments Holdings, Inc.	1,328	-	-
Others	46	756	590
TOTAL	14,681	15,788	34,486

Dividend Policy of San Miguel Food and Beverage, Inc.

Since August 8, 2018, SMFB's dividend policy has been to entitle holders of its common shares to receive annual cash dividends of up to 60% of the prior year's recurring net income. Recurring net income is net income calculated without respect to extraordinary events that are not expected to recur. SMFB expects that the dividend distributions shall be made over the four quarters of the year, subject to the applicable laws and regulations and based on the recommendation of its board of directors. In considering dividend declarations for each quarter, its board has in the past and will in the future, take into consideration dividend payments on the preferred shares, and other factors, such as the implementation of business plans, debt service requirements, debt covenant restrictions, funding of new investments, major capital expenditure requirements, appropriate reserves and working capital, among others.

The board of directors of SFMB may modify its dividend policy or declare special dividends, depending on its capital expenditure plans and/or any terms of financing facilities entered into to fund their current and future operations and projects. SMFB's ability to pay dividends primarily depends on the dividends it receives from subsidiaries, and intends to maintain the dividend policies of its subsidiaries. SMFB cannot assure that it will pay any dividends in the future.

Dividend Policy of San Miguel Global Power Holdings Corp. (SMGP)

SMGP and its subsidiaries are allowed under Philippine laws to declare dividends, subject to certain requirements. These requirements include, for example, that the board is authorized to declare dividends only from its unrestricted retained earnings. Dividends may be payable in cash, shares or property, or a combination of the three, as the board shall determine. A cash dividend declaration does not require any further approval from shareholders. The declaration of stock dividends is subject to the approval of shareholders holding at least two-thirds of the outstanding capital stock of SMGP. The board of SMGP may not declare dividends which will impair its capital.

SMGP and its subsidiaries declare dividends as determined by its board, taking into consideration factors such as the implementation of business plans, debt service requirements, operating expenses, budgets, funding for new investments and acquisitions and appropriate reserves and working capital. However, under its existing loan facilities, SMGP and its certain major subsidiaries are not allowed to distribute any cash dividends to its shareholders, or to purchase, call for redemption or redeem, retire or otherwise acquire for value any shares (including options, warrants or other rights to acquire such shares of common).

Sale of Unregistered or Exempt Including Securities Constituting an Exempt Transaction

There were no securities sold by SMC within the past 3 years which were not registered under the SRC, except for the following:

Name of Security Sold	Underwriters	Date of Sale	Amount of Securities	Basis for Exemption
Redeemable Perpetual Securities – U.S. Dollar	N/A	August 5, 2020	U.S.\$100,000,000.00	Section 10.1 (k) of the SRC
Series 2-M Preferred Shares	N/A	August 23, 2023	173,333,325 Series 2-M Preferred Shares equivalent to ₱12.9 billion at an issue price of ₱75.00 per share	Section 10.1(k) of the SRC

Effect on Common Equity Holders

The Offer Shares will not have any dilutive effect on the rights of the holders of the common shares of SMC, as these are non-voting, non-convertible and non-participating.

Foreign Equity Holders

As of June 30, 2025, the total issued and outstanding capital stock of the Corporation is Ninety-Six and 85/100 percent (96.85%) Filipino-owned and Three and 15/100 percent (3.15%) foreign-owned, the breakdown of which is as follows:

Class of Shares	Foreign	Percentage	Filipino	Percentage
Common Shares	112,134,934	4.70%	2,271,761,654	95.30%
Series “2-F” Preferred Shares	1,356,552	0.61%	221,976,948	99.39%
Series “2-I” Preferred Shares	1,480,310	0.87%	167,853,090	99.13%
Series “2-J” Preferred Shares	769,720	0.29%	265,896,947	99.71%
Series “2-K” Preferred Shares	2,158,035	1.17%	181,746,865	98.83%
Series “2-L” Preferred Shares	1,282,880	0.78%	164,075,720	99.22%
Series “2-M” Preferred Shares	-	0.00%	173,333,325	100.00%
Series “2-N” Preferred Shares	1,691,560	1.69%	98,423,540	98.31%

Series "2-O" Preferred Shares	606,140	0.32%	187,253,560	99.68%
TOTAL	121,480,131	3.15%	3,732,321,649	96.85%

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Related Party Disclosures

San Miguel Corporation (“SMC” or “the Parent Company”), certain subsidiaries and their shareholders, associates and joint ventures purchase products and services from one another in the normal course of business. The Parent Company requires approval of the Board of Directors for related party transactions amounting to at least ten percent (10%) of the total consolidated assets based on its latest audited financial statements.

Amounts owed by/owed to related parties are collectible/payable in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at June 30, 2025 and December 31, 2024:

	Year	Revenue from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Ultimate Parent Company	June 30, 2025	P2	P -	P -	P516	Settled on dividend payment date	Unsecured
	December 31, 2024	9	-	-	516		
	June 30, 2025	-	-	3,037	-	To be settled on the first anniversary of commercial operations of the Nonoc Project; interest-bearing	Unsecured; no impairment
	December 31, 2024	-	-	3,037	-		
Retirement plans	June 30, 2025	15	-	2,877	-	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2024	30	-	3,166	-		
	June 30, 2025	101	-	3,110	-	On demand; interest-bearing	Unsecured; no impairment
	December 31, 2024	234	-	4,127	-		
Associates	June 30, 2025	2,713	-	15,523	206	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2024	1,984	-	940	161		
	June 30, 2025	382	1,126	9,743	30,027	Less than 1 to 12 years; interest-bearing	Unsecured and secured; no impairment
	December 31, 2024	637	1,394	9,720	34,208		
Joint ventures	June 30, 2025	332	1,528	90	364	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2024	88	1,103	7	456		
	June 30, 2025	14	-	621	-	On demand; interest-bearing	Unsecured; with impairment
	December 31, 2024	13	-	621	-		
Shareholder of the Ultimate Parent Company	June 30, 2025	-	-	1,200	-	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2024	-	-	1,300	-		
Shareholders in subsidiaries	June 30, 2025	25	693	95	1,387	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2024	43	1,265	96	1,368		
Others	June 30, 2025	376	1,486	325	101	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2024	543	1,559	208	126		
Total	June 30, 2025	P4,000	P4,833	P38,401	P32,601		
Total	December 31, 2024	P3,662	P5,321	P24,968	P36,835		

- 1) Revenue consists primarily of sale of power, fuel and other products and services to related parties.
- 2) Purchases consist primarily of purchase of inventories, power and other products and services from related parties.
- 3) Amounts owed by related parties consist of current and noncurrent receivable, advances to suppliers and deposits and share in expenses.
 - a) Amounts owed by related parties include interest-bearing receivable from Top Frontier related to the remaining balance of the consideration for the sale of Clariden Holdings, Inc. (Clariden) amounting to ₱2,312 and the assignment of certain receivables of the Ultimate Parent Company amounting to ₱725.

- (i) *Amounts owed by the Ultimate Parent Company amounting to ₱2,312:* On September 27, 2019, SMC and Top Frontier agreed in writing that the second payment amounting to ₱1,099, plus 5.75% interest rate per annum of any portion thereof unpaid, and the final payment amounting to ₱1,213, plus 6.00% per annum of any portion thereof unpaid, shall be payable and the interest shall be accrued, on the first anniversary of commercial operations of the Nonoc Project or such extended date as may be mutually agreed by the parties in writing.
- (ii) *Amounts owed by the Ultimate Parent Company amounting to ₱725:* On September 27, 2019, the parties agreed in writing that the amounts plus 5.75% interest rate per annum of any portion thereof unpaid shall be payable and the interest shall be accrued, upon commencement of commercial operations of the Nonoc Project.

The Nonoc Project is primarily focused on extracting nickel deposits in Nonoc Island, Surigao City, Surigao del Norte, and is undertaken by Philnico Industrial Corporation, Pacific Nickel Philippines, Inc., and Philnico Processing Corp., all indirect subsidiaries of Clariden. As at June 30, 2025 and December 31, 2024, the Nonoc Project has not yet started commercial operations.

These amounts are included as part of noncurrent receivables and deposits under “Other noncurrent assets - net” account in the consolidated statements of financial position as at June 30, 2025 and December 31, 2024.

- b) The Parent Company has advances to and receivables from San Miguel Corporation Retirement Plan amounting to ₱5,987 and ₱6,311 as at June 30, 2025 and December 31, 2024, respectively, included as part of “Amounts owed by related parties” under “Trade and other receivables - net” account in the consolidated statements of financial position. Portion of the advances are subject to interest of 5.75% per annum. Interest income earned from the advances amounted to ₱91 and ₱94 for the periods ended June 30, 2025 and 2024, respectively.
- c) Petron Corporation (Petron) has advances to Petron Corporation Employee Retirement Plan amounting to ₱982 as at December 31, 2024, included as part of “Amounts owed by related parties” under “Trade and other receivables - net” account in the consolidated statement of financial position, which was fully paid on March 20, 2025. Portion of the advances are subject to interest of 5% per annum. Interest income earned from the advances amounted to ₱10 and ₱23 for the periods ended June 30, 2025 and 2024, respectively.
- d) The amounts owed by associates mainly consist of advances granted and management and shared service fees charged to SPPC and EERI amounting to ₱14,362, presented as part of “Trade and other receivables - net” and “Other noncurrent assets - net” accounts in the consolidated statement of financial position as at June 30, 2025.
- e) Amounts owed by related parties include investments in equity and debt instruments under an investment management agreement with Bank of Commerce (BankCom) amounting to ₱9,743 and ₱9,718 as at June 30, 2025 and December 31, 2024, respectively, presented as part of “Prepaid expenses and other current assets” and “Investments in equity and debt instruments” accounts in the consolidated statements of financial position. Interest income earned from investments in equity and debt instruments amounted to ₱162 for the periods ended June 30, 2025 and 2024.
- f) Amounts owed by related parties include an interest-bearing receivable from joint ventures amounting to ₱621 included as part of “Trade and other receivables - net” account in the consolidated statements of financial position. Allowance for impairment losses pertaining to these receivables amounted to ₱621 as at June 30, 2025 and December 31, 2024. Interest income earned from the receivable amounted to ₱14 and ₱13 for the periods ended June 30, 2025 and 2024, respectively.
- g) Amounts owed by joint ventures include the interest-bearing loans granted to Angat Hydropower Corporation (Angat Hydro) by PowerOne Ventures Energy Inc. (PVEI).

In January 2017, PVEI granted shareholder advances to Angat Hydro amounting to US\$32 (₱1,579).

The advances are subject to interest of 4.5% per annum and were due on April 30, 2017. The due date of the advances was extended to December 31, 2025, as agreed by the parties. As at June 30, 2025 and December 31, 2024, the remaining balance of the shareholder advances amounted to US\$2 (₱129) and US\$2 (₱132), respectively.

In February 2023 and June and October 2021, PVEI granted additional shareholder advances to Angat Hydro amounting to ₱344, ₱600 and ₱409, respectively. The advances are subject to interest of 6.125%, 4.6% and 6.125% per annum, respectively, and are due on January 5, 2032.

As at June 30, 2025 and December 31, 2024, the outstanding balance of advances amounted to ₱1,482 and ₱1,485, respectively, presented as part of "Trade and other receivables - net" and "Other noncurrent assets - net" accounts in the consolidated statements of financial position. Interest income earned from the advances amounted to ₱40 for the periods ended June 30, 2025 and 2024.

- h) Amounts owed by related parties include the receivable from the assignment by Eagle Cement Corporation to Far East Holdings, Inc. of the advances for future investment in KB Space Holdings, Inc. amounting to ₱1,200 and ₱1,300, as at June 30, 2025 and December 31, 2024, respectively, presented as part of "Trade and other receivables - net" account in the consolidated statements of financial position.
- 4) Amounts owed to related parties consist of trade payables, professional fees and lease obligations. Amounts owed to a related party for the lease of office space presented as part of "Lease liabilities - current portion" amounted to ₱5 and ₱9 as at June 30, 2025 and December 31, 2024, respectively, and as part of "Lease liabilities - net of current portion" amounted to ₱34 and ₱35 as at June 30, 2025 and December 31, 2024, respectively. The amount owed to the Ultimate Parent Company pertains to dividends payable.

The interest-bearing loans payable to BankCom presented as part of "Loans payable" account amounted to ₱2,953 and ₱6,941 and "Long-term debt" account amounted to P27,074 and P27,267 in the consolidated statements of financial position as at June 30, 2025 and December 31, 2024, respectively. Interest expense incurred on the loans amounted to ₱1,126 and ₱938 for the periods ended June 30, 2025 and 2024, respectively.

The amounts owed to associates include syndicated project finance loans amounting to ₱20,000 and ₱20,584 as at June 30, 2025 and December 31, 2024, respectively, which were secured by certain property, plant and equipment and other intangible assets.

There were no known transactions with parties that fall outside the definition "related parties" under PAS 24, *Related Party Disclosures*, but with whom SMC or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

LEGAL PROCEEDINGS

Neither SMC nor any of its subsidiaries is a party to nor its properties subject of, any material pending legal proceeding that could be expected to have a material adverse effect on the issuance of the Offer Shares and on the results of the financials and the operations of SMC. The Company has not been the subject of any bankruptcy petition, insolvency, receivership, or similar proceedings.

The Company and its subsidiaries are parties to legal proceedings from time to time. The outcome of these proceedings cannot be presently determined or predicted with certainty. This section provides a summary of the legal proceedings involving SMC and its subsidiaries.

1. Lease Agreements with PNOC

On October 20, 2017, Petron filed a complaint against the PNOC for the reconveyance of the various landholdings it conveyed to PNOC in 1993 as a result of the government-mandated privatization of Petron.

The subject landholdings consist of the refinery lots in Limay, Bataan, 23 bulk plant sites and 66 service station lots located in different parts of the country. The Deeds of Conveyance covering the landholdings provide that the transfer of these lots to PNOC was without prejudice to the continued long-term use by Petron of the conveyed lots. Thus, PNOC and Petron executed lease agreements covering said properties, all with an initial lease term of 25 years, with a provision for automatic renewal for another 25 years. In 2009, the lease agreement for the refinery lots was renewed for an initial lease term of 30 years, renewable for another 25 years.

The complaint alleges that PNOC committed a fundamental breach of the lease agreements when it refused to honor both the automatic renewal clause in the lease agreements for the bulk plants and the service station sites, and the renewed lease agreement for the refinery lots, on the alleged ground that said agreements were grossly disadvantageous to PNOC, a government-owned-and-controlled corporation.

After issuing a writ of preliminary injunction which prevented the ouster of Petron from the subject properties until the case is decided, the trial court granted Petron's motion for summary judgment and ordered: (i) the rescission of the Deeds of Conveyance relating to Petron's conveyance of such leased premises to PNOC pursuant to a property dividend declaration in 1993; (ii) the reconveyance by PNOC to Petron of said properties; and (iii) the payment by Petron to PNOC of the amount of ₱143 million, with legal interest from 1993, representing the book value of the litigated properties at the time of the property dividend declaration.

Following the trial court's denial of the parties' separate motions for reconsideration, both PNOC and Petron filed their respective notices of appeal with the trial court and elevated the case on appeal to the Court of Appeals where it was assigned to the Court's 5th Division.

In a decision dated December 13, 2021, the Court of Appeals dismissed both appeals of Petron and PNOC and affirmed the resolution of the trial court. The Court of Appeals upheld Petron's position that PNOC committed a substantial breach of its contractual obligation when it dishonored the automatic renewal clause in the lease agreements. The Court of Appeals ruled, however, that, while rescission repeals the contract from its inception, it does not disregard all the consequences that the contract has created and that it was therefore only proper that Petron paid PNOC the rentals for the use and enjoyment of the properties which PNOC could have enjoyed by virtue of the Deeds of Conveyance were it not for the lease agreements. On January 11, 2022, Petron filed its motion for reconsideration insofar as the CA decision dismissed Petron's appeal to return the lease payments made by it to PNOC. PNOC also filed its separate motion for reconsideration. In a resolution dated October 6, 2022, the Court of Appeals (Former Special Third Division) denied the respective motions for reconsideration of the parties, effectively affirming the trial court's earlier resolution in favor of Petron.

In December 2022, PNOC appealed the CA Decision to the Supreme Court. In July 2023, the Supreme Court denied the petition for review of PNOC on the ground that PNOC failed to sufficiently show that the CA committed any reversible error in the challenged decision and resolution that would warrant the Supreme Court's exercise of its discretionary appellate jurisdiction. In December 2023, PNOC filed a motion for reconsideration and moved to refer the case to the Supreme Court *en banc*.

In a resolution dated November 25, 2024, the Supreme Court denied with finality the motion for reconsideration and the motion to refer to the Supreme Court En Banc that PNOC filed in December 2023. The November 2024 resolution also ordered the immediate issuance of the entry of judgment and declared that no further pleadings or motions shall be entertained.

On January 21, 2025, PNOC filed a second motion for reconsideration. As of June 30, 2025, Petron has not received any notice from the Supreme Court on its action on PNOC's second motion for reconsideration.

2. Generation Payments to PSALM

South Premiere Power Corp. ("**SPPC**") and the Power Sector Assets and Liabilities Management Corporation ("**PSALM**") are parties to the Ilijan IPPA Agreement covering the appointment of SPPC as the IPP Administrator of the Ilijan Power Plant.

SPPC and PSALM have an ongoing dispute arising from differing interpretations of certain provisions related to generation payments under the Ilijan IPPA Agreement. As a result of such dispute, the parties have arrived at different computations regarding the subject payments.

On August 12, 2015, SPPC initiated a dispute resolution process with PSALM as provided under the terms of the Ilijan IPPA Agreement, while continuing to maintain that it has fully paid all of its obligations to PSALM. Notwithstanding the bona fide dispute, PSALM issued a notice terminating the Ilijan IPPA Agreement on September 4, 2015 and called on SPPC's Performance Bond.

On September 8, 2015, SPPC filed a Complaint with the Regional Trial Court of Mandaluyong City (the "**RTC**") requesting that its interpretation of the relevant provisions of the Ilijan IPPA Agreement be upheld and asked that a 72-hour TRO be issued against PSALM for illegally terminating the Ilijan IPPA Agreement and drawing on the performance bond of SPPC. On even date, the RTC issued a 72-hour TRO which prohibited PSALM from treating SPPC as being in Administrator Default and from performing other acts that would change the status quo ante between the parties before PSALM issued the termination notice and drew on the performance bond of SPPC. The TRO was extended until September 28, 2015 when a Preliminary Injunction was issued thereafter enjoining PSALM from proceeding with the termination of the Ilijan IPPA Agreement while the main case is pending.

PSALM filed with the Court of Appeals ("**CA**") a Petition for Review on Certiorari assailing the RTC's order of denial of its Motion for Reconsideration of the issuance of the writ of preliminary injunction. The CA ruled in favor of SPPC and affirmed the RTC's issuance of a writ of preliminary injunction against PSALM prohibiting it from terminating the Ilijan IPPA Agreement while the main case in the lower court is pending and named the Manila Electric Company ("**Meralco**") as intervenor. (the "**CA Decision**").

The CA Decision was also affirmed by the Supreme Court ("**SC**") in its resolution dated March 4, 2019 after PSALM filed a Petition for Certiorari with Urgent Prayer for the Issuance of a TRO and/or Writ of Preliminary Injunction before the SC praying for the reversal and nullification of the CA decision and resolution affirming the RTC's issuance of a writ of preliminary injunction against PSALM. PSALM filed a Motion for Reconsideration thereof and was denied by the SC in a resolution dated August 5, 2019, which became final and executory on the same date.

After years of resolving other related issues, pre-trial proceeded on November 19, 2021, and the parties filed the Joint Stipulation of Facts on April 6, 2022.

On August 30, 2024, SPPC filed its Formal Offer of Evidence. On September 12, 2024, in compliance with a directive from the court, SPPC submitted additional hard copies of its exhibits. The court admitted SPPC's documentary evidence through an Order dated October 11, 2024.

On November 22, 2024, PSALM filed its Formal Offer of Evidence. In an Order dated December 19, 2024, the trial court admitted PSALM's exhibits and directed the parties to submit their respective closing Memoranda. PSALM filed its closing Memorandum on February 7, 2025 and SPPC filed its Memorandum on February 18, 2025. In an Order dated March 7, 2025, the court considered the case as submitted for decision.

Although the proceedings before the RTC remain pending, the Ilijan Power Plant was turned over by PSALM to SPPC pursuant to the IPPA Agreement and the Deed of Sale executed between PSALM and SPPC on June 3, 2022.

3. Temporary Restraining Order (“TRO”) Issued to Meralco

On December 5, 2013, MERALCO wrote the ERC requesting for clearance and authority: (i) to collect a generation charge of PhP7.90 per kWh in its December 2013 billings to its customers for its generation cost for the month of November 2013; and (ii) to defer to February 2014 the recovery of the remaining PhP3 Billion, representing a portion of the generation costs for the November 2013 supply month which was not passed on to customers in December 2013, subject to the inclusion of the appropriate carrying charge. In response thereto, the ERC, in its letter dated December 9, 2013, granted MERALCO the authority to implement a staggered collection of its generation cost for the power supplied in November 2013. The ERC, however, did not approve Meralco’s request to recover the carrying costs and directed it to file a formal application for this instead.

On December 19, 2013, Petitioners Bayan Muna representatives, et al. filed a petition against the ERC and MERALCO questioning the increase in the generation cost for November 2013 supply month. On December 20, 2013, Petitioner National Association of Electricity Consumers for Reforms (NASECORE) et al. filed a petition against the ERC, DOE and MERALCO assailing the automatic adjustment of generation cost. On December 23, 2013, the SC issued a resolution consolidating both petitions and issued a TRO enjoining: (i) the ERC from implementing its letter dated December 9, 2013, and (ii) Meralco from increasing the rates it charged to its consumers based on its letter dated December 5, 2013.

As a result, Meralco was constrained to fix its generation rate to its October 2013 level of ₱5.67 per kilowatt hours (kWh). The TRO originally had a period of 60 days.

On January 8, 2014, Meralco filed its Consolidated Comment/Opposition with Counter-Petition (the “**Counter-Petition**”) which prayed, among others, for the inclusion of Sual Power Inc. (“**SPI**” and formerly known as San Miguel Energy Corporation), SPPC, San Roque Hydropower Inc. (“**SRHI**” and formerly known as Strategic Power Devt. Corp.), Masinloc Power Company Limited (“**MPCL**” and formerly Masinloc Power Partners Company Limited) and several generators as respondents to the case. On January 10, 2014, the SC issued an Order treating the Counter-Petition as in the nature of a third-party complaint and granting the prayer to include SPI, SPPC, SRHI and MPCL as respondents in the Petition.

On February 18, 2014, the SC extended the TRO issued on December 23, 2013 for another 60 days or until April 22, 2014 and granted additional TROs enjoining the Philippine Electricity Market Corporation (“**PEMC**”) and the generators from demanding and collecting the deferred amounts. In a Resolution dated April 22, 2014, the SC extended indefinitely the effectivity of the TROs issued on December 23, 2013 and February 18, 2014.

In the Petition filed by special interest groups, the SC was made aware of the order of the ERC dated March 3, 2014 (the “**March 3, 2014 ERC Order**”) (as defined and discussed under “ERC Order Voiding WESM Prices”), in which the ERC declared void the WESM prices during the November and December 2013 supply months and imposed regulated prices in their stead. The March 3, 2014 ERC Order likewise directed PEMC to: (a) calculate these “regulated prices” based on a formula identified by the ERC as representative of 2013 market prices under normalized conditions and (b) to collect the same from the WESM participants involved.

A decision was promulgated by the Supreme Court En Banc on August 3, 2021 (the “**SC Decision**”) affirming the December 9, 2013 ERC letter which approved the staggered imposition by Meralco of its generation rate for November 2013 from its consumers and declared as null and void the March 3, 2014 ERC Order.

On July 26, 2022, the special interest groups sought reconsideration of the SC Decision by filing separate Motions for Reconsideration where they prayed that the SC Decision be granted. The ERC likewise filed a Motion for Partial Reconsideration of the SC Decision and sought the reinstatement of the March 3, 2014 ERC Order, among others.

These motions were denied with finality by the Supreme Court En Banc, in its resolution dated October 11, 2022, which also directed the entry of judgment of the SC Decision be made immediately. On January 4, 2023, the external counsel of SPPC, SPI and SRHI received a copy of the Entry of Judgement from the Supreme Court

En Banc dated October 11, 2022, while the external counsel of MPCL received a copy of the same on January 5, 2023.

With this, the relevant subsidiaries, namely, SPI, SPPC, and MPCL are pursuing the implementation of the SC Decision.

4. ERC Order Voiding WESM Prices

Relative to the above-cited Petition, on December 27, 2013, the Department of energy (“**DOE**”), ERC, and PEMC, acting as a tripartite committee, issued a joint resolution setting a reduced-price cap on the WESM of ₱32/kWh. The price was set to be effective for 90 days until a new cap is decided upon.

On March 3, 2014, the ERC, issued an order declaring the November and December 2013 Luzon WESM prices void, imposed the application of regulated prices, and mandated PEMC, the operator of the WESM, to calculate and issue adjustment bills using recalculated price (the “**March 3, 2014 ERC Order**”). Subsequent orders were issued by the ERC setting the period for compliance of the March 3, 2014 ERC Order (collectively together with the March 3 2014 Order, the “**2014 ERC Orders**”). Based on these orders, SPI and SRHI recognized a reduction in the sale of power while MPCL, San Miguel Electric Corp. (SMELC) and SPPC recognized a reduction in its power purchases. Consequently, a payable and receivable were also recognized for the portion of over-collection or over-payment, the settlement of which have been covered by a 24-month Special Payment Arrangement with PEMC which was already completed on May 25, 2016.

SPI, SPPC, SRHI, and MPCL filed various pleadings requesting ERC for the reconsideration of the March 3, 2014 ERC Order. Other generators also requested the Supreme Court to stop the implementation of the March 3, 2014 ERC Order. The ERC denied the motions for reconsideration filed by the generators.

On June 26, 2014, SPI, SPPC and SRHI filed with the CA a Petition for Review assailing the **2014 ERC Orders**, while MPCL filed its Petition for Review with the CA on December 12, 2014.

After consolidating the cases, the CA, in its decision dated November 7, 2017 (the “**November 7, 2017 Decision**”), granted the Petition for Review filed by SPI, SPPC, SRHI, and MPCL, declared the 2014 ERC Orders null and void and accordingly reinstated and declared as valid the WESM prices for Luzon for the supply months of November to December 2013.

After the filing of several motions for reconsideration of the various intervenors, the CA, on March 29, 2019, issued an Omnibus Resolution affirming the November 7, 2017 Decision.

The intervenors thereafter filed petitions for certiorari before the Supreme Court, First Division, but each was denied by the SC. Entries of judgment have been issued by the SC certifying that the resolutions denying the Petitions for Review on Certiorari filed by various intervenors against SPI, SPPC, SRHI and MPCL, among others, have become final and executory.

The ERC and Meralco also filed separate Petitions for Review appealing the November 7, 2017 Decision and Omnibus Resolution dated March 29, 2019 of the CA, which nullified and set aside the 2014 ERC Orders, declaring the WESM prices for November and December 2013 void.

In a Resolution dated November 4, 2020, the SC directed the consolidation of the separate petitions filed by the ERC and Meralco considering that said cases involve the same parties, raise the same issues, and assail the same decision and resolution, and the transfer of the Meralco Petition to the third division of the SC handling the petition by the ERC.

The ERC has also filed its Consolidated Reply to the comments on its petition dated November 18, 2020.

The SC has not yet promulgated a decision. However, on August 3, 2021, a decision was rendered by the SC En Banc in a separate case (as discussed under “Temporary Restraining Order (TRO) Issued to Meralco”) declaring the March 3, 2014 ERC Order as null and void which is the subject of the aforementioned Petition. Considering that this decision of the SC En Banc (“**Separate SC Decision**”) covers the March 3, 2014 ERC Order, the difference between the actual Luzon WESM prices and the regulated prices (based on the March 3, 2014 ERC Order) for

WESM sales and purchases by SPI, SPPC, SRHI, SMELC and MPCL amounting to up to ₱2,321,785 will have to be settled with the IEMOP.

5. Claim for Price Adjustment on the Meralco Power Sale Agreements

On October 22, 2019, SPI and SPPC each filed before the ERC a Joint Application with Meralco for the approval of their respective PSA with Meralco with prayer for provisional authority (the “**Application**”). The PSA of SPPC covers the supply of 670 MW baseload capacity to Meralco (“**SPPC PSA**”) while the PSA of SPI covers the supply of 330 MW baseload capacity to Meralco (“**SPI PSA**”) both for a period of ten (10) years (collectively, the “**PSAs**”). The PSAs were awarded by Meralco to each of SPPC and SPI after they emerged as the winning bidders in the competitive selection process conducted by Meralco in September 2019.

On March 16, 2020, the ERC released Orders both dated December 10, 2019, granting provisional authority to implement the SPPC PSA and SPI PSA.

On May 11, 2022, each of SPPC and SPI filed a Joint Motion for Price Adjustment with Meralco (the “**Joint Motion**”) seeking approval from the ERC to temporarily increase the contract price under the SPPC PSA and SPI PSA for a period of six (6) months, to recover incremental fuel costs covering January to May 2022 billing periods arising from a Change in Circumstances (as defined in the PSAs) to be collected over a period of 6 months.

On September 29, 2022, the ERC denied the foregoing Joint Motions filed by each of SPPC and SPI with Meralco requesting for the proposed price adjustments (the “**September 29, 2022 ERC Orders**”).

i. SPPC CA Petition

On November 10, 2022, SPPC filed with the CA a Petition for Certiorari under Rule 65 with Application for the Issuance of a TRO and/or Writ of Preliminary Injunction to annul, reverse and set aside the September 29, 2022 ERC Order for SPPC (the “**SPPC CA Petition**”).

In a Resolution dated November 23, 2022, the 14th Division of the CA granted SPPC’s application for a 60-day TRO, conditioned upon the posting of a bond in the amount of P50 million (the “TRO Bond”). The CA later issued a TRO on December 2, 2022, after posting by SPPC of the TRO Bond, and the writ of preliminary injunction for the SPPC CA Petition on February 23, 2023.

On July 10, 2023, SPPC received the CA’s Joint Decision dated June 27, 2023 (the “June 27, 2023 CA Decision”) which granted the consolidated petitions of SPPC and SPI. The CA: (i) annulled and set aside the September 29, 2022 ERC Orders for having been issued with grave abuse of discretion; (ii) granted the Joint Motions for Price Adjustment with Provisional Authority and/or Interim Relief, without prejudice to any further requests for price adjustments for June 2022 onwards (for SPPC, from June 2022 to January 25, 2023 [date of WPI] and for SPI, from June 2022 to the date of the finality of the Joint Decision); and (iii) made permanent the writ of preliminary injunction issued in favor of SPPC.

On January 16, 2024, SPPC received, through its external counsel, a copy of the Resolution issued by the CA dated December 28, 2023 denying the separate Motions for Reconsideration filed by NASECOR and the ERC. The June 27, 2023 CA Decision was later on confirmed by the SC in a Resolution dated April 3, 2024 which denied the ERC’s Petition for Review on Certiorari “for failure of petitioner [ERC] to sufficiently show that the CA committed any reversible error in the challenged joint decision and resolution as to warrant the exercise of this Court’s discretionary appellate jurisdiction.” ERC’s Motion for Reconsideration of the SC Resolution was also denied with finality in another SC Resolution dated July 10, 2024, and received on August 30, 2024. An Entry of Judgment has already been issued for this case.

Pursuant thereto, SPPC filed on October 10, 2024 its Motion for Issuance of Writ of Execution with the ERC to enforce the June 27, 2023 CA Decision. The motion is pending with the ERC to date.

On February 6, 2025, SPPC filed a Motion to Resolve (re: Motion for Issuance of Writ of Execution) with the ERC. On March 11, 2025, SPPC also filed with the CA a Motion to Direct the Court of Origin to Issue Writ of Execution to compel the ERC to issue writs of execution on the June 27, 2023 CA Decision.

On July 11, 2025, SPI received a copy of the CA’s Resolution dated June 27, 2025, which among others partially

granted their respective motions and directed the ERC to act on their motions immediately and without further delay. Pursuant thereto, the ERC directed the parties to submit pertinent documents in support of the June 27, 2023 CA Decision, which have yet to be submitted as of date.

Related thereto, pursuant to the June 27, 2023 CA Decision, SPPC issued a Notice of CIC on August 18, 2023, informing Meralco of its request for price adjustments for the period May 26, 2022 to December 6, 2022 and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under the SPPC PSA, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco acknowledged SPPC's right to the adjustment in the Contract Price as a result of the CIC under the SPPC PSA and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPPC filed a Motion for Price Adjustment with the ERC, for its CIC claim for the period May 26, 2022 to December 6, 2022 pursuant to the SPPC PSA (the "2nd SPPC CIC Claim"), with its claims anchored on essentially the same legal bases established or ruled on by the CA in its Joint Decision and confirmed by the SC with finality. The ERC directed SPPC to submit pertinent documents in support of its motion, which remain pending submission to date.

ii. SPI CA Petition

On November 10, 2022, SPI also filed with the CA a Petition for Certiorari under Rule 65 with Application for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction to annul, reverse and set aside the September 29, 2022 ERC Order for SPI (the "**SPI CA Petition**"). This was raffled to the CA 17th Division which was subsequently transferred to the CA 16th Division.

On November 24, 2022, SPI filed an Urgent Motion for Consolidation of the instant Petition with the SPPC CA Petition pending before the 13th Division of the CA.

On January 26, 2023, SPI received the Resolution dated January 13, 2023 of the CA 16th Division which (i) denied SPI's prayer for the issuance of a TRO and/or writ of preliminary injunction, and (ii) granted the consolidation of the SPI CA Petition with the SPPC CA Petition. The SPI CA Petition was thus consolidated with the SPPC CA Petition before the CA 13th Division.

On July 10, 2023, SPI received the CA's Joint Decision dated June 27, 2023 (the "June 27, 2023 CA Decision") which granted the consolidated petitions of SPPC and SPI. The CA: (i) annulled and set aside the September 29, 2022 ERC Orders for having been issued with grave abuse of discretion; (ii) granted the Joint Motions for Price Adjustment with Provisional Authority and/or Interim Relief, without prejudice to any further requests for price adjustments for June 2022 onwards (for SPPC, from June 2022 to January 25, 2023 [date of WPI] and for SPI, from June 2022 to the date of the finality of the Joint Decision); and (iii) denied SPI's Motion for Partial Reconsideration of the January 13, 2023 CA Resolution and its application for the issuance of a writ of preliminary injunction for being moot and academic. On January 16, 2024, SPI received, through its external counsel, a copy of the Resolution issued by the CA dated December 28, 2023, denying the separate Motions for Reconsideration filed by NASECORE and the ERC.

The June 27, 2023 CA Decision was later on confirmed by the SC in a Resolution dated April 3, 2024, and received on May 21, 2024, which denied the ERC's Petition for Review on Certiorari "for failure of petitioner [ERC] to sufficiently show that the Court of Appeals committed any reversible error in the challenged joint decision and resolution as to warrant the exercise of this Court's discretionary appellate jurisdiction." ERC's Motion for Reconsideration of the SC Resolution was denied with finality in an SC Resolution dated July 10, 2024, and received on August 30, 2024. An Entry of Judgment has already been issued for this case.

Pursuant thereto, SPI filed on October 10, 2024 its Motion for Issuance of Writ of Execution with the ERC to enforce the June 27, 2023 CA Decision. The motion is pending with the ERC to date.

On February 6, 2025, SPI filed a Motion to Resolve (re: Motion for Issuance of Writ of Execution) with the ERC. On March 11, 2025, SPI also filed with the CA a Motion to Direct the Court of Origin to Issue Writ of Execution to compel the ERC to issue writs of execution on the June 27, 2023 CA Decision.

On July 11, 2025, SPI received a copy of the CA's Resolution dated June 27, 2025, which among others partially

granted their respective motions and directed the ERC to act on their motions immediately and without further delay. Pursuant thereto, the ERC directed the parties to submit pertinent documents in support of the June 27, 2023 CA Decision, which have yet to be submitted as of date.

Related thereto, pursuant to the June 27, 2023 CA Decision, SPI issued a Notice of CIC on August 18, 2023, informing Meralco of its request for price adjustments for the period June 2022 to July 2023, and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under the PSA, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco acknowledged SPI's right to the adjustment in the Contract Price as a result of the CIC under the SPI PSA, and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPI filed a Motion for Price Adjustment with the ERC, for its CIC claim for the period June 2022 to July 2023 pursuant to the SPI PSA (the "2nd SPI CIC Claim"), with its claims anchored on essentially the same legal bases established or ruled on by the CA in its Joint Decision and confirmed by the SC with finality. The ERC directed SPI to submit pertinent documents in support of its motion, which remain pending submission to date.

In view of the dilution of the Parent Company's equity interest in SPPC from 100% to 33%, SPPC assigned in favor of the Parent Company all of its rights of action under the case relating to the Generation Payments to PSALM and the claims for contract price adjustments from Meralco, and the Parent Company assumed all obligations of SPPC in relation to the cases involving the TRO Issued to Meralco and ERC Voiding WESM Prices, pursuant to the terms of the agreements executed on March 1, 2024 and January 15, 2025 with relevant parties.

6. SMGP Meralco Share Dispute with LBP

On November 16, 2022, the Company was advised by the counsel of record of San Miguel Global Power Holdings Corp. ("**SMGP**") that the Court of Appeals (CA) promulgated a decision, dated November 3, 2022, in favor of SMGP denying the appeal of the Land Bank of the Philippines ("**LBP**") and affirming the Decision of the Regional Trial Court, dated March 18, 2021. The motion for reconsideration of the LBP was likewise denied through a resolution dated March 20, 2023, a copy of which was received by the office of the counsel of record of SMGP, Atty. Estelito P. Mendoza, on April 12, 2023, and consequently SMGP on April 13, 2023.

On November 29, 2023, SMGP was informed by the counsel that it received on November 28, 2023 a Resolution issued by the Supreme Court, dated August 9, 2023, denying the Petition for Review on Certiorari of the LBP, Cesar V. Purisima, Proceso J. Alcala, Rosalinda D. Baldoz, Crispino T. Aguelo, Domingo I. Diaz, Tomas T. De Leon, Jr., and Victor Gerardo J. Bulatao ("**LBP, et al.**") with respect to the Decision and Resolution of the Court of Appeals, dated November 3, 2022 and March 20, 2023, as described in the immediately preceding paragraph. Their motion for reconsideration was denied on April 17, 2024.

The Supreme Court subsequently issued another Resolution, dated February 14, 2024, denying a separate petition for certiorari filed by other petitioners Gilda E. Pico and Virgilio De Los Reyes (G.R. Nos. 266845 and 266923) against the Decision and Resolution dated November 2, 2022 and March 20, 2023 of the Court of Appeals.

SMGP was informed on November 19, 2024 that the Supreme Court issued a Certification of Entry of Judgment for G.R. No. 266540 with respect to the LBP et al petition per Resolution of August 9, 2023 and finality on April 17, 2024. This Resolution was received by counsel on November 18, 2024.

Finally, SMGP was likewise informed on May 20, 2025 that counsel received on May 19, 2025 a Resolution promulgated on March 5, 2025 that the motion for reconsideration of petitioner delos Reyes was denied, and that the Supreme Court ordered an entry of judgment with respect to G.R. Nos. 266845 and 266923.

With the entry of judgement on the denial of the petitions filed with the Supreme Court, the decision of the RTC Branch 212 of Mandaluyong City, dated March 18, 2021, has been affirmed with finality.

To resolve the dispute between the parties, LBP conveyed to SMGP 46,596,596.00 shares of Manila Electric Company ("**Meralco**") at the price of Php90 per share in accordance with the terms and conditions of the Deed of Absolute Sale executed between LBP and SMGP. As disclosed to the Exchange by SMGP on July 23, 2025,

43,229,796 shares of stock of Meralco were crossed and transferred to SMGP through a special block sale at the Exchange on such date.

SELECTED FINANCIAL INFORMATION

The summary financial and operating information of SMC presented below, as of and for the years ended December 31, 2022, 2023, and 2024, were derived from the consolidated financial statements of SMC audited by R.G. Manabat & Co. (formerly Manabat Sanagustin & Co.) and prepared in compliance with the Philippine Financial Reporting Standards (PFRS). The information should be read in conjunction with the consolidated financial statements of SMC and the related notes thereto, which are included in Appendix A of this Offer Supplement. The historical financial condition, results of operations and cash flows of SMC are not a guarantee of its future operating and financial performance.

Potential investors should read the following data together with the more detailed information contained in "Management's Discussion and Analysis of Results of Operations" and the consolidated financial statements and related notes included elsewhere in this Offer Supplement. The following data is qualified in its entirety by reference to all of that information.

Consolidated Statement of Income

(in Millions)

i)

FOR THE YEARS ENDED DECEMBER 31

	2024	2023	2022
SALES	₱1,575,379	₱1,446,703	₱1,506,591
COST OF SALES	1,312,027	1,208,410	1,314,607
GROSS PROFIT	263,352	238,293	191,984
SELLING AND ADMINISTRATIVE EXPENSES	(102,536)	(93,808)	(83,972)
INTEREST EXPENSE AND OTHER FINANCING CHARGES	(99,413)	(91,303)	(60,795)
INTEREST INCOME	14,704	14,027	7,108
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	2,364	1,729	1,197
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT	2,175	83	733
OTHER INCOME (CHARGES) - Net	(16,479)	4,086	(16,178)
INCOME BEFORE INCOME TAX	64,167	73,107	40,077
INCOME TAX EXPENSE	27,492	28,408	13,317
NET INCOME	₱36,675	₱44,699	₱26,760
Attributable to:			
Equity holders of the Parent Company	(P7,411)	P198	(P12,968)
Non-controlling interests	44,086	44,501	39,728
	₱36,675	₱44,699	₱26,760
Basic and Diluted Earnings (Loss) Per Common Share Attributable to Equity Holders of the Parent Company	(P7.10)	(P2.51)	(P8.15)

Consolidated Statement of Financial Position

December 31

(in Millions)

	2024	2023	2022
ASSETS			
Current Assets			
Cash and cash equivalents	₱293,677	₱261,358	₱318,214
Trade and other receivables - net	266,981	263,119	238,782

Inventories	178,355	161,986	190,193
Current portion of biological assets - net	3,241	3,515	3,418
Prepaid expenses and other current assets	158,180	141,424	133,691
Total Current Assets	900,434	831,402	884,298
Noncurrent Assets			
Investments and advances - net	52,948	37,089	32,523
Investments in equity and debt instruments	21,050	19,417	18,921
Property, plant and equipment - net	891,450	753,472	708,192
Right-of-use assets - net	43,302	108,014	112,067
Investment property - net	87,909	79,513	74,660
Biological assets - net of current portion	2,652	2,667	2,671
Goodwill - net	184,994	182,791	184,100
Other intangible assets - net	340,496	306,638	249,321
Deferred tax assets	22,045	19,633	22,554
Other noncurrent assets - net	129,650	118,729	102,518
Total Noncurrent Assets	1,776,496	1,627,963	1,507,527
	₱2,676,930	₱2,459,365	₱2,391,825

LIABILITIES AND EQUITY

Current Liabilities			
Loans payable	₱293,230	₱214,881	₱267,704
Accounts payable and accrued expenses	289,038	223,055	227,126
Lease liabilities - current portion	11,736	19,631	21,020
Income and other taxes payable	43,628	46,254	37,694
Dividends and distributions payable	5,160	4,605	4,037
Current maturities of long-term debt - net of debt issue costs	94,123	236,798	170,032
Total Current Liabilities	736,915	745,224	727,613
Noncurrent Liabilities			
Long-term debt - net of current maturities and debt issue costs	1,173,146	953,786	918,164
Lease liabilities - net of current portion	30,809	36,941	54,455
Deferred tax liabilities	34,861	29,503	26,297
Other noncurrent liabilities	24,758	28,745	26,144
Total Noncurrent Liabilities	1,263,574	1,048,975	1,025,060

	2024	2023	2022
Equity			
Equity Attributable to Equity Holders of the Parent Company			
Capital stock - common	₱16,443	₱16,443	₱16,443
Capital stock - preferred	10,187	10,187	10,187
Additional paid-in capital	177,442	177,468	177,719
Capital securities	24,211	24,211	24,211
Equity reserves	(5,275)	7,354	12,753
Retained earnings:			
Appropriated	79,849	87,170	71,004
Unappropriated	89,413	103,151	129,239
Treasury stock	(109,763)	(109,763)	(156,763)
	282,507	316,221	284,793
Non-controlling Interests	393,934	348,945	354,359
Total Equity	676,441	665,166	639,152

		₱2,676,930	₱2,459,365	₱2,391,825
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Consolidated Statement of Cashflows for the Years Ended December 31, 2024, 2023 and 2022 (In Millions)

	Note	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱64,167	₱73,107	₱40,077
Adjustments for:				
Interest expense and other financing charges	30	99,413	91,303	60,795
Depreciation, amortization and others - net	13, 14, 15, 17, 18, 28, 32	59,360	57,621	50,608
Loss (gain) on foreign exchange - net	32	20,956	(4,188)	19,494
Interest income	31	(14,704)	(14,027)	(7,108)
Equity in net earnings of associates and joint ventures	11	(2,364)	(1,729)	(1,197)
Gain on sale of investments and property and equipment	5, 13, 15, 18	(2,175)	(83)	(733)
Operating income before working capital changes		224,653	202,004	161,936
Changes in noncash current assets, certain current liabilities and others	38	(176)	(5,386)	(93,769)
Cash generated from operations		224,477	196,618	68,167
Interest and other financing charges paid		(99,203)	(91,995)	(60,910)
Income taxes paid		(23,687)	(21,527)	(19,650)
Net cash flows provided by (used in) operating activities		101,587	83,096	(12,393)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property, plant and equipment	13	(76,707)	(71,173)	(75,986)
Intangible assets	17	(40,379)	(64,677)	(58,162)
Investments and advances	11	(16,475)	(5,271)	(2,432)
Contract assets	18	(12,166)	(6,571)	(2,899)
Investment property	15	(9,985)	(5,450)	(4,415)
Advances to contractors and suppliers	18	(5,631)	(9,448)	(11,449)
Investments in equity and debt instruments	12	(2,107)	(616)	(12,937)
Increase in other noncurrent assets and others	18	(5,133)	(9,128)	(3,431)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	5, 38	(1,040)	-	(97,204)
Interest received		13,623	13,396	5,973
Net proceeds of:				
Disposal of subsidiaries, net of cash and cash equivalents disposed of	5	2,537	418	385
Redemption and disposal of investments in equity and debt instruments	12	1,384	606	35,454
Sale of property and equipment and other intangible assets	13, 15, 18	1,168	1,307	253
Dividends received	11	1,510	1,150	2,452
Collection of advances for investment	11	-	-	22,870
Net cash flows used in investing activities		(149,401)	(155,457)	(201,528)

	<i>Note</i>	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of:				
Short-term borrowings	38	₱1,334,679	₱1,145,761	₱1,148,669
Long-term borrowings	38	357,390	292,879	353,451
Payments of:				
Short-term borrowings	38	(1,256,795)	(1,197,861)	(1,074,087)
Long-term borrowings	38	(309,435)	(190,822)	(115,948)
Net proceeds of issuance of preferred shares and capital securities and reissuance of treasury shares of subsidiaries	24	81,203	13,885	-
Increase (decrease) in non-controlling interests' share in the net assets of subsidiaries and others	24	853	(3,014)	(2,630)
Repurchase of capital securities and redemption of preferred shares of subsidiaries	24	(58,443)	(27,134)	(4,703)
Cash dividends and distributions paid to non-controlling shareholders	38	(38,527)	(35,102)	(32,443)
Payments of lease liabilities	38	(20,195)	(20,995)	(26,031)
Cash dividends and distributions paid	36, 38	(12,401)	(9,043)	(9,680)
Share issuance costs from reissuance of treasury shares	24	(26)	-	-
Net proceeds of reissuance of treasury shares	24	-	46,749	-
Redemption of preferred shares	24	-	-	(12,300)
Net cash flows provided by financing activities		78,303	15,303	224,298
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
		1,830	202	7,807
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		32,319	(56,856)	18,184
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
	7	261,358	318,214	300,030
CASH AND CASH EQUIVALENTS AT END OF YEAR				
	7	₱293,677	₱261,358	₱318,214

See Notes to the Consolidated Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion should be read in conjunction with the attached unaudited consolidated financial statements of San Miguel Corporation ("SMC" or "Parent Company") and its subsidiaries (collectively referred to as the "Group") as at and for the period ended June 30, 2025 (with comparative figures as at December 31, 2024 and for the period ended June 30, 2024). All necessary adjustments to present fairly the consolidated financial position, financial performance and cash flows of the Group as at June 30, 2025, and for all the other periods presented, have been made. Certain information and footnote disclosure normally included in the audited consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards have been omitted.

I. 2025 SIGNIFICANT TRANSACTIONS

The following are the major developments in 2025:

INVESTING ACTIVITIES

Joint Investments with Manila Electric Company (Meralco) and Aboitiz Power Corporation (AboitizPower) into the Country's First Integrated Liquefied Natural Gas (LNG)-to-Power Facility Projects in Batangas City

On March 1, 2024, Meralco PowerGen Corporation (MGen, a subsidiary of Meralco) and Therma NatGas Power, Inc. (TNGP, a subsidiary of AboitizPower), through their jointly owned entity, Chromite Gas Holdings Inc. (CGHI), have entered into binding agreements with San Miguel Global Power Holdings Corp. (San Miguel Global Power) and its relevant subsidiaries, for MGen and TNGP to jointly invest for a 67% equity interest in San Miguel Global Power's gas-fired power plants, namely: (i) the brownfield 1,278 megawatts (MW) Ilijan Power Plant owned by South Premiere Power Corp. (SPPC); (ii) the greenfield 1,320 MW Batangas Combined Cycle Power Plant (BCCPP) owned by Excellent Energy Resources Inc. (EERI); and (iii) land owned by Ilijan Primeline Industrial Estate Corp. (IPIEC) where the gas-fired power plant and related facilities of EERI as well as the Batangas LNG Terminal are located.

The transaction also involved the joint acquisition by CGHI and San Miguel Global Power of Linseed Field Corporation (LFC), the owner of the Batangas LNG Terminal, which receives, stores and processes LNG to fuel for SPPC's Ilijan Power Plant and for EERI's BCCPP.

The transaction has customary closing conditions and has been issued the requisite regulatory approvals, including the review and approval of the Philippine Competition Commission (PCC). On May 17, 2024, Top Frontier Investment Holdings, Inc., the Ultimate Parent Company, filed its application for the approval of the transaction with the PCC. On December 23, 2024, PCC publicly disclosed its approval of the joint acquisition of power facilities and Batangas LNG Terminal by MGen, TNGP and San Miguel Global Power, subject to certain commitments from the parties aimed at ensuring fair competition and promoting transparency in the power industry.

On January 27, 2025, San Miguel Global Power completed the following transactions pursuant to the agreements executed on March 1, 2024 with CGHI:

- Investment by CGHI of 67% equity interests in SPPC, EERI and IPIEC; and
- Acquisition by CGHI and San Miguel Global Power of 67% and 32.98% equity interests, respectively, in LFC.

As a result of the transactions, San Miguel Global Power's equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%, thereby resulting in a loss of control and deconsolidation of the assets and liabilities of the three subsidiaries. The 33% equity interests retained in SPPC, EERI and IPIEC were recognized at fair market value, totaling to P52,706 million, included as part of "Investments in shares of stock of associates" under "Investments and advances - net" account, in the consolidated statement of financial position as at June 30, 2025. The revaluation of the investment in SPPC, EERI and IPIEC resulted in a gain amounting to P21,933 million, included as part of "Other income (charges) - net" account, in the consolidated statement of income for the period ended June 30, 2025.

Total consideration paid by San Miguel Global Power for the acquisition of 32.98% equity interest in LFC amounted to P4,340 million, included as part of “Investments in shares of stock of associates” under “Investments and advances - net” account, in the consolidated statement of financial position as at June 30, 2025.

Subsequently, SPPC, EERI and IPIEC redeemed and paid their respective redeemable preferred shares issued to San Miguel Global Power at a redemption price totaling to P78,717 million. Consequently, San Miguel Global Power recognized a net gain on investments in equity instruments amounting to P22,262 million, presented under “Equity reserves” account in the consolidated statement of financial position as at June 30, 2025 and under “Net gain on financial assets at fair value through other comprehensive income” account in the consolidated statement of comprehensive income for the period ended June 30, 2025.

In 2025, the Group has undertaken various financing activities. The significant transactions are as follows:

AVAILMENT OF LONG-TERM DEBT

FOREIGN CURRENCY-DENOMINATED LOANS

▪ SMC

- a. On various dates in 2025, SMC drew a total of US\$61 million from the US\$2,165 million loan facility executed on March 31, 2022. The loan is subject to a floating interest rate and with a term of 13 years. The proceeds of the loan were used to fund the land development works of the Manila International Airport (MIA) Project in Bulacan.
- b. On May 8, 2025, SMC availed of a JPY61,600 million corporate notes, subject to a floating interest rate and with a term of up to five years. The proceeds of the loan are being used for general corporate purposes.

▪ San Miguel Global Power

On May 19, 2025, San Miguel Global Power availed of a total of US\$200 million term loan, subject to a floating interest rate and with maturities of up to May 2030. The proceeds of the loan were used to refinance the US\$100 million matured term loan drawn on May 24, 2022 and will be used for general corporate purposes, including advances for capital expenditures.

PESO TERM LOANS

▪ SMC Mass Rail Transit 7 Inc. (SMC MRT 7)

On various dates in 2025, SMC MRT 7 drew a total of P9,500 million from the P100,000 million Omnibus Loan and Security Agreement (OLSA) executed with various local banks on May 18, 2023. The loans are subject to a floating interest rate and with a term of 15 years. The proceeds of the loans are being used to partially finance the Mass Rail Transit 7 (MRT 7) Project.

▪ San Miguel Yamamura Packaging Corporation (SMYPC)

On January 30, 2025, SMYPC availed of a P5,000 million term loan, subject to a fixed interest rate and with a term of five years. The proceeds of the loan were used to partially refinance maturing obligations and fund general corporate requirements.

▪ Petron Corporation (Petron)

On February 28, 2025, Petron availed of a P5,000 million term loan, subject to a floating interest rate and with a term of five years. The proceeds of the loan were used to refinance the bridge loan availed on September 3, 2024, which had been used to fund working capital requirements and the payment of existing indebtedness.

▪ Mariveles Power Generation Corporation (MPGC)

On March 27, 2025, MPGC drew a total of P9,400 million from its OLSA executed with various local banks on December 17, 2024. The loan is subject to a fixed interest rate and is payable quarterly up to December 2034. The proceeds of the loan were used to finance the Mariveles Greenfield Power Plant Project.

- **San Miguel Brewery Inc. (SMB)**

On May 15, 2025, SMB availed of a P4,000 million term loan subject to a fixed interest rate and maturing in May 2030. The proceeds of the loan were used to refinance existing debt obligations.

- **SMC NAIAX Corporation (SMC NAIAX)**

On June 17, 2025, SMC NAIAX drew a total of P584 million from its P5,656 million OLSA with various banks executed on December 21, 2022. The term of the loan is for seven years and three months and is subject to a floating interest rate. The proceeds of the loan will be used to partially finance the construction and development of the NAIA Expressway (NAIAX) Tramo Extension and the NAIAX Westbound Off-Ramp to Terminal 3 Projects. The OLSA was fully drawn as at June 30, 2025.

PAYMENT OF FIXED RATE PESO-DENOMINATED BONDS

- **Series A Bonds by San Miguel Food and Beverage, Inc. (SMFB)**

On March 10, 2025, SMFB paid the P8,000 million Series A Fixed Rate Peso-denominated Bonds, which formed part of the P15,000 million Series A and Series B Fixed Rate Peso-denominated Bonds, issued in March 2020.

The payment was funded by the P4,000 million term loan subject to a floating interest rate and another P4,000 million term loan subject to a fixed interest rate. The loans were availed on March 7, 2025, with a term of seven years.

- **Series F Bonds by SMC**

On March 19, 2025, SMC paid the P2,439 million Series F Fixed Rate Peso-denominated Bonds which formed part of the third tranche of the P20,000 million Series E, Series F and Series G Fixed Rate Peso-denominated Bonds issued in March 2018.

The payment was funded by the proceeds of Series O and Series P Bonds issued in July 2024.

- **Series C Bonds by SMC SLEX Inc. (SMC SLEX)**

On May 22, 2025, SMC SLEX paid the P2,500 million Series C Fixed Rate Peso-denominated Bonds. The Series C Bonds formed part of the P7,300 million Fixed Rate Bonds issued in May 2015.

The payment was funded by cash from operations and the net proceeds of P2,500 million term loan drawn on May 19, 2025. The loan is subject to a fixed interest rate with a term of seven years and six months.

PAYMENT OF PESO TERM LOAN BY SAN MIGUEL GLOBAL POWER

On May 28, 2025, San Miguel Global Power paid in full the balance of its P5,000 million term loan facility executed in May 2021, amounting to P4,825 million. The payment was funded by the proceeds of a short-term loan.

PAYMENT OF OTHER MATURING OBLIGATIONS

For the first half of 2025, the Group paid a total of P16,956 million of its other scheduled amortizations and maturing obligations funded by the proceeds of short-term loan facilities and from cash generated from operations.

ISSUANCE AND REDEMPTION OF SENIOR PERPETUAL CAPITAL SECURITIES (SPCS) BY SAN MIGUEL GLOBAL POWER

- a. On February 19, 2025, San Miguel Global Power completed the issuance of US\$100 million SPCS (the "Additional US\$100 million SPCS"), at an issue price of 100.503% of the principal amount, plus an amount corresponding to accrued distributions from, and including, December 2, 2024 to, but excluding, February 19, 2025. The Additional

US\$100 million SPCS was consolidated into and formed a single series with the US\$500 million SPCS issued on December 2, 2024, bringing the total securities to US\$600 million. The Additional US\$100 million SPCS are identical in all respects to the US\$500 million SPCS, except for the date of issuance and issue price.

The net proceeds will be used for the partial purchase, repurchase and/or redemption of the outstanding 7.00% SPCS issued in October and December 2020.

- b. In May 2025, San Miguel Global Power completed the redemption of the US\$113 million SPCS, pursuant to the terms and conditions of the securities. The US\$113 million SPCS is the remaining securities out of the US\$500 million SPCS issued in November 2019. The redemption price included the principal amount and any accrued but unpaid distributions up to, but excluding, the redemption date.

The US\$113 million SPCS were redeemed using part of the proceeds of the US\$500 million SPCS issued in December 2024.

ACQUISITION OF COMMON TREASURY SHARES BY PETRON

On March 18, 2025, Petron repurchased and held as treasury shares all of the 459,156,097 common shares held by Petron Corporation Employees' Retirement Plan via a block sale, based on the simple average of the three-day close prior to the execution date, aggregating to P1,119 million.

On various dates in July 2025, Petron repurchased a total of 2,623,000 common shares at an average price of P2.46 per share, pursuant to the common share buyback program approved by the Board of Directors (BOD) of Petron on March 4, 2025.

EVENTS AFTER THE REPORTING DATE

Parent Company

a. Approval by the SEC of the Amendments to the Articles of Incorporation

On July 7, 2025, the SEC approved the amendments to the Articles of Incorporation of the Parent Company, specifically:

3. the reclassification of the 904,752,537 common shares currently held as treasury shares, into Series "2" Preferred Shares held in treasury; and
4. the amendment of the authorized capital stock of SMC from P30,000 million with a par value of P5.00 per share or 6,000,000,000 shares divided into 3,790,000,000 common shares and 2,210,000,000 Series "2" Preferred Shares to 2,885,247,463 common shares and 3,114,752,537 Series "2" Preferred Shares.

Such amendments were approved by the BOD on January 16, 2025, and confirmed and ratified by the Stockholders of the Parent Company on March 27, 2025.

b. Redemption of SPCS

On July 29, 2025, the Parent Company redeemed all the outstanding US\$500 million SPCS under the US\$3,000 million Medium Term Note and Securities Programme (the "Redeemed Securities"). The Redeemed Securities were issued on July 29, 2020, with distribution rate of 5.5% per annum.

The redemption of US\$500 million SPCS was approved by the BOD of the Parent Company on June 10, 2025 and was funded by a bridge loan facility from a foreign bank.

c. Redemption of Series "2" Preferred Shares - Subseries "2-F" (SMC2F Preferred Shares) and Offer to Exchange Subseries "2-J" (SMC2J Preferred Shares) and Subseries "2-K" (SMC2K Preferred Shares)

On August 7, 2025, the BOD of the Parent Company approved the redemption of 223,333,500 SMC2F Preferred Shares on September 21, 2025 at a redemption price of P75.00 per share, together with any unpaid cash dividends.

On the same day, the BOD of the Parent Company approved the offer exchange to the holders of 266,666,667 SMC2J Preferred Shares and 183,904,900 SMC2K Preferred Shares (collectively, the “Exchange Share”) at a rate of one Exchange Share to one of any of the Series “2” Preferred Shares, to be reissued in three subseries namely Subseries “2-P”, Subseries “2-Q” and Subseries “2-R” which will be reissued from the treasury Series “2” Preferred Shares of the Parent Company. The holders of the SMC2J Preferred Shares and SMC2K Preferred Shares who opt not to avail of the exchange offer will receive their redemption proceeds on October 29, 2025 and December 10, 2025, respectively, at a redemption price of P75.00 per share.

Upon redemption, the SMC2F Preferred Shares, SMC2J Preferred Shares and SMC2K Preferred Shares shall not be considered retired and may be reissued by the Parent Company. The trading of the SMC2F Preferred Shares, SMC2J Preferred Shares and SMC2K Preferred Shares will be suspended upon redemption and may only be tradeable upon application by the Parent Company for lifting of trading suspension in the event the Parent Company decides to reissue it in the future, subject to compliance with the listing rules of the Philippine Stock Exchange (PSE).

d. Issuance of Series “2” Preferred Shares - Subseries “2-S”, Subseries “2-T” and Subseries “2-U”

On August 7, 2025, the BOD of the Parent Company authorized the public offering of P20,000 million worth of 266,666,667 Series “2” Preferred Shares, with an oversubscription option of up to P10,000 million worth of 133,333,334 Series “2” Preferred Shares, at an offer price of P75.00 per share to be issued in three subseries, namely Subseries “2-S”, Subseries “2-T” and Subseries “2-U”.

Petron

Issuance of Series G, Series H and Series I Fixed Rate Peso-denominated Bonds

On July 7, 2025, Petron issued and listed on the Philippine Dealing and Exchange Corp. a total of P32,000 million Fixed Rate Peso-denominated Bonds.

The bonds consist of: (i) P15,910 million Series G Bonds maturing in 2030 with an interest rate of 6.5945% per annum; (ii) P4,604 million Series H Bonds maturing in 2032 with an interest rate of 6.9761% per annum; and (iii) P11,486 million Series I Bonds maturing in 2035 with an interest rate of 7.3896% per annum.

The proceeds of the bond issuance shall be used for: (a) the payment of Series D and Series E Fixed Rate Peso-denominated Bonds, maturing on October 19 and October 12, 2025, respectively; (b) other existing indebtedness; and (c) for general corporate purposes.

San Miguel Global Power

a. Purchase of Common Shares of Meralco

On July 23, 2025, San Miguel Global Power purchased a total of 43,229,796 common shares of Meralco at P90.00 per share from Land Bank of the Philippines through a special block sale crossed through the PSE, by virtue of the Deed of Absolute Sale of Shares which contained the terms and conditions mutually determined by and acceptable to both parties and conformably with the decision of the Court of Appeals.

b. Issuance of US\$400 Million SPCS

On July 24, 2025, San Miguel Global Power completed the issuance of US\$400 million SPCS (the “US\$400 million SPCS”), at an issue price of 100%, with an initial rate of distribution of 8.95% per annum. The issuance consists of US\$223 million in aggregate principal amount of SPCS (the “Concurrent Exchange Offers”) issued in exchange for the 7.00% SPCS issued on October 21 and December 15, 2020 and 5.70% SPCS issued on January 21, 2020 (collectively, the “Existing Securities”), and US\$177 million in aggregate principal amount of new securities (the “Additional New Securities”). The US\$400 million SPCS was listed on the Singapore Exchange Securities Trading Limited on July 25, 2025.

The net proceeds from the issuance of the US\$400 million SPCS will be applied to the following: (i) costs and expenses related to the Concurrent Exchange Offers, including payment of accrued distribution amount in respect

of the Existing Securities accepted for exchange pursuant to the terms and conditions of the Concurrent Exchange Offers; (ii) costs and expenses related to the issuance of the Additional New Securities; (iii) purchase, repurchase and/or redemption of all remaining outstanding Existing Securities following the Concurrent Exchange Offers; and (iv) for pre-development costs of solar and hydropower energy projects, and capital expenditures related to battery energy storage system (BESS) projects.

c. Issuance of US\$115 Million SPCS

On August 11, 2025, San Miguel Global Power completed the issuance of US\$115 million SPCS (the “US\$115 million SPCS”) at an issue price of 100% plus an amount corresponding to accrued distribution from and including July 24, 2025 to, but excluding, August 11, 2025.

The US\$115 million SPCS is consolidated into and formed a single series with the US\$400 million SPCS issued on July 24, 2025, bringing the total securities to US\$515 million. The US\$400 million SPCS and US\$115 million SPCS are identical in all respects, except for the date of issuance and issue price.

San Miguel Global Power intends to apply the net proceeds towards: (i) the partial purchase, repurchase and/or redemption of the remaining outstanding 7.00% SPCS issued on October 21 and December 15, 2020 and 5.70% SPCS issued on January 21, 2020; and (ii) for pre-development costs of solar and hydropower energy projects and capital expenditures related to BESS projects.

II. FINANCIAL PERFORMANCE

2025 vs. 2024

(Amounts in Millions)	For the Periods Ended June 30		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2025	2024	Amount	%	2025	2024
Sales	P718,205	P789,021	(P70,816)	(9%)	100%	100%
Cost of sales	(583,338)	(655,195)	(71,857)	(11%)	(81%)	(83%)
Gross profit	134,867	133,826	1,041	1%	19%	17%
Selling and administrative expenses	(47,209)	(48,737)	(1,528)	(3%)	(7%)	(6%)
Operating income	87,658	85,089	2,569	3%	12%	11%
Interest expense and other financing charges	(48,929)	(47,645)	1,284	3%	(7%)	(6%)
Interest income	7,842	7,324	518	7%	1%	1%
Equity in net earnings of associates and joint ventures	5,139	1,237	3,902	315%	1%	0%
Gain on sale of investments and property and equipment	866	58	808	1393%	0%	0%
Other income (charges) - net	31,653	(24,387)	56,040	230%	4%	(3%)
Income before income tax	84,229	21,676	62,553	289%	11%	3%
Income tax expense	(17,462)	(8,098)	9,364	116%	(2%)	(1%)
Net Income	P66,767	P13,578	P53,189	392%	9%	2%
Net income (loss) attributable to:						
Equity holders of the Parent						
Company	P40,780	(P8,703)	P49,483	569%	6%	(1%)
Non-controlling interests	25,987	22,281	3,706	17%	3%	3%
Net Income	P66,767	P13,578	P53,189	392%	9%	2%

The Group’s consolidated sales for the first half of 2025 amounted to P718,205 million, reflecting a 9% decline compared to the same period last year. The decrease was primarily due to: (a) lower sales volume and average selling prices of Petron; (b) lower sales of the Energy business following the deconsolidation of SPPC effective January 27, 2025, as well as lower spot rates and realization prices due to continued softening of coal prices; and (c) to a lesser extent, lower sales of SMB and the Cement business. The decrease was partially offset by the strong performance of

the Food division and Ginebra San Miguel Inc. (GSMI), driven by higher average selling prices and volumes, as well as steady traffic growth and price increase of the Infrastructure business.

The Group's cost of sales decreased by P71,857 million or 11% mainly due to: (a) Petron on account of decrease in volume sold and lower average cost per liter of petroleum products; and (b) the Energy business on account of: (i) the deconsolidation of SPPC; (ii) lower pass-on fuel cost of Sual Power Inc., Limay Power Inc. and Masinloc Power Co. Ltd. (MPCL) as a result of the decrease in global coal prices in 2025, partially offset by the costs of the BCCPP of EERI prior to its deconsolidation and full six months operations of Units 1, 2, 3 and 4 of MPGC.

The increase in interest income by P518 million was primarily due to higher average balance of cash and cash equivalents of the Energy business, partially offset by the lower average balance of short-term placements of the Infrastructure business.

The increase in equity in net earnings of associates and joint ventures by P3,902 million was mainly due to the share in the net income of SPPC, EERI and IPIEC for about five months.

The increase in gain on sale of investments and property and equipment by P808 million pertains mainly to the disposal of transportation equipment and land.

Other income - net of P31,653 million was a turnaround from the other charges - net of P24,387 million in 2024. This mainly pertains to the P21,933 million gain recognized from the fair valuation of the residual 33% ownership interests in SPPC, EERI and IPIEC and the gain on foreign exchange of P11,797 million in 2025, compared to the foreign exchange loss recognized in the same period in 2024 mainly from the revaluation of foreign currency-denominated long-term debt of SMC, the Energy business and Petron. In June 2025, the Philippine Peso appreciated by P1.515 against the United States (US) Dollar, while it depreciated by P3.24 in the same period last year.

The increase in income tax expense by P9,364 million mainly pertains to the deferred income tax on unrealized gains from the revaluation of foreign currency-denominated long-term debt, which was a turnaround from income tax benefit in the same period in 2024 mainly from unrealized losses on the revaluation of foreign currency-denominated long-term debt of SMC.

Consolidated net income significantly increased to P66,767 million in the first half of 2025, from P13,578 million in the same period in 2024. The increase was primarily driven by: (a) gain recognized from the fair valuation of the investment in SPPC, EERI and IPIEC following the dilution of San Miguel Global Power's ownership interest from 100% to 33%; and (b) gain on foreign exchange in the first half of 2025, compared to loss in the same period last year.

Net income attributable to equity holders of the Parent Company of P40,780 million was a turnaround from the net loss of P8,703 million in the comparative period in 2024. This was primarily due to higher consolidated net income, partially offset by the increase in the share of non-controlling interests (NCI) on the Group's net income.

The increase in the net income attributable to NCI by P3,706 million was mainly due to the distribution on Redeemable Perpetual Securities of San Miguel Global Power.

The following are the highlights of the performance of the individual business segments:

1. FOOD AND BEVERAGE

SMFB delivered strong results for the first half of 2025, with consolidated net sales reaching P201,200 million, a 4% increase from last year.

This topline growth, combined with effective cost management and a better sales mix, lifted consolidated income from operations by 13% to P30,041 million. Consolidated net income rose by 15% to P22,964 million.

a) Beer and Non-Alcoholic Beverages (NAB) Division

SMB delivered consolidated revenues of P74,588 million for the first half of the year, 1% lower than last year. The second quarter showed a turnaround with positive growth, supported by the domestic price increase implemented in September 2024.

Consolidated operating income rose by 2% to P16,214 million, driven by better pricing and lower raw material costs. Consolidated net income improved by 3% to P12,984 million from P12,563 million a year ago.

Domestic Operations

SMB's domestic operations revenues reached P66,332 million, down by 1% from last year. The softer performance was due to weaker economic and discretionary spending. To offset these challenges, SMB intensified its volume-generating and brand-building programs.

International Operations

SMB's international operations performed strongly, with revenues of US\$145 million, up by 2% from last year. Growth was driven by improved volumes in South China and stronger brand sales in Vietnam.

b) Spirits Division

For the first half of 2025, GSMI delivered a strong performance, navigating a challenging local spirits market. Consolidated net sales increased by 7% to P32,235 million, driven by higher selling prices and the continued strength of the brand portfolio. A modest increase in volume, helped lift the market share, reinforcing the leadership position in the industry.

Growth was led by *Ginebra San Miguel*, supported by notable gains from *Vino Kulafu* and *Primera Light* Brandy. These results reflect the disciplined brand-building approach, combining nationwide campaigns, targeted digital initiatives to connect with emerging consumer segments, and high-impact on-ground activations during the summer and fiesta season.

Consolidated income from operations rose by 12% to P4,952 million, while consolidated net income grew by 16% to P4,247 million.

c) Food Division

The Food division sustained its growth momentum in the first half of the year, with revenue, operating income, and net income all surpassing last year's results.

Consolidated revenues reached P94,379 million, up by 7% from the same period in 2024. This was fueled by volume growth in most businesses and favorable pricing for chicken and branded products.

Consolidated operating income rose by 41% to P8,648 million, driven largely by Poultry's strong performance, tailwinds from lower raw material prices, and improved efficiencies in the company-owned facilities. As a result, consolidated net income surged by 53% to P5,994 million.

The Protein segment delivered a mid-teens increase in revenue, supported by favorable chicken prices and strong demand from food service chains and supermarkets. These gains more than offset the continued weakness in Fresh Meats, which remains challenged by African Swine Fever.

The Animal Nutrition and Health segment revenue remained subdued, reflecting soft demand for hog feeds. However, an uptrend in sales volumes was seen since May, buoyed by the strong growth of other feed segments, particularly, broiler and layer feeds. Hogs feeds has also begun posting month-on-month growth.

The Flour segment revenue grew low single digit, driven by optimized capacity utilization and competitive pricing that boosted volumes.

The Prepared and Packaged Food segment continued to post strong results. Magnolia and Coffee sustained double-digit revenue growth led by butter, cheese, salad aids, cream, ice cream, and coffee. Purefoods revenue rose mid-single digit, driven by strong demand for canned meats, particularly corned beef and luncheon meat, as well as refrigerated meats like hams, bacon, and Pinoy favorites, tapa, tocino, and longanisa.

2. PACKAGING

The Packaging business sustained its growth momentum, posting a 7% increase in consolidated revenues to P19,284 million in the first half of 2025. The improvement was boosted by strong volume growth from the Glass, Plastics, and Beverage Filling businesses.

Consolidated operating income recorded double-digit growth, climbing to P1,592 million.

3. ENERGY

San Miguel Global Power's consolidated revenues fell by 19% to P80,147 million, with offtake volumes dropping by 15% to 14,773 gigawatt hours. The decline was primarily due to the divestment and resulting deconsolidation of SPPC. This was made with the completion of the divestment of 67% interest in the underlying gas power generation assets last January 27, 2025.

Moreover, the decline in revenues reflects a downward adjustment in fuel tariffs to bilateral customer due to the continued softening of global coal prices. These were compensated by revenue contributions from the: (a) full six-month operations of four generation units of the 600 MW Mariveles Greenfield Power Plant and three BESS facilities with a combined capacity of 110 MWh; (b) additional five BESS facilities that commenced commercial operations in the first half of 2025 with a combined capacity of 140 MWh; and (c) Units 1 and 2 of the BCCPP of EERI, which are 33% owned by the Group following the aforesaid divestment in January 2025, were declared operational on December 29, 2024 and January 7, 2025, respectively.

Consolidated operating income came in at P22,120 million, down by 4% due to the impact of the deconsolidation.

Consolidated net income surged to P34,573 million, mainly due to the P21,933 million one-time gain from the fair valuation of investment in SPPC, EERI and IPIEC following the dilution of San Miguel Global Power's ownership interest from 100% to 33% as well as net earnings recognized by the Group mainly from its 33% equity interest retained in the deconsolidated Ilijan Power Plant and the new BCCPP. Excluding the aforesaid gain, consolidated net income still rose significantly by 70% to P12,640 million.

4. FUEL AND OIL

Petron in the first half of 2025 reported consolidated revenues of P386,395 million, a 13% decline from the same period last year. The drop in revenues was mainly due to the price decline in Dubai crude prices, which dropped by 14% to US\$72 per barrel in the first half of 2025 from US\$83 per barrel in the comparative period in 2024. Crude oil prices declined amid weakening global demand and market oversupply following the lifting of voluntary production cuts by Organization of the Petroleum Exporting Countries+ member countries.

The combined sales volume from the Philippines and Malaysia rose by 3% to 56.2 million barrels versus the previous year's 54.7 million barrels, fueled particularly by Petron's strong retail performance in the Philippines. Including trading transactions of the operations in Singapore, consolidated sales volume ended at 64.2 million barrels, down by 7% from 69.1 million barrels in 2024.

Consolidated operating income declined by 13% to P15,146 million in first half of 2025. Consolidated net income finished at P5,252 million. Despite the contractions, Petron maintained its strong profitability.

5. INFRASTRUCTURE

The Infrastructure business sustained its growth trajectory, with consolidated revenues rising by 7%, buoyed by the improved traffic volumes across all toll roads. Combined average daily traffic reached 1,077,148 vehicles, marking a 4% increase from the corresponding period last year.

Consolidated operating income rose by 13% to P11,142 million, supported by effective operational management and cost control.

6. CEMENT

The Cement business generated consolidated net sales of P17,822 million for the first half of the year, a 6% decrease from the comparable period last year, due to lower sales volumes and weaker average selling price. The decline in volume, driven by pricing pressures, resulted from heightened competition amid the continued influx of imported traded cement, and was further weighed down by subdued market demand. Consolidated operating income fell by 12% to P3,493 million.

2024 vs. 2023

(Amounts in Millions)	For the Periods Ended June 30		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2024	2023	Amount	%	2024	2023
Sales	P789,021	P685,229	P103,792	15%	100%	100%
Cost of sales	(655,195)	(571,215)	83,980	15%	(83%)	(83%)
Gross profit	133,826	114,014	19,812	17%	17%	17%
Selling and administrative expenses	(48,737)	(44,093)	4,644	11%	(6%)	(7%)
Operating income	85,089	69,921	15,168	22%	11%	10%
Interest expense and other financing charges	(47,645)	(44,847)	2,798	6%	(6%)	(6%)
Interest income	7,324	6,531	793	12%	1%	1%
Equity in net earnings of associates and joint ventures	1,237	1,098	139	13%	0%	0%
Gain (loss) on sale of investments and property and equipment	58	(40)	98	245%	0%	(0%)
Other income (charges) - net	(24,387)	6,220	(30,607)	(492%)	(3%)	1%
Income before income tax	21,676	38,883	(17,207)	(44%)	3%	6%
Income tax expense	(8,098)	(15,558)	(7,460)	(48%)	(1%)	(3%)
Net Income	P13,578	P23,325	(P9,747)	(42%)	2%	3%
Net income (loss) attributable to:						
Equity holders of the Parent						
Company	(P8,703)	P757	(P9,460)	(1250%)	(1%)	0%
Non-controlling interests	22,281	22,568	(287)	(1%)	3%	3%
Net Income	P13,578	P23,325	(P9,747)	(42%)	2%	3%

The Group's consolidated sales of P789,021 million for the first half of 2024 increased by 15% compared to 2023, mainly on account of higher sales volume of Petron, the Energy business, the Food division and GSML, combined with the higher average selling prices of Petron, GSML and SMB.

The Group's cost of sales increased by P83,980 million or 15%, mainly due to: (a) higher volume sold and increase in average cost per liter of petroleum products of Petron; (b) the resumption of Ilijan Power Plant's operations from June 2023 onwards; (c) costs of generation of the Mariveles Greenfield Power Plant while most of its units undergo testing and commissioning; and (d) incremental depreciation expense from the ten BESS facilities that are now in full commercial operations. This was partially mitigated by lower fuel costs incurred by the coal-fired power plants as global coal prices went down in the first half of 2024 compared to the same period in 2023, in terms of Globalcoal Newcastle indexed prices.

The increase in selling and administrative expenses by P4,644 million or 11% was attributable mainly to higher salaries and employee benefits of the Group, and higher distribution costs, amortization of deferred containers in line with sales volume growth and expenses related to newly-built warehousing facilities of the Food and Beverage business.

Consolidated operating income increased by 22% to P85,089 million from the same period in 2023, mainly driven by the: (a) improved margins on contracted volumes, as the Energy business worked out a transition to fuel passthrough arrangements for most of its bilateral customers and margin contributed by SMGP BESS Power Inc. (SMGP BESS) through ancillary services; (b) growth in volume from effective marketing programs implemented by Petron; and (c) higher sales volume of the Food division and GSML.

The increase in interest expense and other financing charges by P2,798 million was mainly due to higher interest rates and increased average level of loans of Petron and the Energy business.

The increase in interest income by P793 million was primarily due to both higher interest rates and average balance of short-term investments of the Infrastructure and Food and Beverage businesses. The increase was partially offset by the lower interest income from the reduced average balance of cash and cash equivalents of SMC.

The increase in equity in net earnings of associates and joint ventures by P139 million was mainly due to the share on the higher net income of Angat Hydropower Corporation for the first half in 2024 compared to the same period in 2023.

The gain on sale of investments and property and equipment in 2024 pertains mainly to the sale by San Miguel Properties, Inc. of its investment in shares of stock of Elite Montagne Realty Corp., sale of demo units of SMC Asia Car Distributors Corp. and foreclosed properties of SMC, while the loss in 2023 resulted mainly from the retirement of certain equipment of Malita Power Inc.

Other charges - net of P24,387 million was a reversal from the other income - net of P6,220 million in the same period in 2023. This primarily pertains to the loss on foreign exchange in 2024 compared to the gain recognized in 2023 mainly by SMC, the Energy business and Petron resulting from the revaluation of foreign currency-denominated long-term debt and cash and cash equivalents and the income recognized from the assignment of product rights by GSMI in 2023. In June 2024, the Philippine Peso significantly depreciated by P3.240 against the US Dollar, while in 2023, the Philippine Peso appreciated by P0.555 against the US Dollar.

The decrease in income tax expense by P7,460 million was mainly due to the deferred income tax benefit recognized in 2024 by SMC, a turnaround from the deferred income tax expense in 2023. The deferred income tax recognized pertains to unrealized foreign exchange loss in June 2024 compared to unrealized foreign exchange gain in June 2023 from the revaluation of foreign currency-denominated long-term debt and derivatives.

Consolidated net income declined by 42% to P13,578 million, from P23,325 million in 2023, mainly on account of the loss on foreign exchange in the first half of 2024, a reversal from the gain recognized in 2023, partially offset by the improved operations of most businesses mainly the Food division, Petron, GSMI, the Energy, Cement and Infrastructure businesses.

The net loss attributable to equity holders of the Parent Company of P8,703 million in 2024 was a reversal from the net income attributable to equity holders of the Parent Company of P757 million in 2023 mainly on account of the loss on foreign exchange in the first half of 2024 as compared to the gain recognized in the same period in 2023 by SMC.

The following are the highlights of the performance of the individual business segments:

1. FOOD AND BEVERAGE

SMFB continued to deliver strong results in the first half of 2024, driven by the consistent growth across its businesses. SMFB consolidated sales increased by 4% to P192,882 million compared to the same period in 2023.

Consolidated income from operations grew by 16% to P26,641 million, primarily driven by higher sales volumes of the Food division and GSMI. Consolidated net income rose by 6% to P19,977 million.

a) Beer and NAB Division

SMB posted consolidated sales of P75,073 million, up 1% from the same period in 2023. The increase was primarily due to the full impact of the price increase implemented in March 2023.

Consolidated operating income declined by 3% to P15,887 million. Similarly, consolidated net income recorded a decline of 7% to P12,563 million.

Domestic Operations

Sales from domestic operations amounted to P66,992 million, 1% higher than in the same period in 2023, mainly due to the price increase.

International Operations

Revenue from international operations was slightly lower than in the same period in 2023 due to a 1% drop in volumes.

b) Spirits Division

GSMI sustained its growth momentum into the first half of 2024, with consolidated revenues recording an 18% growth to P29,992 million. The strong performance was driven by double-digit volume growth, increased selling prices, reduced costs of imported alcohol, and improved biogas generation in distilleries.

Consolidated operating income grew by 31% to P4,411 million on the back of strong topline growth. Meanwhile, consolidated net income declined by 10% to P3,676 million due to the one-time gain from the assignment of product rights in 2023. Excluding this, consolidated net income would have been higher by 26%.

c) Food Division

The Food division delivered a strong performance in the first half of 2024. While sales grew modestly, profit growth soared as raw material prices eased considerably. Consolidated revenue increased by 3% to P87,819 million with most segments registering an uptrend in volumes.

The Food division ended the first half of 2024 with consolidated operating income at P6,127 million, nearly double that of 2023. Higher gross profit margins combined with optimized production efficiencies offset rising operating expenses which included mandated wage hikes and marketing expenses to spur volumes. This translated to a consolidated net income of P3,920 million, two and a half times higher than the same period in 2023.

The Prepared and Packaged Food segment continued to outperform 2023 with an 11% rise in revenue despite the inflationary environment. A wide range of consumer promotions and in-store activities boosted sales across all channels, while new facilities generated improved efficiencies, resulting in a double-digit growth in operating income.

The Protein segment experienced a turnaround as poultry prices recovered and increased growing capacity supported strong demand from both foodservice and retail markets. This led to a 6% revenue growth for the segment.

The Animal Nutrition and Health segment saw a 6% decline in revenue. With lower raw material prices, the business opted for price rollbacks to stimulate demand which remained sluggish amid continued challenges in broiler and hog feeds.

The Flour segment recorded revenue at par with the same period in 2023. Volumes expanded in response to price reductions implemented to maintain market share in an intensely competitive market.

2. PACKAGING

The Packaging business recorded consolidated revenues of P17,974 million, down by 4% against the comparable period in 2023.

Consolidated operating income, however, recorded a 14% increase to P1,362 million on account of better production efficiencies, coupled with the cost measures implemented.

3. ENERGY

San Miguel Global Power consolidated revenues for the first half of 2024 amounted to P98,944 million, higher by 17% from P84,770 million recognized in the same period in 2023. The increase was mainly driven by higher offtake volume from the following sources: (i) several power supply agreement (PSA) from Meralco and other distribution utilities secured by the Group that allowed the contracting of its available capacities mainly from the 1,200 MW Ilijan Power Plant of SPPC and the incremental generation from the 600 MW Mariveles Greenfield Power Plant, with most of its units currently undergoing testing and commissioning; and (ii) ancillary services rendered for National Grid Corporation of the Philippines (NGCP) using a total of ten BESS facilities of SMGP BESS, with a combined installed capacity of 330 MWh during the period.

Consolidated income from operations of P22,988 million for the first half of 2024 was up by 56% from the same period in 2023 owing to improved margins as the Energy business worked out a successful transition to fuel passthrough arrangements for most of its bilateral customers including the 1,200 MW PSA of SPPC with Meralco that was in effect for most part of the first half of 2024, as well as the additional margins contributed by BESS through ancillary services.

Consolidated net income for the first half of 2024 increased to P7,438 million or by 26%, from P5,909 million reported for the same period in 2023.

The Energy business accomplished another key milestone on its BESS Project with an additional three BESS facilities, with a combined capacity of 110 MWh, located in Concepcion, Tarlac, Ormoc, Leyte and Jasaan, Misamis Oriental, commencing operations on March 18, 2024.

The remaining BESS capacities of 630 MWh were gearing up for the anticipated competitive selection process (CSP) for additional grid ancillary services requirements of NGCP as well as for peak power supply applications that would help ensure energy security for the local power industry in the near term. Alternative to the CSP was the reserve market where power reserves could be traded under the operation of Independent Electricity Market Operator of the Philippines (IEMOP).

For the first half of 2024, all four units of the 600 MW Mariveles Greenfield Power Plant of MPGC were undergoing testing and commissioning with one unit declared operational with the IEMOP starting March 28, 2024.

4. FUEL AND OIL

Petron delivered a 21% growth in consolidated revenues for the first half of 2024 to P444,490 million from P367,037 million in 2023, sustaining its positive momentum in 2024.

Petron continued to register strong volumes in the Philippines and Malaysia which reached 69.1 million barrels in the first six months of 2024, up 20% from the 57.6 million barrels sold in the same period in 2023. The solid outcome is fueled by the sustained performance of key segments, particularly retail and exports.

Petron's sales volumes in the Philippines rose 27% to 44.4 million barrels, while volumes from its Malaysian operations grew by 9% to 24.7 million barrels.

Petron's retail segment, which posted a 10% increase, remained a key driver of the stellar volume performance through effective marketing programs in the combined service station network of about 2,600 outlets in the Philippines and Malaysia. Sales to industrial accounts likewise jumped 9% mainly on higher jet fuel and liquefied petroleum gas demand.

Global oil prices remained volatile because of the ongoing tensions in the Middle East. The price per barrel of Dubai crude oil averaged US\$83 in the first six months of 2024, 5% higher than in the same period in 2023 as producers continued to manage supply.

With Petron's solid volume growth, overall margins improved despite the softening of refining cracks, falling by 17% from 2023 level. Consolidated operating income rose by 9% to P17,449 million. Consolidated net income ended at P6,098 million, slightly lower than the comparable period in 2023.

5. INFRASTRUCTURE

The Infrastructure business sustained its strong performance in the first half of 2024, posting consolidated revenues of P18,493 million, 8% higher than the same period in 2023 on the back of the solid performance of its major operating toll roads.

Total average daily traffic volumes were up 4% from 2023 level to 1,034,081 vehicles complemented by the continued increase in economic and travel activities. This, coupled by cost management initiatives and tollway maintenance and improvement works, resulted in a 7% increase in consolidated operating income to P9,856 million versus the same period in 2023.

Consolidated net income increased by 40% to P7,721 million due to sustained growth in traffic volumes backed by continued cost management initiatives.

The land development and ground improvement works of the MIA Project were progressing well with overall progress at 84.61%. Per approved Department of Transportation timeline, airport development will be completed by the end of 2028.

A study was conducted on the realignment of the highway component of the MRT 7 Project. This component includes the new locations of the final two stations, which were currently pending for approval. In the second quarter of 2024, five additional trainsets were delivered, bringing the total trainsets delivered on-site to 22 out of the 36 trainsets ordered.

6. CEMENT

The Cement business consolidated revenues in 2024 declined slightly by 6% to P18,962 million compared to the same period in 2023. Considering a 5% volume growth versus the comparable period in 2023, the Cement business experienced a revenue drop due to an influx of cheaper imported traded cement, leading to a decline in local cement prices. Despite the lower selling prices, SMC Cement managed to grow its consolidated operating income by 31% to P3,952 million compared to the same period in 2023 on the back of cost reductions and operating efficiencies.

III. FINANCIAL POSITION

2025 vs. 2024

(Amounts in Millions)	June 30	December 31	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2025	2024	Amount	%	2025	2024
Cash and cash equivalents	P321,139	P293,677	P27,462	9%	13%	11%
Trade and other receivables - net	242,903	266,981	(24,078)	(9%)	9%	10%
Inventories	157,400	178,355	(20,955)	(12%)	6%	7%
Current portion of biological assets - net	3,427	3,241	186	6%	0%	0%
Prepaid expenses and other current assets	136,205	158,180	(21,975)	(14%)	5%	6%
Total Current Assets	861,074	900,434	(39,360)	(4%)	33%	34%
Investments and advances - net	108,584	52,948	55,636	105%	4%	2%
Investments in equity and debt instruments	21,126	21,050	76	0%	1%	1%
Property, plant and equipment - net	801,698	891,450	(89,752)	(10%)	31%	33%
Right-of-use assets - net	43,218	43,302	(84)	(0%)	2%	1%
Investment property - net	88,161	87,909	252	0%	3%	3%
Biological assets - net of current portion	2,612	2,652	(40)	(2%)	0%	0%
Goodwill - net	185,182	184,994	188	0%	7%	7%
Other intangible assets - net	347,047	340,496	6,551	2%	13%	13%
Deferred tax assets	18,844	22,045	(3,201)	(15%)	1%	1%
Other noncurrent assets - net	140,240	129,650	10,590	8%	5%	5%
Total Noncurrent Assets	1,756,712	1,776,496	(19,784)	(1%)	67%	66%
Total Assets	P2,617,786	P2,676,930	(P59,144)	(2%)	100%	100%
Loans payable	P215,544	P293,230	(P77,686)	(26%)	8%	11%
Accounts payable and accrued expenses	246,724	289,038	(42,314)	(15%)	9%	11%
Lease liabilities - current portion	6,472	11,736	(5,264)	(45%)	0%	0%
Income and other taxes payable	37,831	43,628	(5,797)	(13%)	2%	2%
Dividends and distributions payable	5,221	5,160	61	1%	0%	0%
Current maturities of long-term debt - net of debt issue costs	125,230	94,123	31,107	33%	5%	4%
Total Current Liabilities	637,022	736,915	(99,893)	(14%)	24%	28%
Long-term debt - net of current maturities and debt issue costs	1,163,526	1,173,146	(9,620)	(1%)	45%	44%
Lease liabilities - net of current portion	28,701	30,809	(2,108)	(7%)	1%	1%
Deferred tax liabilities	27,514	34,861	(7,347)	(21%)	1%	1%
Other noncurrent liabilities	23,129	24,758	(1,629)	(7%)	1%	1%
Total Noncurrent Liabilities	1,242,870	1,263,574	(20,704)	(2%)	48%	47%
Total Liabilities	1,879,892	2,000,489	(120,597)	(6%)	72%	75%
Capital stock - common	P16,443	P16,443	P -	0%	1%	1%
Capital stock - preferred	10,187	10,187	-	0%	0%	0%
Additional paid-in capital	177,442	177,442	-	0%	7%	6%
Capital securities	24,211	24,211	-	0%	1%	1%
Equity reserves	17,743	(5,275)	23,018	436%	1%	(0%)

(Amounts in Millions)	June 30	December 31	Horizontal Analysis		Vertical Analysis	
	2025	2024	Amount	%	2025	2024
Retained earnings:						
Appropriated	85,276	79,849	5,427	7%	3%	3%
Unappropriated	118,185	89,413	28,772	32%	4%	3%
Treasury stock	(109,763)	(109,763)	-	0%	(4%)	(4%)
Equity Attributable to:						
Equity holders of						
the Parent Company	339,724	282,507	57,217	20%	13%	10%
Non-controlling interests	398,170	393,934	4,236	1%	15%	15%
Total Equity	737,894	676,441	61,453	9%	28%	25%
Total Liabilities and Equity	P2,617,786	P2,676,930	(P59,144)	(2%)	100%	100%

Consolidated total assets as at June 30, 2025 amounted to P2,617,786 million, P59,144 million lower than December 31, 2024. This was primarily due to the decrease in trade and other receivables, inventories, prepaid expenses and other current assets and property, plant and equipment, partially offset by the increase in cash and cash equivalents and investments and advances.

The increase in cash and cash equivalents by P27,462 million to P321,139 million was mainly due to the cash generated from operations, proceeds from redemption of investment in redeemable preferred shares of SPPC, EERI and IPIEC issued to San Miguel Global Power, proceeds from net availment of long-term borrowings and collection of advances. This was reduced by the capital expenditures for the ongoing projects of the Infrastructure and Energy businesses and the Food division, investment in 32.98% equity interest in LFC, net payment of short-term loans and payment of interests, dividends and distributions, taxes and lease liabilities.

The decrease in trade and other receivables - net by P24,078 million was mainly attributable to the: (a) lower trade receivable balance brought by lower volume sold by Petron and lower receivable from the Malaysian Government due to subsidy payment received; and (b) net effect of deconsolidation of SPPC and EERI's receivables following the dilution of San Miguel Global Power's ownership interest effective January 27, 2025.

The decrease in inventories by P20,955 million was attributable mainly to: (a) Petron's lower volume and prices of crude oil and finished products; and (b) the deconsolidation of SPPC, EERI and IPIEC.

The increase in total biological assets by P146 million was driven by expansion of growing capacity and higher volume of flocks loaded as compared to December 31, 2024 balances.

The decrease in prepaid expenses and other current assets by P21,975 million was primarily due to the deconsolidation of SPPC, EERI and IPIEC.

The increase in investments and advances - net by P55,636 million mainly pertains to the 33% equity interests in SPPC, EERI and IPIEC, following the dilution of San Miguel Global Power's ownership interest effective January 27, 2025, and the investment in 32.98% equity interest in LFC.

The decrease in property, plant and equipment - net by P89,752 million was mainly due to the deconsolidation of SPPC, EERI and IPIEC, partially offset by the costs of the ongoing projects of the Energy business.

The decrease in deferred tax assets by P3,201 million was mainly due to the deferred tax on unrealized gains on the revaluation of foreign currency-denominated long-term debt of SMC.

The increase in other noncurrent assets - net by P10,590 million was mainly due to the additional amount of: (a) contract assets for the MRT 7 Project; (b) transaction costs incurred for a loan of SMC not yet drawn as at June 30, 2025; and (c) advances to suppliers and contractors for the ongoing project of the Energy business.

The decrease in loans payable by P77,686 million was mainly due to the net payment made by Petron, SMC and the Food and Beverage and Energy businesses.

The decrease in accounts payable and accrued expenses by P42,314 million was mainly due to net settlements made by the Energy business to the contractors of its ongoing projects and the deconsolidation of SPPC, EERI and IPIEC. The decrease was partially offset by higher outstanding liabilities to contractors and suppliers of Petron.

The decrease in income and other taxes payable by P5,797 million was mainly due to the deconsolidation of SPPC, EERI and IPIEC, net payment of withholding tax payable of the Energy business and lower accrued taxes of Petron.

The increase in total long-term debt, net of debt issue costs, by P21,487 million was primarily due to the net availments made by the Group, reduced by the translation adjustments on foreign currency-denominated loans.

The decrease in total lease liabilities by P7,372 million was primarily due to payments made to Power Sector Assets and Liabilities Management (PSALM) by the entities of the Energy business under the Independent Power Producer Administration (IPPA) Agreement.

The decrease in deferred tax liabilities by P7,347 million was mainly due to the deconsolidation of SPPC and EERI, partially offset by the increase in the deferred tax liabilities from temporary differences on lease-related expenses in relation to the IPPA lease agreement of the Energy business.

The decrease in other noncurrent liabilities by P1,629 million was mainly due to the release of retention payable to contractors for the completed projects of the Infrastructure business.

The increase in equity reserves by P23,018 million was mainly due to the gain recognized on the redemption of investment in redeemable preferred shares of SPPC, EERI and IPIEC issued to San Miguel Global Power.

The increase in appropriated retained earnings by P5,427 million was attributable to the appropriations made for the South Luzon Expressway Widening Project by SMC SLEX and for payment of loans in December 2029 and December 2031, partially reduced by the reversal of appropriation for loans paid in March 2025 by SMB.

The increase in unappropriated retained earnings by P28,772 million was mainly due to net income attributable to equity holders of the Parent Company, partially reduced by the dividends and distributions declared and net appropriations of retained earnings during the period.

The increase in equity attributable to equity holders of the Parent Company by P57,217 million was mainly due to the net income earned in 2025 and net gain on redemption of investment in redeemable preferred shares held by San Miguel Global Power, reduced by the dividends and distributions declared to holders of common and preferred shares, and SPCS of SMC.

2024 vs. 2023

<i>(Amounts in Millions)</i>	June 30	December 31	Horizontal Analysis		Vertical Analysis	
	2024	2023	Amount	%	2024	2023
Cash and cash equivalents	P253,890	P261,358	(P7,468)	(3%)	10%	11%
Trade and other receivables - net	263,809	263,119	690	0%	10%	11%
Inventories	175,618	161,986	13,632	8%	7%	6%
Current portion of biological assets - net	3,331	3,515	(184)	(5%)	0%	0%
Prepaid expenses and other current assets	152,059	141,424	10,635	8%	6%	6%
Total Current Assets	848,707	831,402	17,305	2%	33%	34%
Investments and advances - net	44,436	37,089	7,347	20%	2%	2%
Investments in equity and debt instruments	19,622	19,417	205	1%	1%	1%
Property, plant and equipment - net	787,574	753,472	34,102	5%	31%	31%
Right-of-use assets - net	105,795	108,014	(2,219)	(2%)	4%	4%
Investment property - net	82,636	79,513	3,123	4%	3%	3%
Biological assets - net of current portion	2,518	2,667	(149)	(6%)	0%	0%
Goodwill - net	183,250	182,791	459	0%	7%	7%

(Amounts in Millions)	June 30	December 31	Horizontal Analysis		Vertical Analysis	
	2024	2023	Amount	%	2024	2023
Other intangible assets - net	325,909	306,638	19,271	6%	13%	12%
Deferred tax assets	25,635	19,633	6,002	31%	1%	1%
Other noncurrent assets - net	129,362	118,729	10,633	9%	5%	5%
Total Noncurrent Assets	1,706,737	1,627,963	78,774	5%	67%	66%
Total Assets	P2,555,444	P2,459,365	P96,079	4%	100%	100%
Loans payable	P262,279	P214,881	P47,398	22%	10%	9%
Accounts payable and accrued expenses	254,654	223,055	31,599	14%	10%	9%
Lease liabilities - current portion	11,498	19,631	(8,133)	(41%)	0%	1%
Income and other taxes payable	46,396	46,254	142	0%	2%	2%
Dividends and distributions payable	5,444	4,605	839	18%	0%	0%
Current maturities of long-term debt - net of debt issue costs	271,382	236,798	34,584	15%	11%	9%
Total Current Liabilities	851,653	745,224	106,429	14%	33%	30%
Long-term debt - net of current maturities and debt issue costs	951,032	953,786	(2,754)	(0%)	37%	39%
Lease liabilities - net of current portion	35,190	36,941	(1,751)	(5%)	2%	2%
Deferred tax liabilities	31,531	29,503	2,028	7%	1%	1%
Other noncurrent liabilities	30,759	28,745	2,014	7%	1%	1%
Total Noncurrent Liabilities	1,048,512	1,048,975	(463)	(0%)	41%	43%
Total Liabilities	1,900,165	1,794,199	105,966	6%	74%	73%
Capital stock - common	P16,443	P16,443	P -	0%	1%	1%
Capital stock - preferred	10,187	10,187	-	0%	0%	0%
Additional paid-in capital	177,442	177,468	(26)	(0%)	7%	7%
Capital securities	24,211	24,211	-	0%	1%	1%
Equity reserves	2,667	7,354	(4,687)	(64%)	0%	0%
Retained earnings:						
Appropriated	88,468	87,170	1,298	1%	4%	4%
Unappropriated	86,423	103,151	(16,728)	(16%)	3%	4%
Treasury stock	(109,763)	(109,763)	-	0%	(4%)	(4%)
Equity Attributable to:						
Equity holders of the Parent Company	296,078	316,221	(20,143)	(6%)	12%	13%
Non-controlling interests	359,201	348,945	10,256	3%	14%	14%
Total Equity	655,279	665,166	(9,887)	(1%)	26%	27%
Total Liabilities and Equity	P2,555,444	P2,459,365	P96,079	4%	100%	100%

Consolidated total assets as at June 30, 2024 amounted to P2,555,444 million, P96,079 million higher than December 31, 2023. The increase was primarily due to the increase in inventories, prepaid expenses and other current assets, investments and advances, property, plant and equipment, other intangible assets, deferred tax assets and other noncurrent assets.

The increase in inventories by P13,632 million was attributable mainly to: (a) Petron's higher volume and prices of both crude oil and finished products; and (b) higher materials and supplies of the Food division mainly due to higher volume of wheat purchased during the first half of 2024. The increase was partially offset by the Energy business' higher consumption of LNG supply inventory coupled with the decline in average LNG cost during first half of 2024 and utilization of spare parts during the combustor and turbine inspection conducted for the Ilijan Power Plant.

The decrease in total biological assets by P333 million was mainly attributable to lower production costs in June 30, 2024 as compared to December 31, 2023.

The increase in prepaid expenses and other current assets by P10,635 million was primarily due to: (a) higher input taxes of Petron and SMC Shipping and Lighterage Corporation; (b) additional advances paid to suppliers of coal and LNG of the Energy business; and (c) higher excise tax claims and unused creditable withholding taxes of Petron.

The increase in investments and advances - net by P7,347 million was mainly due to the: (a) advances for future investments to certain companies by SMC and the Energy business; and (b) investment in New NAIA Infra Corp. by San Miguel Holdings Corp.

The increase in property, plant and equipment - net by P34,102 million was mainly due to the costs of the ongoing projects of the Energy business, and the feedmill expansion project of the Food division.

The increase in other intangible assets - net by P19,271 million was mainly due to the additions to concession rights for the MIA Project and the costs of various other ongoing projects of the Infrastructure business, partially offset by the amortization during first half of 2024.

The increase in deferred tax assets by P6,002 million was primarily due to the recognition by SMC of deferred income tax on unrealized losses on foreign exchange mainly from the revaluation of foreign currency-denominated long-term debt and derivatives.

The increase in other noncurrent assets - net by P10,633 million was mainly due to the amount of contract assets for the MRT 7 Project recognized during first half of 2024.

The increase in loans payable by P47,398 million was mainly due to the net availment made by SMC and the Energy business.

The increase in accounts payable and accrued expenses by P31,599 million was mainly due to additional payables to contractors relating to the ongoing construction projects of the Energy business, higher outstanding liabilities to contractors and suppliers of Petron, higher purchases of raw materials by the Food division and power purchases by MPCL.

The increase in dividends and distributions payable by P839 million was mainly due to the declaration by SMC of dividends to Series 2-L, Series 2-N and Series 2-O preferred shareholders on May 14, 2024, which were paid on July 4, 2024.

The increase in total long-term debt, net of debt issue costs, by P31,830 million was primarily due to the translation adjustments on foreign currency-denominated loans, partially reduced by the net payments made by the Group.

The decrease in total lease liabilities by P9,884 million was primarily due to the payments made to PSALM by the entities of the Energy business under the IPPA Agreements.

The increase in deferred tax liabilities by P2,028 million was mainly due to the deferred income tax expense recognized by SPPC for the application of its available Net Operating Loss Carry Over carryforward benefits to its income tax expense, and the difference in actual PSALM payments over finance lease liability-related expenses.

The increase in other noncurrent liabilities by P2,014 million was mainly due to the higher amount of retention payable for the ongoing projects of the Infrastructure business.

The decrease in equity reserves by P4,687 million was mainly due to the foreign exchange difference recognized on the redemption of the US\$783 million SPCS of San Miguel Global Power in April 2024.

The decrease in unappropriated retained earnings by P16,728 million was primarily due to the net loss attributable to equity holders of the Parent Company, cash dividends and distributions declared and the net appropriations during the first half of 2024.

The decrease in equity attributable to equity holders of the Parent Company by P20,143 million was mainly due to the net loss incurred on account of the loss on foreign exchange and dividends and distributions declared to holders of preferred shares and SPCS of SMC in the first half of 2024.

IV. SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

<i>(In Millions)</i>	For the Periods Ended June 30	
	2025	2024
Net cash flows provided by operating activities	P58,208	P74,608
Net cash flows provided by (used in) investing activities	48,451	(93,889)
Net cash flows provided by (used in) financing activities	(76,460)	8,597

Net cash flows provided by operating activities primarily consist of operating income before working capital changes, changes in noncash current assets, certain current liabilities and others, including payments of interest, other financing charges and income taxes.

Net cash flows provided by (used in) investing activities included the following:

<i>(In Millions)</i>	For the Periods Ended June 30	
	2025	2024
Net proceeds of:		
Redemption of investment in redeemable preferred shares held by a subsidiary	P78,717	P -
Sale of property and equipment	3,430	482
Disposal of investments in debt instruments	445	519
Disposal of a subsidiary, net of cash and cash equivalents disposed of	-	8
Collection of advances	12,084	-
Dividends received	11,887	363
Interest received	7,718	6,505
Additions to:		
Property, plant and equipment	(19,166)	(48,178)
Intangible assets	(11,740)	(23,476)
Investments and advances	(10,178)	(7,007)
Contract assets	(4,724)	(7,742)
Advances to contractors and suppliers	(2,082)	(2,349)
Investment property	(2,070)	(4,212)
Investments in equity and debt instruments	(463)	(532)
Increase in other noncurrent assets and others	(9,728)	(8,270)
Cash and cash equivalents of deconsolidated subsidiaries	(5,679)	-

Net cash flows provided by (used in) financing activities included the following:

<i>(In Millions)</i>	For the Periods Ended June 30	
	2025	2024
Net proceeds (payments) of short-term loans	(P72,766)	P46,813
Cash dividends and distributions paid	(26,783)	(22,780)
Payments of lease liabilities	(9,132)	(11,500)
Redemption of capital securities of subsidiaries	(6,288)	(45,040)
Acquisition of treasury shares of a subsidiary	(1,119)	-
Increase (decrease) in non-controlling interests' share in the net assets of subsidiaries and others	(1,093)	31
Net proceeds (payments) of long-term debt	34,971	(2,382)
Net proceeds of issuance of capital securities of subsidiaries	5,750	43,481
Share issuance costs from reissuance of treasury shares	-	(26)

The effect of exchange rate changes on cash and cash equivalents amounted to (P2,737 million) and P3,216 million in June 2025 and 2024, respectively.

V. KEY PERFORMANCE INDICATORS

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data of the current period against the same period of previous year. Please refer to Items II “Financial Performance” and III “Financial Position” for the discussion of certain Key Performance Indicators.

	June 30, 2025	December 31, 2024
<u>Liquidity:</u>		
Current Ratio	1.35	1.22
Quick Ratio	0.89	0.76
<u>Solvency:</u>		
Debt to Equity Ratio	2.55	2.96
Asset to Equity Ratio	3.55	3.96
<u>Profitability:</u>		
Return on Average Equity Attributable to Equity Holders of the Parent Company	13.52%	(2.48%)
Interest Rate Coverage Ratio	2.72	1.65
Return on Assets	3.39%	1.43%
	For the Periods Ended June 30	
	2025	2024
<u>Operating Efficiency:</u>		
Volume Growth (Decline)	(6%)	19%
Revenue Growth (Decline)	(9%)	15%
Operating Margin	12%	11%

The manner by which the Group calculates the key performance indicators is as follows:

KPI	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventories} - \text{Current Portion of Biological Assets} - \text{Prepayments}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Total Liabilities (Current + Noncurrent)}}{\text{Equity}}$
Asset to Equity Ratio	$\frac{\text{Total Assets (Current + Noncurrent)}}{\text{Equity}}$
Return on Average Equity	$\frac{\text{Net Income Attributable to Equity Holders of the Parent Company}^*}{\text{Average Equity Attributable to Equity Holders of the Parent Company}}$
Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$
Return on Assets	$\frac{\text{Net Income}^*}{\text{Average Total Assets}}$
Volume Growth	$\left(\frac{\text{Sum of all Businesses' Revenue at Prior Period Prices}}{\text{Prior Period Net Sales}} \right) - 1$
Revenue Growth	$\left(\frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right) - 1$
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

* Annualized for quarterly reporting.

VI. OTHER MATTERS

a. Commitments

The outstanding purchase commitments of the Group amounted to P189,641 million as at June 30, 2025.

These consist mainly of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business and will be funded by available cash, short-term loans and long-term debt.

- b. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity. The Group does not anticipate within the next 12 months any cash flow or liquidity problems. The Group was not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments. There were no significant amounts of the Group's trade payables that have not been paid within the stated trade terms.
- c. There were no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation and there were no changes in contingent liabilities and contingent assets, except for Note 43 (a) of the Audited Consolidated Financial Statements as at December 31, 2024.
- d. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on net sales or revenues or income from continuing operations.

- e. There are no significant elements of income or loss that did not arise from continuing operations.
- f. Except for the Prepared and Packaged Food and Protein segments of the Food division under the Food and Beverage business, which consistently generate higher revenues during the Christmas holiday season, the effects of seasonality or cyclicity on the interim operations of the Group's businesses are not material.
- g. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Group with unconsolidated entities or other persons created during the reporting period.

INTEREST OF NAMED EXPERTS AND COUNSEL

Legal Matters

All legal opinions/matters in connection with the issuance of each Offer will be passed upon by Picazo Buyco Tan Fider Santos & Dee ("**Picazo Law**") for the Company and SyCip Salazar Hernandez & Gatmaitan ("**SyCip Law**") for the Underwriters. Picazo Law and SyCip Law have no direct interest in the Company.

Picazo Law and SyCip Law may from time to time be engaged to advise in the transactions of the Company and perform legal services on the basis that Picazo Law and SyCip Law can provide such services to its other clients.

Independent Auditors

The consolidated financial statements of the Company as at and for the years ended December 31, 2020, 2021, 2022, 2023, and 2024 have been audited by R.G. Manabat & Co., a member firm of KPMG, independent auditors, in accordance with Philippine Standards on Auditing as set forth in their report thereon appearing elsewhere in this Offer Supplement.

The Audit Committee of the Company, reviews and monitors, among others, the integrity of all financial reports and ensures compliance with both internal financial management manual and pertinent accounting standards, including regulatory requirements. The Audit Committee also performs the following duties and responsibilities relating to the services of the Company's external auditors:

- Assess and monitor the (i) external auditor's professional qualifications, competence, independence and objectivity and require the external auditor to make the statements necessary under applicable auditing standards as regards its relationship and services to the Company, discussing any relationship or services which may derogate its independence or objectivity; and (ii) the effectiveness of the audit process in accordance with applicable standards.
- Obtain objective assurance from the external auditor that the conduct of the audit and the manner of the preparation of the financial statements comply with applicable auditing standards and rules of regulatory bodies, including exchanges on which the securities of the Company are listed.
- Review and approve the nature and scope of the audit plans of the external auditor, including scope, audit resources and expenses, and reporting obligations before the audit commences.
- Review the reports or communications of the external auditor and ensure that management or the Board will provide a timely response to the issues raised in such reports or communications.
- Ensure the development and implementation of policies on the engagement of an external auditor to supply non-audit work, including the fees payable therefor, and evaluate any non-audit work undertaken by the external auditor to ensure that the same does not conflict with its audit functions.

There is no arrangement that the experts and the independent counsels will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

REGULATORY FRAMEWORK

The statements herein are based on the laws in force as of the date of this Offer Supplement and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the regulatory and environmental considerations that may be relevant to the Company or the offering.

GENERAL BUSINESS REGULATORY FRAMEWORK

Revised Corporation Code

Republic Act No. 11232, also known as the Revised Corporation Code, was signed into law on February 20, 2019 and took effect on February 23, 2019. Among the notable amendments in the Revised Corporation Code are as follows: (i) corporations are now generally granted perpetual existence; (ii) a new section on one-person corporation was added; (iii) the requirement that at least 25% of the authorized capital stock must be subscribed, and at least 25% of the subscribed shares must be paid-up upon incorporation was removed; (iv) stockholders can now vote *in absentia*; (v) incorporators now include any person, partnership, association or corporation; and (vi) the powers of the SEC to prosecute and investigate offenses under the Revised Corporation Code has been expanded.

The Revised Corporation Code refers to the Philippine Competition Act in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

The Philippine Competition Act

Republic Act No. 10667, otherwise known as the Philippine Competition Act, was signed into law on July 21, 2015 and took effect on August 8, 2015. This Act aims to codify anti-trust laws in the Philippines and it provides the competition framework in the country. The Philippine Competition Act was enacted to provide free and fair competition in trade, industry, and all commercial economic activities.

To implement its objectives, the Philippine Competition Act provides for the creation of a Philippine Competition Commission (“PCC”), an independent quasi-judicial agency to be composed of five commissioners. Among the PCC’s powers are to: conduct investigations, issue subpoenas, conduct administrative proceedings, and impose administrative fines and penalties. To conduct a search and seizure, the PCC must apply for a warrant with the relevant court.

The Philippine Competition Act prohibits anti-competitive agreements between or among competitors, and mergers and acquisitions which have the object or effect of substantially preventing, restricting, or lessening competition. It also prohibits practices which involve abuse of dominant position, such as selling goods or services below cost to drive out competition, imposing barriers to entry or prevent competitors from growing, and setting prices or terms that discriminate unreasonably between customers or sellers or the same goods, subject to exceptions.

The Philippine Competition Act also introduces the pre-notification regime for mergers and acquisitions, which requires covered transactions to be notified to the PCC for its approval.

On June 3, 2016, the PCC issued the implementing rules and regulations of the Philippine Competition Act (“IRR”). Under the IRR, as a general rule, parties to a merger or acquisition are required to provide notification when: (a) the aggregate annual gross revenues in, into or from the Philippines, or value of the assets in the Philippines of the ultimate parent entity of the acquiring or the acquired entities exceed ₱1.0 billion; (Size of Party) and (b) the value of the transaction exceeds ₱1.0 billion, as determined in the IRR (Size of Transaction); while Parties to a joint venture transaction shall also be subject to the notification requirement if either (a) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱1.0 billion, or (b) the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceed ₱1.0 billion.

The PCC also has released its “Guidelines on the Computation of Merger Notification Thresholds”, providing the method for calculation of the aggregate value of assets and gross revenues from sales for the purposes of determining whether a proposed merger or acquisition is notifiable to the PCC.

The Size of Party and Size of Transactions have been gradually increased by the PCC to ensure that the thresholds maintain their real value over time and relative to the size of the economy. Beginning March 1, 2019 and for every subsequent year, the notification thresholds will be indexed based on the official estimates by the Philippine Statistics Authority of the nominal GDP growth for the previous calendar year rounded up to the nearest hundred million. Effective March 1, 2025, parties to a merger or acquisition are required to provide notification when the Size of the Party exceeds ₱8,500,000,000.00 and the Size of Transaction exceeds ₱3,500,000,000.00.

Violations of the Philippine Competition Act and its IRR carry administrative and criminal penalties. A transaction that meets the thresholds and does not comply with the notification requirements and waiting periods shall be considered void and will subject the parties to an administrative fine of 1 to 5.0% of the value of the transaction. Criminal penalties for entities that enter into these defined anti-competitive agreements include: (i) a fine of not less than ₱50.0 million but not more than ₱250.0 million; and (ii) imprisonment for two to seven years for directors and management personnel who knowingly and willfully participate in such criminal offenses. Administrative fines of ₱100.0 million to ₱250.0 million may be imposed on entities found violating prohibitions against anti- competitive agreements and abuse of dominant position. Treble damages may be imposed by the PCC or the courts, as the case may be, where the violation involves the trade or movement of basic necessities and prime commodities.

On September 15, 2017, the PCC published the 2017 Rules of Procedure ("**Rules**") which apply to investigations, hearings, and proceedings of the PCC, except to matters involving mergers and acquisitions unless otherwise provided. It prescribes procedures for fact-finding or preliminary inquiry and full administrative investigations by the PCC. The Rules also include non-adversarial remedies such as the issuance of binding rulings, show cause orders, and consent orders.

On September 10, 2019, the Supreme Court of the Philippines approved the Rules on Administrative Search and Inspection under the Philippine Competition Act. The rules govern the application, issuance, and enforcement of inspection orders for administrative investigations of alleged violations of the Philippine Competition Act. Inspection orders will allow the PCC and its deputized agents to enter, search and inspect business premises, offices, land and vehicles to examine, copy, photograph, record or print information in order to prevent their removal, concealment, tampering with or destruction.

Foreign Investments Act of 1991

Republic Act No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991 ("**FIA**"), liberalized the entry of foreign investment into the Philippines. Under the FIA, in domestic market enterprises, foreigners can own as much as 100% equity except in areas specified in the Eleventh Regular Foreign Investment Negative List (the "**Negative List**"). This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. Nationalized activities include, among others, land ownership, telecommunications, mining and the operation of public utilities.

In connection with the ownership of private land, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60.0% of whose capital is owned by such citizens. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40.0%. A corporation with more than 40.0% foreign equity may be allowed to lease land for a period of 25 years, renewable for another 25 years.

In addition, under the Philippine Constitution, only citizens of the Philippines or corporations or associations organized under the laws of the Philippines at least 60.0% of whose capital is owned by such citizens may engage in activities relating to the exploration, development and utilization of natural resources, which covers the utilization of natural resources for the operation of renewable energy power plants. The Department of Justice (“**DOJ**”) issued an opinion to the effect that the exploration, development and utilization of solar, wind, hydro and ocean or tidal energy sources is not subject to the 40% foreign equity limitation and thus, may be wholly-owned by foreign nationals. In DOJ Opinion No. 21, Series of 2022 dated September 29, 2022, the DOJ opined that solar, wind, hydro and ocean or tidal energy sources are inexhaustible and, therefore, not within the ambit of the term “natural resources” in Article XII, Section 2 of the Philippine Constitution. This led to the promulgation of DOE Department Circular No. DC2022-11-0034 on 15 November 2022, which amended the IRR of the Renewable Energy Act (Rep. Act No. 9513) in order to reflect the DOJ Opinion.

For the purpose of complying with nationality laws, the term Philippine National is defined under the FIA as any of the following:

- a citizen of the Philippines;
- a domestic partnership or association wholly-owned by citizens of the Philippines;
- a corporation organized under the laws of the Philippines of which at least 60.0% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines;
- a corporation organized abroad and registered to do business in the Philippines under the Revised Corporation Code, of which 100.0% of the capital stock outstanding and entitled to vote is wholly-owned by Filipinos; or
- a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60.0% of the fund will accrue to the benefit of Philippine Nationals.

In SEC Memorandum Circular No. 08 dated May 20, 2013, or the Guidelines on Compliance with the Filipino- Foreign Ownership Requirements Prescribed in the Constitution and/or Existing Laws by Corporations Engaged in Nationalized and Partly Nationalized Activities, it is provided that for purposes of determining compliance with the nationality requirement, the required percentage of Filipino ownership shall be applied both to (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors. A petition for certiorari questioning the constitutionality of SEC Memorandum Circular No. 8 dated May 20, 2013 was filed in June 2013. In *Jose M. Roy III v. Chairperson Teresita Herbosa* (G.R. No. 207246) dated April 18, 2017, the Supreme Court affirmed the validity of SEC Memorandum Circular No. 08 dated May 20, 2013.

In the 2014 case of *Narra Nickel Mining and Development Corporation, et.al vs. Redmont Consolidated Mines Corp* (G.R. No. 195580) and its corresponding motions for reconsideration (the “**Narra Nickel Case**”), the Supreme Court affirmed that the Grandfather Rule, wherein shares owned by corporate shareholders are attributed either as Filipino or foreign equity by determining the nationality not only of such corporate shareholders, but also such corporate shareholders’ own shareholders, until the nationality of shareholder individuals is taken into consideration, is to be used jointly and cumulatively with the Control Test, which merely takes into account the nationality of the listed shareholders of the corporation. Such joint and cumulative application shall be observed as follows: (i) if the corporation’s Filipino equity falls below 60.0%, such corporation is deemed foreign-owned, applying the Control Test; (ii) if the corporation passes the Control Test, the corporation will be considered a Filipino corporation only if there is no doubt as to the beneficial ownership and control of the corporation; and (iii) if the corporation passes the Control Test but there is doubt as to the beneficial ownership and control of the corporation, the Grandfather Rule must be applied.

Advertising Regulations

The Ad Standards Council, a non-stock, non-profit organization, established by the Kapisanan ng mga Brodkaster ng Pilipinas, Philippine Association of National Advertisers, and Association of Accredited Advertising Agencies, issues circulars in the advertising industry and handles the screening of all broadcast, out-of-home and print advertising and settlement of disputes regarding advertising content.

Intellectual Property Code

Under the Intellectual Property Code of the Philippines, as amended, the rights to a trademark are acquired through the registration with the Bureau of Trademarks of the Intellectual Property Office, which is the principal government agency involved in the registration of brand names, trademarks, patents and other registrable intellectual property materials.

Upon registration, the Intellectual Property Office shall issue a certificate of registration to the owner of the mark, which shall confer the right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the mark is registered. The said certificate of registration shall also serve as prima facie evidence of the validity of registration and the registrant's ownership of the mark. A certificate of registration shall remain in force for an initial period of ten (10) years and may be renewed for periods of ten (10) years at its expiration.

Data Privacy Act of 2012

Republic Act No. 10173 or the Data Privacy Act of 2012 is a comprehensive and strict privacy legislation aimed to protect the fundamental human right to privacy of data subjects by: (a) protecting the privacy of individuals while ensuring free flow of information; (b) regulating the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of personal data; and (b) ensuring that the Philippines complies with international standards set for data protection through National Privacy Commission ("**Privacy Commission**").

Intended to protect the privacy of individuals, it mandates companies to inform the individuals about how their personal information are collected and processed. It also ensures that all personal information must be (a) collected and processed with lawful basis, which includes consent, and only for reasons that are specified, legitimate, and reasonable; (b) handled properly, ensuring its accuracy and retention only for as long as reasonably needed; and (c) discarded properly to avoid access by unauthorized third parties.

Its Implementing Rules and Regulations ("**IRR**") took effect on September 9, 2016, mandating all Philippines companies to comply with the following: (a) appointment of a Data Protection Officer; (b) conduct of a privacy impact assessment; (c) adoption of a privacy management program and privacy policy; (d) implement privacy and data protection measures; and (e) establish a breach reporting procedure. In addition, companies with at least 250 employees or access to sensitive personal information of at least 1,000 individuals are required to register their data processing systems with the Privacy Commission. The IRR, furthermore provides the only instances when data sharing is allowed, to wit: (a) data sharing is authorized by law, provided that there are adequate safeguards for data privacy and security, and processing adheres to principles of transparency, legitimate purpose and proportionality; (b) in the private sector, data sharing for commercial purposes is allowed upon (i) consent of data subject, and (ii) when covered by a data sharing agreement; (c) data collected from parties other than the data subject for purpose of research shall be allowed when the personal data is publicly available; and (d) data sharing among government agencies for purposes of public function or provision of a public service shall be covered by a data sharing agreement.

Electronic Commerce Act

Republic Act No. 8792 or the Electronic Commerce Act of 2000 ("**R.A. No. 8792**") aims to facilitate domestic and international dealings, transactions, arrangement agreements, contracts and exchanges and storage of information through the utilization of electronic, optical and similar medium to promote the universal use of electronic transaction in the government and general public.

R.A. No. 8792 restricts access to an electronic file, or an electronic signature of an electronic data message or electronic document only in favor of the individual or entity having a legal right to the possession or the use of plaintext, electronic signature or file and solely for the authorized purposes. The law also ensures confidentiality and prohibits any person who obtains access to any electronic key, electronic data message, electronic document, book, register, correspondence, information, or other material pursuant to any powers conferred under the said law, from conveying to or sharing the same with any other person, except for purposes expressly authorized by law. The implementing rules of the law provides that the electronic key for identity or integrity shall not be made available to any person or party without the consent of the individual or entity in lawful possession of that electronic key.

The law clarifies that violations of the Consumer Act of the Philippines or Republic Act No. 7394, as amended, and other related laws through transactions covered by or using electronic data messages or electronic documents shall be penalized with the same penalties as provided therein

Internet Transactions Act

Republic Act No. 11967, or the Internet Transactions Act of 2023 ("**ITA**") regulates business-to-business and business-to-customer internet transactions. It created the E-Commerce Bureau, which formulates policies, plans, and programs

to ensure the robust and dynamic development of e-commerce and implements, monitors, and ensures strict compliance with the ITA, among other functions. It also manages the complaints relating to internet transactions and refers them to the Department of Trade and Industry. It is also mandated to establish an online business database containing the list of digital platforms, e-marketplaces, e-retailers and online merchants engaged in e-commerce in the Philippines.

The ITA provides the obligations of online consumers, e-marketplaces, e-retailers and online merchants. Among these obligations are fair advertising, fair dealing, and compliance with other laws. Entities that engage in transactions that fall within the scope of the ITA must comply with the rules and regulations set forth by the ITA, its implementing rules and regulations, and other regulations issued by the Department of Trade and Industry. An entity who violates the provisions of the ITA and the relevant rules and regulations may be held liable for damages and administrative fines ranging from ₱100.00 (plus the value of goods) to ₱1,000,000.00, depending on the nature of the violation and the number of offenses previously committed. Additionally, the online website or post that was made in violation of the ITA may be taken down.

Registration under the BOI

Under the Executive Order No. 226, otherwise known as the Omnibus Investments Code, as amended, a BOI- registered enterprise enjoy certain incentives, both financial and non-financial, provided such enterprise invests in preferred areas of investment enumerated in the Investment Priorities Plan annually prepared by the Government. However, prior to registration with the BOI, the enterprise must first satisfy the minimum equity required to finance the project applied equivalent to 25.0% of the estimated project cost, or as may be prescribed by the BOI. Such incentives include: (i) income tax holiday, (ii) exemption from taxes and duties on imported spare parts; (iii) exemption from wharfage dues and export tax, duty, impost and fees; (iv) reduction of the rates of duty on capital equipment, spare parts and accessories; (v) tax exemption on breeding stocks and genetic materials; (vi) tax credits; (vii) additional deductions from taxable income; (viii) employment of foreign nationals; simplification of customs procedure; and (x) unrestricted use of consigned equipment.

On April 12, 2019, Republic Act No. 11285, otherwise known as the Energy Efficiency and Conservation Act, was enacted. Under the said law, upon certification by the DOE, energy efficiency projects shall be included in the annual investment priorities plan of the BOI and shall be entitled to the incentives provided under Executive Order No. 226, as amended, and any other applicable laws for 10 years from the effectivity of the Act. Said energy efficiency projects shall also be exempt from the requirements provided under Article 32(1) of Executive Order No. 226. Energy efficiency projects refer to projects designed to reduce energy consumption and costs by any improvement, repair, alteration, or betterment of any building or facility, or any equipment, fixture, or furnishing to be added to or used in any building, facility, or vehicle including the manufacturing and provision of services related thereto: provided, that such projects shall be cost-effective and shall lead to lower energy or utility costs during operation and maintenance.

The CREATE Act, which took effect on April 11, 2021, sought to rationalize the tax incentives provided by investment promotion agencies, such as the BOI. In view of the effectivity of the CREATE Act, registered business enterprises with incentives granted prior to the effectivity of the CREATE Act shall be subject to the following rules:

- (i) registered business enterprises whose projects or activities were granted only an income tax holiday prior to the effectivity of the law shall be allowed to continue to avail of the income tax holiday for the remaining period specified in the terms and conditions of their registration, provided that enterprises that have been granted the income tax holiday but have not yet availed of such incentive upon the effectivity of the law may use the income tax holiday for the period specified in the terms and conditions of their registration;
- (ii) registered business enterprises whose projects or activities were granted an income tax holiday prior to the effectivity of the law and that are entitled to 5% tax on gross income earned incentive after the income tax holiday shall be allowed to avail of the 5% tax on gross income incentive subject to the ten-year limit under the CREATE Act; and
- (iii) registered business enterprises currently availing of the 5% gross income earned incentive granted prior to the effectivity of the law shall be allowed to continue of such tax incentive for ten (10) years.

Local Government Code

Republic Act No. 7160, otherwise known as the Local Government Code of 1991 (“**LGC**”) establishes the system and powers of provincial, city, municipal, and barangay governments in the country. The LGC general welfare clause states

that every LGU shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

The power to tax and police power is exercised by the LGU through their respective legislative bodies. Specifically, the LGU, through its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of the prosperity, and the promotion of the morality, peace, good order, comfort, convenience, and general welfare of the locality and its inhabitants. Ordinances can reclassify land, impose real property taxes, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

Labor and Employment

The DOLE is the Philippine government agency mandated to formulate policies, implement programs and services, and serves as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws such as the Labor Code of the Philippines and the Occupational Safety and Health Standards (which sets out, among others, the guidelines applicable to different establishments intended for the protection of every workingman against the dangers of injury, sickness or death through safe and healthful working conditions), as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

Occupational Safety and Health Standards Law

Republic Act No. 11058 or the Occupational Safety and Health Standards Law was signed into law in August 2018. Under this law, every employer, contractor, subcontractor, and any person who manages, controls, or supervises the work being undertaken is required, among others, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. The law also requires them to give complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed, preventive measures to eliminate or minimize the risks and steps to be taken in cases of emergency. Department Order No. 198, series of 2018 (D.O. 198) was promulgated by the DOLE to implement the provisions of the Occupational Safety and Health Standards Law. D.O. 198 classifies establishments as low, medium or high risk, and depending on the number of employees per establishment, provides for the corresponding requirements and provisions required of each employer, such as number of safety officers, occupational health officers and provision for health equipment and facilities.

Under the DOLE Labor Advisory No. 04, series of 2019 (Guide for Compliance of Establishments to D.O. 198), the establishment concerned shall be responsible for determining its own level of classification (low, medium, or high risk) based on Hazards Identification and Risk Assessment Control conducted by the company.

The employer, project owner, contractor or subcontractor, if any, and any person who manages, controls or supervises the work being undertaken shall be jointly and solidarily liable for compliance with occupational safety and health standards, including the penalties imposed for any violations thereof.

Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under Republic Act No. 11199, the Social Security Act of 2018 to ensure coverage of employees following procedures set out by the law and the SSS. Under the said law, an employer must deduct from its employees their monthly contributions in an amount corresponding to his salary, wage, compensation or earnings during the month in accordance with the monthly salary credits, the schedule and the rate of contributions as may be determined and fixed by the Social Security Commission, pay its share of contribution and remit these to the SSS within a period set by law and/ or SSS regulations. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits.

The failure of the employer to comply with any of its obligations may lead to sanctions, including the imposition of a fine of not less than ₱5,000.00 nor more than ₱20,000.00, or imprisonment for not less than six years and one day nor more than 12 years, or both, at the discretion of the court. The erring employer will also be liable to the SSS for damages equivalent to the benefits to which the employee would have been entitled had his name been reported on time to the SSS and for the corresponding contributions and penalties thereon.

Employers are likewise required to ensure enrolment of its employees in a National Health Insurance Program (“**NHIP**”) administered by the Philippine Health Insurance Corporation, a government corporation attached to the Department of Health tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of Republic Act No. 10606, the National Health Insurance Act of 2013.

On February 20, 2019, Republic Act No. 11223, the Universal Health Care Act, was enacted, which amended certain provisions of the National Health Insurance Act of 2013. Under the said law, all Filipino citizens are now automatically enrolled into the National Health Program. However, membership is classified into two types, direct contributors and indirect contributors. Direct contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, migrant workers, including their qualified dependents, and lifetime members. On the other hand, indirect contributors refer to all others not included as direct contributors, as well as their qualified dependents, whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws. Every member is also granted immediate eligibility for health benefit package under the program. An employer who fails or refuses to register its employees, regardless of their employment status, or to deduct contributions from its employees’ compensation or remit the same to our Corporation shall be punished with a fine of not less than ₱5,000.00 multiplied by the total number of employees of the firm.

Under Republic Act No. 9679, the Home Development Mutual Fund Law of 2009, all employees who are covered by the SSS must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2.0% of the employee’s monthly compensation, up to a maximum of ₱5,000.00, and likewise make a counterpart contribution of 2.0% of the employee’s monthly compensation, and remit the contributions to the HDMF. Refusal of an employer to comply, without any lawful cause or with fraudulent intent, particularly with respect to registration of employees as well as collection and remittance of contributions, is punishable by a fine of not less but not more than twice the amount involved, or imprisonment of not more than six years, or both such fine and imprisonment. When the offender is a corporation, the penalty will be imposed upon the members of the governing board and the president or general manager, without prejudice to the prosecution of related offenses under the Revised Penal Code and other laws, revocation and denial of operating rights and privileges in the Philippines and deportation when the offender is a foreigner.

The Labor Code

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private-sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month’s salary for every year of service, with a fraction of at least six months being considered as one whole year. For the purpose of computing the retirement pay, “one-half month’s salary” shall include all of the following: fifteen days’ salary based on the latest salary rate; in addition, one-twelfth of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

Other Labor-Related Laws and Regulations

Contracting and Subcontracting

The Labor Code recognizes subcontracting arrangements, whereby a principal puts out or farms out with a contractor the performance or completion of a specific job, work or service within a definite or predetermined period, regardless of whether such job, work or service is to be performed or completed within or outside the premises of the principal. Such arrangements involve a “trilateral relationship” among: (i) the principal who decides to farm out a job, work or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the job, work, or service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service.

On March 16, 2017, the DOLE issued DOLE Department Order No. 174-17 or Rules Implementing Articles 106 to 109 of the Labor Code, as Amended (“**D.O. No 174-17**”), under the principle that non-permissible forms of contracting and subcontracting arrangements undermine the constitutional and statutory right to security of tenure of workers. D.O. No

174-17 empowered the Secretary of Labor and Employment to regulate contracting and subcontracting arrangement by absolutely prohibiting labor-only contracting, and restricting job contracting allowed under the provisions of the Labor Code. Labor-only contracting refers to arrangement where the contractor or subcontractor merely recruits, supplies or places workers to perform a job or work for a principal, and the contractor or subcontractor does not have substantial capital, or the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. D.O. No. 174-17 expressly requires the registration of contractors with the Regional Office of the DOLE where it principally operates, without which, a presumption that the contractor is engaged in labor-only contracting arises.

The Department Order provides that in the event that there is a finding that the contractor or subcontractor is engaged in labor-only contracting and other illicit forms of employment arrangements, the principal shall be deemed the direct employer of the contractor's or subcontractor's employees. Further, in the event of violation of any provision of the Labor Code, including the failure to pay wages, there exists a solidary liability on the part of the principal and the contractor for purposes of enforcing the provisions of the Labor Code and other social legislations, to the extent of the work performed under the employment contract.

DOLE Mandated Work-Related Programs

Under Republic Act No. 9165 or the Comprehensive Dangerous Drugs Act, a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with 10 or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases. Under the Anti-Sexual Harassment Act, the employer will be solidarily liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalized by imprisonment of not less than one month nor more than six months, or a fine of not less than ₱10,000 nor more than ₱20,000, or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it are strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, mental health, and tuberculosis prevention and control.

REGULATIONS RELATING TO THE FOOD AND BEVERAGE BUSINESS

The Food Safety Act

In 2013, Republic Act No. 10611 or the Food Safety Act of 2013 (the "**Food Safety Act**") was enacted into law to strengthen the food safety regulatory system in the country. The food safety regulatory system encompasses all the regulations, food safety standards, inspection, testing, data collection, monitoring and other activities carried out by the DA and the DOH, their pertinent bureaus, and the local government units. The National Dairy Authority, National Meat Inspection Service ("**NMIS**"), and Bureau of Fisheries and Aquatic Resources ("**BFAR**") under the DA are the government agencies responsible for the development and enforcement of food safety standards and regulations in the primary production and post-harvest stages for milk, meats, and fish, respectively, while the Food and Drug Administration ("**FDA**") under the DOH is responsible for the safety of processed and pre-packaged foods. The Food Safety Act created

the Food Safety Regulation Coordinating Board to monitor and coordinate the performance and implementation of the mandates of the government agencies under the law.

The law aims to: (a) protect the public from food-borne and water-borne illnesses and unsanitary, unwholesome, misbranded or adulterated foods, (b) enhance industry and consumer confidence in the food regulatory system, and (c) achieve economic growth and development by promoting fair trade practices and sound regulatory foundation for domestic and international trade.

To protect consumer interest, the Food Safety Act seeks to prevent the adulteration, misbranding, fraudulent practices and practices which mislead the consumer, and prevent misrepresentation in the labelling and false advertising in the presentation of food. The DA and DOH are mandated to set food safety standards, which are the requirements that food or food processors have to comply with to safeguard human health.

The law likewise mandates the use of Science-based risk analysis in food safety regulation and prescribes the adoption of precautionary measures when the available relevant information for use in risk assessment is insufficient to show a certain type of food or food product does not pose a risk to consumer health.

In addition, food imported, produced, processed and distributed for domestic and export markets should comply with the following requirements: (a) food to be imported into the country must come from countries with an equivalent food safety regulatory system; (b) imported foods shall undergo cargo inspection and clearance procedures by the DA and DOH at the first port of entry to determine compliance with national regulations; and (c) exported food shall at all times comply with national regulations and regulations of the importing country.

The Food Safety Act imposes the following responsibilities on Food Business Operators ("**FBO**"): (a) FBO shall be knowledgeable of the specific requirements of food law with respect to their activities in the food supply chain and the procedures adopted by relevant government agencies, and adopt, apply and be well informed of codes and principles for good practices; (b) in the event a FBO considers or has reason to believe that food which it produced, processed, distributed or imported is not safe or not in compliance with food safety requirements, it shall immediately initiate procedures to recall the product and inform the regulator; (c) FBO shall allow inspection of their businesses and collaborate with the regulatory authorities to avoid risks posed by the food product/s which they have supplied; and (d) where the unsafe or noncompliant food product may have reached the consumer, it shall effectively and accurately inform the consumers of the reason for the withdrawal, and if necessary, recall the same from the market.

For the enforcement of the Food Safety Act, the food safety regulatory agencies are authorized to perform regular inspection of food business operators taking into consideration the compliance with mandatory safety standards; implementation of the Hazard Analysis at Critical Control Points ("**HACCP**") or the science-based system that identifies, evaluates, and controls hazards for food safety at critical points; good manufacturing practices; and other requirements of regulations. It is prohibited to refuse access to pertinent records or entry of inspection officers of the food safety regulatory agencies. It is likewise prohibited, among others, to produce, handle, or manufacture for sale, offer for sale, distribute in commerce, or import any food or food product, which is banned or is not in conformity with applicable quality or safety standard. The commission of any of the prohibited acts under the Food Safety Act can result in imprisonment and/or a fine.

The implementing rules and regulations of the Food Safety Act requires all food businesses, including large and medium scale food businesses engaged in the manufacture of processed and pre-packaged food, to have a Food Safety Compliance Officer ("**FSCO**") who has passed a prescribed training course for FSCO recognized by the DA and/or the DOH.

FBOs producing processed and pre-packaged food should develop a Risk Management Plan as basis for the issuance of appropriate authorizations by the DOH. If an FBO considers or has reason to believe that a food which it produced, processed, distributed or imported is not safe or not in compliance with food safety requirements, it should immediately initiate procedures to withdraw the food in question from the market and inform the regulatory authority in accordance with the approved product recall program.

FBOs should also report any incident where its product has caused or contributed to the death, serious illness or serious injury to a consumer or any person. The product should be withdrawn from the market, in accordance with the FBO's respective product recall program, and disposed according to the procedures prescribed by the DA and/or the DOH.

The FDA may order a recall if: (a) a distributed product presents a risk of illness or injury or gross consumer deception,

(b) the manufacturer or distributor has not initiated a recall, and (c) an agency action is necessary or advisable to protect the public health and welfare. The manufacturer or distributor will be notified of the decision to order a product recall. The notification will specify the violation, the health hazard classification, the recommended recall strategy to be undertaken, and any other instructions appropriate to the conduct of the recall. Within 24 hours after the FDA issues an order for product recall, the FDA will issue a Public Health Alert to alert consumers on serious health hazards or other situations deemed to be in the public interest.

A product recall may also be initiated by a manufacturer or distributor of a violative product (*i.e.*, the product presents a risk of injury or does not conform to registered specifications). The manufacturer or distributor should provide the FDA the following information: (a) identity of the product involved, (b) the reason for the removal or correction and the date and circumstances under which the product deficiency or possible deficiency was discovered, (c) evaluation of the risk associated with the deficiency or possible deficiency, (d) total amount of such products produced and/or the time span of the production, (e) total amount of such products estimated to be in distribution channels, (f) distribution information, including the number of distribution outlets and where necessary, the names and addresses of the distribution channels, (g) copy of the recall communication or proposed communication, (h) proposed strategy for conducting the recall, and (i) name and phone number of the official who should be contacted concerning the recall.

Products which have been subject of a recall must immediately be removed from the market and must not be allowed for distribution and sale. Upon completion of the recall procedure, the concerned company must notify the FDA of the final disposition of the product. If the product is to be destroyed, the destruction should be witnessed by an FDA representative. If the product has been reprocessed to comply with registered specifications, distribution and sale of the reprocessed product will only be allowed following a written recommendation from the FDA to do so.

The FDA may seize the products or seek other court action if a firm refuses to conduct an FDA-ordered recall or where the FDA has reason to believe that a recall would not be effective, a recall is ineffective, or discovers that a violation is continuing.

The DOH, through the FDA, is responsible for the assurance of safety of processed and pre-packaged food products, whether locally produced or imported, including meat products. Renewal of the registration of processed meat and licenses of establishments manufacturing, importing or exporting, selling, offering for sale, transferring, or distributing processed meat should be in accordance with the existing FDA guidelines on renewal of authorizations.

The Food, Drugs and Devices, and Cosmetics Act

Republic Act No. 3720 or the Foods, Drugs and Devices, and Cosmetics Act, as amended by the FDA Act of 2009 (the “**FDDC Act**”), establishes standards and quality measures in relation to the manufacturing and branding of food products to ensure the safe supply thereof to and within the Philippines. The FDA is the governmental agency under the DOH tasked to implement and enforce the FDDC Act. The FDA requires both a license to manufacture food products, as well as individual certificates of registration for each product to be manufactured or sold in the Philippines.

The FDDC Act prohibits, among others, (i) the manufacture, importation, exportation, sale, offering for sale, distribution or transfer, non-consumer use, promotion, advertisement or sponsorship food products which are adulterated or misbranded or which, although requiring registration pursuant to the FDDC Act, are not registered with the FDA; and (ii) the manufacture, importation, exportation, transfer or distribution of any food product by any person or entity without a license to operate from the FDA. Any person found in violation of any of the provisions of the FDDC Act shall be subject to administrative penalties or imprisonment or both. Furthermore, the FDA has the authority to seize such food products found in violation of the FDDC Act as well as ban, recall and withdraw any food product found to be grossly deceptive, unsafe, or injurious to the consuming public.

FDA Rules and Regulations

Consistent with the mandate to adopt and establish mechanisms and initiatives that are aimed to protect and promote the right to health of every Filipino, the FDA issued the Rules and Regulations on the Licensing of Food Establishments and Registration of Processed Food, which require all food establishments to obtain a License to Operate (“**LTO**”) from the FDA before they can validly engage in the manufacture, importation, exportation, sale, offer for sale, distribution, and transfer of food products in the Philippine market. An initial LTO is valid for a period of two years, while a renewed license is valid for five years.

An LTO can be automatically renewed when (a) the application for renewal is filed before the expiration date of the license, (b) the prescribed renewal fee is paid upon filing of the application, and (c) a sworn statement indicating no

change or variation in the establishment is attached to the application. An application for renewal of an LTO received after its date of expiration will be subject to a surcharge or penalty.

Further, the LTO subject of an application for renewal will be considered valid and subsisting until a decision or resolution by the FDA is rendered on the application for renewal as long as the application is filed within 120 days from LTO's original expiry. The automatic renewal of an LTO should not preclude the FDA from suspending, revoking or cancelling the same in case the owner violates any of the terms and conditions of the license or other relevant laws and implementing rules and regulations. The assignment or transfer of a valid and unexpired LTO, or pending application for renewal without any change or variation whatsoever in the establishment requires a mere amendment of the LTO or the application, as the case maybe.

The manufacture, importation, exportation, sale, offering for sale, distribution, transfer, non-consumer use, promotion, advertising, or sponsorship of any health product without the proper authorization from the FDA is prohibited and punishable, by imprisonment and fine.

In addition to an LTO, the FDA also requires a Certificate of Product Registration ("**CPR**") for processed food products before said products are distributed, supplied, sold or offered for sale or use in the market. A CPR covering a particular health product constitutes prima facie evidence of the registrant's marketing authority for said health product in connection with the activities permitted pursuant to the registrant's LTO.

For processed food products, the validity of an initial CPR is two years to five years, while a renewed CPR is valid for five years; provided that upon renewal, its holder conforms with the pertinent standards and requirements including labelling regulations.

A CPR may be automatically renewed provided that: (a) the registrant has a current and valid LTO, (b) the product is covered by a current and valid CPR, and (c) there are no deficiencies that need to be corrected before the renewal of the CPR can be granted. The application for renewal must be filed at least 90 days before the expiration of the CPR, although an application for renewal may still be filed within 120 days after the expiration date of the CPR, subject only to the payment of a surcharge.

An expired CPR that has not been renewed within the 120-day grace period cannot be the subject of a renewal application and will be considered an initial application for the registration of the product.

The operation of a food business without the proper authorization from the FDA is prohibited and punishable with a fine. The closure of the establishment may also be imposed as a penalty upon a finding of a commission of a prohibited act.

The Consumer Act

Republic Act No. 7394 or the Consumer Act of the Philippines (the "**Consumer Act**") is principally enforced by the DTI and seeks to: (i) protect consumers against hazards to health and safety, (ii) protect consumers against deceptive, unfair and unconscionable sales acts and practices; (iii) provide information and education to facilitate sound choice and the proper exercise of rights by the consumer; (iv) provide adequate rights and means of redress; and (v) involve consumer representatives in the formulation of social and economic policies.

This law imposes rules to regulate such matters as (i) consumer product quality and safety; (ii) the production, sale, distribution and advertisement of food, drugs, cosmetics and devices as well as substances hazardous to the consumer's health and safety; (iii) fair, honest consumer transactions and consumer protection against deceptive, unfair and unconscionable sales acts or practices; (iv) practices relative to the use of weights and measures; (v) consumer product and service warranties; (vi) compulsory labelling and fair packaging; (vii) liabilities for defective products and services; (viii) consumer protection against misleading advertisements and fraudulent sales promotion practices; and (ix) consumer credit transactions.

The Consumer Act establishes quality and safety standards with respect to the composition, contents, packaging, labelling and advertisement of food products and prohibits the manufacture for sale, offer for sale, distribution, or importation of food products which are not in conformity with applicable consumer product quality or safety standards. Like the FDDC Act, the Consumer Act also prohibits the manufacture, importation, exportation, sale, offering for sale, distribution or transfer of food products which are adulterated or mislabelled. In connection therewith, the Consumer Act provides for minimum labelling and packaging requirements for food products to enable consumers to obtain accurate information as to the nature, quality, and quantity of the contents of food products available to the general public.

Under the Consumer Act, the following are the minimum labeling requirements for consumer products sold in the Philippines: (a) the correct and registered trade name or brand name; (b) the duly registered trademark; (c) the duly registered business name; (d) the address of the manufacturer, importer, repacker of the consumer product in the Philippines; (e) the general make or active ingredients; (f) the net quantity of contents, in terms of weight, measure or numerical count rounded off to at least the nearest tenths in the metric system; (g) the country of manufacture, if imported; and (h) if a consumer product is manufactured, refilled or repacked under license from a principal, the label shall so state the fact. Additional labeling requirements imposed by the Consumer Act for food products include: (a) expiry or expiration date, where applicable; (b) whether the consumer product is semi-processed, fully processed, ready-to-cook, ready-to-eat, prepared food or just plain mixture; (c) nutritive value, if any; and (d) whether the ingredients used are natural or synthetic, as the case may be.

Manufacturers, distributors, importers or re-packers of consumer products are required to indicate in their labels or packaging a parallel translation in the English or Filipino language of the nature, quality, quantity and other relevant prescribed information or instructions of such consumer products in a manner that cannot be easily removed, detached or erased. In addition to the information required to be displayed in the principal and secondary panels, DTI Administrative Order No. 01-08 mandates that all consumer products sold in the Philippines, whether manufactured locally or imported shall indicate and specify the (a) country of manufacture; (b) required information of consumption duration safety; (c) warranty of the manufacturer; (d) weight content prior to packaging; (e) consumer complaint desk address; and (f) all other information necessary for giving effect to a consumer's right to information.

For alcoholic beverages, the alcohol content in terms of percentage volume or proof units shall be indicated on the label of alcoholic beverages.

The DTI is tasked with implementing the Consumer Act with respect to labels and packaging of consumer products other than food products, and regulates product labeling, proper and correct description of goods, product labels with foreign characters/languages, data/information on product contents and origins and other similar matters. With respect to the packaging and repackaging of food products, such activities are regulated by the DOH and the FDA. Establishments engaged in these activities are required to comply with, among others, the current guidelines promulgated by the DOH on good manufacturing practice in manufacturing, packing, repacking, or holding food.

In addition, the Consumer Act prohibits the false, deceptive or misleading advertisements and sales promotions and deceptive sales acts and practices in connection with food products. An advertisement shall be false, deceptive or misleading if it is not in conformity with the provisions of the Consumer Act or if it is misleading in any material respect. In determining whether any advertisement is false, deceptive or misleading, there shall be taken into account, among other things, not only representations made or any combination thereof, but also the extent to which the advertisement fails to reveal material facts in the light of such representations, or materials with respect to consequences which may result from the use or application of consumer products or services to which the advertisement relates under the conditions prescribed in said advertisement, or under such conditions as are customary or usual.

Any person found in violation of the provisions of the Consumer Act shall be subject to administrative penalties and/or imprisonment of not less than one year but not more than five years, or a fine of not less than ₱5,000.00 but not more than ₱10,000.00 or both, at the discretion of the court. Should the offense be committed by a juridical person, the chairman of the board of directors, the president, general manager, or the partners and/or the persons directly responsible therefore shall be penalized. Under the Consumer Act, the DOH also has the authority to order the recall, ban, or seizure from public sale or distribution of food products found to be injurious, unsafe or dangerous to the general public.

The Livestock and Poultry Feeds Act

Republic Act No. 1556 or the Livestock and Poultry Feeds Act and its implementing rules and regulations (the "**Livestock and Poultry Feeds Act**"), regulates and controls the manufacture, importation, labelling, advertising and sale of livestock and poultry feeds. The Bureau of Animal Industry (the "**BAI**") is the governmental office under the DA tasked to implement and enforce the Livestock and Poultry Feeds Act.

Under the Livestock and Poultry Feeds Act, any entity desiring to engage in the manufacture, importation, exportation, sale, trading or distribution of feeds or other feed products must first register with the BAI. There must be a separate registration for each type and location of feed establishment. Furthermore, the Livestock and Poultry Feeds Act provides that no feeds or feed products may be manufactured, imported, exported, traded, advertised, distributed,

sold, or offered for sale, or held in possession for sale in the Philippines unless the same has been registered with the BAI. There must also be a separate registration for each type, kind, and form of feed or feed product. Feeds and feed products produced through toll manufacturing shall be registered with the company that owns the same. All commercial feeds must comply with the nutrient standards prescribed by the DA. Registration of feed and feed products and feed establishments is required to be renewed on a yearly basis. The Livestock and Poultry Feeds Act also provides branding, labelling and advertising requirements for feeds and feed products and the establishment of in-house quality control laboratories by manufacturers and traders of feed and feed products. Any person found in violation of the provisions of the Livestock and Poultry Feeds Act shall be subject to administrative penalties or imprisonment or both.

The Company's feedmills, whether Company-owned and tolled, are all registered with the BAI and we pay monthly inspection fees based on the number of metric tons of feeds produced. The Company also seeks approval from the BAI for brand names and register every new product prior to market launch. To obtain the brand name approval and product registration, the Company submits a notarized Application for Feed Product Registration, Certificate of Analysis and three copies of feed tags to be inserted in the packaging of the new product. Based on this information, the BAI makes a determination as to whether the new product is within its specifications.

The Meat Inspection Code

Republic Act No. 9296 or the Meat Inspection Code of the Philippines, as amended (the "**Meat Inspection Code**") establishes quality and safety standards for the slaughter of food animals and the processing, inspection, labelling, packaging, branding and importation of meat (including, but not limited to, pork, beef, and chicken meat) and meat products. The NMIS, a specialized regulatory service attached to the DA, serves as the national controlling authority on all matters pertaining to meat and meat product inspection and meat hygiene to ensure meat safety and quality from farm to table. It has the power to accredit meat establishments and exporters, importers, brokers, traders and handlers of meat and meat products. On the other hand, the different local government units, in accordance with existing laws, policies, rules and regulations and quality and safety standards of the DA, have the authority to regulate the construction, management and operation of slaughterhouses, meat inspection, and meat transport and post-abattoir control within their respective jurisdictions, and to collect fees and charges in connection therewith.

The Meat Inspection Code covers all meat establishments (including, but not limited to, slaughterhouses, poultry dressing plants, meat processing plants and meat shops) where food animals are slaughtered, prepared, processed, handled, packed, stored, or sold. It requires the inspection of food animals before it shall be allowed for slaughter in licensed private slaughterhouses in which meat or meat products thereof are to be sold. A post-mortem examination is also required for carcasses and parts thereof of all food animals prepared as articles of commerce which are capable of use as human food. Only meat or meat products from meat establishments that have passed inspection and have been so marked may be sold or offered for sale to the public.

Said Code also requires all meat establishments to (i) comply with the Animal Welfare Act of 1998 for the adequate protection of food animals awaiting slaughter and all pollution control and environmental laws and regulations relating to the disposal of carcasses and parts thereof; and (ii) adopt Good Manufacturing Practices and Sanitation Standard Operating Procedures programs for the production, storage and distribution of its meat products. Any person found in violation of the provisions of the Meat Inspection Code shall be subject to administrative penalties or imprisonment or both. Furthermore, any carcasses, parts of carcasses or products of carcasses found to have been prepared, handled, packed, stored, transported or offered for sale as human food not in accordance with the provisions thereof shall be confiscated and disposed of at the expense of the person found to be in violation thereof.

The DA requires all operators and/or owners of postharvest meat establishments to subject their facilities for evaluation for the issuance of an LTO by the NMIS.

The Company's poultry processing plants and livestock slaughter plants, both Company-owned and tolled, are all accredited by NMIS. Since the Company's plants have all been issued an LTO, CPR, and/or Export Commodity Clearance Certificate by the FDA, products from those plants qualify for distribution to any location throughout the Philippines or for export. Plant accreditations are renewed annually following inspection by NMIS for compliance with the Good Manufacturing Practices, Sanitation Standard Operating Procedures and Hazard Analysis and Critical Control Points. NMIS inspectors are also stationed at each of the Company's poultry processing plants and livestock slaughter plants on a daily basis and issue certifications for each batch of products that is shipped from any of those plants.

The Price Act

Republic Act No. 7581 or the Price Act, as amended, provides for price controls for basic necessities and prime commodities in certain situations, pursuant to the policy of the government to ensure the availability of basic necessities and prime commodities at reasonable prices at all times without denying legitimate business a fair return on investment. Basic necessities include rice, corn, root crops, bread; fresh, dried and canned fish and other marine products; fresh pork, beef, and poultry meat; fresh eggs; potable water in bottles and containers; fresh and processed milk; fresh vegetables and fruits; locally manufactured instant noodles; coffee; sugar; cooking oil; salt; laundry soap and detergents; firewood; charcoal; household liquefied petroleum gas (LPG) and kerosene; candles; drugs classified as essential by the DOH and such other goods as may be included. Prime commodities include flour; dried, processed and canned pork, beef and poultry meat; dairy products not falling under basic necessities; onions, garlic, vinegar, patis, soy sauce; toilet soap; fertilizer, pesticides, and herbicides; poultry, livestock and fishery feeds and veterinary products; paper; school supplies; nipa shingles; sawali; cement; clinker; GI sheets; hollow blocks; plywood; plyboard; construction nails; electrical supplies; batteries; light bulbs; steel wire; all drugs not classified as essential drugs by the DOH and such other goods as may be included.

Under the Price Act, the prices of basic commodities may be automatically frozen at their prevailing prices or placed under automatic price control whenever:

1. That area is proclaimed or declared as a disaster area or under a state of calamity;
2. That area is declared under emergency;
3. The privilege of the writ of habeas corpus is suspended in that area;
4. That area is placed under martial law; or
5. That area is in a state of rebellion or war.

The President of the Philippines may likewise impose a price ceiling on basic necessities and prime commodities in cases of calamities, emergencies, illegal price manipulation or when the prevailing prices have risen to unreasonable levels. Unless sooner lifted by the President of the Philippines, prices shall remain frozen for a maximum of sixty days.

The DA, DTI, DENR and DOH are the implementing agencies responsible for the enforcement of the Price Act. The implementing government agencies of the Price Act are given the authority thereunder to issue suggested retail prices, whenever necessary, for certain basic necessities and/or prime commodities for the information and guidance of concerned trade, industry and consumer sectors.

The Price Act considers it unlawful for any person habitually engaged in the production, manufacture, importation, storage, transport, distribution, sale or other methods of disposition of goods to engage in illegal price manipulation of any basic necessity or prime commodity through:

1. Cartels, defined as any combination of or agreement between two or more persons engaged in the production, manufacture, processing, storage, supply, distribution, marketing, sale or disposition of any basic necessity or prime commodity designed to artificially and unreasonably increase or manipulate its price;
2. Hoarding, defined as the undue accumulation by a person or combination of persons of any basic commodity beyond his or their normal inventory levels or the unreasonable limitation or refusal to dispose of, sell or distribute the stocks of any basic necessity or prime commodity to the general public or the unjustified taking out of any basic necessity or prime commodity from the channels of reproduction, trade, commerce and industry; or
3. Profiteering, defined as the sale or offering for sale of any basic necessity or prime commodity at a price grossly in excess of its true worth.

Any person found in violation of the provisions of the Price Act shall be subject to administrative penalties or imprisonment or both.

The Philippine Food Fortification Act

Republic Act No. 8976 or the Philippine Food Fortification Act of 2000 (the “PFF Act”) provides for the mandatory fortification of wheat flour, cooking oil and other staple foods and the voluntary fortification of processed food products. The fortification of food products is required to be undertaken by the manufacturers, importers and processors thereof. The FDA is the government agency responsible for the implementation of the PFF Act with the assistance of the different local government units which are tasked under the said law to monitor foods mandated to be fortified which are available in public markets, retail stores and foodservice establishments and to check if the labels of fortified products contain nutrition facts stating the nutrient added and its quantity. Any person in violation of the PFF

Act shall be subject to administrative penalties. Furthermore, the FDA may refuse or cancel the registration or order the recall of food products in violation of said law.

All Magnolia-branded products are compliant with the PFF Act. For example, the Company uses iodized salt in Magnolia products to comply with Republic Act No. 8172 (An Act for Salt Iodization Nationwide).

For wheat flour, the addition of Vitamin A and Iron are mandated under standards set by the DOH. The Company's flour business has been compliant with the requirements of the PFF Act since 2004.

Government Regulations on the Manufacture and Wholesale of Alcoholic Beverages

Beverages are included in the definition of "food" and are within the coverage of the Food Safety Act. An LTO and other requirements specified in the Food Safety Act and its implementing rules and regulations are likewise necessary for establishments engaged in the manufacturing, importation, exportation, sale, offer for sale, distribution, transfer, use, testing, promotion, advertisement, and/or sponsorship of alcoholic beverages. Alcoholic beverages have been classified by the FDA as low risk food products in based on the Codex Alimentarius General Standard for Food Additives and the UN Food and Agriculture Organization Risk Categories. Food establishments classified as high risk are prioritized for inspection by the FDA.

Retail Trade Liberalization Act of 2000, as amended

Republic Act no. 8762, as amended by Republic Act No. 11595 regulates retail activities by foreign entities. Foreign retailers are required to have a minimum paid-up capital and a minimum store investment, subject to the review of the Department of Trade and Industry, the Securities and Exchange Commission, and the Department of Economy, Planning, and Development. These retailers are also encouraged to hire domestic labor and to maintain an inventory of products manufactured in the Philippines to promote the local economy.

Excise Tax on Sweetened Beverages

Section 47 of the Republic Act No. 10963 or the Tax Reform for Acceleration and Inclusion (TRAIN) Law amended the National Internal Revenue Code to impose a ₱6.00 excise tax per liter of beverages using purely caloric sweeteners and purely non-caloric sweetener, or a mix of caloric and non-caloric sweeteners and ₱12.00 excise tax per liter on sweetened beverages using purely high fructose corn syrup or in combination with any caloric or non-caloric sweetener. Beverages that are purely sweetened using coconut sap sugar and steviol glycosides are exempt from the excise tax. For powdered juices, the computation of excise tax depends on how much liters can a serving or pack can make based on the serving suggestion on the label.

REGULATION RELATING TO THE PACKAGING BUSINESS

Safety and Quality Regulations under the Consumer Act

The DTI is tasked to implement the Consumer Act with respect to labels and packaging of consumer products other than food products, and regulates product labeling, proper and correct description of goods, product labels with foreign characters/languages, data/information on product contents and origins and other similar matters.

Manufacturers, distributors, importers or repackers of consumer products are required to indicate in their labels or packaging, a parallel translation in the English or Filipino language of the nature, quality and quantity and other relevant prescribed information or instructions of such consumer products in a manner that cannot be easily removed, detached or erased. In addition to the information required to be displayed in the principal and secondary panels, DTI Administrative Order No. 01-08 mandates that all consumer products sold in the Philippines, whether manufactured locally or imported shall indicate and specify the (i) country of manufacture; (ii) required information of consumption duration safety; (iii) warranty of the manufacturer; (iv) weight content prior to packaging; (v) consumer complaint desk address; and (vi) all other information necessary for giving effect to a consumer's right to information.

The packaging of consumer products must not cause the purchaser to be deceived as to the contents, size, quantity, measurement or fill of the product. For consumer products which are packaged in such a way that the contents cannot be seen or inspected upon purchase, samples or labeling describing the product inside the package, in words, in pictorial or graphical representation or by similar means, shall be provided for the inspection of the purchaser. Such sample or description should accurately represent the product in the package.

With respect to the packaging and repackaging of food products, such activities are regulated by the DOH and the FDA as discussed above. Establishments engaged in these activities are required to comply with, among others, the current guidelines on good manufacturing practice in manufacturing, packing, repacking, or holding food promulgated by the DOH.

REGULATION RELATING TO THE FUEL AND OIL BUSINESS

Oil Deregulation Act

The Oil Deregulation Act provides the regulatory framework for the downstream oil industry of the country.

Under the Oil Deregulation Act, any person or entity may import or purchase any quantity of crude oil and petroleum products from foreign or domestic sources, lease or own and operate refineries and other downstream oil facilities, and market such crude oil and petroleum products either in a generic name or in its own trade name, or use the same for its own requirement, provided that, among others such person or entity complies with certain requirements such as giving of prior notice to the DOE for monitoring purposes. The same law declared as policy of the state the liberalization and deregulation of the downstream oil industry in order to ensure a truly competitive market under a regime of fair prices, adequate and continuous supply of environmentally clean and high-quality petroleum products.

To ensure the attainment of these objectives, the DOE, in consultation with relevant government agencies, promulgated the Implementing Rules and Regulations of the Oil Deregulation Act on March 11, 1998 through Department Circular No. 98-03-004. The rules require any person or entity engaged in any activity in the downstream oil industry to comply with the notice, reportorial, quality, health, safety and environmental requirements set forth therein.

The DOE is the leading Philippine government agency overseeing the oil sector. With the enactment of the Oil Deregulation Act, the regulatory functions of the DOE were significantly reduced. Deregulating the downstream oil industry effectively removed the rate-setting function of the then Energy Regulatory Board, leaving price- setting to market forces. The current function of the DOE is solely to monitor prices and violations under the law, which includes prohibited acts such as cartelization and predatory pricing.

Other functions of the DOE under the Oil Deregulation Act include the following:

- monitoring and publishing the daily international crude oil prices, following the movements of domestic oil prices, monitoring the quality of petroleum and stopping the operation of businesses involved in the sale of petroleum products which do not comply with national standards of quality;
- monitoring the refining and manufacturing processes of local petroleum products to ensure clean and safe technologies are applied;
- maintaining a periodic schedule of present and future total industry inventory of petroleum products to determine the level of supply;
- immediately acting upon any report from any person of an unreasonable rise in prices of petroleum products; and
- in times of national emergency, when the public interest so requires, during the emergency and under reasonable terms, temporarily taking over or directing the operations of any person or entity engaged in the industry.

Recent circulars that serve as additional and more updated guidelines in implementing the law include the following:

- Department Circular 2019-05-008. This DOE circular requires oil companies to submit a detailed computation, with corresponding explanation and supporting documents, of the cost components of liquid fuel and LPG on a per liter and per product basis. The circular has not been implemented following the temporary restraining orders and writs of preliminary injunction issued by the Regional Trial Courts of Taguig and Mandaluyong. Last September 10, 2024, the Supreme Court made public its decision dated July 31, 2024 affirming the validity of the circular in one of the cases filed against its implementation.
- Department Circular 2021-09-0029. The “Revised Guidelines on Notices and Reportorial Requirements Pursuant to the Oil Deregulation Law” was published on November 5, 2021 requires the submission of monthly and annual reports using revised templates for DOE to monitor importation and/or production of oil

companies (and for Petron as a refiner) and includes additional reportorial requirements for lubes and blending plants, with more stringent penalties for non-compliance.

The Energy Data Center of the Philippines ("**EDCP**") is the central repository of petroleum, coal and geothermal energy data in the Philippines. The DOE issued Department Circular No. DC2023-10-0028 which provides that declassified EDCP data may be requested by eligible persons or entities, subject to a fee. The declassification of petroleum data is a step taken by the DOE to attract more exploration and production companies to engaged in exploration activities which may provide new discoveries of oil and gas fields which may lead to their development and production. Under DC2023-10-0028, eligible persons or entities are (1) Government entities and instrumentalities; (2) Service Contractors; (3) Potential Investors; (3) Researchers and/or Students; (4) other persons or entities that may be allowed by the DOE upon written request.

Promotion of Retail Competition

In November 2017, the DOE promulgated Department Circular No. DC 2017-11-011, or the Revised Rules and Regulations Governing the Business of Retailing Liquid Petroleum Products, (the "**Revised Retail Rules**"). The Revised Retail Rules apply to all persons engaged or intending to engage in the business of retailing liquid fuels such as gasoline, diesel, and kerosene.

A person intending to engage in the business of retailing liquid petroleum products must notify the Oil Industry Management Bureau ("**OIMB**") of its intention to engage in such activity and, upon compliance with the requirements under the Revised Retail Rules, secure a certificate of compliance ("**Certificate of Compliance**") from the OIMB. The certificate shall be valid for a period of five years. The owner or operator of a retail outlet shall be deemed to be engaged in illegal trading of liquid petroleum products if such owner or operator operates a retail outlet without a Certificate of Compliance. Storage and dispensing of liquid fuels that are for own-use operation shall not be covered by the Revised Retail Rules only upon issuance of a Certificate of Non-Coverage by the DOE.

The Revised Retail Rules likewise imposes: (i) mandatory standards and requirements for new retail outlets and minimum facility requirements for existing retail outlets; (ii) rules and procedures relating to fuel storage, handling, transfer and/or dispensing of liquid fuels; (iii) requirements of other types of retail outlets; (iv) the conduct of inspection and monitoring by the OIMB; (v) rules and procedures relating to liquid fuels quantity and quality; and (vi) fines and/or sanctions against prohibited acts.

Liquid petroleum products dispensed at retail outlets must comply with the Philippine National Standards. Prohibited acts include illegal trading, adulteration, underdelivering, refusal/ obstruction of inspection and sampling, hoarding, and continuing to operate after an order or notice of cessation of operation has been issued by the DOE. The refusal of inspection shall constitute prima facie evidence of the commission of prohibited acts under the Revised Retail Rules.

LPG Laws and Regulations

LPG Industry Regulation Act

Republic Act No. 11592 or the LPG Industry Regulation Act ("**LPG Industry Regulation Act**"), was signed into law on October 14, 2021. The law lists down the responsibilities of LPG Industry Participants, including compliance with Philippine National Standards and LPG-related issuances and guidelines, observation of safety practices and entering into contracts only with authorized LPG Industry Participants. The law also provides additional responsibilities specific to each type of LPG Industry Participant, including bulk suppliers, bulk distributors, haulers, refillers, trademark owners, dealers and retail outlets. These players must be registered in a central database to be created by the DOE. The law further provides for the requirement of securing a License to Operate from the DOE to be an authorized LPG Industry Participant.

The LPG Industry Regulation Act introduced two (2) new programs: the LPG Cylinder Improvement Program and the LPG Exchange and Swapping Program. The LPG Cylinder Improvement Program is a system that aims to ensure the quality of all LPG cylinders in circulation with the goal of protecting the end-consumers. The LPG Exchange and Swapping Program is a system that allows end-consumers to exercise their freedom of choice in the purchase of LPG-filled cylinders through LPG cylinder exchange and LPG cylinder swapping.

The law likewise provides for prohibited acts, including engaging in LPG industry-related activities without the required licenses, certificates, and permits, manufacturing, selling, fabricating or refilling filled and unfilled LPG cylinders without the express approval of the trademark owner, and selling or distributing refilled LPG cartridges and cylinders without a seal or tampered seal.

The Implementing Rules and Regulations of the LPG Industry Regulation Act as provided by the DOE-DTI Joint Department Circular No. JDC2022-05-0001 establishes the regulatory framework for the safe operations of the LPG industry, delineating the powers and functions of various government agencies, defining, and penalizing certain prohibited acts.

As of date, various circulars are in their implementation stage, including the application guidelines for License to Operate (DOE DC 2022-11-037), establishment of LPG Cylinder Exchange and Swapping Program (DOE Department Circular 2022-11-0002), and Guidelines for the Recognition of LPG Training Institutions (DOE Department Circular 2023-08-0025).

Batas Pambansa Blg. 33

Batas Pambansa Blg. 33, as amended by Presidential Decree No. 1865, provides for certain prohibited acts inimical to public interest and national security involving petroleum and/or petroleum products. These prohibited acts include, among others, (i) illegal trading in petroleum and/or petroleum products, and (ii) underdelivery or underfilling beyond authorized limits in the sale of petroleum products or possession of underfilled LPG cylinder for the purpose of sale, distribution, transportation, exchange or barter. For this purpose, the existence of the facts hereunder gives rise to the following presumptions:

- a. That cylinders containing less than the required quantity of LPG which are not property identified, tagged and set apart and removed or taken out from the display area and made accessible to the public by marketers, dealers, sub-dealers or retail outlets are presumed to be for sale;
- b. In the case of a dispensing pump in a petroleum products retail outlet selling such products to the public, the absence of an out-of-order sign, or padlocks, attached or affixed to the pump to prevent delivery of petroleum products therefrom shall constitute a presumption of the actual use of the pump in the sale or delivery of such petroleum products; and
- c. When the seal, whether official or of the oil company, affixed to the dispensing pump, tank truck or LPG cylinder, is broken or is absent or removed, it shall give rise to the presumption that the dispensing pump is underdelivering, or that the LPG cylinder is underfilled, or that the tank truck contains adulterated finished petroleum products or is underfilled.

The use of such pumps, cylinders or containers referred to in sub-paragraph (a), (b), and (c) above, to deliver products

for sale or distribution shall constitute prima facie evidence of intent of the hauler, marketer, refiller, dealer or retailer outlet operator to defraud.

Under the said law, “illegal trading in petroleum and/or petroleum products” is understood to mean, among others, (1) the sale or distribution of petroleum products without license or authority from the OIMB, (2) non-issuance of receipts by licensed oil companies, marketers, distributors, dealers, subdealers and other retail outlets, to final consumers; provided: that such receipts, in the case of gas cylinders, shall indicate therein the brand name, tare weight, gross weight, and price thereof, (3) refilling of LPG cylinders without authority from the Oil Industry Management Bureau, or refilling of another cylinders of a company or firm without written authorization of such Company or Firm, and (4) marking or using in such cylinders a tare weight other than the actual or true tare weight thereof.

“Underfilling” or “underdelivery” refers to a sale, transfer, delivery or filling of petroleum products of a quantity that is actually beyond authorized limits than the quantity indicated or registered on the metering device of container. This refers, among others, to the quantity of petroleum retail outlets or to LPG in cylinder or to lube oils in packages.

Republic Act 9514 - IRR

The Implementing Rules and Regulations of Republic Act No. 9514 or the Fire Code of 2008 also outlines requirements for storage and handling of LPG by outside bulk LPG stores and filling stations and the transportation of LPG which require, among others, that during the unloading or transfer of LPG, the tank truck shall be located or parked clear of a public thoroughfare, unless the failure to transfer would create a hazard or it is impossible due to topography.

LPG Industry Rules

In January 2014, the DOE issued Department Circular 2014-01-0001, or the Rules and Regulations Governing the Liquefied Petroleum Gas Industry (the “**LPG Industry Rules**”). The LPG Industry Rules apply to all persons engaged or intending to engage in the business of importing, refining, refilling, marketing, distributing, handling, storing, retailing, selling and/or trading of LPG.

A Standards Compliance Certificate (“**SCC**”) from the OIMB is required before engaging in any LPG Industry Activity. The SCC is valid for a maximum of three (3) calendar years from date of issue and may be renewed. LPG Industry participants must also submit certain reports to the OIMB.

The LPG Industry Rules also imposes (i) minimum standards and requirements for refilling and transportation of LPG; (ii) qualifications and responsibilities for LPG Industry participants such as bulk suppliers, refillers, marketers, dealers, and retail outlets.

Brand owners whose permanent mark appears on the LPG cylinder are presumed under the rules as the owner thereof, irrespective of their custody, and shall ensure that its cylinders comply with all required quality and safety standards. The owner of the cylinders is also required to secure product liability insurance for any liability that may result from an unsafe condition of LPG cylinders.

In January 2022, the DOE issued Joint Department Circular No. JDC2022-05-0001, or the Rules and Regulations Implementing the LPG Industry Regulation Act (the “**LPG Industry Regulation Act IRR**”) to establish the regulatory framework for the safe operations of the LPG industry, delineating the powers and functions of various government agencies, defining, and penalizing certain prohibited acts. The LPG Industry Regulation IRR states that the LPG Regulation Act applies to (a) importation, refining, storing, exporting, refilling, transportation, distribution, and marketing of LPG; (b) importation, manufacture, requalification, repair, exchange, swapping improvement, and scrapping of LPG pressure vessels, whichever is applicable; and (c) safe operations of the entire LPG industry including all LPG facilities and the residential, commercial, industrial, and automotive use of LPG.

Rules Pertinent to Auto-LPG Motor Vehicles

On February 13, 2007, the DOE issued DOE Circular No. DC 2007-02-0002 entitled “Providing for the Rules and Regulations Governing the Business of Supplying, Hauling, Storage, Handling, Marketing and Distribution of Liquefied Petroleum Gas for Automotive Use” (the “**Auto-LPG Rules**”). The Auto-LPG Rules govern the business of supplying, hauling, storage, handling, marketing and distribution of LPG for automotive use.

Under the rules, an Auto-LPG Industry Participant is required to secure from the DOE through the OIMB, an SCC before it

can operate. The Auto-LPG also mandates all participants to observe a code of practice consisting of operational guidelines and procedures to ensure the safe operation in the auto LPG business. Illegal trading, adulteration and hoarding are likewise prohibited. Under the Auto-LPG Rules, the following shall constitute prima facie evidence of hoarding: (i) the refusal of Auto-LPG Dispensing Stations to sell LPG products for automotive use shortly before a price increase or in times of tight supply, and in both instances if the buyer or consumer has the ability to pay in cash for the product; (ii) the undue accumulation of Auto-LPG Dispensing Stations of LPG products for automotive use in times of tight supply or shortly before a price increase. For purposes of this Auto LPG Rules, “undue accumulation” shall mean the keeping or stocking of quantities of LPG products for automotive use beyond the inventory levels as required to be maintained by the Auto-LPG Dispensing Stations, for a period of thirty (30) days immediately preceding the period of tight supply or price increase.

The Land Transportation Office (“**LTO**”) also issued Memorandum Circular No. RIB-2007-891 or the “Implementing Rules and Regulations in the Inspection and Registration of Auto-LPG Motor Vehicles”. The Circular requires the device for the use of LPG as fuel by any motor vehicle to be installed only by the conversion/installing shop duly certified by the Bureau of Product and Standards (“**BPS**”) of the DTI under its Philippine Standards Certification Mark (“**PS Mark**”) scheme. The converted vehicle shall be subjected to an annual maintenance and inspection by the BPS certified conversion/installing shop. The BPS certified conversion/installing shop shall issue a corresponding Certificate of Inspection and Maintenance Compliance (“**CIMC**”).

Rules Relating to Retailing of Liquid Petroleum Products

In November 2017, the DOE promulgated Department Circular No. 2017-11-0011 or the Revised Rules and Regulations Governing the Business of Retailing Liquid Fuels (the “**Revised Retail Rules**”). The Revised Retail Rules apply to all persons engaged or intending to engage in the business of Retailing Liquid Fuels. Liquid Fuels refer to gasoline, diesel, and kerosene.

A person intending to engage in the business of retailing liquid petroleum products must notify the Oil Industry Management Bureau (“**OIMB**”) of its intention to engage in such activity and, upon compliance with the requirements under the Revised Retail Rules, secure a certificate of compliance (“**Certificate of Compliance**”) from the OIMB. The certificate shall be valid for a period of five (5) years. The owner or operator of a retail outlet shall be deemed to be engaged in illegal trading of liquid petroleum products if such owner or operator operates a retail outlet without a Certificate of Compliance. Storage and dispensing of liquid fuels that are for own-use operation shall not be covered by the Revised Retail Rules only upon issuance of a Certificate of Non-Coverage (“**CNC**”) by the DOE.

The Revised Retail Rules likewise imposes: (i) mandatory standards and requirements for new retail outlets and minimum facility requirements for existing retail outlets; (ii) rules and procedures relating to fuel storage, handling, transfer and/or dispensing of liquid fuels; (iii) requirements of other types of retail outlets; (iv) the conduct of inspection and monitoring by the OIMB; (v) rules and procedures relating to liquid fuels quantity and quality; and (vi) fines and/or sanctions against prohibited acts.

The prohibited acts under the Revised Retail Rules include illegal trading, adulteration, underdelivering, refusal/obstruction of inspection and sampling, hoarding, and continuing to operate after an order or notice of cessation of operation has been issued by the DOE. The refusal of inspection shall constitute prima facie evidence of the commission of Prohibited Acts under the Revised Retail Rules.

Liquid petroleum products dispensed at retail outlets must comply with the Philippine National Standards. On June 6, 2019, the DOE issued Department Circular No. DC2019-06-0009, otherwise known as Implementing the Modified Philippine National Standard Specifications for Liquefied Petroleum Gases. This issuance mandates compliance to PNS/DOE Quality Standards (“**QS**”) 005:2016 and PNS DOE QS 012:2016, the latest standard specifications for LPG for non-motor fuel and motor fuel, respectively. Meanwhile, on December 9, 2020, the DOE issued Department Circular No. DC2020-12-0025, also known as Implementing the Philippine National Standard Specification for Kerosene. This, on the other hand, mandates compliance of all kerosene sold in the Philippines with PNS/DOE QS 009:2019 – Kerosene – Specifications. Under the issuance, petroleum fuel product adulteration, or the failure to meet the required product specifications at the bulk plants/depots as prescribed by the applicable products standards, and adulteration, or the possession and sale of liquid fuels that do not conform with quality standards, are considered prohibited acts.

The recently enacted LPG Industry Regulation Act IRR also regulates liquid petroleum products.

Oil Pollution Compensation Act of 2007

Republic Act No. 9483, otherwise known as the Oil Pollution Compensation Act of 2007, imposes strict liability on the owner of the ship for any pollution damage caused within the Philippine territory. Pollution damage is the damage caused outside the ship by contamination due to the discharge of oil from the ship, as well as, the cost of preventive measures to protect it from further damage.

The law also provides that any person who has received more than 150,000 tons of “contributing oil” (as explained below) in a calendar year in all ports or terminal installations in the Philippines through carriage by sea shall pay contributions to the International Oil Pollution Compensation Fund in accordance with the provisions of the 1992 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage. For this purpose, “oil” includes any persistent hydrocarbon mineral oil such as crude oil, fuel oil, heavy diesel oil and lubricating oil, whether carried on board a ship as cargo or in bunkers of such a ship.

A person shall be deemed to have received “contributing oil,” for purposes of determining required contributions, if he received such oil from another country or from another port or terminal installation within the Philippines, notwithstanding that this oil had already been previously received by him. Where the quantity of contributing oil received by any person in the Philippines in a calendar year, when aggregated with the quantity of contributing oil received in the Philippines in that year by such person’s subsidiaries or affiliates, exceeds 150,000 tons, such person, including its subsidiaries and affiliates, shall pay contributions in respect of the actual quantity received by each, notwithstanding that the actual quantity received by each did not exceed 150,000 tons. Persons who received contributing oil are required to report the quantity of such oil received to the DOE. Contributing oil means crude oil and fuel oil as defined under Republic Act No. 9483.

Republic Act No. 9483 provides for the establishment of a fund to be constituted from, among others, an impost amounting to ten centavos per liter levied on owners and operators and tankers and barges hauling oil and/or petroleum products in Philippine waterways and coast wise shipping routes. This new fund, named the Oil Pollution Management Fund, will be in addition to the requirement under the 1992 Civil Liability Convention and 1992 Fund Convention and will be administered by the MARINA.

In April 2016, the Department of Transportation and Communications (now the DOTr) promulgated the implementing rules and regulations of Republic Act No. 9483. Under the rules, oil companies are required to submit (a) reports on the amount of contributing oil received and (b) sales and delivery reports of persistent oil.

Other Regulatory Requirements

Petroleum products are subject to Philippine National Standards specifications. The DTI, through the Bureau of Products Standards, ensures that all products comply with the specifications of the Philippine National Standards.

Philippine government regulations also require the following: fire safety inspection certificates; certificates of conformance of facilities to national or accepted international standards on health, safety and environment; product liability insurance certificates or product certificate of quality; and the ECC issued by the DENR for service stations and for environmentally-critical projects. Reports to the DOE are required for the following activities/projects relating to petroleum products: (a) refining, processing, including recycling and blending; (b) storing/transshipment; (c) distribution/ operation of petroleum carriers; (d) gasoline stations; (e) LPG refilling plant; (f) bunkering from freeports and special economic zones; and (g) importations of petroleum products and additives. In addition, importations of restricted goods require clearances from the proper Philippine government authorities.

Other Relevant Tax-related Regulations

Taxes and duties applicable to the oil industry have had periodic and unpredictable changes over the last several years. The import duty on crude oil was increased on January 1, 2005 from 3.0% to 5.0% but was later reduced to 3.0% effective as of November 1, 2005.

Under Executive Order No. 527 dated May 12, 2006, upon certification by the DOE that the trigger price levels provided therein have been reached, the 3.0% import duty on crude oil shall be adjusted to 2.0%, 1.0% or 0%. Subsequently, Executive Order No. 850, which took effect on January 1, 2010, modified the rates of duty on certain imported articles in order to implement the Philippines’ commitment to eliminate tariffs on certain products under the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area. Under the ASEAN Trade in Goods Agreement, crude oil and refined petroleum products imported from ASEAN Member States are levied zero rates. To address the tariff distortion

between ASEAN and non-ASEAN Member States brought about by the implementation of the zero duty under Executive Order No. 850 and to provide a level playing field for local refiners to compete with importers, the President of the Philippines issued Executive Order No. 890, which also imposed zero duty effective as of July 4, 2010 for imported crude oil and refined petroleum products, except certain types of aviation gas, from Non-ASEAN Member States.

Republic Act No. 9337, also known as the “**Expanded VAT Law**”, imposed a VAT of 10.0% on certain goods and services, including petroleum products and its raw materials, particularly the sale and importation thereof. The rate was increased to 12.0% effective February 1, 2006. The Expanded VAT Law also limited the input VAT tax credit to only 70.0% of the output VAT. Subsequently, however, Republic Act No. 9361, which was approved on November 21, 2006, removed the 70.0% ceiling on the credit of input VAT to output VAT. As of November 1, 2005, the implementation date of the Expanded VAT Law, excise taxes on diesel, bunker fuel and kerosene were lifted and excise taxes for regular gasoline were lowered to ₱4.35 per liter of volume capacity. In February 2012, the BIR issued Revenue Regulation No. 2-2012 stating that VAT and excise taxes due on all petroleum and petroleum products that are imported and/or brought from abroad to the Philippines, including from the freeport and economic zones shall be paid by the importer to the Bureau of Customs.

On January 1, 2018, Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (“**TRAIN**”) took into effect. The TRAIN amended provisions of the Philippine Tax Code, among others, increasing excise tax rates of petroleum products. Excise tax rates on gasoline products were increased from ₱4.35 per liter to ₱7.00 per liter effective January 1, 2018, ₱9.00 per liter on January 1, 2019 and ₱10.00 per liter in January 1, 2020. Diesel and bunker fuel products which were previously not subject to excise taxes were imposed excise taxes at ₱2.50 per liter effective January 1, 2018 and increased further to ₱4.50 per liter on January 1, 2019 and ₱6.00 per liter on January 1, 2020.

Also, in compliance with the TRAIN, the Philippine government intends to implement a Philippine Fuel Marking Program in 2019 to mark imported and refined petroleum products such as gasoline, diesel and kerosene to ensure that all downstream fuels are tax and duty paid. Under the latest advisory of the Department of Finance, the Fuel Marking fee will be paid by the government to the Fuel Marking Service Provider for the first year of implementation. For the second to fifth year of implementation, said fee shall be borne by petroleum companies on top of duties and taxes to be collected by the Bureau of Customs or the BIR.

Republic Act No. 11534 or the CREATE Act took effect on April 11, 2021. The CREATE Act lowers corporate income taxes and rationalizes fiscal incentives. The corporate income tax rate for domestic corporations and resident foreign corporations has been reduced to 25% effective July 1, 2021 and on January 1, 2021 for non-resident foreign corporations. Domestic corporations and resident foreign corporations no longer have an option to be taxed at 15% on gross income and the rate of the minimum corporate income tax shall be lowered to 1%.

Under the CREATE Act, persons that directly import petroleum products for resale in the Philippine customs territory and/or in free zones will be subject to applicable duties and taxes. However, importers can file for the refund of duties and taxes for direct or indirect export of petroleum products, including the subsequent export of fuel, subject to the appropriate rules of the fuel marking program and/or other tax-exempt sales by the importer.

The CREATE Act also provides for the rationalization of tax incentives that may be granted by investment promotion agencies (such as the AFAB) to qualified registered business enterprises. As part of the rationalization of tax incentives, the CREATE Act provides that (i) any law to the contrary notwithstanding, the importation of petroleum products by any person will be subject to the payment of applicable duties and taxes under the Customs Modernization and Tariff Act and the National Internal Revenue Code, respectively, upon importation into the Philippine customs territory and/or into free zones (as defined in the Customs Modernization and Tariff Act), subject to the right of the importer to file claims for refund of duties and taxes under applicable law; and (ii) the importation of crude oil that is intended to be refined at a local refinery, including the volumes that are lost and not converted to petroleum products when the crude oil actually undergoes the refining process, will be exempt from payment of applicable duties and taxes, provided the applicable duties and taxes on the refined petroleum products shall be paid upon the lifting of the petroleum products produced from the imported crude oil in accordance with the rules and regulations that may be prescribed by the Bureau of Customs and the Bureau of Internal Revenue

On 28 November 2024, Republic Act 12066 or CREATE MORE Act (“**CREATE MORE**”) took effect. Under CREATE MORE,

petroleum products sold to international carriers of Philippine or foreign registry directly importing petroleum products, on their use or consumption outside the Philippines are exempt from excise tax. On the other hand, importation of fuel, goods, and supplies used for international shipping or air transport operations are VAT-exempt. Under the new law, those engaged in the (1) export of goods and services; (2) engaged in e-commerce; and (3) those under the jurisdiction of the Large Taxpayer Services shall be required to issue electronic invoices. This is, however, dependent to the BIR's establishment of a system which is capable of storing and processing the required data.

The CMEPA became effective on July 1, 2025. The Act aligns with the State's recognition of the necessity for a simpler, fairer, more efficient, and more competitive passive income tax system to encourage savings and to develop and deepen capital markets. Further, the Act was aimed at easing tax compliance and making it more equitable and progressive.

Under the CMEPA, rates of tax on certain passive income provided for under Sec. 24 of the Tax Code have been amended. Among others, a final rate of 10% has been imposed on cash and/or property dividends actually or constructively received by an individual from a domestic corporation or from a joint stock company, insurance, or mutual fund company, or on the share of an individual in the distributable net income after tax of a partnership of which an individual is a partner, or on the share of an individual in the net income after tax of an association, a joint account, or a joint venture or consortium taxable as a corporation. A final tax rate of 15% has also been imposed on net capital gains from the sale, exchange, or other disposition of shares of stock in a domestic or foreign corporation.

For Domestic Corporations, a final tax of 20% has been imposed by the CMEPA on the amount of interest, yield, or other monetary benefit earned or received from any currency bank deposit, deposit substitute, trust fund, or other similar arrangements. Similarly, a final tax of 15% is also imposed on net capital gains realized on each taxable year from the sale, exchange, or other modes of disposition of shares of stock of a domestic or foreign corporation.

The CMEPA also introduced amendments to the tax on sale or exchange of shares of stock listed and traded which shall now be 1/10 of 1% of the gross selling price or gross value in money of the shares of stock sold, exchanged, or otherwise disposed which shall be paid by the seller or transferor. The stamp tax on original issuances of shares of stock has also been amended to be 75% of 1% of the par value of such shares of stock.

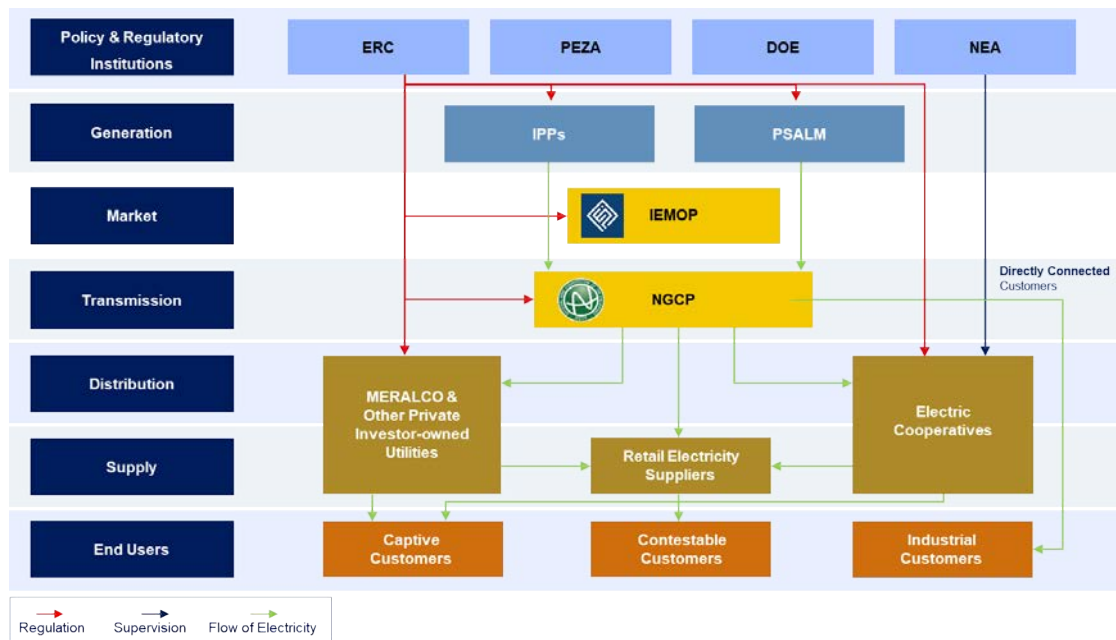
Republic Act No. 9136 or the EPIRA, provides for parity tax treatment among imported oil and indigenous fuels. Prior to the enactment of this law, indigenous fuels were imposed with higher taxes due to royalties to the Philippine government.

REGULATION RELATING TO THE ENERGY BUSINESS

Organization and Operation of the Power Industry

Republic Act No. 9136 or the EPIRA established a framework for the organization, operation and restructuring of the electric power industry, with the industry divided into four sectors: generation, transmission, distribution and supply. The following diagram shows the current structure of the electric power industry under the EPIRA.

Industry structure under the EPIRA:



Through the EPIRA, the Government instituted major reforms with the goal of fully privatizing all aspects of the power industry. The principal objectives of the EPIRA are:

- to ensure and accelerate the total electrification of the country;
- to ensure the quality, reliability, security and affordability of the supply of electric power;
- to ensure transparent and reasonable prices of electricity in a regime of free and fair competition and full public accountability to achieve greater operational and economic efficiency and enhance the competitiveness of Philippine products in the global market;
- to enhance the inflow of private capital and broaden the ownership base of the power generation, transmission and distribution sectors;
- to ensure fair and non-discriminatory treatment of public and private sector entities in the process of restructuring the electric power industry;
- to protect the public interest as it is affected by the rates and services of electric utilities and other providers of electric power;
- to assure socially and environmentally compatible energy sources and infrastructure;
- to promote the utilization of indigenous and new and renewable energy resources in power generation in order to reduce dependence on imported energy;
- to provide for an orderly and transparent privatization of the assets and liabilities of NPC;
- to establish a strong and purely independent regulatory body and system to ensure consumer protection and enhance the competitive operation of the electricity market; and
- to encourage the efficient use of energy and other modalities of demand side management.

With a view to implementing these objectives, the DOE, in consultation with the relevant Government agencies, electric power industry participants, non-Government organizations and electricity consumers, promulgated the IRR of the EPIRA on February 27, 2002 (subsequently amended in 2007).

The IRR governs the relations between, and respective responsibilities of, the different electric power industry participants as well as the particular Governmental authorities involved in implementing the structural reforms in the industry, including, but not limited to, the DOE, NPC, NEA, ERC and PSALM.

Reorganization of the Electric Power Industry

Of the many changes initiated by the EPIRA, of primary importance is the reorganization of the electric power industry by segregating the industry into four sectors: (i) the generation sector; (ii) the transmission sector; (iii) the distribution sector; and (iv) the supply sector. The goal is for the generation and supply sectors to be fully competitive and open, while the transmission sector will be a regulated common electricity carrier business and the distribution sector will be a regulated common carrier business requiring a national franchise, thus both the transmission and distribution sectors will be regulated as public utilities. Prior to the EPIRA, the industry was regulated as a whole, with no clear distinctions between and among the various sectors and/or services.

The Generation Sector

Under the EPIRA, power generation *per se* is not a public utility operation. Thus, generation companies are not required to secure congressional franchises, and there are no restrictions on the ability of non-Filipinos to own and operate generation facilities. However, generation companies must obtain a certificate of compliance from the ERC, as well as health, safety and environmental clearances from appropriate Government agencies under existing laws. Furthermore, PPAs and PSAs between generation companies and distribution utilities are subject to the review and approval of the ERC. Generation companies are also subject to the rules and regulations of the ERC on abuse of market power and anticompetitive behavior. In particular, the ERC has the authority to impose price controls, issue injunctions, require divestment of excess profits and impose fines and penalties for violation of the EPIRA and the IRR

policy on market power abuse, cross-ownership and anti-competitive behavior.

The goal of the EPIRA is for the generation sector to be open and competitive, while the private sector is expected to take the lead in introducing additional generation capacity. Generation companies will compete either for bilateral contracts with various RESs, electric cooperatives and private distribution utilities, or through spot sale transactions in the WESM. With the implementation of RCOA in Luzon and Visayas, generation companies are already able to sell electricity to eligible end-users. "Open Access" is defined under the IRR as the system of allowing any qualified person the use of electric power transmission and distribution systems; while "Retail Competition" is defined as the provision of electricity to a contestable market (which, under prevailing regulations, refer to electricity end-users with monthly average peak demand of at least 500 KW) by persons licensed by the ERC to engage in the business of supplying electricity end-users through Open Access.

Recovery by distribution utilities of their purchased power cost is subject to review by the ERC to determine reasonableness of the cost and to ensure that the distribution utilities do not earn any revenue therefrom. With the commencement of the RCOA, generation rates, except those intended for such end-users who may not choose their supplier of electricity (the "**Captive Market**"), ceased to be regulated.

The generation sector converts fuel and other forms of energy into electricity. It consists of the following: (i) NPC-owned-and-operated generation facilities; (ii) NPC-owned plants, which consist of plants operated by IPPs, as well as IPP-owned-and-operated plants, all of which supply electricity to NPC; and (iii) IPP-owned-and-operated plants that supply electricity to customers other than NPC.

Under the EPIRA, generation companies are allowed to sell electricity to distribution utilities or to RESs through either bilateral contracts or the WESM as described below. With the implementation of RCOA on December 26, 2013, as supplemented by DOE Department Circular No. DC2015-06-0010, generation companies may likewise sell electricity to eligible end-users with an average monthly peak demand of 750 KW and certified by the ERC to be contestable customers. In 2016, the ERC issued the implementing rules governing the issuance and renewal of licenses to RESs and the rules governing contestability of qualified end-users (collectively, the "**ERC RES Rules**"). However, in February 2017, the Philippine Supreme Court, acting on the petition filed by certain entities, issued a temporary restraining order enjoining the DOE and the ERC from implementing the rules and regulations implementing the RCOA, including the ERC RES Rules.

In response to the temporary restraining order, and to provide guidance to relevant power industry players, the DOE issued DC2017-12-0013 and DC2017-12-0014 encouraging eligible contestable customers to voluntarily participate in RCOA.

Subsequently, the DOE issued DC 2019-07-11 (Amending Various Issuances on the Implementation of the RCOA), which provides that contestable customers may voluntarily register as a trading participant in the WESM and that it shall source its electricity supply requirements from ERC-licensed/authorized suppliers.

On March 2, 2021, the Philippine Supreme Court promulgated its decision, a copy of which was made publicly available on September 24, 2021, finally declaring DC 2015-06-0010 and the 2016 ERC RES Issuances, void for being bereft of legal basis. As a result, the temporary restraining order issued by the Philippine Supreme Court in February 2017, which enjoined the DOE and ERC from implementing DC 2015-06-0010 and the 2016 ERC RES Issuances, has been made final. In the same decision, the Philippine Supreme Court also directed the ERC to promulgate the supporting guidelines to DC 2017-12-0013 and DC 2017-12-0014.

The generation sector must observe the Market Share Limitations set in the EPIRA which states that no generation company or related group is allowed to own more than 30.0% of the installed generating capacity of the Luzon, Visayas or Mindanao Grids and/or 25.0% of the national installed generating capacity. Also, no generation company associated with a distribution utility may supply more than 50.0% of the distribution utility's total demand under bilateral contracts, without prejudice to the bilateral contracts entered into prior to the effectivity of the said Act.

Historically, the generation sector has been dominated by NPC. To introduce and foster competition in the sector, and, more importantly, to lessen the debt of NPC, the EPIRA mandates the total privatization of the generation assets and IPP contracts of NPC, which exclude the assets devoted to missionary electrification through the small power utilities group of NPC. NPC is directed to transfer ownership of all the assets for privatization to a separate entity, PSALM, which is specially tasked to manage the privatization. Beginning early 2004, PSALM has been conducting public bidding for the generation facilities owned by NPC.

Based on latest available data from PSALM as of February 25, 2024, PSALM has privatized 33 operating/generating power facilities (as of June 2023), with a total gross capacity of 5,416.43 MW. Moreover, additional seven (7) power plants with total gross capacity of over 3,610.25 MW were privatized through IPPA contracts, and five (5) decommissioned power facilities. Major generation assets sold include the 747.53 MW Tiwi-Makban geothermal power plant, the 600 MW Batangas (Calaca) coal-fired thermal power plant, the 600 MW Masinloc coal fired power plant, the 620 MW Limay combined cycle power plant, 360 MW Magat hydroelectric power plant, and the 305 MW Palinpinon-Tongonan geothermal power plant. Among the capacities privatized through IPPA Agreements include the 95.22 MW Mindanao I and II (Mt. Apo 1 and 2) geothermal power plants, 1,000 MW Sual coal-fired power plant, the 700 MW Pagbilao coal-fired power plant, the 345 MW of the San Roque Power Plant, the 70 MW Bakun hydroelectric power plant, the 40 MW Unified Leyte Geothermal Power Plant, and the 1,200 MW Ilijan combined-cycle gas-fired power plant. In 2018, PSALM also commenced the privatization of the 650 MW Malaya thermal power plant in Rizal and the 210 MW Mindanao coal-fired plant in Misamis Oriental.

Section 47(j) of the EPIRA prohibits NPC from incurring any new obligations to purchase power through bilateral contracts with generation companies or other suppliers. Also, NPC is only allowed to generate and sell electricity from generating assets and IPP contracts that have not been disposed of by PSALM.

Generation companies which are not publicly listed are required to offer and sell to the public a portion of not less than 15.0% of their common shares of stock. Under prevailing regulations, any offer of common shares of stock for sale to the public through any of the following modes shall be deemed as public offering:

- listing in the PSE;
- a public offering undertaken in accordance with the Securities Regulation Code and its implementing rules and regulations; and
- listing in any accredited stock exchange or direct offer of a portion of registered enterprises' capital stock to the public and/or their employees, when deemed feasible and desirable by the BOI.

On February 16, 2021, the ERC issued Resolution No. 03, series of 2021, dated November 11, 2020 entitled "A Resolution Adopting the Revised Guidelines for the Financial Capability Standards of Generation Companies" (the "**Revised Financial Guidelines**"). The Revised Financial Guidelines apply to all generation companies including IPPAs, except those which own only generation facilities exclusively for its own consumption or unless otherwise exempted by any law or statute. Under the Revised Financial Guidelines, a generation company is required, among others, to meet a minimum annual debt service capability ratio of 1.25x throughout the period covered by its ERC certificate of compliance, provided that if its financial or loan agreements require a higher debt service capability ratio, then such higher ratio shall serve as its minimum requirement. A generation company performing below the benchmark is required to submit its program to comply, setting forth the specific activities to be undertaken in order to meet the financial capability benchmark, within 60 days from receipt of an ERC directive. A generation company that fails to comply with the requirements set forth under the Revised Financial Guidelines shall be subject to imposition of fines and penalties. In addition, non-compliance with financial capability standards may result in the disclosure by the ERC of such fact, together with any mitigating or aggravating circumstances related thereto, via periodic bulletins.

On September 13, 2023, the ERC issued the revised rules for the issuance of certificates of compliance for generation facilities. The revised rules now stipulate that certificates of compliance are required only for the operation of new generation facilities. Renewal for existing COCs is not necessary, but the obligation to maintain valid and subsisting underlying permits remains. The revised rules also provide detailed lists of requirements for COC applications covering generation facilities, entities with self-generation facilities, distribution utilities on behalf of qualified end-users, facilities classified by the DOE as an energy project of national significance, and entities with distributed energy resources.

The Transmission Sector

Pursuant to the EPIRA, NPC has transferred its transmission and sub-transmission assets to TransCo, which was created pursuant to the EPIRA to assume, among other functions, the electrical transmission function of the NPC. The principal function of TransCo is to ensure and maintain the reliability, adequacy, security, stability and integrity of the nationwide electrical grid in accordance with the Philippine Grid Code ("**Grid Code**"). TransCo is also mandated to provide open and non-discriminatory access to its transmission system to all electricity users.

The transmission of electricity through the transmission grid is subject to transmission wheeling charges. As the transmission of electric power is a regulated common carrier business, TransCo's transmission wheeling charges are

subject to regulation and approval by the ERC.

The EPIRA also requires the privatization of TransCo through an outright sale of, or the grant of, a concession over the transmission assets while the sub-transmission assets of TransCo are to be offered for sale to qualified distribution utilities. In December 2007, NGCP, comprising a consortium of Monte Oro Grid Resources, Calaca High Power Corporation and State Grid Corporation of China, won the concession contract to operate, maintain and expand the TransCo assets with a bid of U.S.\$3.95 billion. On January 15, 2009, NGCP was officially granted the authority to operate the sole transmission system of the country pursuant to a legislative franchise granted by the Philippine Congress under Republic Act No. 9511.

The Grid Code establishes the basic rules, requirements, procedures and standards that govern the operation, maintenance and development of the Philippine Grid, or the high-voltage backbone transmission system and its related facilities. The Grid Code identifies and provides for the responsibilities and obligations of three key independent functional groups, namely: (a) the grid owner, or TransCo; (b) the system operator, or NGCP as the current concessionaire of TransCo; and (c) the market operator, or the PEMC. These functional groups, as well as all users of the grid, including generation companies and distribution utilities, must comply with the provisions of the Grid Code as promulgated and enforced by the ERC.

In order to ensure the safe, reliable and efficient operation of the Philippine Grid, the Grid Code provides for, among others, the following regulations:

- the establishment of a grid management committee, which is tasked with the monitoring of the day-to-day operations of the grid;
- performance standards for the transmission of electricity through the grid, as well as the operation and maintenance thereof, which standards shall apply to TransCo, NGCP, distribution utilities and suppliers of electricity; and
- technical and financial standards and criteria applicable to users of the grid, including generation companies and distribution utilities connected or seeking to connect thereto; and other matters relating to the planning, management, operation and maintenance of the grid.

The Distribution Sector

The distribution of electric power to end-users may be undertaken by private distribution utilities, cooperatives, local Government units presently undertaking this function, and other duly authorized entities, subject to regulation by the ERC. The distribution business is a regulated public utility business requiring a franchise from the Philippine Congress, although franchises relating to electric cooperatives remained under the jurisdiction of the NEA until the end of 2006. All distribution utilities are also required to obtain a certificate of public convenience and necessity from the ERC to operate as public utilities. Based on the latest available data from the DOE, there are 28 private distribution utilities and 124 electric cooperatives in the Philippines.

They are also required to submit to the ERC a statement of their compliance with the technical specifications prescribed in the Philippine Distribution Code ("**Distribution Code**") (which provides the rules and regulations for the operation and maintenance of distribution systems), the Distribution Services and Open Access Rules and the performance standards set out in the IRR of the EPIRA.

The distribution sector is regulated by the ERC, with distribution wheeling charges, as well as connection fees from its consumers, subject to ERC approval. The retail rate imposed by distribution utilities for the supply of electricity to its captive consumers is also subject to ERC approval. In addition, as a result of the policy of the Government in promoting free competition and Open Access, distribution utilities are now required to provide universal and non-discriminatory access to their systems within their respective franchise areas following commencement of the RCOA.

The Distribution Code establishes the basic rules and procedures that govern the operation, maintenance, development, connection and use of the electric distribution systems in the Philippines. The Distribution Code defines the technical aspects of the working relationship between the distributors and all the users of the distribution system, including distribution utilities, embedded generators and large customers. All such electric power industry participants in distribution system operations are required to comply with the provisions of the Distribution Code as promulgated and enforced by the ERC.

To ensure the safe, reliable and efficient operation of distribution systems in the Philippines, the Distribution Code provides for, among others, the following regulations:

- technical, design and operational criteria and procedures to be complied with by any user who is connected or seeking connection to a distribution system;
- performance and safety standards for the operation of distribution systems applicable to distributors and suppliers; and
- other matters relating to the planning, development, management, operation and maintenance of distribution systems.

The Supply Sector

The supply of electricity refers to the sale of electricity directly to end-users. The supply function used to be undertaken largely by franchised distribution utilities. However, with the commencement of the RCOA, the supply function has become competitive. The retail supply business is not considered a public utility operation and suppliers are not required to obtain franchises. However, the supply of electricity to a market of end-users who have a choice on their supplier of electricity is considered a business affected with public interest. As such, the EPIRA requires all RESs to obtain a license from the ERC and they are subject to the rules and regulations of the ERC on the abuse of market power and other anti-competitive or discriminatory behavior.

A RES may only sell up to 50.0% of its total capacity to all of its end-user affiliates.

With the RCOA already implemented, a RES license will allow a generation company to enter into retail electricity supply agreements with contestable customers. This encourages competition at the retail level and it is planned that retail competition will gradually increase over time, provided that supply companies are sufficiently creditworthy to be suitable offtakers for generation companies.

The following table summarizes the power supply and demand highlights in the Philippines for 2024 based on data from the DOE:

Grid	Installed capacity (MW)	Dependable capacity (MW)	Available capacity¹⁴ (MW)	Peak demand (MW)
Luzon.....	21,232	18,770	16,243	14,016
Visayas	3,860	3,296	2,823	2,681
Mindanao	4,615	4,020	3,253	2,577
Philippines	29,706	26,087	22,319	19,274

In August 2024, the ERC also issued under ERC Resolution No. 13, series of 2024, the Omnibus Rules for Customer Choice Programs in the Retail Market which covers, among others, the legal, technical and managerial capability, and financial capability requirements for new RES License Applications and renewals.

Role of the ERC

The ERC is the independent, quasi-judicial regulatory body created under the EPIRA that replaced the Energy Regulatory Board. The ERC plays a significant role in the restructured industry environment, consisting of, among others, promoting competition, encouraging market development, ensuring consumer choice and penalizing abuse of market power by industry participants.

Among the primary powers and functions of the ERC are:

- to determine, fix and approve, after conducting public hearings, transmission and distribution wheeling charges and retail rates and to fix and regulate the rates and charges to be imposed by distribution utilities on their captive end-users, as well as the universal charge to be imposed on all electricity end- users, including self-generating entities;
- to grant, revoke, review or modify the certificates of compliance required of generation companies and the

¹⁴ As of August 8, 2025

licenses required of suppliers of electricity in the contestable market;

- to enforce the Grid Code and Distribution Code, which shall include performance standards, the minimum financial capability standards, and other terms and conditions for access to and use of transmission and distribution facilities;
- to enforce the rules and regulations governing the operations of the WESM and the activities of the WESM operator and other WESM participants to ensure a greater supply and rational pricing of electricity;
- to ensure that the electric power industry participants and NPC functionally and structurally unbundled their respective business activities and rates and to determine the levels of cross-subsidies in the existing and retail rates until the same is removed in accordance with the different sectors;
- to set a lifeline rate for marginalized end-users;
- to promulgate rules and regulations prescribing the qualifications of suppliers which shall include, among others, their technical and financial capability and creditworthiness;
- to determine the electricity end-users comprising the contestable and Captive Markets;
- to fix user fees to be charged by TransCo/NGCP for ancillary services to all electric power industry participants or self-generating entities connected to the grid;
- to monitor and adopt measures to discourage or penalize abuse of market power, cartelization and any anticompetitive or discriminatory behavior by any electric power industry participant;
- to review and approve the terms and conditions of service of TransCo/NGCP and any distribution utility or any changes therein;
- to perform such other regulatory functions as are appropriate and necessary in order to ensure the successful restructuring and modernization of the electric power industry; and
- to have original and exclusive jurisdiction over all cases that involve the contesting of rates, fees, fines and penalties imposed in the exercise of its powers, functions and responsibilities and over all cases involving disputes between and among participants or players in the energy industry relating to the foregoing powers, functions and responsibilities except cases which involve abuse of market power, cartelization and any anticompetitive or discriminatory behavior by any electric power industry participant.

Role of the DOE

In accordance with its mandate to supervise the restructuring of the electric power industry, the DOE exercises, among others, the following functions:

- preparation and annual updating of the Philippine Energy Plan and the Philippine Power Development Program, and thereafter integrate the latter into the former;
- ensuring the reliability, quality and security of the supply of electric power;
- exercise of supervision and control over all Government activities pertaining to energy projects;
- encouragement of private investment in the power industry and promotion of the development of indigenous and renewable energy sources for power generation;
- facilitation of reforms in the structure and operation of distribution utilities for greater efficiency and lower costs;
- promotion of a system of incentives to encourage industry participants, including new generating companies and end-users, to provide adequate and reliable electric supply;

- education of the public (in coordination with NPC, ERC, NEA and the Philippine Information Agency) on the restructuring of the industry and the privatization of NPC assets; and
- establishment of the WESM in cooperation with electric power industry participants, and formulating rules governing its operations.

Role of the Joint Congressional Power Commission

The Joint Congressional Power Commission created pursuant to the EPIRA consists of 14 members selected from the members of the Philippine senate and house of representatives. Its responsibilities and functions include, among others, the following:

- monitoring and ensuring the proper implementation of the EPIRA;
- endorsement of the initial privatization plan of PSALM for approval by the President of the Philippines;
- ensuring transparency in the public bidding procedures adopted for the privatization of the generation and transmission assets of NPC;
- evaluation of the adherence of industry participants to the objectives and timelines under the EPIRA; and
- determination of inherent weaknesses in the EPIRA and recommend necessary remedial legislation or executive measures.

Competitive Market Devices

WESM

The EPIRA mandates the establishment of the WESM, which is a pre-condition for the implementation of the RCOA, within one year from its effectivity. The WESM provides a venue whereby generators may sell power, and at the same time, suppliers and wholesale consumers can purchase electricity where no bilateral contract exists between the two.

The rules and regulations of WESM set the guidelines and standards for participation in the market, reflecting accepted economic principles and providing a level playing field for all electric power industry participants, and procedures for establishing the merit order dispatch for each time (hourly) trading period. These rules also provide for a mechanism for setting electricity prices that are not covered by bilateral contracts between electricity buyers and sellers.

On November 18, 2003, upon the initiative of the DOE, the PEMC was incorporated as a non-stock, non-profit corporation with membership comprising an equitable representation of electricity industry participants and chaired by the DOE. The PEMC acts as the autonomous market group operator and the governing arm of the WESM and was tasked to undertake the preparatory work for the establishment of the WESM, pursuant to Section 30 of the EPIRA and in accordance with the WESM Rules. Its primary purpose is to establish, maintain, operate and govern an efficient, competitive, transparent and reliable market for the wholesale purchase of electricity and ancillary services in the Philippines in accordance with relevant laws, rules and regulations.

The WESM commercial operations in the Luzon Grid started on June 26, 2006. The Visayas Grid was integrated into the WESM on December 26, 2010.

As of June 2017, there were 260 wholesale membership participants and 946 retail membership entities registered at the WESM based on its 2017 Annual Report.

The PEMC and the Independent Electricity Market Operator of the Philippines Inc. (“**IEMOP**”) have executed an operating agreement to formalize the transfer of all functions, assets and liabilities associated with market operations from the PEMC to the IEMOP effective September 26, 2018. With the signing of the operating agreement, the IEMOP is poised to take over the market operations of the WESM, a function that is currently performed by the PEMC. Republic Act No. 9136 requires the PEMC to divest itself of this function in favor of a separate entity that is independent of the market participants. To comply with the requirement, on February 6, 2018, the market participants and the DOE

Secretary approved the transition plan calling for the formation of an independent market operator and the transfer of the market operation functions to it. The IEMOP is a non-stock, non-profit corporation led by a board of directors, all of whom are independents and do not have any interest or connection to the WESM participants, that was incorporated and organized to implement the plan. Beginning on September 26, 2018, the IEMOP has been running the electricity market and, among other things, managing the registration of market participants, receiving generation offers, announcing market prices, dispatching schedules of the generation plants and handling billing, settlement and collections. Under the policy and regulatory oversight of the DOE and the ERC, the PEMC has remained as the governing body for the WESM to monitor compliance by the market participants with the market rules.

In June 2022, the DOE declared the interim commercial operations of the REM and amended the WESM Rules, which impose additional responsibilities to a System Operator, a Trading Participant, and a Market Operator.

In December 2024, the ERC issued a Resolution No. 16, series of 2024 which sets the Interim Offer Price Cap and Floor Price as Mitigating Measures for the trading of Reserves in the WESM.

WESM in Mindanao

In anticipation of the increase of supply condition in Mindanao, the DOE, through DOE Circular DC2017-05- 0009, has declared the launch of the WESM. Similar to the operations in Luzon and Visayas, WESM's primary function is to be the venue for efficient scheduling, dispatch, and settlement of energy withdrawal and injections in the Mindanao Grid.

The PEMC has already initiated some preparatory activities in the upcoming WESM in Mindanao. During the first quarter of 2017, PEMC have conducted a series of public consultations. The WESM Trial Operation Program has started last June 26, 2017 where its objective is to familiarize all Mindanao participants in the implementation of the WESM. The commercial operation of the WESM in Mindanao commenced on 26 January 2023.

RCOA

The EPIRA likewise provides for a system of Open Access on transmission and distribution wires, whereby TransCo/NGCP and distribution utilities may not refuse the use of their wires by qualified persons, subject to the payment of distribution wheeling charges. The full commercial operation of RCOA in Luzon and Visayas commenced on June 26, 2013 with a total of 275 registered participants. Conditions for the commencement of such Open Access system are as follows:

- establishment of the WESM;
- approval of unbundled transmission and distribution wheeling charges;
- initial implementation of the cross-subsidy removal scheme;
- privatization of at least 70.0% of the total capacity of generating assets of NPC in Luzon and Visayas; and
- transfer of the management and control of at least 70.0% of the total energy output of power plants under contract with NPC to the IPPAs.

On June 6, 2011, pursuant to Resolution No. 10, Series of 2011, the ERC declared December 26, 2011 as the “**Open Access Date**” to mark the commencement of the full operations of the competitive retail electricity market in Luzon and Visayas. Accordingly, all electricity-end users with an average monthly peak demand of one MW for the 12 months preceding the Open Access Date, as certified by the ERC to be contestable customers, shall have the right to choose their own electricity suppliers.

To ensure smooth transition from the existing structure to RCOA, the ERC promulgated Resolution No. 16, Series of 2012, providing for a transition period from December 26, 2012 until June 25, 2013. However, the ERC effectively extended the transition period when it issued Resolution No. 11, Series of 2013, which allowed contestable customers to stay with their current distribution utility until December 25, 2013, or until such time that they were able to find a RES provided that it promptly informs the distribution utility of such fact. On June 19, 2015, the DOE promulgated Department Circular No. DC2015-06-0010, which mandated contestable customers to secure their RSCs by June 25, 2016, including contestable customers with an average demand of 750 KW to 999 KW for the 12-month period preceding June 25, 2016.

With the implementation of the RCOA, the contestable markets (i.e., under prevailing regulations, electricity end- users with monthly average peak demand of at least 500 KW) may choose where to source their electric power requirements and can negotiate with suppliers for their electricity. Likewise, certain end-users will be allowed to directly source power

through the WESM or by entering into contracts with generation companies. This will encourage competition at the retail level and it is anticipated that retail competition will gradually increase over time, provided that supply companies are sufficiently creditworthy to be suitable offtakers for generation companies.

With the implementation of the RCOA, certain contracts entered into by utilities and suppliers may potentially be stranded. Stranded contract cost refers to the excess of the contracted cost of electricity under eligible contracts of NPC over the actual selling price of the contracted energy output of such contracts in the market. Under the EPIRA, recovery of stranded contract cost may be allowed provided that such contracts were approved by the Energy Regulatory Board (now the ERC) as of December 31, 2000.

As of the date of this Offer Supplement, the temporary restraining order has not been lifted. In response to the temporary restraining order, and to provide guidance to relevant power industry players, the DOE issued DC2017-12-0013 and DC2017-12-0014 encouraging eligible contestable customers to voluntarily participate in the RCOA.

Subsequently, the DOE issued DC 2019-07-11 (Amending Various Issuances on the Implementation of the RCOA), which provides that contestable customers may voluntarily register as a trading participant in the WESM and that it shall source its electricity supply requirements from ERC-licensed/authorized suppliers.

On December 28, 2020, the ERC issued Resolution No. 12, series of 2020 dated December 3, 2020 entitled "A Resolution Prescribing the Timeline for the Implementation of Retail Competition and Open Access (RCOA)". ERC Resolution No. 12, series of 2020, mandates that RCOA shall be effective in grids where the WESM is operational and a separate rule shall be issued for the implementation of RCOA in Mindanao. Further, all suppliers of electricity shall be licensed/authorized by the ERC to supply electricity in the competitive retail electricity market.

Under ERC Resolution No. 12, the coverage of the RCOA is expanded for end-users with an average monthly peak demand of at least 500kW in the preceding 12 months, on a voluntary basis, subject to the effectivity dates prescribed by ERC. Under ERC Resolution No. 12, qualified contestable customers, with existing electronic meters capable of recording and reading interval of time with built-in communication port for remote and manual data retrieval, shall be allowed to switch to the competitive retail electricity market starting February 26, 2021. Meanwhile, qualified contestable customers with existing electronic meters capable of recording and reading interval of time, but which would need to be enhanced with a communication port for remote and manual data removal, shall be allowed to switch to the competitive retail electricity market upon completion of installations of such enhancements until March 28, 2021.

On March 20, 2024, ERC issued Resolution No. 06, series of 2024, prescribing that all electricity end-users in Mindanao with average monthly peak demand of at least 500kW for the twelve (12) months preceding March 26, 2024 shall be eligible to participate in the RCOA.

Unbundling of Rates and Removal of Cross Subsidies

The EPIRA mandates that distribution wheeling charges be unbundled from retail rates and that rates reflect the respective costs of providing each service. The EPIRA also states that cross-subsidies shall be phased out within a period not exceeding three years from the establishment by the ERC of a universal charge, which shall be collected from all electricity end-users. However, the ERC may extend the period for the removal of the cross-subsidies for a maximum of one year if it determines that there will be a material adverse effect upon the public interest or an immediate, irreparable and adverse financial effect on a distribution utility.

These arrangements are now in place, in satisfaction of the conditions for the RCOA.

The EPIRA likewise provides for a socialized pricing mechanism called a lifeline rate to be set by the ERC for marginalized or low-income captive electricity consumers who cannot afford to pay the full cost of electricity. These end-users are exempt from the cross-subsidy removal for a period of ten years, which exemption was extended until 2021 under Republic Act No. 10150. On May 27, 2021, President Duterte signed into law Republic Act No. 11552, which further amended the EPIRA by extending the implementation of the lifeline until 2051, unless extended by law. The amendatory law also specified the qualified marginalized end-users who are entitled to the lifeline rate, namely, (i) qualified household-beneficiaries under the Pantawid Pamilyang Pilipino Program of the Philippine government whose level of consumption are within the threshold determined by the ERC, and (ii) marginalized end-users who have been certified and continually validated as such by their distribution utility based on a criteria determined by the ERC. Republic Act No. 11552 shall take effect 15 days after its publication in the Official Gazette or in a newspaper of general circulation.

Implementation of the Performance-Based Regulation (“PBR”)

The ERC issued the Rules for Setting Distribution Wheeling Rates that apply to privately owned distribution utilities entering PBR, which set out the manner in which the new PBR rate-setting mechanism for distribution-related charges will be implemented. PBR is intended to replace the return-on-rate-base regulation that has historically determined the distribution charges paid by the distribution companies’ customers. Under the PBR, the distribution-related charges that distribution utilities can collect from customers over a four-year regulatory period will be set by reference to projected revenues determined through a set regulatory asset base, the efficiency of the distribution utility and the latter’s capital, all of which are reviewed and approved by the ERC and used by the ERC to determine the efficiency factor of a distribution utility. For each year during the regulatory period, the distribution charge of a distribution utility is adjusted upwards or downwards taking into consideration the efficiency factor of the utility set against changes in overall consumer prices in the Philippines. The ERC has also implemented a performance incentive scheme whereby annual rate adjustments under PBR will also take into consideration the ability of a distribution utility to meet or exceed service performance targets set by the ERC, such as the average duration of power outages, the average time to provide connections to customers and the average time to respond to customer calls, with utilities being rewarded or penalized depending on their ability to meet these performance targets.

Competitive Selection Process

Under prevailing regulations, DUs and ECs are mandated to undertake a CSP in the procurement of PSAs to ensure the security and certainty of electricity prices of electric power in the long-term.

On February 1, 2018, the DOE issued the DOE CSP Policy, which sets forth the department’s policy on the conduct of CSP in the procurement by DUs and ECs. Under the DOE CSP Policy, all PSAs are required to be procured through the CSP, except in the following instances: (i) generation project owned by the DU funded by grants or donations; (ii) negotiated procurement of emergency power supply with a cooperation period not exceeding one year; (iii) provision of power supply by any mandated government owned and controlled corporations for off-grid areas prior to, and until the entry of new power providers in the area; and (iv) provision of power supply by PSALM through bilateral contracts. In the event the CSP fails twice, and there is no outstanding dispute on the conducted CSP, the DU or EC may use direct negotiation for purposes of procuring the relevant PSA. While the DOE CSP Policy effectively revoked the authority of the ERC to issue supplemental guidelines and procedures relating to implement the CSP, the DOE directed the ERC to: (i) establish and impose existing fines and/or penalties for non-compliance with the DOE CSP Policy, (ii) review compliance with the requirements of CSP, (iii) develop a template PSA to be used with electric power industry participants, and (iv) develop rules and procedures to address disputes arising from the conduct of the CSP.

Reduction of Taxes and Royalties on Indigenous Energy Resources

To equalize prices between imported and indigenous fuels, the EPIRA mandates the President of the Philippines to reduce the royalties, returns and taxes collected for the exploitation of all indigenous sources of energy, including but not limited to, natural gas and geothermal steam, so as to effect parity of tax treatment with the existing rates for imported coal, crude oil, bunker fuel and other imported fuels. Following the promulgation of the IRR, then President Arroyo issued Executive Order No. 100 to equalize the taxes among fuels used for power generation. This mechanism, however, is yet to be implemented.

Framework for Energy Storage System in the Electric Power Industry

DOE Department Circular No. DC2019-08-0012 dated August 1, 2019 sets forth the framework for energy storage systems in the electric power industry in the Philippines (the “**ESS Framework**”). An energy storage system (“**ESS**”) refers to a facility acting as a load and a generator, which is designed to receive, store and convert such energy to electricity. ESS technologies include BESS, compressed air energy storage, flywheel energy storage, pumped-storage hydropower, and other emerging technologies that may be identified, qualified and approved by the DOE as ESS.

DOE Department Circular No. DC2023-04-0008 dated April 20, 2023 was then issued, revising the policies for ESS. It also repealed DOE Department Circular No. DC2019-08-0012.

Under the ESS Framework, the following electric power industry participants may own and operate ESS: (i) generation companies, either as a stand-alone generating facility or an integrated ESS in its existing generating facilities; (ii) end-users, for the purpose of managing their energy demands; and (iii) micro-grid service providers, to provide continuous

electric service to households in the form of either microgrid or DER, as may be applicable, in consonance with the total electrification program of the government.

Further, the Transmission Network Provider and Small Grid Owner is required to consider ESS as an alternative solution in addressing transmission issues such as line congestion and to consider ESS applications to defer network upgrades. In addition, the System Operator and Small Grid System Operator is directed to optimize the addition of ESS for ancillary service application and ensure proper allocation for each type of ancillary service consistent with the Grid requirement.

Under the ESS Framework, ESS proponents shall apply and register their ESS for one or more of the following purposes:

- provision of ancillary services;
- provision of energy through bilateral supply contract or trading in the WESM;
- manage the variability of renewable energy;
- auxiliary load management for generation companies;
- transmission/distribution facility upgrades deferment;
- transmission/distribution utility power quality management;
- end-user demand management; and
- distribution utility demand management.

An ESS that provides frequency regulation, as part of the ancillary services, must be at least 20MW for the Luzon Grid and at least 5MW for the Visayas and Mindanao Grids.

All ESS proponents are required to secure (i) a COC as a generation company from the ERC pursuant to existing guidelines on licensing of generation facilities; (ii) an environmental compliance certificate or any other equivalent document from the DENR; and (iii) other requirements by relevant government agencies pursuant to their existing guidelines. Distribution utilities that intend to enter into a PSA with ESS proponents for the supply of electricity to its captive customers shall observe (a) market share and bilateral contract limitations under Section 45 of the EPIRA; and (b) the DOE CSP Policy.

All ESS facilities shall comply with the rules and regulations on safety, health, environmental standards and proper disposal enforced by appropriate government agencies. In addition, ESS facilities connected to the transmission system as well as ESS connected to the distribution system with capacity equal to or above the following regional thresholds:

- 10MW for Luzon Grid;
- 5MW for Visayas Grid; and
- 5MW for Mindanao Grid

are mandated to register in the WESM and shall be classified under the generation company category, in accordance with the WESM rules and market manuals. All ESS integrated in generation facilities of generation companies are required have a separate registration in the WESM and shall comply with the requirements on separate metering and monitoring facilities, among others.

Government Approval Process

As set forth in the EPIRA, power generation is not considered a public utility operation. Thus, an entity engaged or intending to engage in the generation of electricity is not required to secure a national franchise. However, no person or entity may engage in the generation of electricity unless such person or entity has complied with the standards, requirements and other terms and conditions set by the ERC and has received a certificate of compliance from the ERC to operate facilities used in the generation of electricity. A certificate of compliance is valid for a period of five years from the date of issuance.

In addition to the certificate of compliance requirement, a generation company must comply with government-prescribed technical, financial capability, health, safety and environmental standards. A generation company must ensure that all its facilities connected to the grid meet the technical design and operational criteria of the Grid Code and Distribution Code promulgated by the ERC. In this connection, the ERC has issued guidelines setting the minimum financial capability standards for generation companies. Under the guidelines, a generation company is required to meet a minimum annual interest cover ratio or debt service capability ratio (which measures the ability of the power generation company to service its debts) of 1.5x throughout the period covered by its certificate of compliance. For certificate of compliance applications and renewals, the guidelines require the submission to the ERC of, among other

things, a schedule of liabilities, and a five-year financial plan. For the duration of the certificate of compliance, the guidelines also require a generation company to submit audited financial statements and forecast financial statements to the ERC for the next two financial years, as well as other documents. The failure by a generation company to submit the requirements prescribed by the guidelines may be grounds for the imposition of fines and penalties.

With the introduction of RCOA, the rates charged by a generation company are no longer regulated by the ERC, except rates for Captive Markets (as determined by the ERC). In addition, since the establishment of the WESM, generation companies are now required to comply with the membership criteria and appropriate dispatch scheduling as prescribed under the WESM Rules.

In the course of developing a power plant, other permits, approvals and consents must also be obtained from relevant national, provincial and local Government authorities, relating to, among others, site acquisition, construction and operation, including environmental-related licenses and permits.

In October 2020, DOE Secretary Alfonso G. Cusi announced that the periodic assessment of the country's energy requirements has led the DOE to declare a moratorium on endorsements for greenfield coal power plants.

On January 11, 2021, the DOE issued an advisory dated December 22, 2020 with subject "Moratorium of Endorsements for Greenfield Coal-Fired Power Projects in Line with Improving the Sustainability of the Philippines' Electric Power Industry." Under this advisory, effective October 27, 2020, the DOE would no longer process applications for greenfield coal-fired power generation facility projects requesting for endorsements. However, existing and operational coal-fired power generation facilities as well as any coal-fired power project which comply with the following parameters will not be affected by the moratorium:

- committed power projects;
- existing power plant complexes which already have firm expansion plans and existing land site provision; and
- indicative power project with substantial accomplishments, specifically:
 - with signed and notarized acquisition of land or lease agreement for the project; and
 - with approved permits or resolutions from local government units and the relevant regional development council where the power plant will be located.

Ancillary Services

Under the EPIRA, NGCP has the obligation to ensure and maintain the reliability, adequacy, security, stability and integrity of the grid in accordance with the performance standards for its operations and maintenance, as set forth in the Grid Code, and to adequately serve generation companies, distribution utilities and suppliers requiring transmission service and/or ancillary services through the transmission system.

In the performance of its functions as the grid system operator, NGCP requires ancillary services to ensure the power quality and stability of the grid. Ancillary services, as defined in Section 4(b) of the EPIRA, are services necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with the good utility practice and the Grid Code. These are support services to provide frequency control and include Primary Reserve, Secondary Reserve, and Tertiary Reserve.

In order to maintain the security and integrity of the grid, the system operator shall operate the grid in such a manner as to provide adequate frequency control to achieve operations within frequency limits at all times. Achieving effective frequency control requires the following ancillary services which are differentiated depending on their response time and sustainability.

- Primary Reserve Ancillary Service ("**PRAS**"). This reserve shall cover sudden outage or failure of synchronized generating unit or transmission line links or the power import from a single circuit interconnection, whichever is larger. The capacity of the PRAS provider should not be used in the regular energy supply but can be set to respond on small variations to system frequency to support the Secondary Reserves.
- Secondary Reserve Ancillary Service ("**SRAS**"). The system operator thru AGC shall use the Secondary Reserve to restore the system frequency from the quasi-steady state value as established by the Primary Response and Reserve of generating units back to the nominal frequency of 60 Hz during contingent event. Small variations to system frequency to support the balance through Governor Control Mode

(GCM) may be initiated. Where the AGC function of the system operator is not fully operational, dispatcher may instruct the generator to transfer to GCM as well. SRAS should be controlled by the system operator thru Automatic Generation Control (“AGC”) with various AGC modes and frequency deadband settings in order to regulate the system frequency and the speed governing system shall be capable of accepting raise and lower signals or set point signals from the Control Center of the system operator.

- Tertiary Reserve Ancillary Service (“TRAS”). The capacity of the qualified generating units offered for this Ancillary Service should not be part of the regular energy supply and can either be synchronized to respond within 15 minutes or off-line provided that it can fully provide the required reserve within 30 minutes from the receipt of dispatch instruction. The Tertiary Reserve provider should be able sustain its contributed capacity for at least 60 minutes. If and only if, the Primary and Secondary Reserves have been exhausted, the system operator shall make use of the Tertiary Reserve to return/maintain the system frequency to 60Hz in cases of: tripping of a generating unit or a transmission line which creates generation-load imbalance, unplanned loss of the power import, disconnection of a large load or load blocks, system frequency increases above 60.1 Hz or reduces below 59.9 Hz and it is not possible to return it to nominal values with appropriate use of the Primary and Secondary Reserves. TRAS should be capable of operating thru AGC or manual mode and shall be monitored and controlled by the system operator.

To implement and regulate the procurement of ancillary services, the ERC approved the Ancillary Services Procurement Plan (“ASPP”) and the Ancillary Services — Cost Recovery Mechanism (“AS-CRM”) on March 9, 2006 and October 3, 2007, respectively. Under the AS-CRM, NGCP secures Ancillary Services through the ASPA with qualified generation companies. For ancillary services arranged via the ASPA, the OATS Rules, the ASPP and the AS-CRM will be applied.

All ancillary services contracted by NGCP from qualified generators will be recovered through rates and charges from the generation customers, embedded generation customers and load customers, where applicable, subject to approval of the ERC.

ASPs require the substantial completion of the project prior to contracting with the NGCP and are subject to ERC approval. These are generally for a term of five years, extendible for another five years with relatively standard rates, particularly for regulating reserves.

REGULATION RELATING TO THE INFRASTRUCTURE BUSINESS

The Company has investments in companies which hold long term concessions on infrastructure projects awarded by the government. The rights and obligations of the Company, including regulatory requirements in connection with these projects are primarily governed by the respective concession agreements for each project.

Public-Private Partnership (“PPP”) Code

Enacted in 2023, Republic Act No. 11966, also known as the PPP Code, governs all contractual arrangements between an implementing agency and a private partner to finance, design, construct, operate, and maintain, or any combination thereof, infrastructure or development projects and services which are typically provided by the public sector, such as joint ventures and toll operation agreements. It establishes a framework for approval of national and local projects. For national projects, if the project cost exceeds PhP15 billion, approval from the NEDA—now the Department of Economy, Planning, and Development—is required. Otherwise, approval must be obtained from the implementing agency as defined in the PPP Code. For local projects, there must be approval from the applicable local government unit or the local university or college regardless of the project cost. The PPP Code also establishes a procedure for approving unsolicited proposals, subject to the assessment of the PPP Center and the approval of the implementing agency.

Civil Aviation Authority Act of 2008

The Civil Aviation Authority of the Philippines (“CAAP”) is an independent regulatory body attached to the DOTr. The CAAP regulates the air transportation system in the Philippines, which includes the power to provide prescribe and revise safety standards for the operation of air navigation facilities located in the Philippines. Pursuant to its functions, it issued on May 27, 2011 the Philippine Civil Aviation Regulations (Board Resolution No. 2011-025). The standards include General Policies and Air Operator Certification and Administration.

Toll Regulatory Board

The TRB was created under P.D. No. 1112 for the regulation of toll facilities and operates as an attached agency of the DOTC. Pursuant to Executive Order No. 133 s. 2013, in relation to PD No. 1112, the TRB is authorized and empowered to enter into contracts or TOA in behalf of the ROP with qualified persons or entities, for the construction, operation and maintenance of toll facilities such as but not limited to national highways, roads, bridges, and public thoroughfares. The TOA is subject to the approval of the President of the Philippines and has a fixed term not exceeding 50 years.

The TRB is also the issuing authority of the Toll Operation Certificates ("**TOC**"). The TOC is the authority granted to qualified persons, to develop, improve, upgrade, expand, rehabilitate, reconstruct, modernize and/or construct/build and operate and maintain a toll facility. The TOC has a fixed term not exceeding 50 years and may be amended, modified or revoked by the TRB whenever the public interest so requires subject to the payment of just compensation, if any is due.

The privilege to operate toll facilities in the Philippines is limited by nationality restrictions. The Constitution provides that a franchise, certificate, or any other form of authorization for the operation of a public utility can only be granted to Filipino citizens or corporations or associations organized under Philippine laws at least 60.0% of whose capital is owned by Filipinos.

Among the operation and maintenance facilities of toll facilities which may form part of a TOC or a TOA, include (a) For operation: (i) toll collection system, (ii) traffic control system, (iii) tollroad patrol and vehicle control with communications system, (iv) facilities for assistance of disabled vehicles and in case of emergencies, (v) information service and message sign boards, (vi) vehicle regulation facilities, (vii) telephone and lighting facilities, and, (viii) emergency operations; and (b) For maintenance (i) patrolling and inspection facility, (ii) road cleaning and obstruction control, (iii) electricity and water supply, (iv) repavement facilities, steel bridge painting, bridge strengthening, interchange improvement, parking area improvement, slope protection, pavement painting and the like, (v) disaster prevention and reaction facilities, and (vi) environmental enhancement and protection.

Aside from the power to grant an administrative franchise, the TRB is also vested with the power to issue, modify and promulgate toll rates, and upon notice and hearing, to approve or disapprove petitions for the increase thereof. The procedures for approval of initial, adjusted or periodic toll rates as well as approval of provisional toll rates are governed by the 2013 Revised Rules of Procedure of the TRB.

REGULATION RELATING TO THE CEMENT BUSINESS

General Regulations

Philippine Mining Act

Republic Act No. 7942, otherwise known as the Philippine Mining Act of 1995, governs the exploration, development, utilization and processing of all mineral resources and includes measures to protect the government. Grantees of mineral agreements from the Department of Environment and Natural Resources (the "**DENR**") have the right to conduct mining operations, which covers mining activities involving exploration, feasibility, development, utilization, and mineral processing. Furthermore, the extraction and utilization of quarry resources on public or private lands may be undertaken by any qualified person holding a quarry permit. A quarry permit authorizes the extraction, removal and disposition of quarry resources. It is issued by the Provincial Governor/City Mayor through the Provincial/City Mining Regulatory Board for the extraction, removal and disposition of quarry resources covering an area of not more than five (5) hectares, and a production rate of not more than 50,000 tons annually and/or whose project cost is not more than ₱10,000,000.00, for a term of five (5) years from the date of issuance, renewable for like periods but not to exceed a total term of 25 years.

Indigenous People's Rights Act

Republic Act No. 8731, otherwise known as the Indigenous People's Rights Act ("**IPRA**"), provides for the ownership rights of indigenous cultural communities ("**ICCs**") or indigenous peoples over ancestral domains. Under the IPRA, the ancestral domains refer to all areas generally belonging to indigenous communities/peoples ("**IPs**"). The National Commission on Indigenous Peoples ("**NCIP**") is the primary government agency that formulates and implements policies and programs for the promotion and protection of the rights of ICCs and IPs and the recognition of their ancestral domains and their rights thereto. Under the IPRA, the proponent of any activity undertaken within any area covered by a Certificate of Ancestral Domain/Land Claim/Title issued by the NCIP to any ICC or IP must obtain the free and prior

informed consent (the “**FPIC**”) of all members of the ICCs/IPs, and, thereafter, the Certification Pre-condition (“**NCIP-CP**”) issued by the NCIP. In case no ICCs or IPs claim any rights over the site of the proposed activity, a Certificate of Non-Overlap (“**CNO**”) issued by the NCIP is required to be obtained by the proponent of such activity from the NCIP. The absence therefore of either a Certification Precondition or CNO may be sufficient basis for the suspension of the implementation of any such mining activity.

Power Generation Regulations

A Certificate of Compliance (“**COC**”) from the Energy Regulatory Commission (“**ERC**”) to operate facilities used in the generation of electricity (including self-generation facilities) is required considering that the generation of electricity is done in the course of cement manufacturing. The COC is in the name of the generation company owning the generation facilities. The COC is valid for a period of five (5) years, unless sooner revoked by the ERC after due notice and hearing and stipulates the obligations of the generation company consistent with the standards and operating guidelines that may be established by the ERC. A generation company intending to continue operating beyond the term of the issued COC must apply with the ERC for its renewal at least six (6) months prior to its expiration. The COC may be revoked, after due notice and hearing, by the ERC for non-compliance with the conditions of the certificate or the guidelines imposed by the ERC.

Trade and Industry Regulations

The DTI is tasked with implementing the Consumer Act with respect to the cement business. Pursuant to its mandate, the DTI has promulgated numerous regulations relating to the manufacturing, packaging, and importation of cement in the Philippines, as well as safeguarding against hazards to health and safety.

Under DTI D.A.O. No. 17-02, only cement sourced from cement manufacturing plant(s) holding a valid Philippine Standards (PS) Quality and/or Safety Certification Mark License(s) shall be permitted to be distributed in the Philippines. All cement importations sourced from a foreign-based manufacturer holding a valid PS license, now requires an Import Commodity Clearance (ICC) certificate on a per shipment per Bill of Lading basis, subject to existing ICC procedures. Only importations by local cement manufacturers operating an Integrated Cement Plant/s (ICP) in the Philippines are exempted from applying for an ICC application, provided that the imported cement was sourced from a foreign-based manufacturer holding a valid PS License and bears the same brand vis-à-vis the brand reflected in the local PS license of the importer-manufacturer. To apply for an ICC, all cement importers must be registered with SEC or DTI prior to receiving cement import shipments with a minimum capitalization of Php 20 Million paid up capital for SEC registered companies and a surety bond of 10% of the declared value. Clause 5.2.2 of DAO 17-06 also stipulates that the Bureau of Philippine Standards of the Department of Trade and Industry (“**DTI-BPS**”) will issue a separate license for the bagging facilities relative to its policy on the issuance of PS License on a per plant site/location basis.

In 2020, the DTI issued Memorandum Circular No. 20-56, which sought to eliminate the confusion produced by the widespread practice of cement manufacturers of marking their products with “Product of the Philippines” despite being imports. The Circular prescribed new guidelines as to the product marking of locally manufactured and imported cement products shipped in bulk and bagged in the Philippines. Furthermore, cement bagging facilities must be capable of verifying the conformity of cement products to the applicable Philippine National Standards on a per bagging batch basis. Failure to observe the prescribed standards merits sanctions such as pull-out, confiscation and/or destruction of the erring products depending on the frequency of the violations.

The Standards Law

The DTI-BPS serves as the National Standards Body (“**NSB**”) of the Philippines and is mandated to develop, promulgate, and implement standards for all products in the Philippines, to promote standardization activities in the country, and to ensure the manufacture, production, and distribution of quality products for the protection of the consumer. The Bureau was created on 20 June 1964 through Republic Act No. 4109, otherwise known as the Standards Law.

The mandate of RA 4109 is reiterated by the Consumer Act which declares that it is the duty of the State to develop and provide safety and quality standards for consumer products, including performance or use-oriented standards, codes of practice and methods of tests. Crucial to the fulfillment of mandate of DTI-BPS is the availability of relevant Philippine National Standards (“**PNS**”) that are responsive to the needs of consumers and technological developments.

As of April 22, 2024, BPS Memorandum Circular No. 24-02, Series of 2024 includes cement and other construction materials under the list of products which requires mandatory certification. Manufacturers covered by mandatory

certification are required to (i) secure a PS license prior to selling, offering for sale, or otherwise disposing of their products, (ii) to reflect, imprint and/or emboss the mandatory PS Mark on their products. Importers covered of any product covered by mandatory product certification are required to first secure an Import Commodity Clearance (ICC) prior to selling, offering for sale, or otherwise disposing of their product(s). Distributors, wholesalers, retailers and those who offer for sale a product covered by mandatory product certification shall sell, or offer for sale only such products which complied with the requisite Philippine National Standard and with the required PS Mark, or with a valid ICC in the case of imported products.

Safeguard Measures Act

Republic Act No. 8800, otherwise known as the Safeguard Measures Act, was established to protect domestic industries and producers from increased imports that cause or threaten to cause serious injury to domestic industries and producers. The Safeguard Measures Act provides temporary protection to a Philippine industry affected by the surge in imports. Moreover, it authorizes the Philippine government to restrict imports, after results of the investigations carried out by competent authorities establish that imports are taking place in such increased quantities as to cause or threaten to cause serious injury to the domestic industry that produces similar or directly competitive products. The measure is applied to imports of like or directly competitive products from all sources.

Environmental Regulations Pertaining to the Cement Business

Under the Philippine Environmental Impact Statement System (“**P.D. 1586**”), raw material sourcing and cement manufacturing are considered environmentally critical activities for which an Environmental Impact Study (“**EIS**”) and an Environmental Compliance Certificate (“**ECC**”) are mandatory.

Co-Processing of Waste Material

Pursuant to the mandate of the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 (“**R.A. No. 6969**”), the DENR has issued certain regulations governing the use of alternative fuels and raw materials in cement kilns. DENR DAO No. 2010-06 allows cement manufacturers to engage in the co-processing of waste material from cement production, so long as it meets the guidelines prescribed therein. Cement plants that co-process waste materials are required to register with the EMB as Alternative Fuel and Raw Materials co-processing facilities, after which they are bound to observe the operating guidelines and emissions monitoring standards specified in the Philippine Clean Air Act of 1999 (“**R.A. No. 8749**”).

Under DENR Administrative Order No. 2013-22, a duly registered waste generator must, among others: (i) designate a full-time Pollution Control Officer; (ii) disclose to the DENR the type and quantity of waste generated; (iii) implement proper waste management from the time the wastes are generated until they are rendered non-hazardous; (iv) continue to own and be responsible for the wastes generated in the premises until the wastes have been certified by an accredited waste treater as adequately treated, recycled, reprocessed, or disposed of; (v) adhere to the hazardous waste transport manifest system when transporting hazardous wastes for offsite treatment, storage, and/or disposal; (vi) prepare and submit to the DENR comprehensive emergency preparedness and response program to mitigate spills and accidents involving chemicals and hazardous wastes; (vii) communicate to its employees the hazards posed by the improper handling, storage, transport, use and disposal of hazardous wastes and their containers; and (viii) develop capability to implement the emergency preparedness and response programs and continually train core personnel on the effective implementation of such programs.

Failure to comply with DENR Administrative Order No. 2013-22 shall make the violator liable for a fine of ₱50,000.00. In addition to such penalty, a violation of any of its Governing Rules or rules covering the Contingency Program shall result in the immediate suspension of the permit.

ENVIRONMENTAL MATTERS

The operations of the businesses of the Company are subject to various laws, rules and regulations that have been promulgated for the protection of the environment.

Philippine Environmental Impact Statement System

The Philippine Environmental Impact Statement System (the “**EISS Law**”) established under Presidential Decree No. 1586, which is implemented by the DENR, is the general regulatory framework for any project or undertaking that is either (i) classified as environmentally critical or (ii) is situated in an environmentally critical area. The DENR, through

its regional offices or through the Environmental Management Bureau (“**EMB**”), determines whether a project is environmentally critical or located in an environmentally critical area and possesses all applications for an ECC.

The law requires an entity that will undertake any such declared environmentally critical project or operate in any such declared environmentally critical area to submit an Environmental Impact Statement (“**EIS**”) which is a comprehensive study of the significant impacts of a project on the environment. The EIS serves as an application for the issuance of an ECC, if the proposed project is environmentally critical or situated in an environmentally critical area; or for the issuance of a Certificate of Non-Coverage, if otherwise. An ECC is a Government certification that, among others, (i) the proposed project or undertaking will not cause significant negative environmental impact; (ii) the proponent has complied with all the requirements of the EISS Law in connection with the project; and (iii) the proponent is committed to implement its approved Environmental Management Plan (“**EMP**”) in the EIS. The EMP details the prevention, mitigation, compensation, contingency and monitoring measures to enhance positive impacts and minimize negative impacts and risks of a proposed project or undertaking.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The Environmental Guarantee Fund is intended to meet any damage caused by such a project as well as any rehabilitation and restoration measures. Project proponents also required to establish an Environmental Monitoring Fund (“**EMF**”) when an ECC is eventually issued. The EMF is to support the activities of the team monitoring the project proponent’s compliance with ECC conditions, EMP and applicable laws, rules and regulations.

Power plant operations are considered environmentally critical projects for which an EIS and an ECC are mandatory.

The Clean Water Act

Republic Act No. 9275 or the Clean Water Act and its implementing rules and regulations provide for water quality standards and regulations for the prevention, control, and abatement of pollution of the water resources of the country. The Clean Water Act requires owners or operators of facilities that discharge regulated effluents (such as wastewater from manufacturing plants or other commercial facilities) to secure a discharge permit from the DENR which authorizes the owners and operators to discharge waste and/or pollutants of specified concentration and volumes from their facilities into a body of water or land resource for a specified period of time. The DENR, together with other Government agencies and the different local Government units, is tasked to implement the Clean Water Act and to identify existing sources of water pollutants, as well as strictly monitor pollution sources which are not in compliance with the effluent standards provided in the law.

The Clean Air Act

Pursuant to Republic Act No. 8749 or the Clean Air Act of 1999 and its implementing rules and regulations, enterprises that operate or utilize air pollution sources are required to obtain a Permit to Operate from the DENR with respect to the construction or the use of air pollutants. The issuance of the said permit seeks to ensure that regulations of the DENR with respect to air quality standards and the prevention of air pollution are achieved and complied with by such enterprises.

Other Environmental Laws

Other regulatory environmental laws and regulations applicable to the businesses of the Company include the following:

- Republic Act No. 6969 or the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990, which regulates, restricts or prohibits the (i) importation, manufacture, processing, handling, storage, transportation, sale, distribution, use and disposal of chemical substance and mixtures that present unreasonable risk or injury to health or the environment, and (ii) entry into the Philippines, or the keeping in storage of hazardous wastes which include by-products, process residue, contaminated plant or equipment or other substances from manufacturing operations. The said law is implemented by the DENR.
- Republic Act No. 9003 or the Ecological Solid Waste Management Act of 2000, which provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centers and facilities. The National Solid Waste Management Commission,

together with other Government agencies and the different local Government units, are responsible for the implementation and enforcement of the said law.

- Presidential Decree No. 856 or the Code on Sanitation of the Philippines (the “**Sanitation Code**”), which provides for sanitary and structural requirements in connection with the operation of certain establishments such as industrial establishments. Under the Sanitation Code, which is implemented by the Philippine Department of Health, no person, firm, corporation, or entity shall operate any industrial establishment without first obtaining a sanitary permit.
- Republic Act No. 11898, or the Republic Act No. 11898, the Extended Producer Responsibility (“**EPR**”) Act of 2022, which amends certain provisions of Republic Act No. 9003 and requires obliged enterprises to recover and divert at least 20% of their 2022 plastic packaging footprint by the end of 2023 and increase this annually up to 80% by end of 2028. Product producers obliged to implement the EPR shall refer to large enterprises that generate plastic packaging waste.

TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Offer Shares. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Offer Shares and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Offer Shares under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Offer Shares in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect as at the date of this Offer Supplement.

The tax treatment applicable to a holder of the Offer Shares may vary depending upon such holder's particular situation, and certain holders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a holder of the Offer Shares.

PROSPECTIVE PURCHASERS OF THE OFFER SHARES ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF THE OFFER SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL OR FOREIGN TAX LAWS.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen of the Philippines; a "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines." A non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not doing business in the Philippines." A "resident foreign corporation" is a non-Philippine corporation engaged in trade or business within the Philippines; and a "non-resident foreign corporation" is a non-Philippine corporation not engaged in trade or business within the Philippines. The term "dividends" under this section refers to cash or property dividends. "Tax Code" means the Philippine National Internal Revenue of 1997, as amended.

The term "non-resident holder" means a holder of the Offer Shares:

- *who is an individual who is neither a citizen nor a resident of the Philippines, or an entity which is a non-resident foreign corporation; and*
- *should an income tax treaty be applicable, whose ownership of the Offer Shares is not effectively connected with a fixed base or a permanent establishment in the Philippines.*

Philippine Taxation

On January 1, 2018, Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion ("**TRAIN**") took effect. The TRAIN amended various provisions of the Tax Code, including those on ordinary income tax of individuals, capital gains tax on the sale and disposition of shares of stock, estate tax, donor's tax, and documentary stamp tax.

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises bill was signed into law as Republic Act No. 11534, otherwise known as the CREATE Act. The CREATE Act serves as a follow-up to Package 1 of the CTRP. The main amendment of CREATE Act is the reduction of the regular corporate income tax rate for both domestic and foreign corporations from 30% to 25%. For domestic corporations, the regular corporate income tax rate may be further reduced to 20% depending on the net taxable income and total assets of such domestic corporation. In addition to the reduction of the regular corporate income tax, the rate of the MCIT was lowered to 1%, effective July 1, 2020 to June 30, 2023.

On May 30, 2025, the Capital Markets Efficiency Promotion Act ("**CMEPA**") was signed into law as Republic Act No. 12214. The CMEPA took effect on July 1, 2025. The key provisions of CMEPA, include, but are not limited to, reduction of tax on the sale or exchange of shares of stock listed and traded through the PSE from 0.6% to 0.1%; and the reduction of documentary stamp tax on the original issue of shares of stock from 0.1% to 75% of 1% of the par value of shares of stock. The CMEPA also amended Sec. 127 of the Tax Code by imposing, in lieu of capital gains tax, a tax of 1/10 of 1% on the gross selling price or gross value in money of shares of stock sold, exchanged, or otherwise disposed which shall be

paid by the seller or transferor.

Taxes on Dividends on the Offer Shares

Cash and property dividends received from a domestic corporation by individual shareholders who are either citizens or residents of the Philippines are subject to a final withholding tax at the rate of 10.0%, which shall be withheld by the Company. Cash and property dividends received by non-resident alien individuals engaged in trade or business in the Philippines are subject to a 20.0% final withholding tax on the gross amount thereof, while cash and property dividends received by non-resident alien individuals not engaged in trade or business in the Philippines are subject to a final withholding tax at 25.0% of the gross amount, subject, however, to the applicable preferential tax rates under income tax treaties executed between the Philippines and the country of residence or domicile of such non-resident alien individuals.

Cash and property dividends received from a domestic corporation by another domestic corporation or by a resident foreign corporation are not subject to income tax while those received by a non-resident foreign corporation are generally subject to income tax at a final withholding tax rate of 25%. The 25.0% income tax rate for dividends paid to a non-resident foreign corporation may be reduced to a lower rate of 15.0% if tax sparing applies, which is when (i) the country where the non-resident foreign corporation is domiciled imposes no tax on foreign sourced dividends or (ii) the country of domicile of the nonresident foreign corporation allows at least 15.0% credit equivalent for taxes deemed to have been paid in the Philippines.

In order to avail of the 15% tax sparing rate, a non-resident foreign corporation must file an application with the BIR for a confirmatory ruling on its entitlement pursuant to Revenue Memorandum Order No. 46-20 (Guidelines and Procedures for the Availment of the Reduced Rate of 15% on Intercompany Dividends Paid by a Domestic Corporation to a Non-resident Foreign Corporation Pursuant to Section 28 (B) (5) (b) of the National Internal Revenue Code of 1997, as Amended, dated December 23, 2020). The application has to be filed within 90 days from “the remittance of the dividends or from the determination by the foreign tax authority of the deemed paid tax credit/non-imposition of tax because of the exemption, whichever is later.” A domestic corporation is not required to first secure a ruling from the BIR in order to use the tax sparing rate when it remits the dividends. However, it is required to determine if under the law of the country of domicile of the non-resident foreign corporation, such non-resident foreign corporation is granted the applicable “deemed paid” tax credit, or an exemption from income tax on such dividends.

The abovementioned tax rates are without prejudice to applicable preferential tax rates under income tax treaties in force between the Philippines and the country of domicile of the non-resident holder. (Please see discussion on tax treaties below.)

Preferential Rates under the Income Tax Treaties

The following table lists some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

Country	Dividends	Stock transaction tax on sale or disposition effected through the PSE (%) ⁽⁹⁾	Capital Gains Tax Due on Disposition of Shares Outside the PSE
Canada	25 ⁽¹⁾	0.6	May be exempt ⁽¹³⁾
China	15 ⁽²⁾	Exempt ⁽¹⁰⁾	May be exempt ⁽¹³⁾
France	15 ⁽³⁾	Exempt ⁽¹¹⁾	May be exempt ⁽¹³⁾
Germany	15 ⁽⁴⁾	Exempt ⁽¹²⁾	May be exempt ⁽¹³⁾
Japan	15 ⁽⁵⁾	0.6	May be exempt ⁽¹³⁾
Singapore	25 ⁽⁶⁾	0.6	May be exempt ⁽¹³⁾
United Kingdom	25 ⁽⁷⁾	0.6	Exempt ⁽¹⁴⁾
United States	25 ⁽⁸⁾	0.6	May be exempt ⁽¹³⁾

Notes:

(1) 15% if the recipient company which is a resident of Canada controls at least 10% of the voting power of the company

- paying the dividends; 25% in all other cases.*
- (2) *10% if the beneficial owner is a company which holds directly at least 10% of the capital of the company paying the dividends; 15% in all other cases.*
 - (3) *10% if the recipient company (excluding a partnership) holds directly at least 10% of the voting shares of the company paying the dividends; 15% in all other cases.*
 - (4) *5% if the recipient company (excluding a partnership) holds directly at least 70% of the capital of the company paying the dividends; 10% if the recipient company (excluding a partnership) holds directly at least 25% of the capital of the company paying the dividends.; 15% in all other cases*
 - (5) *10% if the recipient company holds directly at least 10% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of six months immediately preceding the date of payment of the dividends; 15% in all other cases.*
 - (6) *15% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year at least 15% of the outstanding shares of the voting shares of the paying company were owned by the recipient company; 25% in all other cases.*
 - (7) *15% if the recipient company is a company which controls directly or indirectly at least 10% of the voting power of the company paying the dividends; 25% in all other cases.*
 - (8) *20% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year, at least 10% of the outstanding shares of the voting shares of the paying corporation were owned by the recipient corporation; 25% in other cases. Notwithstanding the rates provided under the Convention between the Government of the Republic of the Philippines and the Government of the United States of America with respect to Taxes on Income, corporations which are residents of the United States may avail of the 15% withholding tax rate under the tax-sparing clause of the Philippine Tax Code provided certain conditions are met.*
 - (9) *If the stock transaction tax is not expressly included in the tax treaty, the income recipient will be subject to stock transaction tax at the rate of 1/10 of 1% of the gross selling price as provided under Section 127 of the Tax Code as amended by Section 17 of the CMEPA..*
 - (10) *Article 2(1)(b) of the Agreement between the Government of the Republic of the Philippines and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was signed on November 18, 1999.*
 - (11) *Article 1 of the Protocol to the Tax Convention between the Government of the Republic of the Philippines and the Government of the French Republic Signed on January 9, 1976 was signed in Paris, France on June 26, 1995 signed on June 26, 1995.*
 - (12) *Article 2 (3)(a) of Agreement between the Government of the Republic of the Philippines and the Federal Republic of Germany for the Avoidance of Double Taxation with Respect to Taxes on Income and Capital signed on September 9, 2013.*
 - (13) *Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.*
 - (14) *Under the income tax treaty between the Philippines and the United Kingdom, capital gains on the sale of the shares of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.*

When availing of capital gains tax exemption on the sale of shares of stock under an income tax treaty, a tax treaty exemption ruling from the BIR shall be necessary in order to completely implement the transfer. For sale of shares made outside the PSE, a Certificate Authorizing Registration ("**CAR**") from the BIR is required before the transfer is registered in the stock and transfer book. The BIR issues the CAR only after verifying that the applicable taxes have been paid. Thus, in lieu of proof of payment of capital gains tax, the tax treaty relief ruling should be submitted to the BIR office processing the CAR.

The BIR revised its procedures for availment of tax treaty relief on dividends by issuing Revenue Memorandum Order No. 14-21 (Streamlining the Procedures and Documents for the Availment of Treaty Benefits, dated March 31, 2021) as clarified by Revenue Memorandum Circular No. 77-21 (Clarification on Certain Provisions of Revenue Memorandum Order No. 14-21, dated June 15, 2021). In accordance with the foregoing regulations, all income items derived by nonresident taxpayers entitled to tax treaty relief shall be confirmed by the BIR through filing of: (i) a request for confirmation by the withholding agent, or (b) a tax treaty relief application by the nonresident taxpayer, with the required supporting documents in either case.

*Request for Confirmation ("**RFC**")*

The withholding agent/income payor may apply the preferential tax treaty rate on the dividend income of the non-resident foreign shareholder by relying the submission by such shareholder of the following documents before the dividend income is paid: (a) on an application form for treaty purposes (BIR Form 0901-D for dividends), an authenticated/apostilled tax residency certificate duly issued by the relevant foreign tax authority in favor of the

shareholder, and (c) the relevant provision of the applicable tax treaty which prescribes the preferential tax treatment on dividend income. If the tax treaty rate was applied, the withholding agent/income payor must file with the BIR's International Tax Affairs Division ("ITAD") a request for confirmation of the use of the tax treaty rate. The request for confirmation must be filed after the payment of the withholding tax and in no case later than the last day of the fourth month following the close of the relevant taxable year. Revenue Memorandum Circular No. 77-21 prescribes the filing of one consolidated request for confirmation per nonresident income recipient, regardless of the number and type of income payments during the year. Revenue Memorandum Circular No. 77-21 also provides for a list of all documentary requirements that have to be submitted in support of the request for confirmation.

If the BIR determines that the withholding tax rate used is lower than the applicable tax rate that should have been applied, or that the non-resident taxpayer is not entitled to treaty benefits, the request for confirmation will be denied and it will require the withholding agent/income payor to pay the deficiency taxes plus surcharge, interest and penalties.

Tax Treaty Relief Application ("TTRA")

In case the withholding agent/income payor used the regular rate under the Tax Code, the non-resident foreign shareholder may, at any time after its receipt of the dividend income, file a TTRA with ITAD. Similar to a request for confirmation, the application must also be supported by the documents specified in Revenue Memorandum Circular No. 77-21.

If the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient's entitlement to treaty benefits, and the shareholder may apply for a refund of excess withholding tax within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the shareholder may also be filed simultaneously with the TTRA.

The Company shall withhold taxes at a reduced rate on dividends to a non-resident holder if the nonresident submitted to the Company a Tax Residency Certificate ("TRC") and BIR Form No. 0901-D prior to the payment of dividends. TRC is a certificate issued by the tax authority of the country of residence and shall establish the fact of residency in a contracting state of the non-resident.

On March 31, 2021, the BIR issued Revenue Memorandum Order No. 14-2021 ("**RMO 14-2021**"). RMO 14-2021 was issued to streamline the procedures and documents for the availment of the tax treaty benefits. To avail of the tax treaty relief benefits, the following guidelines and procedures will be observed:

1. The non-resident income recipient should submit to the withholding agent or income payor the submitted Application Form for Treaty Purposes, Tax Residency Certificate duly issued by the foreign tax authority, and the relevant provision of the applicable tax treaty on whether to apply a reduced rate of, or exemption from, withholding at source on the income derived by the non-resident income recipient. The documents should be submitted to each withholding agent or income payor prior to the payment of income for the first time. The failure to provide the said documents when requested may lead to the withholding using the regular withholding rates without the tax treaty benefit rate.
2. When the preferential tax rates have been applied by the withholding agent, it shall file with the ITAD a request for confirmation on the propriety of the withholding tax rates applied by the withholding agent. On the other hand, if the regular withholding rates have been imposed on the income, the non-resident income recipient shall file a tax treaty relief application ("**TTRA**") with ITAD. In either case, each request for confirmation and TTRA shall be supported by the documentary requirements set out in the issuance.
3. The request for confirmation shall be filed by the withholding agent at any time after the payment of withholding tax but shall in no case be later than the last day of the fourth month following the close of each taxable year. On the other hand, the filing of the TTRA may be filed by the non-resident income recipient at any time after the receipt of the income.

If the BIR determines that the withholding tax rate applied is lower than the rate that should have been applied on an item of income pursuant to the treaty, or that the nonresident income recipient is not entitled to treaty benefits, it will issue a BIR Ruling denying the request for confirmation or TTRA. Consequently, the withholding agent shall pay the deficiency tax plus penalties. On the contrary, if the withholding tax rate applied is proper or higher than the rate that should have been applied, the BIR will issue a certificate confirming the nonresident income recipient's entitlement to

the treaty benefits. In this case, the nonresident income recipient may apply for a refund of the excess withholding tax.

The original or certified true copy of the following documents, as may be applicable, shall be submitted to the International Tax Affairs Division of the BIR when claiming the tax treaty relief:

A. General Requirements:

1. Letter-request
2. Application Form duly signed by the non-resident income earner or its/his/her authorized representative
3. Tax Residency Certificate for the relevant period, duly issued by the tax authority of the foreign country in which the Bondholder is a resident
4. Bank documents/certificate of deposit/telegraphic transfer/telex/money transfer evidencing the payment/remittance of income
5. Withholding tax return with Alphalist of Payees
6. Proof of payment of withholding tax
7. Notarized Special Power of Attorney issued by the non-resident income earner to its/his/her authorized representative(s), which shall expressly state the authority to sign the Application Form as well as to file the tax treaty relief application or request for confirmation

B. Additional general requirements for legal persons and arrangements, and individuals:

1. Authenticated copy of the non-resident legal person or arrangement's Articles/Memorandum of Incorporation/Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language.
2. Original copy of the Certificate of Non-Registration of the Bondholder or certified true copy of License to Do Business in the Philippines duly issued by the Philippine SEC for legal persons and arrangements, or original copy of the Certificate of Business Registration/Presence duly issued by the DTI for individuals.

C. Additional general requirements for fiscally transparent entities:

1. A copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the foreign fiscally transparent entity;
2. List of owners/beneficiaries of the foreign entity;
3. Proof of ownership of the foreign entity; and
4. Tax Residency Certificate issued by the concerned foreign tax authority to the owners or beneficiaries of the fiscally transparent entity.

The BIR may require additional documents during the course of its evaluation as it may deem necessary. Upon the confirmation of the entitlement to the tax treaty benefit or confirmation of the correctness of the withholding tax rates applied, the BIR will issue a certification to that effect. Any adverse ruling may be appealed to the Department of Finance within 30 days from receipt.

If the income of the nonresident Shareholder has been subjected to regular withholding rates, the Shareholder may file a claim for refund with the BIR independently of, or simultaneously with, the TTRA. Nonetheless, all claims for refund shall be filed within the two-year prescriptive period provided under Section 229 of the National Internal Revenue Code, as amended.

Transfer taxes (*e.g.*, documentary stamp tax, local transfer tax) may be payable if the dividends declared are property dividends, depending on the type of property distributed as dividends. Stock dividends distributed pro-rata to any holder of shares of stock are generally not subject to Philippine income tax. However, the sale, exchange or disposition of shares received as stock dividends by the shareholder is subject to stock transaction tax if the transfer is through a local stock exchange; or if the transfer is made outside of the exchange, capital gains tax; and documentary stamp tax.

If the dividends of the non-resident taxpayer have been subjected to the regular rate, he/she/it may subsequently file a claim for refund of the difference between the amount of withholding tax actually paid in the Philippines and the amount of tax that should have been paid under the treaty after obtaining a certificate confirming his/her/its

entitlement to treaty benefits. For this purpose, a duly accomplished BIR Form No. 1913 shall be filed together with the letter-request. The claim for refund may be filed independently of, or simultaneously with, the TTRA. (See RMO 14-2021, sec. 10). However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information and may also involve the filing of a judicial appeal, it may be impractical to pursue obtaining such a refund

Sale, Exchange or Disposition of Shares after the Offer Period

Capital gains tax

The net capital gains realized by a citizen, resident alien, non-resident alien, whether or not engaged in trade or business within the Philippines, or a domestic corporation (other than a dealer in securities) during each taxable year from the sale, exchange or disposition of shares of stock outside the facilities of the PSE, are subject to capital gains tax at the rate of 15.0% of the net capital gains realized during the taxable year.

The net capital gains realized by a resident foreign corporation or a non-resident foreign corporation during each taxable year from the sale, exchange or disposition of shares of stock in a domestic corporation outside the facilities of the PSE are also subject to the final tax rate of 15% based on the net capital gains realized during the taxable year.

If an applicable income tax treaty exempts net gains from such sale from capital gains tax, either a request for confirmation on the propriety of the withholding tax or an application for tax treaty relief has to be filed with the BIR in accordance with BIR regulations, and approved by the BIR, to avail of the exemption. (Please see discussion below on tax treaties.) The transfer of shares shall not be recorded in the books of a company, unless the BIR has issued a CAR.

Taxes on transfer of shares listed and traded at the PSE

Unless an applicable income tax treaty exempts the sale from income and/or percentage tax (please see discussion below on tax treaties), a sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non-resident holder (other than a dealer in securities) is subject to a percentage tax usually referred to as a stock transaction tax at the rate of one-tenth of one percent (1/10 of 1.0%) of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed, which shall be paid by the seller or transferor. This tax is required to be collected by and paid to the Government by the selling stockbroker on behalf of his client. The stock transaction tax is classified as a percentage tax in lieu of a capital gains tax. Under certain income tax treaties, the exemptions from capital gains tax may not be applicable to stock transaction tax.

In addition, VAT of 12.0% is imposed on the commission earned by the PSE-registered broker, and is generally passed on to the client, the seller or transferor.

The stock transaction tax will not apply if the shares are sold outside the facilities of the PSE, including during a trading suspension. PSE Memorandum CN-No. 2012-0046 dated August 22, 2012 provides that immediately after December 31, 2012, the Philippine SEC shall impose a trading suspension for a period of not more than six (6) months, on shares of a listed company who has not complied with the Rule on Minimum Public Ownership (“**MPO**”) which requires listed companies to maintain a minimum percentage of listed securities held by the public at 10.0% of the listed companies issued and outstanding shares at all times. The sale of such listed company’ shares during the trading suspension may be effected only outside the trading system of the PSE and shall therefore be subject to taxes on the sale of shares that are not listed or traded at the stock exchange (i.e., capital gains tax and documentary stamp tax, and may even include donor’s tax).

The stock transaction tax will also not apply if the shares sold are issued by a corporation that does not meet the MPO requirement, even if the sale is done through the facilities of the PSE. Revenue Regulations No. 16-2012 (“**R.R. 16-12**”) provides that the sale, barter, transfer, and/or assignment of shares of listed companies that fail to meet the MPO requirement after December 31, 2012 will be subject to capital gains tax and documentary stamp tax. R.R. 16-12 also requires publicly listed companies to submit public ownership reports to the BIR within 15 days after the end of each quarter.

Documentary Stamp Taxes on Shares

The original issue of shares is subject to documentary stamp tax of seventy-five percent of one percent (75% of 1%), or fraction thereof, of the shares issued. On the other hand, the transfer of shares is subject to a documentary stamp tax at a rate of ₱1.50 on each ₱200.00, or fractional part thereof, of the par value of the Shares. The documentary stamp tax is imposed on the person making, signing, issuing, accepting or transferring the document and is thus payable either by the vendor or the purchaser of the shares.

However, the sale, barter or exchange of Offer Shares should they be listed and traded through the PSE are exempt from documentary stamp tax.

Estate and Gift Taxes

The transfer of the Offer Shares upon the death of a registered holder to his heirs by way of succession, whether such an individual was a citizen of the Philippines or an alien, regardless of residence, shall be subject to an estate tax which is levied on the net estate of the deceased at a uniform rate of 6.0%. An Investor shall be subject to donor’s tax at a uniform rate of 6.0% based on the value of the total gift on the transfer of the Commercial Papers by gift in excess of ₱250,000.00 made during a calendar year, regardless of the relation of the donor to the donee.

The estate or donor’s taxes payable in the Philippines may be credited with the amount of any estate or donor’s taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor. The estate tax and the donor’s tax, in respect of the Offer Shares, shall not be collected:

(1) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country, or (2) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

In case the Offer Shares are transferred for less than an adequate and full consideration in money or money’s worth, the amount by which the fair market value of the Offer Shares exceeded the value of the consideration may be deemed a gift, and donor’s taxes may be imposed on the transferor of the Offer Shares, based on Section 100 of the Philippine Tax Code, provided that a transfer of property made in the ordinary course of business (a transaction which is a bona fide, at arm’s length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money’s worth.

Taxation outside the Philippines

Shares of stock in a domestic corporation are considered under Philippine law to be situated in the Philippines and any gain derived from their sale is entirely from Philippine sources; hence, such gain is subject to Philippine income tax and the transfer of such shares by gift (donation) or succession is subject to the donors' tax or estate tax.

The tax treatment of a non-resident holder in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of its domicile or business activities and such holder's particular situation. This Offer Supplement does not discuss the tax considerations of non-resident holders of shares of stock under laws other than those of the Philippines.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE OFFER SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.

PARTIES TO THE OFFER

THE ISSUER

SAN MIGUEL CORPORATION

40 San Miguel Avenue, Ortigas Center
Mandaluyong City 1550
Philippines

JOINT ISSUE MANAGERS

Bank of Commerce

16th Floor, San Miguel Properties Centre Building,
#7 St Francis Street,
Mandaluyong City 1550
Philippines

BDO Capital & Investment Corporation

17th Floor, BDO Equitable Tower,
8751 Pase de Roxas, Salcedo Village,
Makati City 1226
Philippines

PNB Capital and Investment Corporation

9th Floor, PNB Financial Center,
Pres. D. Macapagal Blvd.,
Pasay City 1300
Philippines

JOINT LEAD UNDERWRITERS AND BOOKRUNNERS

Bank of Commerce

16th Floor, San Miguel Property Centre Building,
#7 St Francis Street,
Mandaluyong City 1550
Philippines

BDO Capital & Investment Corporation

17th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Salcedo Village,
Makati City 1226
Philippines

BPI Capital Corporation

23rd Floor, Ayala Triangle Gardens Tower 2
Paseo De Roxas Cor., Makati Avenue,
Makati City 1226
Philippines

China Bank Capital Corporation

28th Floor, BDO Equitable Tower
8751 Paseo de Roxas
Makati City 1226
Philippines

Land Bank of the Philippines

15th Floor, LANDBANK Plaza 1598
M.H. del Pilar Dr. J. Quintos St.,
Malate, Manila
Philippines

Philippine Commercial Capital, Inc.

6th Floor, PCCI Corporate Centre,
118 L.P. Leviste Street,
Makati City 1227
Philippines

PNB Capital and Investment Corporation

9th Floor PNB Financial Center
Pres. Diosdado Macapagal Blvd.
Pasay City 1300
Philippines

RCBC Capital Corporation

21st Floor Tower 2, RCBC Plaza,
6819 Ayala Ave,
Makati City
Philippines

Security Bank Capital and Investment Corporation

18th Floor, Security Bank Centre,
6776 Ayala Avenue,

Makati City 0719

LEGAL ADVISORS

To the Issuer

Picazo Buyco Tan Fider Santos & Dee
Penthouse, Liberty Center – Picazo Law
104 H.V. dela Costa Street
Salcedo Village, Makati City 1227
Philippines

***To the Joint Issue Managers, and the Joint Lead
Underwriters and Bookrunners***

SyCip Salazar Hernandez & Gatmaitan
SyCipLaw Center
105 Paseo de Roxas
Makati City 1226
Philippines

INDEPENDENT AUDITOR

R.G. Manabat & Co., a member firm of KPMG
9th Floor, The KPMG Center
6787 Ayala Avenue
Makati City 1226
Philippines

DEPOSITORY AGENT

[*]
Philippines

**RECEIVING AND STOCK TRANSFER AGENT, AND
REGISTRAR AND PAYING AGENT**

SMC Stock Transfer Service Corporation
2/F, MC Head Office Complex,
40 San Miguel Avenue
Mandaluyong City 1550
Philippines

APPENDIX

- A. Unaudited Consolidated Interim Financial Statements as of June 30, 2025
- B. Audited Consolidated Financial Statements as of and for the years ended December 31, 2024, 2023 and 2022
- C. List of properties owned and leased by SMC
- D. List of Permits and Licenses of the Material Subsidiaries of SMC

APPENDIX “A”

SAN MIGUEL CORPORATION
Unaudited Consolidated Interim Financial
Statements as of June 30, 2025

COVER SHEET

P	W	-	2	7	7				
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S. E. C. Registration Number

						S	A	N								
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						M	I	G	U	E	L						
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			C	O	R	P	O	R	A	T	I	O	N					
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(Company's Full Name)

N	O	.	4	0		S	A	N		M	I	G	U	E	L		A	V	E
M	A	N	D	A	L	U	Y	O	N	G		C	I	T	Y				
M	E	T	R	O		M	A	N	I	L	A								
P	H	I	L	I	P	P	I	N	E	S									

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

Atty. Mary Rose S. Tan

Contact Person

(632) 632-3000

Company Telephone Number

1	2
---	---

Month

3	1
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Day

SEC FORM (2nd Quarter-2025)

			1	7	-	Q		
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FORM TYPE

2nd Tuesday of June

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Month

Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I. D.

Cashier

STAMPS

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**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended June 30, 2025
2. Commission identification number PW00000227
3. BIR Tax Identification No. 000-060-741-000
4. Exact name of issuer as specified in its charter SAN MIGUEL CORPORATION
5. Philippines
Province, country or other jurisdiction
of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. No. 40 San Miguel Avenue,
Mandaluyong City, Metro Manila
Address of issuer's principal office 1550
Postal Code
8. (632) 8632-3000
Issuer's telephone number, including area code
9. N/A
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Number of Shares of Stock and
Debt Outstanding as of
June 30, 2025

Common Shares	2,383,896,588
Series "2-F" Preferred Shares	223,333,500
Series "2-I" Preferred Shares	169,333,400
Series "2-J" Preferred Shares	266,666,667
Series "2-K" Preferred Shares	183,904,900
Series "2-L" Preferred Shares	165,358,600
Series "2-M" Preferred Shares	173,333,325
Series "2-N" Preferred Shares	100,115,100
Series "2-O" Preferred Shares	187,859,700
TOTAL	<u>3,853,801,780</u>

Total Liabilities P1,879,892 million

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

Yes [☒] No [☐]

If yes, disclose name of the Stock Exchange and class of securities listed therein:

Philippine Stock Exchange

- (a) Common Shares
- (b) Series "2" Preferred Shares - 2-F
- (c) Series "2" Preferred Shares - 2-I
- (d) Series "2" Preferred Shares - 2-J
- (e) Series "2" Preferred Shares - 2-K
- (f) Series "2" Preferred Shares - 2-L
- (g) Series "2" Preferred Shares - 2-M
- (h) Series "2" Preferred Shares - 2-N
- (i) Series "2" Preferred Shares - 2-O

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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.

Yes [☒] No [☐]

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

Yes [☒] No [☐]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited consolidated financial statements of San Miguel Corporation ("SMC" or "Parent Company") and its subsidiaries (collectively, the "Group") as of and for the period ended June 30, 2025 (with comparative figures as of December 31, 2024 and for the period ended June 30, 2024) and Selected Notes to the Consolidated Financial Statements is hereto attached as **Annex "A"**.

Item 2. Management's Discussion and Analysis of Financial Position and Financial Performance.

The information required by Part III, Paragraph (A)(2)(b) of "Annex C, as amended" is attached hereto as **Annex "B"**.

PART II--OTHER INFORMATION

The Company may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C, which otherwise be required to be filed with respect to such information, or in a subsequent report on Form 17-Q.

NONE

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **SAN MIGUEL CORPORATION**

Signature and Title 
BRYAN U. VILLANUEVA
Chief Finance Officer

Date August 14, 2025

Signature and Title 
BELLA O. NAVARRA
Comptrollership Manager/
Principal Accounting Officer

Date August 14, 2025

ANNEX "A"

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND DECEMBER 31, 2024
(In Millions)

	<i>Note</i>	2025 Unaudited	2024 Audited
ASSETS			
Current Assets			
Cash and cash equivalents	9, 10	P321,139	P293,677
Trade and other receivables - net	5, 9, 10	242,903	266,981
Inventories		157,400	178,355
Current portion of biological assets - net		3,427	3,241
Prepaid expenses and other current assets	5, 9, 10	136,205	158,180
Total Current Assets		861,074	900,434
Noncurrent Assets			
Investments and advances - net	2, 3	108,584	52,948
Investments in equity and debt instruments	5, 9, 10	21,126	21,050
Property, plant and equipment - net	6	801,698	891,450
Right-of-use assets - net		43,218	43,302
Investment property - net		88,161	87,909
Biological assets - net of current portion		2,612	2,652
Goodwill - net		185,182	184,994
Other intangible assets - net		347,047	340,496
Deferred tax assets		18,844	22,045
Other noncurrent assets - net	5, 9, 10	140,240	129,650
Total Noncurrent Assets		1,756,712	1,776,496
		P2,617,786	P2,676,930
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	5, 9, 10	P215,544	P293,230
Accounts payable and accrued expenses	5, 9, 10	246,724	289,038
Lease liabilities - current portion	5, 9, 10	6,472	11,736
Income and other taxes payable		37,831	43,628
Dividends and distributions payable	5, 8, 9, 10	5,221	5,160
Current maturities of long-term debt - net of debt issue costs	5, 9, 10	125,230	94,123
Total Current Liabilities		637,022	736,915
Noncurrent Liabilities			
Long-term debt - net of current maturities and debt issue costs	5, 9, 10	1,163,526	1,173,146
Lease liabilities - net of current portion	5, 9, 10	28,701	30,809
Deferred tax liabilities		27,514	34,861
Other noncurrent liabilities	5, 9, 10	23,129	24,758
Total Noncurrent Liabilities		1,242,870	1,263,574
Total Liabilities		1,879,892	2,000,489

Forward

	Note	2025 Unaudited	2024 Audited
Equity			
Equity Attributable to Equity Holders of the Parent Company			
Capital stock - common		P16,443	P16,443
Capital stock - preferred		10,187	10,187
Additional paid-in capital		177,442	177,442
Capital securities		24,211	24,211
Equity reserves	2	17,743	(5,275)
Retained earnings:			
Appropriated		85,276	79,849
Unappropriated		118,185	89,413
Treasury stock		(109,763)	(109,763)
		339,724	282,507
Non-controlling Interests		398,170	393,934
Total Equity		737,894	676,441
		P2,617,786	P2,676,930

Note: See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

BELLA O. NAVARRA
SVP, Corporate Finance - Comptrollership

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED JUNE 30, 2025 AND 2024
(In Millions, Except Per Share Data)

	Note	For the Quarter Ended			
		2025 Unaudited	2024 Unaudited	2025 Unaudited	2024 Unaudited
SALES	3, 5	P718,205	P789,021	P357,294	P396,308
COST OF SALES		583,338	655,195	292,027	326,832
GROSS PROFIT		134,867	133,826	65,267	69,476
SELLING AND ADMINISTRATIVE EXPENSES		(47,209)	(48,737)	(23,214)	(24,851)
INTEREST EXPENSE AND OTHER FINANCING CHARGES	5	(48,929)	(47,645)	(24,309)	(24,123)
INTEREST INCOME	5	7,842	7,324	3,835	3,690
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES		5,139	1,237	3,124	821
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT		866	58	401	45
OTHER INCOME (CHARGES) - Net	2, 4, 9, 10	31,653	(24,387)	6,315	(17,540)
INCOME BEFORE INCOME TAX		84,229	21,676	31,419	7,518
INCOME TAX EXPENSE		17,462	8,098	8,033	2,827
NET INCOME		P66,767	P13,578	P23,386	P4,691
Attributable to:					
Equity holders of the Parent Company		P40,780	(P8,703)	P10,565	(P9,212)
Non-controlling interests		25,987	22,281	12,821	13,903
		P66,767	P13,578	P23,386	P4,691
Basic and Diluted Earnings (Loss) Per Common Share Attributable to Equity Holders of the Parent Company	7	P15.10	(P5.64)	P3.43	(P4.86)
Cash Dividends Declared Per Common Share	8	P0.70	P0.70	P 0.35	P0.35

Note: See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:


BELLA O. NAVARRA
SVP, Corporate Finance - Comptrollership

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED JUNE 30, 2025 AND 2024
(In Millions)

	Note	For the Quarter Ended			
		2025 Unaudited	2024 Unaudited	2025 Unaudited	2024 Unaudited
NET INCOME		P66,767	P13,578	P23,386	P4,691
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified to profit or loss					
Remeasurement loss on defined benefit retirement plan		(6)	(1)	-	-
Income tax benefit		2	-	-	-
Net gain (loss) on financial assets at fair value through other comprehensive income	2	22,951	130	(2)	137
Income tax expense	2	(690)	(14)	-	(15)
Share in other comprehensive income of associates and joint ventures - net		-	6	-	5
		22,257	121	(2)	127
Items that may be reclassified to profit or loss					
Net gain on exchange differences on translation of foreign operations		989	2,511	1,513	3,136
Net gain (loss) on financial assets at fair value through other comprehensive income		23	(6)	1	(15)
Income tax benefit (expense)		(6)	2	(1)	4
Net gain (loss) on cash flow hedges	10	376	(948)	198	(1,194)
Income tax benefit (expense)		(94)	237	(49)	298
Share in other comprehensive income (loss) of associates and joint ventures - net		80	(121)	31	(70)
		1,368	1,675	1,693	2,159
OTHER COMPREHENSIVE INCOME - Net of tax		23,625	1,796	1,691	2,286
TOTAL COMPREHENSIVE INCOME - Net of tax		P90,392	P15,374	P25,077	P6,977
Attributable to:					
Equity holders of the Parent Company		P64,221	(P8,450)	P11,718	(P8,647)
Non-controlling interests		26,171	23,824	13,359	15,624
		P90,392	P15,374	P25,077	P6,977

Note: See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

BELLA O. NAVARRA
SVP, Corporate Finance - Comptrollership

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED JUNE 30, 2025 AND 2024
(In Millions)

	Note	Equity Attributable to Equity Holders of the Parent Company														Non-controlling Interests	Total Equity
		Equity Reserves									Retained Earnings		Treasury Stock		Total		
		Capital Stock		Additional Paid-in Capital	Senior Perpetual Capital Securities	Reserve for Retirement Plan	Hedging Reserve	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Appropriated	Unappropriated	Common	Preferred			
		Common	Preferred														
As at January 1, 2025 (Audited)		P16,443	P10,187	P177,442	P24,211	(P11,767)	(P681)	P671	P5,089	P1,413	P79,849	P89,413	(P67,093)	(P42,670)	P282,507	P393,934	P676,441
Net gain on exchange differences on translation of foreign operations		-	-	-	-	-	-	-	795	-	-	-	-	-	795	194	989
Share in other comprehensive income (loss) of associates and joint ventures - net		-	-	-	-	-	-	83	8	-	-	-	-	-	91	(11)	80
Net gain on cash flow hedges		-	-	-	-	-	282	-	-	-	-	-	-	-	282	-	282
Net gain on financial assets at fair value through other comprehensive income	2	-	-	-	-	-	-	15	-	22,262	-	-	-	-	22,277	1	22,278
Remeasurement loss on defined benefit retirement plan		-	-	-	-	(4)	-	-	-	-	-	-	-	-	(4)	-	(4)
Other comprehensive income (loss)		-	-	-	-	(4)	282	98	803	22,262	-	-	-	-	23,441	184	23,625
Net income		-	-	-	-	-	-	-	-	-	-	40,780	-	-	40,780	25,987	66,767
Total comprehensive income (loss)		-	-	-	-	(4)	282	98	803	22,262	-	40,780	-	-	64,221	26,171	90,392
Net addition (reduction) to non-controlling interests and others		-	-	-	-	(269)	-	-	53	(207)	-	(133)	-	-	(556)	(1,540)	(2,096)
Appropriations - net		-	-	-	-	-	-	-	-	-	5,427	(5,427)	-	-	-	-	-
Cash dividends and distributions:	8																
Common		-	-	-	-	-	-	-	-	-	-	(1,669)	-	-	(1,669)	(7,675)	(9,344)
Preferred		-	-	-	-	-	-	-	-	-	-	(3,708)	-	-	(3,708)	(852)	(4,560)
Capital securities		-	-	-	-	-	-	-	-	-	-	(1,071)	-	-	(1,071)	(11,868)	(12,939)
As at June 30, 2025 (Unaudited)		P16,443	P10,187	P177,442	P24,211	(P12,040)	(P399)	P769	P5,945	P23,468	P85,276	P118,185	(P67,093)	(P42,670)	P339,724	P398,170	P737,894

Forward

	Note	Equity Attributable to Equity Holders of the Parent Company															Non-controlling Interests	Total Equity
		Equity Reserves																
		Capital Stock		Additional Paid-in Capital	Senior Perpetual Capital Securities	Reserve for Retirement Plan	Hedging Reserve	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Retained Earnings		Treasury Stock		Total			
											Appropriated	Unappropriated	Common	Preferred				
		Common	Preferred															
As at January 1, 2024 (Audited)		P16,443	P10,187	P177,468	P24,211	(P10,465)	(P403)	P330	P2,974	P14,918	P87,170	P103,151	(P67,093)	(P42,670)	P316,221	P348,945	P665,166	
Net gain on exchange differences on translation of foreign operations		-	-	-	-	-	-	-	979	-	-	-	-	-	979	1,532	2,511	
Share in other comprehensive income (loss) of associates and joint ventures - net		-	-	-	-	-	-	(118)	(3)	-	-	-	-	-	(121)	6	(115)	
Net loss on cash flow hedges		-	-	-	-	-	(711)	-	-	-	-	-	-	-	(711)	-	(711)	
Net gain on financial assets at fair value through other comprehensive income		-	-	-	-	-	-	107	-	-	-	-	-	-	107	5	112	
Remeasurement loss on defined benefit retirement plan		-	-	-	-	(1)	-	-	-	-	-	-	-	-	(1)	-	(1)	
Other comprehensive income (loss)		-	-	-	-	(1)	(711)	(11)	976	-	-	-	-	-	253	1,543	1,796	
Net income (loss)		-	-	-	-	-	-	-	-	-	-	(8,703)	-	-	(8,703)	22,281	13,578	
Total comprehensive income (loss)		-	-	-	-	(1)	(711)	(11)	976	-	-	(8,703)	-	-	(8,450)	23,824	15,374	
Share issuance costs from reissuance of treasury shares		-	-	(26)	-	-	-	-	-	-	-	-	-	-	(26)	-	(26)	
Net addition (reduction) to non-controlling interests and others		-	-	-	-	-	-	-	-	(4,940)	-	(54)	-	-	(4,994)	3,380	(1,614)	
Appropriations - net		-	-	-	-	-	-	-	-	-	1,298	(1,298)	-	-	-	-	-	
Cash dividends and distributions:	8	-	-	-	-	-	-	-	-	-	-	(1,669)	-	-	(1,669)	(7,128)	(8,797)	
Common		-	-	-	-	-	-	-	-	-	-	(3,972)	-	-	(3,972)	(789)	(4,761)	
Preferred		-	-	-	-	-	-	-	-	-	-	(1,032)	-	-	(1,032)	(9,031)	(10,063)	
Capital securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at June 30, 2024 (Unaudited)		P16,443	P10,187	P177,442	P24,211	(P10,466)	(P1,114)	P319	P3,950	P9,978	P88,468	P86,423	(P67,093)	(P42,670)	P296,078	P359,201	P655,279	

Note: See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

BELLA C. NAVARRA

SVP, Corporate Finance - Comptrollership

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED JUNE 30, 2025 AND 2024
(In Millions)

	<i>Note</i>	2025 Unaudited	2024 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P84,229	P21,676
Adjustments for:			
Interest expense and other financing charges		48,929	47,645
Depreciation, amortization and others - net	4, 6	9,910	28,217
Loss (gain) on foreign exchange - net	4	(11,546)	25,120
Interest income		(7,842)	(7,324)
Equity in net earnings of associates and joint ventures		(5,139)	(1,237)
Gain on sale of investments and property and equipment		(866)	(58)
Operating income before working capital changes		117,675	114,039
Changes in noncash current assets, certain current liabilities and others		2,889	17,919
Cash generated from operations		120,564	131,958
Interest and other financing charges paid		(49,368)	(45,803)
Income taxes paid		(12,988)	(11,547)
Net cash flows provided by operating activities		58,208	74,608
CASH FLOWS FROM INVESTING ACTIVITIES			
Net proceeds of:			
Redemption of investment in redeemable preferred shares held by a subsidiary	2	78,717	-
Sale of property and equipment		3,430	482
Disposal of investments in debt instruments		445	519
Disposal of a subsidiary, net of cash and cash equivalents disposed of		-	8
Collection of advances		12,084	-
Dividends received		11,887	363
Interest received		7,718	6,505
Additions to:			
Property, plant and equipment	6	(19,166)	(48,178)
Intangible assets		(11,740)	(23,476)
Investments and advances		(10,178)	(7,007)
Contract assets		(4,724)	(7,742)
Advances to contractors and suppliers		(2,082)	(2,349)
Investment property		(2,070)	(4,212)
Investments in equity and debt instruments		(463)	(532)
Increase in other noncurrent assets and others		(9,728)	(8,270)
Cash and cash equivalents of deconsolidated subsidiaries	2	(5,679)	-
Net cash flows provided by (used in) investing activities		48,451	(93,889)

Forward

	Note	2025 Unaudited	2024 Unaudited
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds of:			
Short-term borrowings		P608,499	P630,730
Long-term borrowings		80,953	58,906
Payments of:			
Short-term borrowings		(681,265)	(583,917)
Long-term borrowings		(45,982)	(61,288)
Cash dividends and distributions paid to non-controlling shareholders		(20,339)	(17,063)
Payments of lease liabilities		(9,132)	(11,500)
Cash dividends and distributions paid	8	(6,444)	(5,717)
Redemption of capital securities of subsidiaries		(6,288)	(45,040)
Acquisition of treasury shares of a subsidiary		(1,119)	-
Increase (decrease) in non-controlling interests' share in the net assets of subsidiaries and others		(1,093)	31
Net proceeds of issuance of capital securities of subsidiaries		5,750	43,481
Share issuance costs from reissuance of treasury shares		-	(26)
Net cash flows provided by (used in) financing activities		(76,460)	8,597
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
		(2,737)	3,216
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		27,462	(7,468)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
		293,677	261,358
CASH AND CASH EQUIVALENTS AT END OF PERIOD			
		P321,139	P253,890

Note: See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

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SAN MIGUEL CORPORATION AND SUBSIDIARIES

TRADE AND OTHER RECEIVABLES

June 30, 2025

(In Millions)

				Past Due			
		Total	Current	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days
Trade	P	157,210	P 113,195	P 9,544	P 2,430	P 1,971	P 30,070
Non-trade		76,407	46,596	274	680	2,451	26,406
Amounts Owed by Related Parties		24,232	19,266	1,277	1,038	951	1,700
Total		257,849	P <u>179,057</u>	P <u>11,095</u>	P <u>4,148</u>	P <u>5,373</u>	P <u>58,176</u>
Less allowance for impairment losses		14,946					
Net	P	<u><u>242,903</u></u>					

San Miguel Corporation
Proceeds of the Offering of Series "O" and Series "P" Fixed-Rate Bonds
June 30, 2025
(Amounts in Millions)

i) Gross and Net Proceeds as Disclosed in the Final Prospectus

Gross Proceeds		P	20,000
Estimated Fees, Commissions and Expenses Relating to the Issue:			
Taxes to be paid by the Company	P	150	
Underwriting fees		80	
Estimated legal and other professional fees		6	
Philippine SEC filing and legal research fee		5	
Estimated other expenses		10	251
Net Proceeds		P	<u><u>19,749</u></u>

ii) Actual Gross and Net Proceeds

Gross Proceeds	P	20,000	
Expenses related to the Offering		<u>270</u>	*
Net Proceeds	P	<u><u>19,730</u></u>	

iii) Each Expenditure Item Where the Proceeds were Used

Partial redemption of Series "I" Fixed-Rate Bonds	P	11,240	
Repayment of Series "F" Fixed-Rate Bonds		2,438	
Additional investment in the Manila International Airport		<u>2,765</u>	
Total Expenditure Where the Proceeds Were Used	P	<u><u>16,443</u></u>	

iv) Balance of the Proceeds as of End of Reporting Period

P	<u><u>3,287</u></u>
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* Expenses of the Offering include: (i) payment of filing fees with the SEC; (ii) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses); (iii) issue management, underwriting and selling agent fees; (iv) payment of documentary stamp taxes; (v) listing application, listing and maintenance fees with the PDEX; (iv) additional miscellaneous fees; and (vii) registry fees with PDTC.

SAN MIGUEL CORPORATION AND SUBSIDIARIES

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **(Amounts in Millions, Except Per Share Data)**

1. Material Accounting Policy Information

The interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*, and do not include all the information required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements as at December 31, 2024.

The interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on August 7, 2025.

The interim consolidated financial statements are presented in Philippine Peso and all financial information is rounded off to the nearest million (000,000), except when otherwise indicated.

The principal accounting policies adopted in the preparation of the interim consolidated financial statements of the Group are consistent with those followed in the most recent annual audited consolidated financial statements, except for the changes in accounting policies as explained below.

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the adoption of a number of new and amendments to standards as part of Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Adoption of Amendments to Standards

The Group has adopted the Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*) effective January 1, 2025. The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, an entity needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the entity because the currency is not exchangeable.

The adoption of the amendments to standards did not have a material effect on the interim consolidated financial statements.

New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2025 and have not been applied in preparing the interim consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the interim consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Contracts Referencing Nature-dependent Electricity (Amendments to PFRS 9 and PFRS 7). The amendments clarify the application of the own-use exemption for contracts referencing electricity from nature-dependent renewable energy sources, amend the hedge accounting requirements to allow these contracts to be designated as hedging instruments if certain conditions are met, and introduce additional disclosure requirements on the impact of these contracts on the financial performance and future cash flow.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to two standards:
 - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.

- Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
 - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and
 - replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1, *Presentation of Financial Statements*. The new standard introduces the following key requirements:
 - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss;
 - Management-defined performance measures are disclosed in a single note to the financial statements; and
 - Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

- PFRS 17, *Insurance Contracts*, replaces the interim standard, PFRS 4, *Insurance Contracts*, and establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The new standard applies to all insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

PFRS 17 aims to increase transparency and to reduce diversity in the accounting for insurance contracts. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach) and simplified approach (the premium allocation approach) mainly for short-duration contracts.

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two years after its effective date as decided by the International Accounting Standards Board.

On February 14, 2025, the FSRSC further deferred the date of initial application by two years, making PFRS 17 effective for annual reporting periods beginning on or after January 1, 2027, with comparative figures required. Early adoption is permitted. The Insurance Commission issued CL No. 2025-04, aligning with this deferral.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2025 on the interim consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the interim consolidated financial statements when these amendments are adopted.

2. Investments and Advances

On March 1, 2024, Meralco PowerGen Corporation [MGen, a subsidiary of Manila Electric Company (Meralco)] and Therma NatGas Power, Inc. (TNGP, a subsidiary of Aboitiz Power Corporation), through their jointly owned entity, Chromite Gas Holdings Inc. (CGHI), have entered into binding agreements with San Miguel Global Power Holdings Corp. (San Miguel Global Power) and its relevant subsidiaries, for MGen and TNGP to jointly invest for a 67% equity interest in San Miguel Global Power's gas-fired power plants, namely: (i) the brownfield 1,278 megawatts (MW) Ilijan Power Plant owned by South Premiere Power Corp. (SPPC); (ii) the greenfield 1,320 MW Batangas Combined Cycle Power Plant (BCCPP) owned by Excellent Energy Resources Inc. (EERI); and (iii) land owned by Ilijan Primeline Industrial Estate Corp. (IPIEC) where the gas-fired power plant and related facilities of EERI as well as the Batangas Liquefied Natural Gas (LNG) Terminal are located.

The transaction also involved the joint acquisition by CGHI and San Miguel Global Power of Linseed Field Corporation (LFC), the owner of the Batangas LNG Terminal, which receives, stores and processes LNG to fuel for SPPC's Ilijan Power Plant and for EERI's BCCPP.

The transaction has customary closing conditions and has been issued the requisite regulatory approvals, including the review and approval of the Philippine Competition Commission (PCC). On May 17, 2024, Top Frontier Investment Holdings, Inc. (Top Frontier or the Ultimate Parent Company) filed its application for the approval of the transaction with the PCC. On December 23, 2024, PCC publicly disclosed its approval of the joint acquisition of power facilities and Batangas LNG Terminal by MGen, TNGP and San Miguel Global Power, subject to certain commitments from the parties aimed at ensuring fair competition and promoting transparency in the power industry.

On January 27, 2025, San Miguel Global Power completed the following transactions pursuant to the agreements executed on March 1, 2024 with CGHI:

- Investment by CGHI of 67% equity interests in SPPC, EERI and IPIEC; and
- Acquisition by CGHI and San Miguel Global Power of 67% and 32.98% equity interests, respectively, in LFC.

As a result of the transactions, San Miguel Global Power's equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%, thereby resulting in a loss of control and deconsolidation of the assets and liabilities of the three subsidiaries. The 33% equity interests retained in SPPC, EERI and IPIEC were recognized at fair market value, totaling to P52,706, included as part of "Investments in shares of stock of associates" under "Investments and advances - net" account, in the consolidated statement of financial position as at June 30, 2025. The revaluation of the investment in SPPC, EERI and IPIEC resulted in a gain amounting to P21,933, included as part of "Other income (charges) - net" account, in the consolidated statement of income for the period ended June 30, 2025 (Note 4).

The following summarizes the derecognized accounts at the deconsolidation date:

Current assets	P62,420
Noncurrent assets	99,364
Current liabilities	(71,748)
Noncurrent liabilities	(59,263)
Net Assets	P30,773

Total consideration paid by San Miguel Global Power for the acquisition of 32.98% equity interest in LFC amounted to P4,340, included as part of "Investments in shares of stock of associates" under "Investments and advances - net" account, in the consolidated statement of financial position as at June 30, 2025.

Subsequently, SPPC, EERI and IPIEC redeemed and paid their respective redeemable preferred shares issued to San Miguel Global Power at a redemption price totaling to P78,717. Consequently, San Miguel Global Power recognized a net gain on investments in equity instruments amounting to P22,262, presented under "Equity reserves" account in the consolidated statement of financial position as at June 30, 2025 and under "Net gain on financial assets at fair value through other comprehensive income" account in the consolidated statement of comprehensive income for the period ended June 30, 2025.

3. Segment Information

Operating Segments

The reporting format of the Group's operating segments is determined based on the Group's risks and rates of return which are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed separately according to the nature of the products produced and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group's reportable segments are food and beverage, packaging, energy, fuel and oil, infrastructure, cement, and real estate.

The food and beverage segment is engaged in: (i) the processing and marketing of branded value-added refrigerated processed meats, canned meats, ready-to-eat viands, seafood and plant-based food products, the manufacture and marketing of butter, margarine, cheese, milk, ice cream and salad aids, the marketing of flour mixes, and the importation and marketing of coffee products (collectively known as “Prepared and Packaged Food”); (ii) the production and sale of feeds, veterinary medicine and pet care products (“Animal Nutrition and Health”); (iii) poultry and livestock farming, and the processing and sale of poultry and fresh meats (“Protein”); and (iv) the milling, production and marketing of flour and bakery ingredients, grain terminal handling, foodservice, and international operations (“Others”). It is also engaged in the production, marketing and selling of fermented, malt-based and non-alcoholic beverages within the Philippines and several foreign markets; and production of hard liquor in the form of gin, Chinese wine, brandy, rum, vodka and other hard liquor variants which are available nationwide, while some are exported to select countries.

The packaging segment is involved in the production and marketing of packaging products including, among others, glass containers, glass molds, polyethylene terephthalate (PET) bottles and preforms, PET recycling, plastic closures, corrugated cartons, woven polypropylene, kraft sacks and paperboard, pallets, flexible packaging, plastic crates, plastic floorings, plastic films, plastic trays, plastic pails and tubs, metal closures and two-piece aluminum cans, woven products, industrial laminates and radiant barriers. It is also involved in crate and plastic pallet leasing, PET bottle filling graphics design, packaging research and testing, packaging development and consultation, contract packaging and trading.

The energy segment sells, retails and distributes power, through power supply agreements, retail supply contracts, ancillary service procurement agreements and other power-related service agreements, either directly to customers (other generators, distribution utilities, including Meralco, electric cooperatives, industrial customers and National Grid Corporation of the Philippines) or through the Philippine Wholesale Electricity Spot Market.

The fuel and oil segment is engaged in refining of crude oil and marketing and distribution of refined petroleum products.

The infrastructure segment has investments in companies which hold long-term concessions in the infrastructure sector in the Philippines. It is engaged in the management and operation, as well as construction and development of various infrastructure projects such as major toll roads, airports, railways and bulk water.

The cement segment is primarily engaged in the manufacturing, marketing and distribution of cement products.

The real estate segment is primarily engaged in leasing, sale of real estate, management services, and hotel operations.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, receivables, inventories, biological assets, property, plant and equipment and concession rights, net of allowances, accumulated depreciation and amortization and impairment. Segment liabilities include all operating liabilities and consist primarily of accounts payable and accrued expenses and other noncurrent liabilities, excluding interest payable. Segment assets and liabilities do not include deferred taxes.

Inter-segment Transactions

Segment revenues, expenses and performance include sales and purchases between operating segments. Such transactions are eliminated in consolidation.

Major Customer

The Group does not have a single external customer from which sales revenue generated amounted to 10% or more of the total revenues of the Group.

Operating Segments

Financial information about reportable segments as at and for the periods ended June 30, 2025, December 31, 2024 and June 30, 2024 follows:

	Food and Beverage		Packaging		Energy		Fuel and Oil		Infrastructure		Cement		Real Estate and Others		Eliminations		Consolidated	
	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024
Sales																		
External sales	P201,016	P192,784	P11,914	P12,138	P75,704	P94,939	P382,017	P439,464	P19,422	P18,072	P17,491	P18,619	P10,641	P13,005	P -	P -	P718,205	P789,021
Inter-segment sales	184	98	7,370	5,836	4,443	4,005	4,378	5,026	435	421	331	343	19,662	18,117	(36,803)	(33,846)	-	-
Total sales	P201,200	P192,882	P19,284	P17,974	P80,147	P98,944	P386,395	P444,490	P19,857	P18,493	P17,822	P18,962	P30,303	P31,122	(P36,803)	(P33,846)	P718,205	P789,021
Result																		
Segment result	P30,041	P26,641	P1,592	P1,362	P22,120	P22,988	P15,146	P17,449	P11,142	P9,856	P3,493	P3,952	P2,613	P2,412	P1,511	P429	P87,658	P85,089
Interest expense and other financing charges																	(48,929)	(47,645)
Interest income																	7,842	7,324
Equity in net earnings of associates and joint ventures																	5,139	1,237
Gain on sale of investments and property and equipment																	866	58
Other income (charges) - net																	31,653	(24,387)
Income tax expense																	(17,462)	(8,098)
Net Income																	P66,767	P13,578
	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024
Other Information																		
Segment assets	P317,383	P317,550	P49,162	P49,218	P687,535	P790,293	P433,657	P457,756	P510,444	P492,423	P113,933	P113,340	P356,662	P366,344	(P187,246)	(P193,154)	P2,281,530	P2,393,770
Investments in and advances to associates and joint ventures	-	-	-	-	73,999	19,894	8	11	9,093	9,334	819	819	24,665	22,890	-	-	108,584	52,948
Goodwill and trademarks																	185,396	185,212
Other assets																	23,432	22,955
Deferred tax assets																	18,844	22,045
Consolidated Total Assets																	P2,617,786	P2,676,930

Forward

	Food and Beverage		Packaging		Energy		Fuel and Oil		Infrastructure		Cement		Real Estate and Others		Eliminations		Consolidated	
	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024	June 2025	December 2024
Segment liabilities	P83,485	P83,615	P10,288	P10,689	P79,317	P124,537	P86,748	P81,162	P59,434	P59,873	P7,230	P6,805	P89,423	P98,598	(P151,152)	(P157,705)	P264,773	P307,574
Loans payable																	215,544	293,230
Long-term debt																	1,288,756	1,267,269
Lease liabilities																	35,173	42,545
Income and other taxes payable																	37,831	43,628
Dividends and distributions payable and others																	10,301	11,382
Deferred tax liabilities																	27,514	34,861
Consolidated Total Liabilities																	P1,879,892	P2,000,489

Disaggregation of Revenue

The following table shows the disaggregation of revenue by timing of revenue recognition and the reconciliation of the disaggregated revenue with the Group's reportable segments for the periods ended June 30, 2025 and 2024:

	Food and Beverage		Packaging		Energy		Fuel and Oil		Infrastructure		Cement		Real Estate and Others		Consolidated	
	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024
Timing of recognition																
Sales recognized at point in time	P201,010	P192,777	P11,375	P11,749	P -	P -	P382,017	P439,464	P -	P -	P17,491	P18,619	P7,648	P10,935	P619,541	P673,544
Sales recognized over time	6	7	539	389	75,704	94,939	-	-	19,422	18,072	-	-	2,993	2,070	98,664	115,477
Total external sales	P201,016	P192,784	P11,914	P12,138	P75,704	P94,939	P382,017	P439,464	P19,422	P18,072	P17,491	P18,619	P10,641	P13,005	P718,205	P789,021

4. Other Income (Charges) - Net

Other income (charges) - net consists of:

	<i>Note</i>	For the Periods Ended June 30	
		2025	2024
Gain on fair valuation of investment	2	P21,933	P -
Construction revenue		19,869	30,992
Gain (loss) on foreign exchange - net	9	11,797	(27,206)
Construction costs		(19,869)	(30,992)
Gain (loss) on derivatives - net	10	(2,853)	2,313
Others		776	506
		P31,653	(P24,387)

The construction revenue recognized in profit or loss approximates the construction costs recognized. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Construction costs are recognized by reference to the stage of completion of the construction activity of toll road, airport, port, and water concession rights as at the reporting date.

Gain on fair valuation of the retained investment in SPPC, EERI and IPIEC was recognized, following the dilution of San Miguel Global Power's ownership interest from 100% to 33% (Note 2).

"Others" consist of dividend income, rent income, commission income, insurance claims, changes in fair value of financial assets at fair value through profit or loss (FVPL), impairment, casualty loss and expenses of closed facilities.

5. Related Party Disclosures

San Miguel Corporation (SMC or the Parent Company), certain subsidiaries and their shareholders, associates and joint ventures purchase products and services from one another in the normal course of business. The Parent Company requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the total consolidated assets based on its latest audited financial statements.

Amounts owed by/owed to related parties are collectible/payable in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at June 30, 2025 and December 31, 2024:

	Year	Revenue from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Ultimate Parent Company	June 30, 2025	P2	P -	P -	P516	Settled on dividend payment date	Unsecured
	December 31, 2024	9	-	-	516		
	June 30, 2025	-	-	3,037	-	To be settled on the first anniversary of commercial operations of the Nonoc Project; interest-bearing	Unsecured; no impairment
	December 31, 2024	-	-	3,037	-		
Retirement plans	June 30, 2025	15	-	2,877	-	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2024	30	-	3,166	-		
	June 30, 2025	101	-	3,110	-	On demand; interest-bearing	Unsecured; no impairment
	December 31, 2024	234	-	4,127	-		
Associates	June 30, 2025	2,713	-	15,523	206	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2024	1,984	-	940	161		
	June 30, 2025	382	1,126	9,743	30,027	Less than 1 to 12 years; interest-bearing	Unsecured and secured; no impairment
	December 31, 2024	637	1,394	9,720	34,208		
Joint ventures	June 30, 2025	332	1,528	90	364	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2024	88	1,103	7	456		
	June 30, 2025	14	-	621	-	On demand; interest-bearing	Unsecured; with impairment
	December 31, 2024	13	-	621	-		
Shareholder of the Ultimate Parent Company	June 30, 2025	-	-	1,200	-	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2024	-	-	1,300	-		
Shareholders in subsidiaries	June 30, 2025	25	693	95	1,387	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2024	43	1,265	96	1,368		
Others	June 30, 2025	376	1,486	325	101	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2024	543	1,559	208	126		
Total	June 30, 2025	P4,000	P4,833	P38,401	P32,601		
Total	December 31, 2024	P3,662	P5,321	P24,968	P36,835		

- 1) Revenue consists primarily of sale of power, fuel and other products and services to related parties.
- 2) Purchases consist primarily of purchase of inventories, power and other products and services from related parties.
- 3) Amounts owed by related parties consist of current and noncurrent receivable, advances to suppliers and deposits and share in expenses.
 - a) Amounts owed by related parties include interest-bearing receivable from Top Frontier related to the remaining balance of the consideration for the sale of Clariden Holdings, Inc. (Clariden) amounting to P2,312 and the assignment of certain receivables of the Ultimate Parent Company amounting to P725.
 - (i) *Amounts owed by the Ultimate Parent Company amounting to P2,312:* On September 27, 2019, SMC and Top Frontier agreed in writing that the second payment amounting to P1,099, plus 5.75% interest rate per annum of any portion thereof unpaid, and the final payment amounting to P1,213, plus 6.00% per annum of any portion thereof unpaid, shall be payable and the interest shall be accrued, on the first anniversary of commercial operations of the Nonoc Project or such extended date as may be mutually agreed by the parties in writing.

- (ii) *Amounts owed by the Ultimate Parent Company amounting to P725:* On September 27, 2019, the parties agreed in writing that the amounts plus 5.75% interest rate per annum of any portion thereof unpaid shall be payable and the interest shall be accrued, upon commencement of commercial operations of the Nonoc Project.

The Nonoc Project is primarily focused on extracting nickel deposits in Nonoc Island, Surigao City, Surigao del Norte, and is undertaken by Philnico Industrial Corporation, Pacific Nickel Philippines, Inc., and Philnico Processing Corp., all indirect subsidiaries of Clariden. As at June 30, 2025 and December 31, 2024, the Nonoc Project has not yet started commercial operations.

These amounts are included as part of noncurrent receivables and deposits under "Other noncurrent assets - net" account in the consolidated statements of financial position as at June 30, 2025 and December 31, 2024.

- b) The Parent Company has advances to and receivables from San Miguel Corporation Retirement Plan amounting to P5,987 and P6,311 as at June 30, 2025 and December 31, 2024, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position. Portion of the advances are subject to interest of 5.75% per annum. Interest income earned from the advances amounted to P91 and P94 for the periods ended June 30, 2025 and 2024, respectively.
- c) Petron Corporation (Petron) has advances to Petron Corporation Employee Retirement Plan amounting to P982 as at December 31, 2024, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statement of financial position, which was fully paid on March 20, 2025. Portion of the advances are subject to interest of 5% per annum. Interest income earned from the advances amounted to P10 and P23 for the periods ended June 30, 2025 and 2024, respectively.
- d) The amounts owed by associates mainly consist of advances granted and management and shared service fees charged to SPPC and EERI amounting to P14,362, presented as part of "Trade and other receivables - net" and "Other noncurrent assets - net" accounts in the consolidated statement of financial position as at June 30, 2025.
- e) Amounts owed by related parties include investments in equity and debt instruments under an investment management agreement with Bank of Commerce (BankCom) amounting to P9,743 and P9,718 as at June 30, 2025 and December 31, 2024, respectively, presented as part of "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts in the consolidated statements of financial position. Interest income earned from investments in equity and debt instruments amounted to P162 for the periods ended June 30, 2025 and 2024.
- f) Amounts owed by related parties include an interest-bearing receivable from joint ventures amounting to P621 included as part of "Trade and other receivables - net" account in the consolidated statements of financial position. Allowance for impairment losses pertaining to these receivables amounted to P621 as at June 30, 2025 and December 31, 2024. Interest income earned from the receivable amounted to P14 and P13 for the periods ended June 30, 2025 and 2024, respectively.

- g) Amounts owed by joint ventures include the interest-bearing loans granted to Angat Hydropower Corporation (Angat Hydro) by PowerOne Ventures Energy Inc. (PVEI).

In January 2017, PVEI granted shareholder advances to Angat Hydro amounting to US\$32 (P1,579). The advances are subject to interest of 4.5% per annum and were due on April 30, 2017. The due date of the advances was extended to December 31, 2025, as agreed by the parties. As at June 30, 2025 and December 31, 2024, the remaining balance of the shareholder advances amounted to US\$2 (P129) and US\$2 (P132), respectively.

In February 2023 and June and October 2021, PVEI granted additional shareholder advances to Angat Hydro amounting to P344, P600 and P409, respectively. The advances are subject to interest of 6.125%, 4.6% and 6.125% per annum, respectively, and are due on January 5, 2032.

As at June 30, 2025 and December 31, 2024, the outstanding balance of advances amounted to P1,482 and P1,485, respectively, presented as part of "Trade and other receivables - net" and "Other noncurrent assets - net" accounts in the consolidated statements of financial position. Interest income earned from the advances amounted to P40 for the periods ended June 30, 2025 and 2024.

- h) Amounts owed by related parties include the receivable from Far East Holdings, Inc. on the assignment by Eagle Cement Corporation of the advances for future investment in KB Space Holdings, Inc. amounting to P1,200 and P1,300, as at June 30, 2025 and December 31, 2024, respectively, presented as part of "Trade and other receivables - net" account in the consolidated statements of financial position.
- 4) Amounts owed to related parties consist of trade payables, professional fees and lease obligations. Amounts owed to a related party for the lease of office space presented as part of "Lease liabilities - current portion" amounted to P5 and P9 as at June 30, 2025 and December 31, 2024, respectively, and as part of "Lease liabilities - net of current portion" amounted to P34 and P35 as at June 30, 2025 and December 31, 2024, respectively. The amount owed to the Ultimate Parent Company pertains to dividends payable.

The interest-bearing loans payable to BankCom presented as part of "Loans payable" account amounted to P2,953 and P6,941 and "Long-term debt" account amounted to P27,074 and P27,267 in the consolidated statements of financial position as at June 30, 2025 and December 31, 2024, respectively. Interest expense incurred on the loans amounted to P1,126 and P938 for the periods ended June 30, 2025 and 2024, respectively.

The amounts owed to associates include syndicated project finance loans amounting to P20,000 and P20,584 as at June 30, 2025 and December 31, 2024, respectively, which were secured by certain property, plant and equipment and other intangible assets.

There were no known transactions with parties that fall outside the definition "related parties" under PAS 24, *Related Party Disclosures*, but with whom SMC or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

6. Property, Plant and Equipment

Property, plant and equipment consist of:

June 30, 2025 and December 31, 2024

	Note	Land and Land Improvements	Buildings and Improvements	Power Plants	Refinery and Plant Equipment	Service Stations and Other Equipment	Equipment, Furniture and Fixtures	Leasehold Improvements	Capital Projects in Progress	Total
Cost										
January 1, 2024 (Audited)		P58,324	P93,452	P225,369	P194,507	P19,845	P260,596	P12,681	P198,417	P1,063,191
Additions		3,757	855	2,741	968	893	7,258	389	78,200	95,061
Acquisition of subsidiaries		1,414	-	-	-	-	22	-	14	1,450
Disposals/retirement		(135)	(110)	-	(36)	(1,459)	(3,689)	(1)	(39)	(5,469)
Reclassifications and others		1,907	8,633	128,627	3,343	122	18,121	4,040	(84,396)	80,397
Currency translation adjustments		215	449	-	1,963	725	1,259	(21)	91	4,681
December 31, 2024 (Audited)		65,482	103,279	356,737	200,745	20,126	283,567	17,088	192,287	1,239,311
Additions		64	51	1,049	189	165	2,870	144	22,615	27,147
Deconsolidation of subsidiaries	2	(1,619)	(422)	(78,260)	-	-	(467)	-	(20,716)	(101,484)
Disposals/retirement		(7)	(36)	-	-	(1)	(5,091)	-	(87)	(5,222)
Reclassifications and others		126	3,104	28,564	2,431	132	7,133	2,096	(40,741)	2,845
Currency translation adjustments		85	(155)	-	795	296	(511)	4	22	536
June 30, 2025 (Unaudited)		64,131	105,821	308,090	204,160	20,718	287,501	19,332	153,380	1,163,133
Accumulated Depreciation										
January 1, 2024 (Audited)		4,962	24,789	40,308	76,218	15,376	130,322	3,342	-	295,317
Depreciation		585	2,826	10,850	6,536	784	13,609	782	-	35,972
Disposals/retirement		-	(76)	-	(34)	(1,406)	(2,842)	(1)	-	(4,359)
Reclassifications		(773)	89	-	-	293	3,386	(2)	-	2,993
Currency translation adjustments		2	244	-	920	398	762	(7)	-	2,319
December 31, 2024 (Audited)		4,776	27,872	51,158	83,640	15,445	145,237	4,114	-	332,242
Depreciation		267	1,457	7,275	3,761	393	7,308	418	-	20,879
Deconsolidation of subsidiaries	2	(9)	(38)	(4,260)	-	-	(31)	-	-	(4,338)
Disposals/retirement		(7)	(25)	-	-	(1)	(2,737)	-	-	(2,770)
Reclassifications		17	107	(439)	-	-	133	(9)	-	(191)
Currency translation adjustments		(1)	(61)	-	374	178	(216)	4	-	278
June 30, 2025 (Unaudited)		5,043	29,312	53,734	87,775	16,015	149,694	4,527	-	346,100
Accumulated Impairment										
January 1, 2024 (Audited)		-	3,303	-	-	-	11,008	26	65	14,402
Impairment		-	460	-	-	-	179	-	207	846
Disposals/retirement		-	-	-	-	-	(92)	-	-	(92)
Reclassifications		-	(1)	-	-	-	-	-	-	(1)
Currency translation adjustments		-	104	-	-	-	361	(1)	-	464
December 31, 2024 (Audited)		-	3,866	-	-	-	11,456	25	272	15,619
Impairment		-	-	-	-	-	64	-	-	64
Disposals/retirement		-	(7)	-	-	-	(5)	-	-	(12)
Reclassifications		-	-	-	-	-	43	-	-	43
Currency translation adjustments		-	(98)	-	-	-	(282)	1	-	(379)
June 30, 2025 (Unaudited)		-	3,761	-	-	-	11,276	26	272	15,335
Carrying Amount										
December 31, 2024 (Audited)		P60,706	P71,541	P305,579	P117,105	P4,681	P126,874	P12,949	P192,015	P891,450
June 30, 2025 (Unaudited)		P59,088	P72,748	P254,356	P116,385	P4,703	P126,531	P14,779	P153,108	P801,698

June 30, 2024

	Land and Land Improvements	Buildings and Improvements	Power Plants	Refinery and Plant Equipment	Service Stations and Other Equipment	Equipment, Furniture and Fixtures	Leasehold Improvements	Capital Projects in Progress	Total
Cost									
January 1, 2024 (Audited)	P58,324	P93,452	P225,369	P194,507	P19,845	P260,596	P12,681	P198,417	P1,063,191
Additions	976	103	1,877	129	679	2,944	293	41,177	48,178
Disposals/retirement	(67)	(20)	-	(2)	(1,286)	(1,409)	(1)	(3)	(2,788)
Reclassifications and others	6	3,568	22,618	(4)	1	10,145	3,905	(35,845)	4,394
Currency translation adjustments	44	479	-	861	324	1,627	16	34	3,385
June 30, 2024 (Unaudited)	59,283	97,582	249,864	195,491	19,563	273,903	16,894	203,780	1,116,360
Accumulated Depreciation									
January 1, 2024 (Audited)	4,962	24,789	40,308	76,218	15,376	130,322	3,342	-	295,317
Depreciation	285	1,355	4,922	2,854	405	6,619	363	-	16,803
Disposals/retirement	-	(20)	-	-	(1,236)	(961)	(1)	-	(2,218)
Reclassifications	(776)	(148)	-	-	-	3,110	1	-	2,187
Currency translation adjustments	(1)	209	-	401	186	864	3	-	1,662
June 30, 2024 (Unaudited)	4,470	26,185	45,230	79,473	14,731	139,954	3,708	-	313,751
Accumulated Impairment									
January 1, 2024 (Audited)	-	3,303	-	-	-	11,008	26	65	14,402
Reversal of impairment	-	-	-	-	-	(10)	-	(1)	(11)
Disposals/retirement	-	-	-	-	-	(81)	-	-	(81)
Currency translation adjustments	-	174	-	-	-	550	1	-	725
June 30, 2024 (Unaudited)	-	3,477	-	-	-	11,467	27	64	15,035
Carrying Amount									
June 30, 2024 (Unaudited)	P54,813	P67,920	P204,634	P116,018	P4,832	P122,482	P13,159	P203,716	P787,574

Depreciation charged to operations amounted to P20,879 and P16,803 for the periods ended June 30, 2025 and 2024, respectively.

Reclassifications and others include transfers to investment property due to change in usage as evidenced by ending of owner-occupation or commencement of operating lease to another party, and reclassifications from the capital projects in progress account to specific property, plant and equipment accounts.

As at June 30, 2025 and December 31, 2024, certain property, plant and equipment amounting to P280,758 and P269,015, respectively, were pledged as security for syndicated project finance loans.

7. Basic and Diluted Earnings Per Common Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to equity holders of the Parent Company, net of dividends on preferred shares and distributions to holders of capital securities, by the weighted average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

For the purpose of computing diluted EPS, the net income for the period attributable to equity holders of the Parent Company and the weighted-average number of issued and outstanding common shares during the period are adjusted for the effect of all potential dilutive debt or equity instruments.

Basic and diluted EPS is computed as follows:

	For the Periods Ended June 30	
	2025	2024
Net income (loss) attributable to equity holders of the Parent Company	P40,780	(P8,703)
Less: Dividends on preferred shares for the period	3,708	3,708
Distributions on capital securities for the period	1,071	1,032
Net income (loss) attributable to common shareholders of the Parent Company (a)	P36,001	(P13,443)
Weighted average number of common shares outstanding (in millions) - basic and diluted (b)	2,384	2,384
Basic and diluted earnings (loss) per common share attributable to equity holders of the Parent Company (a/b)	P15.10	(P5.64)

Earnings (loss) per common share is computed based on amounts in nearest Peso.

The Parent Company has no dilutive debt or equity instruments for the periods ended June 30, 2025 and 2024.

8. Dividends and Distributions

Dividends

The BOD of the Parent Company approved the declaration and payment of the following cash dividends for common and preferred shares as follows:

2025

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend per Share
Common	March 13, 2025	March 28, 2025	April 25, 2025	P0.35
	June 10, 2025	June 27, 2025	July 23, 2025	0.35
Preferred				
SMC2F	January 16, 2025	March 21, 2025	April 4, 2025	1.27635
	May 8, 2025	June 20, 2025	July 4, 2025	1.27635
SMC2I	January 16, 2025	March 21, 2025	April 4, 2025	1.18790625
	May 8, 2025	June 20, 2025	July 4, 2025	1.18790625
SMC2J	January 16, 2025	March 21, 2025	April 4, 2025	0.890625
	May 8, 2025	June 20, 2025	July 4, 2025	0.890625
SMC2K	January 16, 2025	March 21, 2025	April 4, 2025	0.84375
	May 8, 2025	June 20, 2025	July 4, 2025	0.84375

Forward

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend per Share
Preferred				
SMC2L	January 16, 2025	March 21, 2025	April 4, 2025	P1.48396875
	May 8, 2025	June 20, 2025	July 4, 2025	1.48396875
SMC2M	January 16, 2025	March 21, 2025	April 4, 2025	1.5703125
	May 8, 2025	June 20, 2025	July 4, 2025	1.5703125
SMC2N	January 16, 2025	March 21, 2025	April 4, 2025	1.5649875
	May 8, 2025	June 20, 2025	July 4, 2025	1.5649875
SMC2O	January 16, 2025	March 21, 2025	April 4, 2025	1.611300
	May 8, 2025	June 20, 2025	July 4, 2025	1.611300

2024

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend per Share
Common				
	March 11, 2024	March 27, 2024	April 26, 2024	P0.35
	June 11, 2024	June 28, 2024	July 26, 2024	0.35
Preferred				
SMC2F	January 18, 2024	March 21, 2024	April 4, 2024	1.27635
	May 14, 2024	June 21, 2024	July 4, 2024	1.27635
SMC2I	January 18, 2024	March 21, 2024	April 4, 2024	1.18790625
	May 14, 2024	June 21, 2024	July 4, 2024	1.18790625
SMC2J	January 18, 2024	March 21, 2024	April 4, 2024	0.890625
	May 14, 2024	June 21, 2024	July 4, 2024	0.890625
SMC2K	January 18, 2024	March 21, 2024	April 4, 2024	0.84375
	May 14, 2024	June 21, 2024	July 4, 2024	0.84375
	May 14, 2024	June 21, 2024	July 4, 2024	0.1031250
SMC2L	January 18, 2024	March 21, 2024	April 4, 2024	1.48396875
	May 14, 2024	June 21, 2024	July 4, 2024	1.48396875
	May 14, 2024	June 21, 2024	July 4, 2024	0.3297708333333333
SMC2M	January 18, 2024	March 21, 2024	April 4, 2024	1.5703125
	May 14, 2024	June 21, 2024	July 4, 2024	1.5703125
	May 14, 2024	June 21, 2024	July 4, 2024	0.5059895833333333
SMC2N	January 18, 2024	March 21, 2024	April 4, 2024	1.5649875
	May 14, 2024	June 21, 2024	July 4, 2024	1.5649875
	May 14, 2024	June 21, 2024	July 4, 2024	0.347775
SMC2O	January 18, 2024	March 21, 2024	April 4, 2024	1.611300
	May 14, 2024	June 21, 2024	July 4, 2024	1.611300
	May 14, 2024	June 21, 2024	July 4, 2024	0.3580666666666667

On August 7, 2025, the BOD of the Parent Company declared cash dividends to all preferred shareholders of record as at September 19, 2025 on the following shares to be paid on October 3, 2025, as follows:

Class of Shares	Dividend Per Share
SMC2F	P1.27635
SMC2I	1.18790625
SMC2J	0.890625
SMC2K	0.84375
SMC2L	1.48396875
SMC2M	1.5703125
SMC2N	1.5649875
SMC2O	1.611300

Distributions

The Parent Company paid P1,071 and P1,032 for the periods ended June 30, 2025 and 2024, respectively, to the holders of Senior Perpetual Capital Securities (SPCS) as distributions, in accordance with the terms and conditions of their respective separate subscription agreements.

On July 29, 2025, the Parent Company paid distributions amounting to P1,051 to the holders of SPCS.

9. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Market Risk (Interest Rate Risk, Foreign Currency Risk and Commodity Price Risk)
- Liquidity Risk
- Credit Risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group include cash and cash equivalents, financial assets at FVPL, investments in equity and debt instruments, restricted cash, short-term and long-term loans, dividends and distributions payable, and derivative instruments. These financial instruments, except financial assets at FVPL and derivative instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Group such as trade and other receivables, noncurrent receivables and deposits, accounts payable and accrued expenses, lease liabilities and other noncurrent liabilities arise directly from and are used to facilitate its daily operations.

The outstanding derivative instruments of the Group such as options, forwards and swaps are intended mainly for risk management purposes. The Group uses derivatives to manage its exposures to foreign currency, interest rate and commodity price risks arising from the operating and financing activities.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Audit and Risk Oversight Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: (a) quality and integrity of the consolidated financial statements and financial reporting process and the systems of internal accounting and financial controls; (b) performance of the internal auditors; (c) annual independent audit of the consolidated financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; (d) compliance with tax, legal and regulatory requirements; (e) evaluation of management's process to assess and manage the enterprise risk issues; and (f) fulfillment of the other responsibilities set out by the BOD. The Audit and Risk Oversight Committee shall prepare such reports as may be necessary to document the activities of the committee in the performance of its functions and duties. Such reports shall be included in the annual report of the Group and other corporate disclosures as may be required by the Securities and Exchange Commission (SEC) and/or the Philippine Stock Exchange, Inc. (PSE).

The Audit and Risk Oversight Committee also oversees how management monitors compliance with the risk management policies and procedures of the Group and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit assists the Audit and Risk Oversight Committee in monitoring and evaluating the effectiveness of the risk management and governance processes of the Group. Internal Audit undertakes both regular and special reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Oversight Committee.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group's exposure to changes in interest rates relates primarily to the long-term borrowings and investment securities. Investment securities acquired or borrowings issued at fixed rates expose the Group to fair value interest rate risk. On the other hand, investment securities acquired or borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. The management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

On the other hand, the investment policy of the Group is to maintain an adequate yield to match or reduce the net interest cost from its borrowings pending the deployment of funds to their intended use in the operations and working capital management. However, the Group invests only in high-quality securities while maintaining the necessary diversification to avoid concentration risk.

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.

The management of interest rate risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various standard and non-standard interest rate scenarios.

The Group uses interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities, and notional amounts. The Group assesses whether the derivative designated in the hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

The following are the main sources of ineffectiveness in the hedge relationships:

- the effect of the counterparty's and the Group's own credit risk on the fair value of the derivative contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- changes in the timing of the hedged transactions.

Interest Rate Risk Table

The terms and maturity profile of the interest-bearing financial instruments, together with its gross amounts, are shown in the following tables:

June 30, 2025	<1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated Interest rate	P79,521 3.284% - 8.7815%	P88,715 3.284% - 8.7815%	P138,163 3.5483% - 8.7815%	P61,815 3.5483% - 8.7815%	P65,591 3.5483% - 8.7815%	P159,249 4.8356% - 8.6074%	P593,054
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	1,446 8.331%	1,513 8.331%	1,580 8.331%	18,554 6.55% - 8.331%	1,731 8.331%	7,581 8.331%	32,405
Floating Rate							
Philippine Peso-denominated Interest rate	3,266 Bloomberg Valuation (BVAL) + margin or applicable reference rate, whichever is higher	4,932 BVAL + margin or applicable reference rate, whichever is higher	5,820 BVAL + margin or applicable reference rate, whichever is higher	6,079 BVAL + margin or applicable reference rate, whichever is higher	11,420 BVAL + margin or applicable reference rate, whichever is higher	40,516 BVAL + margin or applicable reference rate, whichever is higher	72,033
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	42,046 Secured Overnight Financing Rate (SOFR)/ applicable reference rate + margin	135,279 SOFR/ applicable reference rate + margin	154,275 SOFR/ applicable reference rate + margin	167,368 SOFR/ applicable reference rate + margin	23,909 SOFR/ applicable reference rate + margin	82,885 SOFR/ applicable reference rate + margin	605,762
	P126,279	P230,439	P299,838	P253,816	P102,651	P290,231	P1,303,254
December 31, 2024	<1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated Interest rate	P69,559 3.284% - 9.635%	P75,072 3.284% - 9.635%	P111,758 3.5483% - 9.635%	P93,032 3.5483% - 9.635%	P81,440 3.5483% - 9.635%	P172,129 4.8356% - 9.635%	P602,990
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	1,453 8.331%	1,519 8.331%	1,588 8.331%	10,338 6.55% - 8.331%	10,416 6.68% - 8.331%	8,674 8.331%	33,988
Floating Rate							
Philippine Peso-denominated Interest rate	1,895 BVAL + margin or applicable reference rate, whichever is higher	2,923 BVAL + margin or applicable reference rate, whichever is higher	4,045 BVAL + margin or applicable reference rate, whichever is higher	4,383 BVAL + margin or applicable reference rate, whichever is higher	10,936 BVAL + margin or applicable reference rate, whichever is higher	29,632 BVAL + margin or applicable reference rate, whichever is higher	53,814
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	22,207 SOFR/ applicable reference rate + margin	105,707 SOFR/ applicable reference rate + margin	115,771 SOFR/ applicable reference rate + margin	146,395 SOFR/ applicable reference rate + margin	138,428 SOFR/ applicable reference rate + margin	63,382 SOFR/ applicable reference rate + margin	591,890
	P95,114	P185,221	P233,162	P254,148	P241,220	P273,817	P1,282,682

The sensitivity to a reasonably possible 1% increase in the interest rates, with all other variables held constant, would have decreased the Group's profit before tax (through the impact on floating rate borrowings) by P3,389 and P6,457 for the period ended June 30, 2025 and for the year ended December 31, 2024, respectively. A 1% decrease in the interest rate would have had the equal but opposite effect. These changes are considered to be reasonably possible given the observation of prevailing market conditions in those periods. There is no impact on the Group's other comprehensive income.

Foreign Currency Risk

The functional currency is the Philippine Peso, which is the denomination of the bulk of the Group's transactions. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity. The Group enters into foreign currency hedges using a combination of non-derivative and derivative instruments such as foreign currency forwards, options or swaps to manage its foreign currency risk exposure.

Short-term currency forward contracts (deliverable and non-deliverable) and options are entered into to manage foreign currency risks arising from importations, revenue and expense transactions, and other foreign currency-denominated obligations. Currency swaps are entered into to manage foreign currency risks relating to long-term foreign currency-denominated borrowings.

Certain derivative contracts are designated as cash flow hedges. The Group applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of the cash flows. The Group assesses whether the derivatives designated in the hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the cumulative dollar-offset and hypothetical derivative method.

The following are the main sources of ineffectiveness in the hedge relationships:

- the effect of the counterparty's and the Group's own credit risk on the fair value of the derivative contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in foreign exchange rates; and
- changes in the timing of the hedged transactions.

Information on the Group's foreign currency-denominated monetary assets and monetary liabilities and their Philippine Peso equivalents is as follows:

	June 30, 2025		December 31, 2024	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Assets				
Cash and cash equivalents	US\$2,511	P141,515	US\$1,619	P93,731
Trade and other receivables	914	51,491	952	55,088
Prepaid expenses and other current assets	39	2,194	18	1,046
Noncurrent receivables	40	2,335	37	2,184
	3,504	197,535	2,626	152,049
Liabilities				
Loans payable	220	12,327	720	41,630
Accounts payable and accrued expenses	2,110	117,605	2,405	139,067
Long-term debt (including current maturities)	11,329	638,167	10,820	625,878
Lease liabilities (including current portion)	246	13,895	369	21,417
Other noncurrent liabilities	11	612	30	1,775
	13,916	782,606	14,344	829,767
Net foreign currency-denominated monetary liabilities	US\$10,412	P585,071	US\$11,718	P677,718

The Group reported net gain (loss) on foreign exchange amounting to P11,797 and (P27,206) for the periods ended June 30, 2025 and 2024, respectively, with the translation of its foreign currency-denominated assets and liabilities (Note 4). These mainly resulted from the movements of the Philippine Peso against the US Dollar as shown in the following table:

	US Dollar to Philippine Peso
June 30, 2025	P56.330
December 31, 2024	57.845
June 30, 2024	58.610
December 31, 2023	55.370

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various foreign currency exchange rate scenarios.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to translation of results and financial position of foreign operations):

	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
June 30, 2025				
Cash and cash equivalents	(P1,978)	(P2,157)	P1,978	P2,157
Trade and other receivables	(441)	(873)	441	873
Prepaid expenses and other current assets	(23)	(33)	23	33
Noncurrent receivables	(34)	(32)	34	32
	(2,476)	(3,095)	2,476	3,095
Loans payable	200	169	(200)	(169)
Accounts payable and accrued expenses	812	1,649	(812)	(1,649)
Long-term debt (including current maturities)	11,295	8,759	(11,295)	(8,759)
Lease liabilities (including current portion)	150	209	(150)	(209)
Other noncurrent liabilities	7	9	(7)	(9)
	12,464	10,795	(12,464)	(10,795)
	P9,988	P7,700	(P9,988)	(P7,700)
	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
December 31, 2024				
Cash and cash equivalents	(P1,454)	(P1,307)	P1,454	P1,307
Trade and other receivables	(431)	(898)	431	898
Prepaid expenses and other current assets	(10)	(15)	10	15
Noncurrent receivables	(34)	(28)	34	28
	(1,929)	(2,248)	1,929	2,248
Loans payable	425	612	(425)	(612)
Accounts payable and accrued expenses	1,874	2,387	(1,874)	(2,387)
Long-term debt (including current maturities)	10,786	8,123	(10,786)	(8,123)
Lease liabilities (including current portion)	277	301	(277)	(301)
Other noncurrent liabilities	28	23	(28)	(23)
	13,390	11,446	(13,390)	(11,446)
	P11,461	P9,198	(P11,461)	(P9,198)

Exposures to foreign exchange rates vary during the period depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

Commodity Price Risk

Commodity price risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in commodity prices.

The Group enters into various commodity derivatives to manage its price risks on strategic commodities. Commodity hedging allows stability in prices, thus offsetting the risk of volatile market fluctuations. Through hedging, prices of commodities are fixed at levels acceptable to the Group, thus protecting raw material cost and preserving margins. For hedging transactions, if prices go down, hedge positions may show marked-to-market losses; however, any loss in the marked-to-market position is offset by the resulting lower physical raw material cost.

The Parent Company enters into commodity derivative transactions on behalf of its subsidiaries to reduce cost by optimizing purchasing synergies within the Group and managing inventory levels of common materials.

Commodity Swaps, Futures and Options. Commodity swaps, futures and options are used to manage the Group's exposures to volatility in prices of certain commodities such as fuel oil, crude oil, coal, aluminum, soybean meal and wheat.

Commodity Forwards. The Group enters into forward purchases of various commodities. The prices of the commodity forwards are fixed either through direct agreement with suppliers or by reference to a relevant commodity price index.

Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; c) to be able to access funding when needed at the least possible cost; and d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary. The Group also uses derivative instruments such as forwards and swaps to manage liquidity.

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

June 30, 2025	Carrying Amount	Contractual Cash Flow	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P321,139	P321,139	P321,139	P -	P -	P -
Trade and other receivables - net	242,903	242,903	242,903	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	3,945	3,945	1,749	290	1,906	-
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	943	943	443	-	-	500
Financial assets at fair value through other comprehensive income (FVOCI) (included under "Investments in equity and debt instruments" account)	9,022	9,183	65	54	796	8,268
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	12,194	14,882	1,409	895	12,533	45
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	8,778	9,018	252	3,366	1,757	3,643
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	25,850	25,850	20,347	3,628	1,694	181
Financial Liabilities						
Loans payable	215,544	216,927	216,927	-	-	-
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, infrastructure restoration obligation (IRO), asset retirement obligation (ARO) and deferred income)	242,907	242,907	242,907	-	-	-
Dividends and distributions payable	5,221	5,221	5,221	-	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	1,951	1,951	1,614	-	337	-
Long-term debt (including current maturities)	1,288,756	1,623,515	208,582	301,544	770,229	343,160
Lease liabilities (including current portion)	35,173	46,250	7,444	10,787	11,606	16,413
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, mine rehabilitation obligation (MRO), deferred income and other noncurrent non-financial liabilities)	5,302	5,302	-	1,784	1,602	1,916

December 31, 2024	Carrying Amount	Contractual Cash Flow	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P293,677	P293,677	P293,677	P -	P -	P -
Trade and other receivables - net	266,981	266,981	266,981	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	2,782	2,782	1,198	275	1,309	-
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	896	896	438	-	-	458
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	8,988	9,239	54	54	821	8,310
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	12,180	15,245	1,345	846	12,731	323
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	8,797	9,000	35	3,669	141	5,155
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	23,822	23,822	18,422	3,578	2	1,820
Financial Liabilities						
Loans payable	293,230	295,002	295,002	-	-	-
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, IRO, ARO and deferred income)	285,456	285,456	285,456	-	-	-
Dividends and distributions payable	5,160	5,160	5,160	-	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	2,017	2,017	1,890	-	127	-
Long-term debt (including current maturities)	1,267,269	1,627,846	178,609	260,245	857,456	331,536
Lease liabilities (including current portion)	42,545	52,752	12,655	8,750	16,299	15,048
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	7,068	7,068	-	2,824	1,738	2,506

Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables and investment securities. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Trade and Other Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on the credit risk.

The Group obtains collateral or arranges master netting agreements, where appropriate, so that in the event of default, the Group would have a secured claim.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Group ensures that sales on account are made to customers with appropriate credit history. The Group has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

Investment in Debt Instruments

The Group limits its exposure to credit risk by investing only in liquid debt instruments with counterparties that have high credit ratings. The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields.

Credit Quality

In monitoring and controlling credit extended to counterparty, the Group adopts a comprehensive credit rating system based on financial and non-financial assessments of its customers. Financial factors being considered comprise of the financial standing of the customer while the non-financial aspects include but are not limited to the assessment of the customer's nature of business, management profile, industry background, payment habit and both present and potential business dealings with the Group.

The credit quality of financial assets is being managed by the Group using internal credit ratings. Credit quality of the financial assets was determined as follows:

High grade includes deposits or placements to reputable banks and companies with good credit standing. High grade financial assets include cash and cash equivalents and derivative assets.

Standard grade pertains to receivables from counterparties with satisfactory financial capability and credit standing based on historical data, current conditions and the Group's view of forward-looking information over the expected lives of the receivables. Standard grade financial assets include trade and other receivables and noncurrent receivables and deposits.

Receivables with high probability of delinquency and default were fully provided with allowance for impairment losses.

Financial information on the Group's maximum exposure to credit risk, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	June 30, 2025	December 31, 2024
Cash and cash equivalents (excluding cash on hand)	P318,406	P287,803
Trade and other receivables - net	242,903	266,981
Derivative assets	3,945	2,782
Investment in debt instruments at FVPL	443	438
Investment in debt instruments at FVOCI	693	669
Investment in debt instruments at amortized cost	12,194	12,180
Noncurrent receivables and deposits - net	8,778	8,797
Restricted cash	25,850	23,822
	P613,212	P603,472

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month expected credit loss (ECL) or lifetime ECL. Assets that are credit-impaired are separately presented.

	June 30, 2025					
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Financial Assets at FVOCI	Total
	12-Month ECL	Lifetime ECL not Credit Impaired	Lifetime ECL Credit Impaired			
Cash and cash equivalents (excluding cash on hand)	P318,406	P -	P -	P -	P -	P318,406
Trade and other receivables	-	242,903	14,946	-	-	257,849
Derivative assets	-	-	-	1,773	2,172	3,945
Investment in debt instruments at FVPL	-	-	-	443	-	443
Investment in debt instruments at FVOCI	-	-	-	-	693	693
Investment in debt instruments at amortized cost	12,194	-	-	-	-	12,194
Noncurrent receivables and deposits	-	8,778	268	-	-	9,046
Restricted cash	25,850	-	-	-	-	25,850

	December 31, 2024					
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Financial Assets at FVOCI	Total
	12-Month ECL	Lifetime ECL not Credit Impaired	Lifetime ECL Credit Impaired			
Cash and cash equivalents (excluding cash on hand)	P287,803	P -	P -	P -	P -	P287,803
Trade and other receivables	-	266,981	15,343	-	-	282,324
Derivative assets	-	-	-	1,230	1,552	2,782
Investment in debt instruments at FVPL	-	-	-	438	-	438
Investment in debt instruments at FVOCI	-	-	-	-	669	669
Investment in debt instruments at amortized cost	12,180	-	-	-	-	12,180
Noncurrent receivables and deposits	-	8,797	590	-	-	9,387
Restricted cash	23,822	-	-	-	-	23,822

The aging of receivables is as follows:

June 30, 2025	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	P113,195	P46,596	P19,266	P179,057
Past due:				
1 - 30 days	9,544	274	1,277	11,095
31 - 60 days	2,430	680	1,038	4,148
61 - 90 days	1,971	2,451	951	5,373
Over 90 days	30,070	26,406	1,700	58,176
	P157,210	P76,407	P24,232	P257,849

December 31, 2024	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	P130,568	P40,453	P9,120	P180,141
Past due:				
1 - 30 days	23,898	2,197	105	26,200
31 - 60 days	5,447	5,572	38	11,057
61 - 90 days	2,309	151	30	2,490
Over 90 days	34,664	26,227	1,545	62,436
	P196,886	P74,600	P10,838	P282,324

Various collaterals for trade receivables such as bank guarantees, time deposits and real estate mortgages are held by the Group for certain credit limits.

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible based on historical payment behavior and analyses of the underlying customer credit ratings. There are no significant changes in their credit quality.

The Group computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period. There are no significant changes in the credit quality of the counterparties during the period.

The Group's cash and cash equivalents, derivative assets, investments in debt instruments and restricted cash are placed with reputable entities with high quality external credit ratings.

The Group's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of trade and other receivables and noncurrent receivables and deposits is its carrying amount without considering collaterals or credit enhancements, if any. The Group has no significant concentration of credit risk since the Group deals with a large number of homogenous counterparties.

The Group does not execute any credit guarantee in favor of any counterparty.

Financial and Other Risks Relating to Livestock

The Group is exposed to financial risks arising from the change in cost and supply of feed ingredients and the selling prices of chicken, hogs and related products, all of which are determined by constantly changing market forces such as supply and demand and other factors. The other factors include environmental regulations, weather conditions and livestock diseases for which the Group has little control. The mitigating factors are listed below:

- The Group is subject to risks affecting the food industry, generally, including risks posed by food spoilage and contamination. Specifically, the fresh meat industry is regulated by environmental, health and food safety organizations and regulatory sanctions. The Group has put into place systems to monitor food safety risks throughout all stages of manufacturing and processing to mitigate these risks. Furthermore, representatives from the government regulatory agencies are present at all times during the processing of dressed chicken and hogs in all dressing and meat plants and issue certificates accordingly. The authorities, however, may impose additional regulatory requirements that may require significant capital investment at short notice.
- The Group is subject to risks relating to its ability to maintain animal health status considering that it has no control over neighboring livestock farms. Livestock health problems could adversely impact production and consumer confidence. However, the Group monitors the health of its livestock on a daily basis and proper procedures are put in place.
- The livestock industry is exposed to risk associated with the supply and price of raw materials, mainly grain prices. Grain prices fluctuate depending on the harvest results. The shortage in the supply of grain will result in adverse fluctuation in the price of grain and will ultimately increase the Group's production cost. If necessary, the Group enters into forward contracts to secure the supply of raw materials at a reasonable price.

Other Market Price Risk

The Group's market price risk arises from its investments carried at fair value (financial assets at FVPL and FVOCI). The Group manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

Capital Management

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay off existing debts, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operation and industry.

The Group, except for BankCom which is subject to certain capitalization requirements by the Bangko Sentral ng Pilipinas, is not subject to externally imposed capital requirements.

10. Financial Assets and Financial Liabilities

Recognition and Initial Measurement. 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 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 the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at the fair value of the consideration given or received. The initial measurement of financial instruments, except for financial assets and financial liabilities at FVPL, includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

The Group classifies its financial assets, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost; financial assets at FVOCI (with or without recycling of cumulative gains and losses); and financial assets at FVPL.

Financial Assets at Amortized Cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

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

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

The Group's cash and cash equivalents, trade and other receivables, investment in debt instruments at amortized cost, noncurrent receivables and deposits, and restricted cash are included under this category.

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI. Investment in debt instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Financial assets at FVOCI are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income.

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment on investment in debt instruments are recognized in the consolidated statements of income. When investment in debt instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are transferred to and recognized in the consolidated statements of income.

Dividends earned on holding an investment in equity instrument are recognized as dividend income in the consolidated statements of income when the right to receive the payment has been established unless the dividend clearly represents a recovery of the part of the cost of the investment. When investment in equity instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are never reclassified to the consolidated statements of income.

The Group's investments in equity and debt instruments at FVOCI are classified under this category.

Financial Assets at FVPL. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVPL. This includes derivative financial assets that are not designated as cash flow hedge. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

At initial recognition, the Group may irrevocably designate a financial asset as at FVPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on different bases.

The Group carries financial assets at FVPL using their fair values. Attributable transaction costs are recognized in the consolidated statements of income as incurred. Changes in fair value and realized gains or losses are recognized in the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income and presented in the consolidated statements of changes in equity. Any interest earned from investment in debt instrument designated as at FVPL is recognized in the consolidated statements of income. Any dividend income from investment in equity instrument is recognized in the consolidated statements of income when the right to receive payment has been established unless the dividend clearly represents a recovery of the part of the cost of the investment.

The Group's derivative assets that are not designated as cash flow hedge and investments in equity instruments and debt instruments at FVPL are classified under this category.

Financial Liabilities

The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and financial liabilities at amortized costs. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Financial Liabilities at FVPL. Financial liabilities are classified under this category through the fair value option. Derivative instruments (including embedded derivatives) with negative fair values, except those covered by hedge accounting relationships, are also classified under this category.

The Group carries financial liabilities at FVPL using their fair values and reports fair value changes in the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income and presented in the consolidated statements of changes in equity. Any interest expense incurred is recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income.

The Group's derivative liabilities that are not designated as cash flow hedge are classified under this category.

Financial Liabilities at Amortized Costs. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial recognition, financial liabilities at amortized costs are measured using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in "Interest expense and other financing charges" account in the consolidated statements of income. Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are considered as an adjustment to the effective yield of the related debt and are deferred and amortized using the effective interest method. When a loan is paid, the related unamortized debt issue costs at the date of repayment are recognized in the consolidated statements of income.

The Group's liabilities arising from its trade transactions or borrowings such as loans payable, accounts payable and accrued expenses, long-term debt, lease liabilities and other noncurrent liabilities are included under this category.

Derecognition of Financial Assets and Financial Liabilities

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

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "passthrough" arrangement; 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.

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

Impairment of Financial Assets

The Group recognizes allowance for ECL on financial assets at amortized cost and investments in debt instruments at FVOCI.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

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

The Group recognizes lifetime ECLs for receivables that do not contain significant financing components. The Group uses a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether these financial assets at amortized cost and investments in debt instruments at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

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

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income. The ECLs on investments in debt instruments at FVOCI are recognized as accumulated impairment losses in other comprehensive income, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income.

Classification of Financial Instruments between Liability and Equity

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interests, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as liability if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

The table below presents a comparison by category of the carrying amounts and fair values of the Group's financial instruments:

	June 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	P321,139	P321,139	P293,677	P293,677
Trade and other receivables - net	242,903	242,903	266,981	266,981
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	3,945	3,945	2,782	2,782
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	943	943	896	896
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	9,022	9,022	8,988	8,988
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	12,194	12,194	12,180	12,180
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	8,778	8,778	8,797	8,797
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	25,850	25,850	23,822	23,822
<i>Forward</i>				

	June 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities				
Loans payable	P215,544	P215,544	P293,230	P293,230
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, IRO, ARO and deferred income)	242,907	242,907	285,456	285,456
Dividends and distributions payable	5,221	5,221	5,160	5,160
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	1,951	1,951	2,017	2,017
Long-term debt (including current maturities)	1,288,756	1,354,597	1,267,269	1,306,606
Lease liabilities (including current portion)	35,173	35,173	42,545	42,545
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	5,302	5,302	7,068	7,068

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Trade and Other Receivables, Financial Assets at Amortized Cost, Noncurrent Receivables and Deposits and Restricted Cash. The carrying amount of cash and cash equivalents, and trade and other receivables approximates fair value primarily due to the relatively short-term maturities of these financial instruments. In the case of financial assets at amortized cost, noncurrent receivables and deposits and restricted cash, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

Derivatives. The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. In the case of freestanding currency and commodity derivatives, the fair values are determined based on quoted prices obtained from their respective active markets. Fair values for stand-alone derivative instruments that are not quoted from an active market and for embedded derivatives are based on valuation models used for similar instruments using both observable and non-observable inputs.

Financial Assets at FVPL and Financial Assets at FVOCI. The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market. For debt instruments with no quoted market prices, a reasonable estimate of their fair values is calculated based on the expected cash flows from the instruments discounted, using the applicable discount rates of comparable instruments quoted in active markets.

Loans Payable, Accounts Payable and Accrued Expenses, and Dividends and Distributions Payable. The carrying amount of loans payable, accounts payable and accrued expenses and dividends and distributions payable approximates fair value due to the relatively short-term maturities of these financial instruments.

Long-term Debt, Lease Liabilities and Other Noncurrent Liabilities. The fair value of interest-bearing fixed rate loans is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as at the reporting date. Discount rates used for Philippine Peso-denominated loans range from 5.1% to 7.1% and 4.7% to 7.8% as at June 30, 2025 and December 31, 2024, respectively. The discount rates used for foreign currency-denominated loans range from 3.7% to 4.3% and 4.2% to 4.4% as at June 30, 2025 and December 31, 2024, respectively. The carrying amounts of floating rate loans with quarterly interest rate repricing approximate their fair values.

Derivative Financial Instruments and Hedge Accounting

The Group uses derivative financial instruments, such as forwards, swaps and options to manage its exposure on foreign currency, interest rate and commodity price risks. Derivative financial instruments are initially recognized at fair value on the date the 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. Changes in the fair value of derivatives that are not designated as hedging instruments are recognized in the consolidated statements of income.

Freestanding Derivatives

The Group designates certain derivatives as hedging instruments to hedge the exposure to variability in cash flows associated with recognized liabilities arising from changes in foreign exchange rates and interest rates.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedging instrument are expected to offset the changes in cash flows of the hedged item.

Cash Flow Hedge. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the “Hedging reserve” account in the consolidated statements of changes in equity. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the consolidated statements of income.

The Group designates only the intrinsic value of options and the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the time value of options, the forward element of forward contracts and the foreign currency basis spread of financial instruments are separately accounted for as cost of hedging and recognized in other comprehensive income. The cost of hedging is removed from other comprehensive income and recognized in the consolidated statements of income, either over the period of the hedge if the hedge is time related, or when the hedged transaction affects the consolidated statements of income if the hedge is transaction related.

When the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is transferred and included in the initial cost of the hedged asset or liability. For all other hedged transactions, the amount accumulated in equity is reclassified to the consolidated statements of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the consolidated statements of income.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument expires, is sold, is terminated or is exercised, hedge accounting is discontinued prospectively. The amount that has been accumulated in equity is: (a) retained until it is included in the cost of non-financial item on initial recognition, for a hedge of a transaction resulting in the recognition of a non-financial item; or (b) reclassified to the consolidated statements of income as a reclassification adjustment in the same period or periods as the hedged cash flows affect the consolidated statements of income, for other cash flow hedges. If the hedged future cash flows are no longer expected to occur, the amounts that have been accumulated in equity are immediately reclassified to the consolidated statements of income.

The Group has outstanding derivatives accounted for as cash flow hedge as at June 30, 2025 and December 31, 2024.

Embedded Derivatives

The Group assesses whether embedded derivatives are required to be separated from the host contracts when the Group becomes a party to the contract.

An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met:

- (a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (c) the hybrid or combined instrument is not recognized as at FVPL.

However, an embedded derivative is not separated if the host contract is a financial asset.

Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Embedded derivatives that are bifurcated from the host contracts are accounted for either as financial assets or financial liabilities at FVPL.

The Group has embedded derivatives as at June 30, 2025 and December 31, 2024.

Derivative Instruments Accounted for as Cash Flow Hedges

The Group designated the following derivative financial instruments as cash flow hedges:

	Maturity		Total
	> 1 Year - 2 Years	> 2 Years - 5 Years	
June 30, 2025			
Foreign currency risk:			
Call spread swaps:			
Notional amount	US\$80	US\$935	US\$1,015
Average strike rate	P51.35 to P59.00	P55.35 to P61.845	
Interest rate risk:			
Interest rate options:			
Notional amount	US\$225	US\$1,050	US\$1,275
Interest rate	0.39% to 2.91%	0.50% to 6.25%	
Foreign currency and interest rate risks:			
Non-deliverable swap:			
Notional amount	JPY -	JPY8,500	JPY8,500
Average strike rate	P -	P0.3809	
Fixed interest rate	-	6.25%	
	Maturity		Total
	> 1 Year - 2 Years	> 2 Years - 5 Years	
December 31, 2024			
Foreign currency risk:			
Call spread swaps:			
Notional amount	US\$40	US\$515	US\$555
Average strike rate	P51.35 to P55.40	P54.30 to P61.62	
Interest rate risk:			
Interest rate options:			
Notional amount	US\$225	US\$1,050	US\$1,275
Interest rate	0.39% to 2.91%	0.50% to 6.25%	

The following are the amounts relating to hedged items:

June 30, 2025	Change in Fair Value Used for Measuring Hedge Ineffectiveness	Hedging Reserve	Cost of Hedging Reserve
Foreign currency risk:			
US Dollar-denominated borrowings	P651	P -	(P206)
Interest rate risk:			
US Dollar-denominated borrowings	2	321	(475)
Foreign currency and interest rate risks:			
Japanese Yen-denominated borrowings	345	(326)	287
<hr/>			
December 31, 2024	Change in Fair Value Used for Measuring Hedge Ineffectiveness	Hedging Reserve	Cost of Hedging Reserve
Foreign currency risk:			
US Dollar-denominated borrowings	(P880)	P -	(P752)
Interest rate risk:			
US Dollar-denominated borrowings	(516)	380	(309)
Foreign currency and interest rate risks:			
US Dollar-denominated borrowings	(75)	-	-

There are no amounts remaining in the hedging reserve from hedging relationships for which hedge accounting is no longer applied.

The following are the amounts related to the designated hedging instruments:

June 30, 2025	Notional Amount	Carrying Amount		Line Item in the Consolidated Statement of Financial Position where the Hedging Instrument is Included	Changes in the Fair Value of the Hedging Instrument Recognized in Other Comprehensive Income	Cost of Hedging Recognized in Other Comprehensive Income	Amount Reclassified from Hedging Reserve to the Consolidated Statement of Income	Amount Reclassified from Cost of Hedging Reserve to the Consolidated Statement of Income	Line Item in the Consolidated Statement of Income Affected by the Reclassification
		Assets	Liabilities						
Foreign currency risk: Call spread swaps	US\$1,015	P2,003	P -	Other noncurrent assets - net	(P651)	P497	P651	P264	Interest expense and other financing charges, and Other income (charges) - net
Interest rate risk: Interest rate options	1,275	132	(337)	Other noncurrent assets - net, and Other noncurrent liabilities	(2)	(253)	(77)	-	Interest expense and other financing charges
Foreign currency and interest rate risks: Non-deliverable swap	JPY8,500	37	-	Other noncurrent assets - net	(345)	382	(90)	-	Interest expense and other financing charges, and Other income (charges) - net
December 31, 2024	Notional Amount	Carrying Amount		Line Item in the Consolidated Statement of Financial Position where the Hedging Instrument is Included	Changes in the Fair Value of the Hedging Instrument Recognized in Other Comprehensive Income	Cost of Hedging Recognized in Other Comprehensive Income	Amount Reclassified from Hedging Reserve to the Consolidated Statement of Income	Amount Reclassified from Cost of Hedging Reserve to the Consolidated Statement of Income	Line Item in the Consolidated Statement of Income Affected by the Reclassification
		Assets	Liabilities						
Foreign currency risk: Call spread swaps	US\$555	P1,297	P -	Other noncurrent assets - net	P880	(P892)	(P880)	P276	Interest expense and other financing charges, and Other income (charges) - net
Interest rate risk: Interest rate options	1,275	255	(127)	Other noncurrent assets - net, and Other noncurrent liabilities	516	(68)	(207)	-	Interest expense and other financing charges
Foreign currency and interest rate risks: Cross currency swap	-	-	-		75	(27)	(44)	-	Interest expense and other financing charges, and Other income (charges) - net

The hedges were assessed to be effective as the critical terms of the hedged items match the hedging instruments. No ineffectiveness was recognized for the periods ended June 30, 2025 and 2024 consolidated statements of income.

The table below provides a reconciliation by risk category of components of equity and analysis of other comprehensive income items, net of tax, resulting from cash flow hedge accounting.

	June 30, 2025		December 31, 2024	
	Hedging Reserve	Cost of Hedging Reserve	Hedging Reserve	Cost of Hedging Reserve
Beginning balance	P380	(P1,061)	P125	(P528)
Changes in fair value:				
Foreign currency risk	(651)	497	880	(892)
Interest rate risk	(2)	(253)	516	(68)
Foreign currency and interest rate risks	(345)	382	75	(27)
Amount reclassified to profit or loss	484	264	(1,131)	276
Tax effect	129	(223)	(85)	178
Ending balance	(P5)	(P394)	P380	(P1,061)

Derivative Instruments Not Designated as Hedges

The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include freestanding and embedded derivatives found in host contracts, which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the consolidated statements of income. Details are as follows:

Freestanding Derivatives

Freestanding derivatives consist of interest rate, foreign currency and commodity derivatives entered into by the Group.

Interest Rate Swap

The Group has outstanding interest rate swap with notional amount of US\$100 as at June 30, 2025 and US\$75 as at March 31, 2025 and December 31, 2024. Under the agreement, the Group receives floating interest rate based on SOFR and pays fixed interest rate up to 2029. The net positive fair value of the swap amounted to P24, P26 and P32 as at June 30 and March 31, 2025 and December 31, 2024, respectively.

Currency Forwards

The Group has outstanding foreign currency forward contracts with aggregate notional amount of US\$1,677, US\$1,528 and US\$1,259 as at June 30 and March 31, 2025 and December 31, 2024, respectively, and with various maturities in 2025. The net negative fair value of these currency forwards amounted to P156, P583 and P991 as at June 30 and March 31, 2025 and December 31, 2024, respectively.

Currency Options

The Group has outstanding currency options with an aggregate notional amount of US\$1,002, US\$1,508 and US\$50 as at June 30 and March 31, 2025 and December 31, 2024, respectively, and with various maturities in 2025. The net negative fair value of these currency options amounted to P251, P140 and P5 as at June 30 and March 31, 2025 and December 31, 2024, respectively.

Commodity Swaps

The Group has outstanding swap agreements covering its fuel oil requirements, with various maturities in 2025 and 2027. Under the agreements, payment is made either by the Group or its counterparty for the difference between the hedged fixed price and the relevant price index.

The outstanding notional quantity of fuel oil was 58.4 million barrels, 66.7 million barrels and 100.6 million barrels as at June 30 and March 31, 2025 and December 31, 2024, respectively. The net positive fair value of these swaps amounted to P631, P472 and P339 as at June 30 and March 31, 2025 and December 31, 2024, respectively.

Embedded Derivatives

The Group's embedded derivatives include currency forwards embedded in non-financial contracts.

Embedded Currency Forwards

The total outstanding notional amount of currency forwards embedded in non-financial contracts amounted to US\$172, US\$187 and US\$170 as at June 30 and March 31, 2025 and December 31, 2024, respectively. These non-financial contracts consist mainly of foreign currency-denominated purchase orders, sales agreements and capital expenditures. The embedded forwards are not clearly and closely related to their respective host contracts. The net negative fair value of these embedded currency forwards amounted to P89, P21 and P35 as at June 30 and March 31, 2025 and December 31, 2024, respectively.

The Group recognized marked-to-market gain (loss) from freestanding and embedded derivatives amounting to (P2,853), P2,313, (P951) and P358 for the periods ended June 30, 2025 and 2024, and March 31, 2025 and 2024, respectively (Note 4).

Fair Value Changes on Derivatives

The net movements in fair value of all derivative instruments are as follows:

	June 30, 2025	December 31, 2024
Balance at beginning of year	P765	P1,187
Net change in fair value of derivatives:		
Designated as accounting hedge	(372)	1,751
Not designated as accounting hedge	(2,853)	614
	(2,460)	3,552
Less fair value of settled instruments	(4,454)	2,787
Balance at end of period	P1,994	P765

Fair Value Measurements

The Group measures financial and non-financial assets and liabilities at fair value at each reporting date.

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The table below analyzes financial instruments carried at fair value by valuation method:

	June 30, 2025			December 31, 2024		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Derivative assets	P -	P3,945	P3,945	P -	P2,782	P2,782
Financial assets at FVPL	443	500	943	438	458	896
Financial assets at FVOCI	1,675	7,347	9,022	1,635	7,353	8,988
Financial Liabilities						
Derivative liabilities	-	1,951	1,951	-	2,017	2,017

The Group has no financial instruments valued based on Level 3 as at June 30, 2025 and December 31, 2024. For the period ended June 30, 2025 and for the year ended December 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

11. Events After the Reporting Date

Parent Company

a. Approval by the SEC of the Amendments to the Articles of Incorporation

On July 7, 2025, the SEC approved the amendments to the Articles of Incorporation of the Parent Company, specifically:

1. the reclassification of the 904,752,537 common shares currently held as treasury shares, into Series "2" Preferred Shares held in treasury; and

2. the amendment of the authorized capital stock of the Parent Company from P30,000 with a par value of P5.00 per share or 6,000,000,000 shares divided into 3,790,000,000 common shares and 2,210,000,000 Series “2” Preferred Shares to 2,885,247,463 common shares and 3,114,752,537 Series “2” Preferred Shares.

Such amendments were approved by the BOD on January 16, 2025, and confirmed and ratified by the Stockholders of the Parent Company on March 27, 2025.

b. Redemption of SPCS

On July 29, 2025, the Parent Company redeemed all the outstanding US\$500 SPCS under the US\$3,000 Medium Term Note and Securities Programme (the "Redeemed Securities"). The Redeemed Securities were issued on July 29, 2020, with distribution rate of 5.5% per annum.

The redemption of US\$500 SPCS was approved by the BOD of the Parent Company on June 10, 2025 and was funded by a bridge loan facility from a foreign bank.

c. Redemption of Series “2” Preferred Shares - Subseries “2-F” (SMC2F Preferred Shares), Subseries “2-J” (SMC2J Preferred Shares) and Subseries “2-K” (SMC2K Preferred Shares)

On August 7, 2025, the BOD of the Parent Company approved the redemption of 223,333,500 SMC2F Preferred Shares on September 21, 2025 at a redemption price of P75.00 per share, together with any unpaid cash dividends.

On the same day, the BOD of the Parent Company approved the offer exchange to the holders of 266,666,667 SMC2J Preferred Shares and 183,904,900 SMC2K Preferred Shares (collectively, the “Exchange Share”) at a rate of one Exchange Share to one of any of the Series “2” Preferred Shares, to be reissued in three subseries, namely Subseries “2-P”, Subseries “2-Q” and Subseries “2-R” which will be reissued from the treasury Series “2” Preferred Shares of the Parent Company. The holders of the SMC2J Preferred Shares and SMC2K Preferred Shares who opt not to avail of the exchange offer will receive their redemption proceeds on October 29, 2025 and December 10, 2025, respectively, at a redemption price of P75.00 per share.

Upon redemption, the SMC2F Preferred Shares, SMC2J Preferred Shares and SMC2K Preferred Shares shall not be considered retired and may be reissued by the Parent Company. The trading of the SMC2F Preferred Shares, SMC2J Preferred Shares and SMC2K Preferred Shares will be suspended upon redemption and may only be tradeable upon application by the Parent Company for lifting of trading suspension in the event the Parent Company decides to reissue it in the future, subject to compliance with the listing rules of the PSE.

d. Issuance of Series “2” Preferred Shares - Subseries “2-S”, Subseries “2-T” and Subseries “2-U”

On August 7, 2025, the BOD of the Parent Company authorized the public offering of P20,000 worth of 266,666,667 Series “2” Preferred Shares, with an oversubscription option of up to P10,000 worth of 133,333,334 Series “2” Preferred Shares, at an offer price of P75.00 per share, to be issued in three subseries, namely Subseries “2-S”, Subseries “2-T” and Subseries “2-U”.

Petron

a. Issuance of Series G, Series H, and Series I Fixed Rate Peso-denominated Bonds

On July 7, 2025, Petron issued and listed on the Philippine Dealing and Exchange Corp. a total of P32,000 Fixed Rate Peso-denominated Bonds.

The bonds consist of: (i) P15,910 Series G Bonds maturing in 2030 with an interest rate of 6.5945% per annum; (ii) P4,604 Series H Bonds maturing in 2032 with an interest rate of 6.9761% per annum; and (iii) P11,486 Series I Bonds maturing in 2035 with an interest rate of 7.3896% per annum.

The proceeds of the bond issuance shall be used for: (a) the payment of Series D and Series E Fixed Rate Peso-denominated Bonds, maturing on October 19 and October 12, 2025, respectively; (b) other existing indebtedness; and (c) general corporate purposes.

b. Acquisition of Common Treasury Shares

On various dates in July 2025, Petron repurchased a total of 2,623,000 common shares at an average price of P2.46 per share, pursuant to the common share buyback program approved by the BOD of Petron on March 4, 2025.

San Miguel Global Power

a. Purchase of Common Shares of Meralco

On July 23, 2025, San Miguel Global Power purchased a total of 43,229,796 common shares of Meralco at P90.00 per share from Land Bank of the Philippines through a special block sale crossed through the PSE, by virtue of the Deed of Absolute Sale of Shares which contained the terms and conditions mutually determined by and acceptable to both parties and conformably with the decision of the Court of Appeals.

b. Issuance of US\$400 SPCS

On July 24, 2025, San Miguel Global Power completed the issuance of US\$400 SPCS (the "US\$400 SPCS"), at an issue price of 100%, with an initial rate of distribution of 8.95% per annum. The issuance consists of US\$223 in aggregate principal amount of SPCS (the "Concurrent Exchange Offers") issued in exchange for the 7.00% SPCS issued on October 21 and December 15, 2020 and 5.70% SPCS issued on January 21, 2020 (collectively, the "Existing Securities"), and US\$177 in aggregate principal amount of new securities (the "Additional New Securities"). The US\$400 SPCS was listed on the Singapore Exchange Securities Trading Limited on July 25, 2025.

The net proceeds from the issuance of the US\$400 SPCS will be applied to the following: (i) costs and expenses related to the Concurrent Exchange Offers, including payment of accrued distribution amount in respect of the Existing Securities accepted for exchange pursuant to the terms and conditions of the Concurrent Exchange Offers; (ii) costs and expenses related to the issuance of the Additional New Securities; (iii) purchase, repurchase and/or redemption of all remaining outstanding Existing Securities following the Concurrent Exchange Offers; and (iv) for pre-development costs of solar and hydropower energy projects, and capital expenditures related to battery energy storage system (BESS) projects.

c. Issuance of US\$115 SPCS

On August 11, 2025, San Miguel Global Power completed the issuance of US\$115 SPCS (the "US\$115 SPCS") at an issue price of 100% plus an amount corresponding to accrued distribution from and including July 24, 2025 to, but excluding, August 11, 2025.

The US\$115 SPCS is consolidated into and formed a single series with the US\$400 SPCS issued on July 24, 2025, bringing the total securities to US\$515. The US\$400 SPCS and US\$115 SPCS are identical in all respects, except for the date of issuance and issue price.

San Miguel Global Power intends to apply the net proceeds towards: (i) the partial purchase, repurchase and/or redemption of the remaining outstanding 7.00% SPCS issued on October 21 and December 15, 2020 and 5.70% SPCS issued on January 21, 2020; and (ii) for pre-development costs of solar and hydropower energy projects and capital expenditures related to BESS projects.

12. Other Matters

a. Commitments

The outstanding purchase commitments of the Group amounted to P189,641 and P245,288 as at June 30, 2025 and December 31, 2024, respectively.

These consist mainly of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business and will be funded by available cash, short-term loans and long-term debt.

- b.** There were no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in Management's Discussion and Analysis of Financial Position and Financial Performance.
- c.** There were no material changes in estimates of amounts reported in prior financial years.
- d.** Certain accounts in prior years have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported financial performance for any period.

SAN MIGUEL CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

The following are the major performance measures that San Miguel Corporation and Subsidiaries (the Group) uses. Analyses are employed by comparisons and measurements based on the financial data as of June 30, 2025 and December 31, 2024 for liquidity, solvency and profitability ratios and for the periods ending June 30, 2025 and 2024 for operating efficiency ratios.

	June 30, 2025	December 31, 2024
<u>Liquidity:</u>		
Current Ratio	1.35	1.22
Quick Ratio	0.89	0.76
<u>Solvency:</u>		
Debt to Equity Ratio	2.55	2.96
Asset to Equity Ratio	3.55	3.96
<u>Profitability:</u>		
Return on Average Equity Attributable to Equity Holders of the Parent Company	13.52%	(2.48%)
Interest Rate Coverage Ratio	2.72	1.65
Return on Assets	3.39%	1.43%
	Period Ended June 30	
	2025	2024
<u>Operating Efficiency:</u>		
Volume Growth (Decline)	(6%)	19%
Revenue Growth (Decline)	(9%)	15%
Operating Margin	12%	11%

The manner by which the Group calculates the key performance indicators is as follows:

KPI	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventories} - \text{Current Portion of Biological Assets} - \text{Prepayments}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Total Liabilities (Current + Noncurrent)}}{\text{Equity}}$
Asset to Equity Ratio	$\frac{\text{Total Assets (Current + Noncurrent)}}{\text{Equity}}$
Return on Average Equity	$\frac{\text{Net Income Attributable to Equity Holders of the Parent Company}^*}{\text{Average Equity Attributable to Equity Holders of the Parent Company}}$

Forward

KPI	Formula
Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$
Return on Assets	$\frac{\text{Net Income}^*}{\text{Average Total Assets}}$
Volume Growth	$\left(\frac{\text{Sum of all Businesses' Revenue at Prior Period Prices}}{\text{Prior Period Net Sales}} \right) - 1$
Revenue Growth	$\left(\frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right) - 1$
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

* Annualized for quarterly reporting.



**MANAGEMENT’S DISCUSSION AND ANALYSIS
OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE**

INTRODUCTION

The following discussion should be read in conjunction with the attached unaudited consolidated financial statements of San Miguel Corporation (“SMC” or “Parent Company”) and its subsidiaries (collectively referred to as the “Group”) as at and for the period ended June 30, 2025 (with comparative figures as at December 31, 2024 and for the period ended June 30, 2024). All necessary adjustments to present fairly the consolidated financial position, financial performance and cash flows of the Group as at June 30, 2025, and for all the other periods presented, have been made. Certain information and footnote disclosure normally included in the audited consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards have been omitted.

I. 2025 SIGNIFICANT TRANSACTIONS

The following are the major developments in 2025:

INVESTING ACTIVITIES

Joint Investments with Manila Electric Company (Meralco) and Aboitiz Power Corporation (AboitizPower) into the Country’s First Integrated Liquefied Natural Gas (LNG)-to-Power Facility Projects in Batangas City

On March 1, 2024, Meralco PowerGen Corporation (MGen, a subsidiary of Meralco) and Therma NatGas Power, Inc. (TNGP, a subsidiary of AboitizPower), through their jointly owned entity, Chromite Gas Holdings Inc. (CGHI), have entered into binding agreements with San Miguel Global Power Holdings Corp. (San Miguel Global Power) and its relevant subsidiaries, for MGen and TNGP to jointly invest for a 67% equity interest in San Miguel Global Power’s gas-fired power plants, namely: (i) the brownfield 1,278 megawatts (MW) Ilijan Power Plant owned by South Premiere Power Corp. (SPPC); (ii) the greenfield 1,320 MW Batangas Combined Cycle Power Plant (BCCPP) owned by Excellent Energy Resources Inc. (EERI); and (iii) land owned by Ilijan Primeline Industrial Estate Corp. (IPIEC) where the gas-fired power plant and related facilities of EERI as well as the Batangas LNG Terminal are located.

The transaction also involved the joint acquisition by CGHI and San Miguel Global Power of Linseed Field Corporation (LFC), the owner of the Batangas LNG Terminal, which receives, stores and processes LNG to fuel for SPPC’s Ilijan Power Plant and for EERI’s BCCPP.

The transaction has customary closing conditions and has been issued the requisite regulatory approvals, including the review and approval of the Philippine Competition Commission (PCC). On May 17, 2024, Top Frontier Investment Holdings, Inc., the Ultimate Parent Company, filed its application for the approval of the transaction with the PCC. On December 23, 2024, PCC publicly disclosed its approval of the joint acquisition of power facilities and Batangas LNG Terminal by MGen, TNGP and San Miguel Global Power, subject to certain commitments from the parties aimed at ensuring fair competition and promoting transparency in the power industry.

On January 27, 2025, San Miguel Global Power completed the following transactions pursuant to the agreements executed on March 1, 2024 with CGHI:

- Investment by CGHI of 67% equity interests in SPPC, EERI and IPIEC; and
- Acquisition by CGHI and San Miguel Global Power of 67% and 32.98% equity interests, respectively, in LFC.

As a result of the transactions, San Miguel Global Power's equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%, thereby resulting in a loss of control and deconsolidation of the assets and liabilities of the three subsidiaries. The 33% equity interests retained in SPPC, EERI and IPIEC were recognized at fair market value, totaling to P52,706 million, included as part of "Investments in shares of stock of associates" under "Investments and advances - net" account, in the consolidated statement of financial position as at June 30, 2025. The revaluation of the investment in SPPC, EERI and IPIEC resulted in a gain amounting to P21,933 million, included as part of "Other income (charges) - net" account, in the consolidated statement of income for the period ended June 30, 2025.

Total consideration paid by San Miguel Global Power for the acquisition of 32.98% equity interest in LFC amounted to P4,340 million, included as part of "Investments in shares of stock of associates" under "Investments and advances - net" account, in the consolidated statement of financial position as at June 30, 2025.

Subsequently, SPPC, EERI and IPIEC redeemed and paid their respective redeemable preferred shares issued to San Miguel Global Power at a redemption price totaling to P78,717 million. Consequently, San Miguel Global Power recognized a net gain on investments in equity instruments amounting to P22,262 million, presented under "Equity reserves" account in the consolidated statement of financial position as at June 30, 2025 and under "Net gain on financial assets at fair value through other comprehensive income" account in the consolidated statement of comprehensive income for the period ended June 30, 2025.

In 2025, the Group has undertaken various financing activities. The significant transactions are as follows:

AVAILMENT OF LONG-TERM DEBT

FOREIGN CURRENCY-DENOMINATED LOANS

▪ SMC

- a. On various dates in 2025, SMC drew a total of US\$61 million from the US\$2,165 million loan facility executed on March 31, 2022. The loan is subject to a floating interest rate and with a term of 13 years. The proceeds of the loan were used to fund the land development works of the Manila International Airport (MIA) Project in Bulacan.
- b. On May 8, 2025, SMC availed of a JPY61,600 million corporate notes, subject to a floating interest rate and with a term of up to five years. The proceeds of the loan are being used for general corporate purposes.

- **San Miguel Global Power**

On May 19, 2025, San Miguel Global Power availed of a total of US\$200 million term loan, subject to a floating interest rate and with maturities of up to May 2030. The proceeds of the loan were used to refinance the US\$100 million matured term loan drawn on May 24, 2022 and will be used for general corporate purposes, including advances for capital expenditures.

PESO TERM LOANS

- **SMC Mass Rail Transit 7 Inc. (SMC MRT 7)**

On various dates in 2025, SMC MRT 7 drew a total of P9,500 million from the P100,000 million Omnibus Loan and Security Agreement (OLSA) executed with various local banks on May 18, 2023. The loans are subject to a floating interest rate and with a term of 15 years. The proceeds of the loans are being used to partially finance the Mass Rail Transit 7 (MRT 7) Project.

- **San Miguel Yamamura Packaging Corporation (SMYPC)**

On January 30, 2025, SMYPC availed of a P5,000 million term loan, subject to a fixed interest rate and with a term of five years. The proceeds of the loan were used to partially refinance maturing obligations and fund general corporate requirements.

- **Petron Corporation (Petron)**

On February 28, 2025, Petron availed of a P5,000 million term loan, subject to a floating interest rate and with a term of five years. The proceeds of the loan were used to refinance the bridge loan availed on September 3, 2024, which had been used to fund working capital requirements and the payment of existing indebtedness.

- **Mariveles Power Generation Corporation (MPGC)**

On March 27, 2025, MPGC drew a total of P9,400 million from its OLSA executed with various local banks on December 17, 2024. The loan is subject to a fixed interest rate and is payable quarterly up to December 2034. The proceeds of the loan were used to finance the Mariveles Greenfield Power Plant Project.

- **San Miguel Brewery Inc. (SMB)**

On May 15, 2025, SMB availed of a P4,000 million term loan subject to a fixed interest rate and maturing in May 2030. The proceeds of the loan were used to refinance existing debt obligations.

- **SMC NAIAX Corporation (SMC NAIAX)**

On June 17, 2025, SMC NAIAX drew a total of P584 million from its P5,656 million OLSA with various banks executed on December 21, 2022. The term of the loan is for seven years and three months and is subject to a floating interest rate. The proceeds of the loan will be used to partially finance the construction and development of the NAIAX Expressway (NAIAX) Tramo Extension and the NAIAX Westbound Off-Ramp to Terminal 3 Projects. The OLSA was fully drawn as at June 30, 2025.

PAYMENT OF FIXED RATE PESO-DENOMINATED BONDS

▪ Series A Bonds by San Miguel Food and Beverage, Inc. (SMFB)

On March 10, 2025, SMFB paid the P8,000 million Series A Fixed Rate Peso-denominated Bonds, which formed part of the P15,000 million Series A and Series B Fixed Rate Peso-denominated Bonds, issued in March 2020.

The payment was funded by the P4,000 million term loan subject to a floating interest rate and another P4,000 million term loan subject to a fixed interest rate. The loans were availed on March 7, 2025, with a term of seven years.

▪ Series F Bonds by SMC

On March 19, 2025, SMC paid the P2,439 million Series F Fixed Rate Peso-denominated Bonds which formed part of the third tranche of the P20,000 million Series E, Series F and Series G Fixed Rate Peso-denominated Bonds issued in March 2018.

The payment was funded by the proceeds of Series O and Series P Bonds issued in July 2024.

▪ Series C Bonds by SMC SLEX Inc. (SMC SLEX)

On May 22, 2025, SMC SLEX paid the P2,500 million Series C Fixed Rate Peso-denominated Bonds. The Series C Bonds formed part of the P7,300 million Fixed Rate Bonds issued in May 2015.

The payment was funded by cash from operations and the net proceeds of P2,500 million term loan drawn on May 19, 2025. The loan is subject to a fixed interest rate with a term of seven years and six months.

PAYMENT OF PESO TERM LOAN BY SAN MIGUEL GLOBAL POWER

On May 28, 2025, San Miguel Global Power paid in full the balance of its P5,000 million term loan facility executed in May 2021, amounting to P4,825 million. The payment was funded by the proceeds of a short-term loan.

PAYMENT OF OTHER MATURING OBLIGATIONS

For the first half of 2025, the Group paid a total of P16,956 million of its other scheduled amortizations and maturing obligations funded by the proceeds of short-term loan facilities and from cash generated from operations.

ISSUANCE AND REDEMPTION OF SENIOR PERPETUAL CAPITAL SECURITIES (SPCS) BY SAN MIGUEL GLOBAL POWER

- a. On February 19, 2025, San Miguel Global Power completed the issuance of US\$100 million SPCS (the "Additional US\$100 million SPCS"), at an issue price of 100.503% of the principal amount, plus an amount corresponding to accrued distributions from, and including, December 2, 2024 to, but excluding, February 19, 2025. The Additional US\$100 million SPCS was consolidated into and formed a single series with the US\$500 million SPCS issued on December 2, 2024, bringing the total securities to US\$600 million. The Additional US\$100 million SPCS are identical in all respects to the US\$500 million SPCS, except for the date of issuance and issue price.

The net proceeds will be used for the partial purchase, repurchase and/or redemption of the outstanding 7.00% SPCS issued in October and December 2020.

- b. In May 2025, San Miguel Global Power completed the redemption of the US\$113 million SPCS, pursuant to the terms and conditions of the securities. The US\$113 million SPCS is the remaining securities out of the US\$500 million SPCS issued in November 2019. The redemption price included the principal amount and any accrued but unpaid distributions up to, but excluding, the redemption date.

The US\$113 million SPCS were redeemed using part of the proceeds of the US\$500 million SPCS issued in December 2024.

ACQUISITION OF COMMON TREASURY SHARES BY PETRON

On March 18, 2025, Petron repurchased and held as treasury shares all of the 459,156,097 common shares held by Petron Corporation Employees' Retirement Plan via a block sale, based on the simple average of the three-day close prior to the execution date, aggregating to P1,119 million.

On various dates in July 2025, Petron repurchased a total of 2,623,000 common shares at an average price of P2.46 per share, pursuant to the common share buyback program approved by the Board of Directors (BOD) of Petron on March 4, 2025.

EVENTS AFTER THE REPORTING DATE

Parent Company

a. Approval by the SEC of the Amendments to the Articles of Incorporation

On July 7, 2025, the SEC approved the amendments to the Articles of Incorporation of the Parent Company, specifically:

1. the reclassification of the 904,752,537 common shares currently held as treasury shares, into Series "2" Preferred Shares held in treasury; and
2. the amendment of the authorized capital stock of SMC from P30,000 million with a par value of P5.00 per share or 6,000,000,000 shares divided into 3,790,000,000 common shares and 2,210,000,000 Series "2" Preferred Shares to 2,885,247,463 common shares and 3,114,752,537 Series "2" Preferred Shares.

Such amendments were approved by the BOD on January 16, 2025, and confirmed and ratified by the Stockholders of the Parent Company on March 27, 2025.

b. Redemption of SPCS

On July 29, 2025, the Parent Company redeemed all the outstanding US\$500 million SPCS under the US\$3,000 million Medium Term Note and Securities Programme (the "Redeemed Securities"). The Redeemed Securities were issued on July 29, 2020, with distribution rate of 5.5% per annum.

The redemption of US\$500 million SPCS was approved by the BOD of the Parent Company on June 10, 2025 and was funded by a bridge loan facility from a foreign bank.

c. Redemption of Series "2" Preferred Shares - Subseries "2-F" (SMC2F Preferred Shares) and Offer to Exchange Subseries "2-J" (SMC2J Preferred Shares) and Subseries "2-K" (SMC2K Preferred Shares)

On August 7, 2025, the BOD of the Parent Company approved the redemption of 223,333,500 SMC2F Preferred Shares on September 21, 2025 at a redemption price of P75.00 per share, together with any unpaid cash dividends.

On the same day, the BOD of the Parent Company approved the offer exchange to the holders of 266,666,667 SMC2J Preferred Shares and 183,904,900 SMC2K Preferred Shares (collectively, the "Exchange Share") at a rate of one Exchange Share to one of any of the Series "2" Preferred Shares, to be reissued in three subseries namely Subseries "2-P", Subseries "2-Q" and Subseries "2-R" which will be reissued from the treasury Series "2" Preferred Shares of the Parent Company. The holders of the SMC2J Preferred Shares and SMC2K Preferred Shares who opt not to avail of the exchange offer will receive their redemption proceeds on October 29, 2025 and December 10, 2025, respectively, at a redemption price of P75.00 per share.

Upon redemption, the SMC2F Preferred Shares, SMC2J Preferred Shares and SMC2K Preferred Shares shall not be considered retired and may be reissued by the Parent Company. The trading of the SMC2F Preferred Shares, SMC2J Preferred Shares and SMC2K Preferred Shares will be suspended upon redemption and may only be tradeable upon application by the Parent Company for lifting of trading suspension in the event the Parent Company decides to reissue it in the future, subject to compliance with the listing rules of the Philippine Stock Exchange (PSE).

d. Issuance of Series "2" Preferred Shares - Subseries "2-S", Subseries "2-T" and Subseries "2-U"

On August 7, 2025, the BOD of the Parent Company authorized the public offering of P20,000 million worth of 266,666,667 Series "2" Preferred Shares, with an oversubscription option of up to P10,000 million worth of 133,333,334 Series "2" Preferred Shares, at an offer price of P75.00 per share to be issued in three subseries, namely Subseries "2-S", Subseries "2-T" and Subseries "2-U".

Petron

Issuance of Series G, Series H and Series I Fixed Rate Peso-denominated Bonds

On July 7, 2025, Petron issued and listed on the Philippine Dealing and Exchange Corp. a total of P32,000 million Fixed Rate Peso-denominated Bonds.

The bonds consist of: (i) P15,910 million Series G Bonds maturing in 2030 with an interest rate of 6.5945% per annum; (ii) P4,604 million Series H Bonds maturing in 2032 with an interest rate of 6.9761% per annum; and (iii) P11,486 million Series I Bonds maturing in 2035 with an interest rate of 7.3896% per annum.

The proceeds of the bond issuance shall be used for: (a) the payment of Series D and Series E Fixed Rate Peso-denominated Bonds, maturing on October 19 and October 12, 2025, respectively; (b) other existing indebtedness; and (c) for general corporate purposes.

San Miguel Global Power

a. Purchase of Common Shares of Meralco

On July 23, 2025, San Miguel Global Power purchased a total of 43,229,796 common shares of Meralco at P90.00 per share from Land Bank of the Philippines through a special block sale crossed through the PSE, by virtue of the Deed of Absolute Sale of Shares which contained the terms and conditions mutually determined by and acceptable to both parties and conformably with the decision of the Court of Appeals.

b. Issuance of US\$400 Million SPCS

On July 24, 2025, San Miguel Global Power completed the issuance of US\$400 million SPCS (the "US\$400 million SPCS"), at an issue price of 100%, with an initial rate of distribution of 8.95% per annum. The issuance consists of US\$223 million in aggregate principal amount of SPCS (the "Concurrent Exchange Offers") issued in exchange for the 7.00% SPCS issued on October 21 and December 15, 2020 and 5.70% SPCS issued on January 21, 2020 (collectively, the "Existing Securities"), and US\$177 million in aggregate principal amount of new securities (the "Additional New Securities"). The US\$400 million SPCS was listed on the Singapore Exchange Securities Trading Limited on July 25, 2025.

The net proceeds from the issuance of the US\$400 million SPCS will be applied to the following: (i) costs and expenses related to the Concurrent Exchange Offers, including payment of accrued distribution amount in respect of the Existing Securities accepted for exchange pursuant to the terms and conditions of the Concurrent Exchange Offers; (ii) costs and expenses related to the issuance of the Additional New Securities; (iii) purchase, repurchase and/or redemption of all remaining outstanding Existing Securities following the Concurrent Exchange Offers; and (iv) for pre-development costs of solar and hydropower energy projects, and capital expenditures related to battery energy storage system (BESS) projects.

c. Issuance of US\$115 Million SPCS

On August 11, 2025, San Miguel Global Power completed the issuance of US\$115 million SPCS (the "US\$115 million SPCS") at an issue price of 100% plus an amount corresponding to accrued distribution from and including July 24, 2025 to, but excluding, August 11, 2025.

The US\$115 million SPCS is consolidated into and formed a single series with the US\$400 million SPCS issued on July 24, 2025, bringing the total securities to US\$515 million. The US\$400 million SPCS and US\$115 million SPCS are identical in all respects, except for the date of issuance and issue price.

San Miguel Global Power intends to apply the net proceeds towards: (i) the partial purchase, repurchase and/or redemption of the remaining outstanding 7.00% SPCS issued on October 21 and December 15, 2020 and 5.70% SPCS issued on January 21, 2020; and (ii) for pre-development costs of solar and hydropower energy projects and capital expenditures related to BESS projects.

II. FINANCIAL PERFORMANCE

2025 vs. 2024

(Amounts in Millions)	For the Periods Ended June 30		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2025	2024	Amount	%	2025	2024
Sales	P718,205	P789,021	(P70,816)	(9%)	100%	100%
Cost of sales	(583,338)	(655,195)	(71,857)	(11%)	(81%)	(83%)
Gross profit	134,867	133,826	1,041	1%	19%	17%
Selling and administrative expenses	(47,209)	(48,737)	(1,528)	(3%)	(7%)	(6%)
Operating income	87,658	85,089	2,569	3%	12%	11%
Interest expense and other financing charges	(48,929)	(47,645)	1,284	3%	(7%)	(6%)
Interest income	7,842	7,324	518	7%	1%	1%
Equity in net earnings of associates and joint ventures	5,139	1,237	3,902	315%	1%	0%
Gain on sale of investments and property and equipment	866	58	808	1393%	0%	0%
Other income (charges) - net	31,653	(24,387)	56,040	230%	4%	(3%)
Income before income tax	84,229	21,676	62,553	289%	11%	3%
Income tax expense	(17,462)	(8,098)	9,364	116%	(2%)	(1%)
Net Income	P66,767	P13,578	P53,189	392%	9%	2%
Net income (loss) attributable to:						
Equity holders of the						
Parent Company	P40,780	(P8,703)	P49,483	569%	6%	(1%)
Non-controlling interests	25,987	22,281	3,706	17%	3%	3%
Net Income	P66,767	P13,578	P53,189	392%	9%	2%

The Group's consolidated sales for the first half of 2025 amounted to P718,205 million, reflecting a 9% decline compared to the same period last year. The decrease was primarily due to: (a) lower sales volume and average selling prices of Petron; (b) lower sales of the Energy business following the deconsolidation of SPPC effective January 27, 2025, as well as lower spot rates and realization prices due to continued softening of coal prices; and (c) to a lesser extent, lower sales of SMB and the Cement business. The decrease was partially offset by the strong performance of the Food division and Ginebra San Miguel Inc. (GSMI), driven by higher average selling prices and volumes, as well as steady traffic growth and price increase of the Infrastructure business.

The Group's cost of sales decreased by P71,857 million or 11% mainly due to: (a) Petron on account of decrease in volume sold and lower average cost per liter of petroleum products; and (b) the Energy business on account of: (i) the deconsolidation of SPPC; (ii) lower pass-on fuel cost of Sual Power Inc., Limay Power Inc. and Masinloc Power Co. Ltd. (MPCL) as a result of the decrease in global coal prices in 2025, partially offset by the costs of the BCCPP of EERI prior to its deconsolidation and full six months operations of Units 1, 2, 3 and 4 of MPGC.

The increase in interest income by P518 million was primarily due to higher average balance of cash and cash equivalents of the Energy business, partially offset by the lower average balance of short-term placements of the Infrastructure business.

The increase in equity in net earnings of associates and joint ventures by P3,902 million was mainly due to the share in the net income of SPPC, EERI and IPIEC for about five months.

The increase in gain on sale of investments and property and equipment by P808 million pertains mainly to the disposal of transportation equipment and land.

Other income - net of P31,653 million was a turnaround from the other charges - net of P24,387 million in 2024. This mainly pertains to the P21,933 million gain recognized from the fair valuation of the residual 33% ownership interests in SPPC, EERI and IPIEC and the gain on foreign exchange of P11,797 million in 2025, compared to the foreign exchange loss recognized in the same period in 2024 mainly from the revaluation of foreign currency-denominated long-term debt of SMC, the Energy business and Petron. In June 2025, the Philippine Peso appreciated by P1.515 against the United States (US) Dollar, while it depreciated by P3.24 in the same period last year.

The increase in income tax expense by P9,364 million mainly pertains to the deferred income tax on unrealized gains from the revaluation of foreign currency-denominated long-term debt, which was a turnaround from income tax benefit in the same period in 2024 mainly from unrealized losses on the revaluation of foreign currency-denominated long-term debt of SMC.

Consolidated net income significantly increased to P66,767 million in the first half of 2025, from P13,578 million in the same period in 2024. The increase was primarily driven by: (a) gain recognized from the fair valuation of the investment in SPPC, EERI and IPIEC following the dilution of San Miguel Global Power's ownership interest from 100% to 33%; and (b) gain on foreign exchange in the first half of 2025, compared to loss in the same period last year.

Net income attributable to equity holders of the Parent Company of P40,780 million was a turnaround from the net loss of P8,703 million in the comparative period in 2024. This was primarily due to higher consolidated net income, partially offset by the increase in the share of non-controlling interests (NCI) on the Group's net income.

The increase in the net income attributable to NCI by P3,706 million was mainly due to the distribution on Redeemable Perpetual Securities of San Miguel Global Power.

The following are the highlights of the performance of the individual business segments:

1. FOOD AND BEVERAGE

SMFB delivered strong results for the first half of 2025, with consolidated net sales reaching P201,200 million, a 4% increase from last year.

This topline growth, combined with effective cost management and a better sales mix, lifted consolidated income from operations by 13% to P30,041 million. Consolidated net income rose by 15% to P22,964 million.

a) Beer and Non-Alcoholic Beverages (NAB) Division

SMB delivered consolidated revenues of P74,588 million for the first half of the year, 1% lower than last year. The second quarter showed a turnaround with positive growth, supported by the domestic price increase implemented in September 2024.

Consolidated operating income rose by 2% to P16,214 million, driven by better pricing and lower raw material costs. Consolidated net income improved by 3% to P12,984 million from P12,563 million a year ago.

Domestic Operations

SMB's domestic operations revenues reached P66,332 million, down by 1% from last year. The softer performance was due to weaker economic and discretionary spending. To offset these challenges, SMB intensified its volume-generating and brand-building programs.

International Operations

SMB's international operations performed strongly, with revenues of US\$145 million, up by 2% from last year. Growth was driven by improved volumes in South China and stronger brand sales in Vietnam.

b) Spirits Division

For the first half of 2025, GSML delivered a strong performance, navigating a challenging local spirits market. Consolidated net sales increased by 7% to P32,235 million, driven by higher selling prices and the continued strength of the brand portfolio. A modest increase in volume, helped lift the market share, reinforcing the leadership position in the industry.

Growth was led by *Ginebra San Miguel*, supported by notable gains from *Vino Kulafu* and *Primera Light* Brandy. These results reflect the disciplined brand-building approach, combining nationwide campaigns, targeted digital initiatives to connect with emerging consumer segments, and high-impact on-ground activations during the summer and fiesta season.

Consolidated income from operations rose by 12% to P4,952 million, while consolidated net income grew by 16% to P4,247 million.

c) Food Division

The Food division sustained its growth momentum in the first half of the year, with revenue, operating income, and net income all surpassing last year's results.

Consolidated revenues reached P94,379 million, up by 7% from the same period in 2024. This was fueled by volume growth in most businesses and favorable pricing for chicken and branded products.

Consolidated operating income rose by 41% to P8,648 million, driven largely by Poultry's strong performance, tailwinds from lower raw material prices, and improved efficiencies in the company-owned facilities. As a result, consolidated net income surged by 53% to P5,994 million.

The Protein segment delivered a mid-teens increase in revenue, supported by favorable chicken prices and strong demand from food service chains and supermarkets. These gains more than offset the continued weakness in Fresh Meats, which remains challenged by African Swine Fever.

The Animal Nutrition and Health segment revenue remained subdued, reflecting soft demand for hog feeds. However, an uptrend in sales volumes was seen since May, buoyed by the strong growth of other feed segments, particularly, broiler and layer feeds. Hogs feeds has also begun posting month-on-month growth.

The Flour segment revenue grew low single digit, driven by optimized capacity utilization and competitive pricing that boosted volumes.

The Prepared and Packaged Food segment continued to post strong results. Magnolia and Coffee sustained double-digit revenue growth led by butter, cheese, salad aids, cream, ice cream, and coffee. Purefoods revenue rose mid-single digit, driven by strong demand for canned meats, particularly corned beef and luncheon meat, as well as refrigerated meats like hams, bacon, and Pinoy favorites, tapa, tocino, and longanisa.

2. PACKAGING

The Packaging business sustained its growth momentum, posting a 7% increase in consolidated revenues to P19,284 million in the first half of 2025. The improvement was boosted by strong volume growth from the Glass, Plastics, and Beverage Filling businesses.

Consolidated operating income recorded double-digit growth, climbing to P1,592 million.

3. ENERGY

San Miguel Global Power's consolidated revenues fell by 19% to P80,147 million, with offtake volumes dropping by 15% to 14,773 gigawatt hours. The decline was primarily due to the divestment and resulting deconsolidation of SPPC. This was made with the completion of the divestment of 67% interest in the underlying gas power generation assets last January 27, 2025.

Moreover, the decline in revenues reflects a downward adjustment in fuel tariffs to bilateral customer due to the continued softening of global coal prices. These were compensated by revenue contributions from the: (a) full six-month operations of four generation units of the 600 MW Mariveles Greenfield Power Plant and three BESS facilities with a combined capacity of 110 MWh; (b) additional five BESS facilities that commenced commercial operations in the first half of 2025 with a combined capacity of 140 MWh; and (c) Units 1 and 2 of the BCCPP of EERI, which are 33% owned by the Group following the aforesaid divestment in January 2025, were declared operational on December 29, 2024 and January 7, 2025, respectively.

Consolidated operating income came in at P22,120 million, down by 4% due to the impact of the deconsolidation.

Consolidated net income surged to P34,573 million, mainly due to the P21,933 million one-time gain from the fair valuation of investment in SPPC, EERI and IPIEC following the dilution of San Miguel Global Power's ownership interest from 100% to 33% as well as net earnings recognized by the Group mainly from its 33% equity interest retained in the deconsolidated Ilijan Power Plant and the new BCCPP. Excluding the aforesaid gain, consolidated net income still rose significantly by 70% to P12,640 million.

4. FUEL AND OIL

Petron in the first half of 2025 reported consolidated revenues of P386,395 million, a 13% decline from the same period last year. The drop in revenues was mainly due to the price decline in Dubai crude prices, which dropped by 14% to US\$72 per barrel in the first half of 2025 from US\$83 per barrel in the comparative period in 2024. Crude oil prices declined amid weakening global demand and market oversupply following the lifting of voluntary production cuts by Organization of the Petroleum Exporting Countries+ member countries.

The combined sales volume from the Philippines and Malaysia rose by 3% to 56.2 million barrels versus the previous year's 54.7 million barrels, fueled particularly by Petron's strong retail performance in the Philippines. Including trading transactions of the operations in Singapore, consolidated sales volume ended at 64.2 million barrels, down by 7% from 69.1 million barrels in 2024.

Consolidated operating income declined by 13% to P15,146 million in first half of 2025. Consolidated net income finished at P5,252 million. Despite the contractions, Petron maintained its strong profitability.

5. INFRASTRUCTURE

The Infrastructure business sustained its growth trajectory, with consolidated revenues rising by 7%, buoyed by the improved traffic volumes across all toll roads. Combined average daily traffic reached 1,077,148 vehicles, marking a 4% increase from the corresponding period last year.

Consolidated operating income rose by 13% to P11,142 million, supported by effective operational management and cost control.

6. CEMENT

The Cement business generated consolidated net sales of P17,822 million for the first half of the year, a 6% decrease from the comparable period last year, due to lower sales volumes and weaker average selling price. The decline in volume, driven by pricing pressures, resulted from heightened competition amid the continued influx of imported traded cement, and was further weighed down by subdued market demand. Consolidated operating income fell by 12% to P3,493 million.

2024 vs. 2023

(Amounts in Millions)	For the Periods Ended June 30		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2024	2023	Amount	%	2024	2023
Sales	P789,021	P685,229	P103,792	15%	100%	100%
Cost of sales	(655,195)	(571,215)	83,980	15%	(83%)	(83%)
Gross profit	133,826	114,014	19,812	17%	17%	17%
Selling and administrative expenses	(48,737)	(44,093)	4,644	11%	(6%)	(7%)
Operating income	85,089	69,921	15,168	22%	11%	10%
Interest expense and other financing charges	(47,645)	(44,847)	2,798	6%	(6%)	(6%)
Interest income	7,324	6,531	793	12%	1%	1%
Equity in net earnings of associates and joint ventures	1,237	1,098	139	13%	0%	0%
Gain (loss) on sale of investments and property and equipment	58	(40)	98	245%	0%	(0%)
Other income (charges) - net	(24,387)	6,220	(30,607)	(492%)	(3%)	1%
Income before income tax	21,676	38,883	(17,207)	(44%)	3%	6%
Income tax expense	(8,098)	(15,558)	(7,460)	(48%)	(1%)	(3%)
Net Income	P13,578	P23,325	(P9,747)	(42%)	2%	3%
Net income (loss) attributable to:						
Equity holders of the						
Parent Company	(P8,703)	P757	(P9,460)	(1250%)	(1%)	0%
Non-controlling interests	22,281	22,568	(287)	(1%)	3%	3%
Net Income	P13,578	P23,325	(P9,747)	(42%)	2%	3%

The Group's consolidated sales of P789,021 million for the first half of 2024 increased by 15% compared to 2023, mainly on account of higher sales volume of Petron, the Energy business, the Food division and GSML, combined with the higher average selling prices of Petron, GSML and SMB.

The Group's cost of sales increased by P83,980 million or 15%, mainly due to: (a) higher volume sold and increase in average cost per liter of petroleum products of Petron; (b) the resumption of Ilijan Power Plant's operations from June 2023 onwards; (c) costs of generation of the Mariveles Greenfield Power Plant while most of its units undergo testing and commissioning; and (d) incremental depreciation expense from the ten BESS facilities that are now in full commercial operations. This was partially mitigated by lower fuel costs incurred by the coal-fired power plants as global coal prices went down in the first half of 2024 compared to the same period in 2023, in terms of Globalcoal Newcastle indexed prices.

The increase in selling and administrative expenses by P4,644 million or 11% was attributable mainly to higher salaries and employee benefits of the Group, and higher distribution costs, amortization of deferred containers in line with sales volume growth and expenses related to newly-built warehousing facilities of the Food and Beverage business.

Consolidated operating income increased by 22% to P85,089 million from the same period in 2023, mainly driven by the: (a) improved margins on contracted volumes, as the Energy business worked out a transition to fuel passthrough arrangements for most of its bilateral customers and margin contributed by SMGP BESS Power Inc. (SMGP BESS) through ancillary services; (b) growth in volume from effective marketing programs implemented by Petron; and (c) higher sales volume of the Food division and GSMI.

The increase in interest expense and other financing charges by P2,798 million was mainly due to higher interest rates and increased average level of loans of Petron and the Energy business.

The increase in interest income by P793 million was primarily due to both higher interest rates and average balance of short-term investments of the Infrastructure and Food and Beverage businesses. The increase was partially offset by the lower interest income from the reduced average balance of cash and cash equivalents of SMC.

The increase in equity in net earnings of associates and joint ventures by P139 million was mainly due to the share on the higher net income of Angat Hydropower Corporation for the first half in 2024 compared to the same period in 2023.

The gain on sale of investments and property and equipment in 2024 pertains mainly to the sale by San Miguel Properties, Inc. of its investment in shares of stock of Elite Montagne Realty Corp., sale of demo units of SMC Asia Car Distributors Corp. and foreclosed properties of SMC, while the loss in 2023 resulted mainly from the retirement of certain equipment of Malita Power Inc.

Other charges - net of P24,387 million was a reversal from the other income - net of P6,220 million in the same period in 2023. This primarily pertains to the loss on foreign exchange in 2024 compared to the gain recognized in 2023 mainly by SMC, the Energy business and Petron resulting from the revaluation of foreign currency-denominated long-term debt and cash and cash equivalents and the income recognized from the assignment of product rights by GSMI in 2023. In June 2024, the Philippine Peso significantly depreciated by P3.240 against the US Dollar, while in 2023, the Philippine Peso appreciated by P0.555 against the US Dollar.

The decrease in income tax expense by P7,460 million was mainly due to the deferred income tax benefit recognized in 2024 by SMC, a turnaround from the deferred income tax expense in 2023. The deferred income tax recognized pertains to unrealized foreign exchange loss in June 2024 compared to unrealized foreign exchange gain in June 2023 from the revaluation of foreign currency-denominated long-term debt and derivatives.

Consolidated net income declined by 42% to P13,578 million, from P23,325 million in 2023, mainly on account of the loss on foreign exchange in the first half of 2024, a reversal from the gain recognized in 2023, partially offset by the improved operations of most businesses mainly the Food division, Petron, GSMI, the Energy, Cement and Infrastructure businesses.

The net loss attributable to equity holders of the Parent Company of P8,703 million in 2024 was a reversal from the net income attributable to equity holders of the Parent Company of P757 million in 2023 mainly on account of the loss on foreign exchange in the first half of 2024 as compared to the gain recognized in the same period in 2023 by SMC.

The following are the highlights of the performance of the individual business segments:

1. FOOD AND BEVERAGE

SMFB continued to deliver strong results in the first half of 2024, driven by the consistent growth across its businesses. SMFB consolidated sales increased by 4% to P192,882 million compared to the same period in 2023.

Consolidated income from operations grew by 16% to P26,641 million, primarily driven by higher sales volumes of the Food division and GSMI. Consolidated net income rose by 6% to P19,977 million.

a) Beer and NAB Division

SMB posted consolidated sales of P75,073 million, up 1% from the same period in 2023. The increase was primarily due to the full impact of the price increase implemented in March 2023.

Consolidated operating income declined by 3% to P15,887 million. Similarly, consolidated net income recorded a decline of 7% to P12,563 million.

Domestic Operations

Sales from domestic operations amounted to P66,992 million, 1% higher than in the same period in 2023, mainly due to the price increase.

International Operations

Revenue from international operations was slightly lower than in the same period in 2023 due to a 1% drop in volumes.

b) Spirits Division

GSMI sustained its growth momentum into the first half of 2024, with consolidated revenues recording an 18% growth to P29,992 million. The strong performance was driven by double-digit volume growth, increased selling prices, reduced costs of imported alcohol, and improved biogas generation in distilleries.

Consolidated operating income grew by 31% to P4,411 million on the back of strong topline growth. Meanwhile, consolidated net income declined by 10% to P3,676 million due to the one-time gain from the assignment of product rights in 2023. Excluding this, consolidated net income would have been higher by 26%.

c) Food Division

The Food division delivered a strong performance in the first half of 2024. While sales grew modestly, profit growth soared as raw material prices eased considerably. Consolidated revenue increased by 3% to P87,819 million with most segments registering an uptrend in volumes.

The Food division ended the first half of 2024 with consolidated operating income at P6,127 million, nearly double that of 2023. Higher gross profit margins combined with optimized production efficiencies offset rising operating expenses which included mandated wage hikes and marketing expenses to spur volumes. This translated to a consolidated net income of P3,920 million, two and a half times higher than the same period in 2023.

The Prepared and Packaged Food segment continued to outperform 2023 with an 11% rise in revenue despite the inflationary environment. A wide range of consumer promotions and in-store activities boosted sales across all channels, while new facilities generated improved efficiencies, resulting in a double-digit growth in operating income.

The Protein segment experienced a turnaround as poultry prices recovered and increased growing capacity supported strong demand from both foodservice and retail markets. This led to a 6% revenue growth for the segment.

The Animal Nutrition and Health segment saw a 6% decline in revenue. With lower raw material prices, the business opted for price rollbacks to stimulate demand which remained sluggish amid continued challenges in broiler and hog feeds.

The Flour segment recorded revenue at par with the same period in 2023. Volumes expanded in response to price reductions implemented to maintain market share in an intensely competitive market.

2. PACKAGING

The Packaging business recorded consolidated revenues of P17,974 million, down by 4% against the comparable period in 2023.

Consolidated operating income, however, recorded a 14% increase to P1,362 million on account of better production efficiencies, coupled with the cost measures implemented.

3. ENERGY

San Miguel Global Power consolidated revenues for the first half of 2024 amounted to P98,944 million, higher by 17% from P84,770 million recognized in the same period in 2023. The increase was mainly driven by higher offtake volume from the following sources: (i) several power supply agreement (PSA) from Meralco and other distribution utilities secured by the Group that allowed the contracting of its available capacities mainly from the 1,200 MW Ilijan Power Plant of SPPC and the incremental generation from the 600 MW Mariveles Greenfield Power Plant, with most of its units currently undergoing testing and commissioning; and (ii) ancillary services rendered for National Grid Corporation of the Philippines (NGCP) using a total of ten BESS facilities of SMGP BESS, with a combined installed capacity of 330 MWh during the period.

Consolidated income from operations of P22,988 million for the first half of 2024 was up by 56% from the same period in 2023 owing to improved margins as the Energy business worked out a successful transition to fuel passthrough arrangements for most of its bilateral customers including the 1,200 MW PSA of SPPC with Meralco that was in effect for most part of the first half of 2024, as well as the additional margins contributed by BESS through ancillary services.

Consolidated net income for the first half of 2024 increased to P7,438 million or by 26%, from P5,909 million reported for the same period in 2023.

The Energy business accomplished another key milestone on its BESS Project with an additional three BESS facilities, with a combined capacity of 110 MWh, located in Concepcion, Tarlac, Ormoc, Leyte and Jasaan, Misamis Oriental, commencing operations on March 18, 2024.

The remaining BESS capacities of 630 MWh were gearing up for the anticipated competitive selection process (CSP) for additional grid ancillary services requirements of NGCP as well as for peak power supply applications that would help ensure energy security for the local power industry in the near term. Alternative to the CSP was the reserve market where power reserves could be traded under the operation of Independent Electricity Market Operator of the Philippines (IEMOP).

For the first half of 2024, all four units of the 600 MW Mariveles Greenfield Power Plant of MPGC were undergoing testing and commissioning with one unit declared operational with the IEMOP starting March 28, 2024.

4. FUEL AND OIL

Petron delivered a 21% growth in consolidated revenues for the first half of 2024 to P444,490 million from P367,037 million in 2023, sustaining its positive momentum in 2024.

Petron continued to register strong volumes in the Philippines and Malaysia which reached 69.1 million barrels in the first six months of 2024, up 20% from the 57.6 million barrels sold in the same period in 2023. The solid outcome is fueled by the sustained performance of key segments, particularly retail and exports.

Petron's sales volumes in the Philippines rose 27% to 44.4 million barrels, while volumes from its Malaysian operations grew by 9% to 24.7 million barrels.

Petron's retail segment, which posted a 10% increase, remained a key driver of the stellar volume performance through effective marketing programs in the combined service station network of about 2,600 outlets in the Philippines and Malaysia. Sales to industrial accounts likewise jumped 9% mainly on higher jet fuel and liquefied petroleum gas demand.

Global oil prices remained volatile because of the ongoing tensions in the Middle East. The price per barrel of Dubai crude oil averaged US\$83 in the first six months of 2024, 5% higher than in the same period in 2023 as producers continued to manage supply.

With Petron's solid volume growth, overall margins improved despite the softening of refining cracks, falling by 17% from 2023 level. Consolidated operating income rose by 9% to P17,449 million. Consolidated net income ended at P6,098 million, slightly lower than the comparable period in 2023.

5. INFRASTRUCTURE

The Infrastructure business sustained its strong performance in the first half of 2024, posting consolidated revenues of P18,493 million, 8% higher than the same period in 2023 on the back of the solid performance of its major operating toll roads.

Total average daily traffic volumes were up 4% from 2023 level to 1,034,081 vehicles complemented by the continued increase in economic and travel activities. This, coupled by cost management initiatives and tollway maintenance and improvement works, resulted in a 7% increase in consolidated operating income to P9,856 million versus the same period in 2023.

Consolidated net income increased by 40% to P7,721 million due to sustained growth in traffic volumes backed by continued cost management initiatives.

The land development and ground improvement works of the MIA Project were progressing well with overall progress at 84.61%. Per approved Department of Transportation timeline, airport development will be completed by the end of 2028.

A study was conducted on the realignment of the highway component of the MRT 7 Project. This component includes the new locations of the final two stations, which were currently pending for approval. In the second quarter of 2024, five additional trainsets were delivered, bringing the total trainsets delivered on-site to 22 out of the 36 trainsets ordered.

6. CEMENT

The Cement business consolidated revenues in 2024 declined slightly by 6% to P18,962 million compared to the same period in 2023. Considering a 5% volume growth versus the comparable period in 2023, the Cement business experienced a revenue drop due to an influx of cheaper imported traded cement, leading to a decline in local cement prices. Despite the lower selling prices, SMC Cement managed to grow its consolidated operating income by 31% to P3,952 million compared to the same period in 2023 on the back of cost reductions and operating efficiencies.

III. FINANCIAL POSITION

2025 vs. 2024

(Amounts in Millions)			Horizontal Analysis		Vertical Analysis	
	June 30 2025	December 31 2024	Increase (Decrease) Amount	%	2025	2024
Cash and cash equivalents	P321,139	P293,677	P27,462	9%	13%	11%
Trade and other receivables - net	242,903	266,981	(24,078)	(9%)	9%	10%
Inventories	157,400	178,355	(20,955)	(12%)	6%	7%
Current portion of biological assets - net	3,427	3,241	186	6%	0%	0%
Prepaid expenses and other current assets	136,205	158,180	(21,975)	(14%)	5%	6%
Total Current Assets	861,074	900,434	(39,360)	(4%)	33%	34%
Investments and advances - net	108,584	52,948	55,636	105%	4%	2%
Investments in equity and debt instruments	21,126	21,050	76	0%	1%	1%
Property, plant and equipment - net	801,698	891,450	(89,752)	(10%)	31%	33%
Right-of-use assets - net	43,218	43,302	(84)	(0%)	2%	1%
Investment property - net	88,161	87,909	252	0%	3%	3%
Biological assets - net of current portion	2,612	2,652	(40)	(2%)	0%	0%
Goodwill - net	185,182	184,994	188	0%	7%	7%
Other intangible assets - net	347,047	340,496	6,551	2%	13%	13%
Deferred tax assets	18,844	22,045	(3,201)	(15%)	1%	1%
Other noncurrent assets - net	140,240	129,650	10,590	8%	5%	5%
Total Noncurrent Assets	1,756,712	1,776,496	(19,784)	(1%)	67%	66%
Total Assets	P2,617,786	P2,676,930	(P59,144)	(2%)	100%	100%
Loans payable	P215,544	P293,230	(P77,686)	(26%)	8%	11%
Accounts payable and accrued expenses	246,724	289,038	(42,314)	(15%)	9%	11%
Lease liabilities - current portion	6,472	11,736	(5,264)	(45%)	0%	0%
Income and other taxes payable	37,831	43,628	(5,797)	(13%)	2%	2%
Dividends and distributions payable	5,221	5,160	61	1%	0%	0%
Current maturities of long-term debt - net of debt issue costs	125,230	94,123	31,107	33%	5%	4%
Total Current Liabilities	637,022	736,915	(99,893)	(14%)	24%	28%
Long-term debt - net of current maturities and debt issue costs	1,163,526	1,173,146	(9,620)	(1%)	45%	44%
Lease liabilities - net of current portion	28,701	30,809	(2,108)	(7%)	1%	1%
Deferred tax liabilities	27,514	34,861	(7,347)	(21%)	1%	1%
Other noncurrent liabilities	23,129	24,758	(1,629)	(7%)	1%	1%
Total Noncurrent Liabilities	1,242,870	1,263,574	(20,704)	(2%)	48%	47%
Total Liabilities	1,879,892	2,000,489	(120,597)	(6%)	72%	75%

Forward

(Amounts in Millions)	Horizontal Analysis				Vertical Analysis	
	June 30 2025	December 31 2024	Increase (Decrease) Amount %		2025	2024
Capital stock - common	P16,443	P16,443	P -	0%	1%	1%
Capital stock - preferred	10,187	10,187	-	0%	0%	0%
Additional paid-in capital	177,442	177,442	-	0%	7%	6%
Capital securities	24,211	24,211	-	0%	1%	1%
Equity reserves	17,743	(5,275)	23,018	436%	1%	(0%)
Retained earnings:						
Appropriated	85,276	79,849	5,427	7%	3%	3%
Unappropriated	118,185	89,413	28,772	32%	4%	3%
Treasury stock	(109,763)	(109,763)	-	0%	(4%)	(4%)
Equity Attributable to:						
Equity holders of						
the Parent Company	339,724	282,507	57,217	20%	13%	10%
Non-controlling interests	398,170	393,934	4,236	1%	15%	15%
Total Equity	737,894	676,441	61,453	9%	28%	25%
Total Liabilities and Equity	P2,617,786	P2,676,930	(P59,144)	(2%)	100%	100%

Consolidated total assets as at June 30, 2025 amounted to P2,617,786 million, P59,144 million lower than December 31, 2024. This was primarily due to the decrease in trade and other receivables, inventories, prepaid expenses and other current assets and property, plant and equipment, partially offset by the increase in cash and cash equivalents and investments and advances.

The increase in cash and cash equivalents by P27,462 million to P321,139 million was mainly due to the cash generated from operations, proceeds from redemption of investment in redeemable preferred shares of SPPC, EERI and IPIEC issued to San Miguel Global Power, proceeds from net availment of long-term borrowings and collection of advances. This was reduced by the capital expenditures for the ongoing projects of the Infrastructure and Energy businesses and the Food division, investment in 32.98% equity interest in LFC, net payment of short-term loans and payment of interests, dividends and distributions, taxes and lease liabilities.

The decrease in trade and other receivables - net by P24,078 million was mainly attributable to the: (a) lower trade receivable balance brought by lower volume sold by Petron and lower receivable from the Malaysian Government due to subsidy payment received; and (b) net effect of deconsolidation of SPPC and EERI's receivables following the dilution of San Miguel Global Power's ownership interest effective January 27, 2025.

The decrease in inventories by P20,955 million was attributable mainly to: (a) Petron's lower volume and prices of crude oil and finished products; and (b) the deconsolidation of SPPC, EERI and IPIEC.

The increase in total biological assets by P146 million was driven by expansion of growing capacity and higher volume of flocks loaded as compared to December 31, 2024 balances.

The decrease in prepaid expenses and other current assets by P21,975 million was primarily due to the deconsolidation of SPPC, EERI and IPIEC.

The increase in investments and advances - net by P55,636 million mainly pertains to the 33% equity interests in SPPC, EERI and IPIEC, following the dilution of San Miguel Global Power's ownership interest effective January 27, 2025, and the investment in 32.98% equity interest in LFC.

The decrease in property, plant and equipment - net by P89,752 million was mainly due to the deconsolidation of SPPC, EERI and IPIEC, partially offset by the costs of the ongoing projects of the Energy business.

The decrease in deferred tax assets by P3,201 million was mainly due to the deferred tax on unrealized gains on the revaluation of foreign currency-denominated long-term debt of SMC.

The increase in other noncurrent assets - net by P10,590 million was mainly due to the additional amount of: (a) contract assets for the MRT 7 Project; (b) transaction costs incurred for a loan of SMC not yet drawn as at June 30, 2025; and (c) advances to suppliers and contractors for the ongoing project of the Energy business.

The decrease in loans payable by P77,686 million was mainly due to the net payment made by Petron, SMC and the Food and Beverage and Energy businesses.

The decrease in accounts payable and accrued expenses by P42,314 million was mainly due to net settlements made by the Energy business to the contractors of its ongoing projects and the deconsolidation of SPPC, EERI and IPIEC. The decrease was partially offset by higher outstanding liabilities to contractors and suppliers of Petron.

The decrease in income and other taxes payable by P5,797 million was mainly due to the deconsolidation of SPPC, EERI and IPIEC, net payment of withholding tax payable of the Energy business and lower accrued taxes of Petron.

The increase in total long-term debt, net of debt issue costs, by P21,487 million was primarily due to the net availments made by the Group, reduced by the translation adjustments on foreign currency-denominated loans.

The decrease in total lease liabilities by P7,372 million was primarily due to payments made to Power Sector Assets and Liabilities Management (PSALM) by the entities of the Energy business under the Independent Power Producer Administration (IPPA) Agreement.

The decrease in deferred tax liabilities by P7,347 million was mainly due to the deconsolidation of SPPC and EERI, partially offset by the increase in the deferred tax liabilities from temporary differences on lease-related expenses in relation to the IPPA lease agreement of the Energy business.

The decrease in other noncurrent liabilities by P1,629 million was mainly due to the release of retention payable to contractors for the completed projects of the Infrastructure business.

The increase in equity reserves by P23,018 million was mainly due to the gain recognized on the redemption of investment in redeemable preferred shares of SPPC, EERI and IPIEC issued to San Miguel Global Power.

The increase in appropriated retained earnings by P5,427 million was attributable to the appropriations made for the South Luzon Expressway Widening Project by SMC SLEX and for payment of loans in December 2029 and December 2031, partially reduced by the reversal of appropriation for loans paid in March 2025 by SMB.

The increase in unappropriated retained earnings by P28,772 million was mainly due to net income attributable to equity holders of the Parent Company, partially reduced by the dividends and distributions declared and net appropriations of retained earnings during the period.

The increase in equity attributable to equity holders of the Parent Company by P57,217 million was mainly due to the net income earned in 2025 and net gain on redemption of investment in redeemable preferred shares held by San Miguel Global Power, reduced by the dividends and distributions declared to holders of common and preferred shares, and SPCS of SMC.

2024 vs. 2023

	June 30 December 31		Horizontal Analysis		Vertical Analysis	
<i>(Amounts in Millions)</i>	2024	2023	Increase (Decrease)		2024	2023
	Amount		%			
Cash and cash equivalents	P253,890	P261,358	(P7,468)	(3%)	10%	11%
Trade and other receivables - net	263,809	263,119	690	0%	10%	11%
Inventories	175,618	161,986	13,632	8%	7%	6%
Current portion of biological assets - net	3,331	3,515	(184)	(5%)	0%	0%
Prepaid expenses and other current assets	152,059	141,424	10,635	8%	6%	6%
Total Current Assets	848,707	831,402	17,305	2%	33%	34%
Investments and advances - net	44,436	37,089	7,347	20%	2%	2%
Investments in equity and debt instruments	19,622	19,417	205	1%	1%	1%
Property, plant and equipment - net	787,574	753,472	34,102	5%	31%	31%
Right-of-use assets - net	105,795	108,014	(2,219)	(2%)	4%	4%
Investment property - net	82,636	79,513	3,123	4%	3%	3%
Biological assets - net of current portion	2,518	2,667	(149)	(6%)	0%	0%
Goodwill - net	183,250	182,791	459	0%	7%	7%
Other intangible assets - net	325,909	306,638	19,271	6%	13%	12%
Deferred tax assets	25,635	19,633	6,002	31%	1%	1%
Other noncurrent assets - net	129,362	118,729	10,633	9%	5%	5%
Total Noncurrent Assets	1,706,737	1,627,963	78,774	5%	67%	66%
Total Assets	P2,555,444	P2,459,365	P96,079	4%	100%	100%
Loans payable	P262,279	P214,881	P47,398	22%	10%	9%
Accounts payable and accrued expenses	254,654	223,055	31,599	14%	10%	9%
Lease liabilities - current portion	11,498	19,631	(8,133)	(41%)	0%	1%
Income and other taxes payable	46,396	46,254	142	0%	2%	2%
Dividends and distributions payable	5,444	4,605	839	18%	0%	0%
Current maturities of long-term debt - net of debt issue costs	271,382	236,798	34,584	15%	11%	9%
Total Current Liabilities	851,653	745,224	106,429	14%	33%	30%
Long-term debt - net of current maturities and debt issue costs	951,032	953,786	(2,754)	(0%)	37%	39%
Lease liabilities - net of current portion	35,190	36,941	(1,751)	(5%)	2%	2%
Deferred tax liabilities	31,531	29,503	2,028	7%	1%	1%
Other noncurrent liabilities	30,759	28,745	2,014	7%	1%	1%
Total Noncurrent Liabilities	1,048,512	1,048,975	(463)	(0%)	41%	43%
Total Liabilities	1,900,165	1,794,199	105,966	6%	74%	73%

Forward

(Amounts in Millions)			Horizontal Analysis		Vertical Analysis	
	June 30 2024	December 31 2023	Increase (Decrease) Amount	%	2024	2023
Capital stock - common	P16,443	P16,443	P -	0%	1%	1%
Capital stock - preferred	10,187	10,187	-	0%	0%	0%
Additional paid-in capital	177,442	177,468	(26)	(0%)	7%	7%
Capital securities	24,211	24,211	-	0%	1%	1%
Equity reserves	2,667	7,354	(4,687)	(64%)	0%	0%
Retained earnings:						
Appropriated	88,468	87,170	1,298	1%	4%	4%
Unappropriated	86,423	103,151	(16,728)	(16%)	3%	4%
Treasury stock	(109,763)	(109,763)	-	0%	(4%)	(4%)
Equity Attributable to:						
Equity holders of						
the Parent Company	296,078	316,221	(20,143)	(6%)	12%	13%
Non-controlling interests	359,201	348,945	10,256	3%	14%	14%
Total Equity	655,279	665,166	(9,887)	(1%)	26%	27%
Total Liabilities and Equity	P2,555,444	P2,459,365	P96,079	4%	100%	100%

Consolidated total assets as at June 30, 2024 amounted to P2,555,444 million, P96,079 million higher than December 31, 2023. The increase was primarily due to the increase in inventories, prepaid expenses and other current assets, investments and advances, property, plant and equipment, other intangible assets, deferred tax assets and other noncurrent assets.

The increase in inventories by P13,632 million was attributable mainly to: (a) Petron's higher volume and prices of both crude oil and finished products; and (b) higher materials and supplies of the Food division mainly due to higher volume of wheat purchased during the first half of 2024. The increase was partially offset by the Energy business' higher consumption of LNG supply inventory coupled with the decline in average LNG cost during first half of 2024 and utilization of spare parts during the combustor and turbine inspection conducted for the Ilijan Power Plant.

The decrease in total biological assets by P333 million was mainly attributable to lower production costs in June 30, 2024 as compared to December 31, 2023.

The increase in prepaid expenses and other current assets by P10,635 million was primarily due to: (a) higher input taxes of Petron and SMC Shipping and Lighterage Corporation; (b) additional advances paid to suppliers of coal and LNG of the Energy business; and (c) higher excise tax claims and unused creditable withholding taxes of Petron.

The increase in investments and advances - net by P7,347 million was mainly due to the: (a) advances for future investments to certain companies by SMC and the Energy business; and (b) investment in New NAIA Infra Corp. by San Miguel Holdings Corp.

The increase in property, plant and equipment - net by P34,102 million was mainly due to the costs of the ongoing projects of the Energy business, and the feedmill expansion project of the Food division.

The increase in other intangible assets - net by P19,271 million was mainly due to the additions to concession rights for the MIA Project and the costs of various other ongoing projects of the Infrastructure business, partially offset by the amortization during first half of 2024.

The increase in deferred tax assets by P6,002 million was primarily due to the recognition by SMC of deferred income tax on unrealized losses on foreign exchange mainly from the revaluation of foreign currency-denominated long-term debt and derivatives.

The increase in other noncurrent assets - net by P10,633 million was mainly due to the amount of contract assets for the MRT 7 Project recognized during first half of 2024.

The increase in loans payable by P47,398 million was mainly due to the net availment made by SMC and the Energy business.

The increase in accounts payable and accrued expenses by P31,599 million was mainly due to additional payables to contractors relating to the ongoing construction projects of the Energy business, higher outstanding liabilities to contractors and suppliers of Petron, higher purchases of raw materials by the Food division and power purchases by MPCL.

The increase in dividends and distributions payable by P839 million was mainly due to the declaration by SMC of dividends to Series 2-L, Series 2-N and Series 2-O preferred shareholders on May 14, 2024, which were paid on July 4, 2024.

The increase in total long-term debt, net of debt issue costs, by P31,830 million was primarily due to the translation adjustments on foreign currency-denominated loans, partially reduced by the net payments made by the Group.

The decrease in total lease liabilities by P9,884 million was primarily due to the payments made to PSALM by the entities of the Energy business under the IPPA Agreements.

The increase in deferred tax liabilities by P2,028 million was mainly due to the deferred income tax expense recognized by SPPC for the application of its available Net Operating Loss Carry Over carryforward benefits to its income tax expense, and the difference in actual PSALM payments over finance lease liability-related expenses.

The increase in other noncurrent liabilities by P2,014 million was mainly due to the higher amount of retention payable for the ongoing projects of the Infrastructure business.

The decrease in equity reserves by P4,687 million was mainly due to the foreign exchange difference recognized on the redemption of the US\$783 million SPCS of San Miguel Global Power in April 2024.

The decrease in unappropriated retained earnings by P16,728 million was primarily due to the net loss attributable to equity holders of the Parent Company, cash dividends and distributions declared and the net appropriations during the first half of 2024.

The decrease in equity attributable to equity holders of the Parent Company by P20,143 million was mainly due to the net loss incurred on account of the loss on foreign exchange and dividends and distributions declared to holders of preferred shares and SPCS of SMC in the first half of 2024.

IV. SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

<i>(In Millions)</i>	For the Periods Ended June 30	
	2025	2024
Net cash flows provided by operating activities	P58,208	P74,608
Net cash flows provided by (used in) investing activities	48,451	(93,889)
Net cash flows provided by (used in) financing activities	(76,460)	8,597

Net cash flows provided by operating activities primarily consist of operating income before working capital changes, changes in noncash current assets, certain current liabilities and others, including payments of interest, other financing charges and income taxes.

Net cash flows provided by (used in) investing activities included the following:

<i>(In Millions)</i>	For the Periods Ended June 30	
	2025	2024
Net proceeds of:		
Redemption of investment in redeemable preferred shares held by a subsidiary	P78,717	P -
Sale of property and equipment	3,430	482
Disposal of investments in debt instruments	445	519
Disposal of a subsidiary, net of cash and cash equivalents disposed of	-	8
Collection of advances	12,084	-
Dividends received	11,887	363
Interest received	7,718	6,505
Additions to:		
Property, plant and equipment	(19,166)	(48,178)
Intangible assets	(11,740)	(23,476)
Investments and advances	(10,178)	(7,007)
Contract assets	(4,724)	(7,742)
Advances to contractors and suppliers	(2,082)	(2,349)
Investment property	(2,070)	(4,212)
Investments in equity and debt instruments	(463)	(532)
Increase in other noncurrent assets and others	(9,728)	(8,270)
Cash and cash equivalents of deconsolidated subsidiaries	(5,679)	-

Net cash flows provided by (used in) financing activities included the following:

<i>(In Millions)</i>	For the Periods Ended June 30	
	2025	2024
Net proceeds (payments) of short-term loans	(P72,766)	P46,813
Cash dividends and distributions paid	(26,783)	(22,780)
Payments of lease liabilities	(9,132)	(11,500)
Redemption of capital securities of subsidiaries	(6,288)	(45,040)
Acquisition of treasury shares of a subsidiary	(1,119)	-
Increase (decrease) in non-controlling interests' share in the net assets of subsidiaries and others	(1,093)	31
Net proceeds (payments) of long-term debt	34,971	(2,382)
Net proceeds of issuance of capital securities of subsidiaries	5,750	43,481
Share issuance costs from reissuance of treasury shares	-	(26)

The effect of exchange rate changes on cash and cash equivalents amounted to (P2,737 million) and P3,216 million in June 2025 and 2024, respectively.

V. KEY PERFORMANCE INDICATORS

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data of the current period against the same period of previous year. Please refer to Items II “Financial Performance” and III “Financial Position” for the discussion of certain Key Performance Indicators.

	June 30, 2025	December 31, 2024
<u>Liquidity:</u>		
Current Ratio	1.35	1.22
Quick Ratio	0.89	0.76
<u>Solvency:</u>		
Debt to Equity Ratio	2.55	2.96
Asset to Equity Ratio	3.55	3.96
<u>Profitability:</u>		
Return on Average Equity Attributable to Equity Holders of the Parent Company	13.52%	(2.48%)
Interest Rate Coverage Ratio	2.72	1.65
Return on Assets	3.39%	1.43%
	<u>For the Periods Ended June 30</u>	
	2025	2024
<u>Operating Efficiency:</u>		
Volume Growth (Decline)	(6%)	19%
Revenue Growth (Decline)	(9%)	15%
Operating Margin	12%	11%

The manner by which the Group calculates the key performance indicators is as follows:

KPI	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventories} - \text{Current Portion of Biological Assets} - \text{Prepayments}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Total Liabilities (Current + Noncurrent)}}{\text{Equity}}$
Asset to Equity Ratio	$\frac{\text{Total Assets (Current + Noncurrent)}}{\text{Equity}}$
Return on Average Equity	$\frac{\text{Net Income Attributable to Equity Holders of the Parent Company}^*}{\text{Average Equity Attributable to Equity Holders of the Parent Company}}$
Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$
Return on Assets	$\frac{\text{Net Income}^*}{\text{Average Total Assets}}$
Volume Growth	$\left(\frac{\text{Sum of all Businesses' Revenue at Prior Period Prices}}{\text{Prior Period Net Sales}} \right) - 1$
Revenue Growth	$\left(\frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right) - 1$
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

* Annualized for quarterly reporting.

VI. OTHER MATTERS

a. Commitments

The outstanding purchase commitments of the Group amounted to P189,641 million as at June 30, 2025.

These consist mainly of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business and will be funded by available cash, short-term loans and long-term debt.

- b. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity. The Group does not anticipate within the next 12 months any cash flow or liquidity problems. The Group was not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments. There were no significant amounts of the Group's trade payables that have not been paid within the stated trade terms.

- c. There were no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation and there were no changes in contingent liabilities and contingent assets, except for Note 43 (a) of the Audited Consolidated Financial Statements as at December 31, 2024.
- d. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- e. There are no significant elements of income or loss that did not arise from continuing operations.
- f. Except for the Prepared and Packaged Food and Protein segments of the Food division under the Food and Beverage business, which consistently generate higher revenues during the Christmas holiday season, the effects of seasonality or cyclicity on the interim operations of the Group's businesses are not material.
- g. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Group with unconsolidated entities or other persons created during the reporting period.

APPENDIX “B”

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024, 2023 and 2022



SAN MIGUEL CORPORATION

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

The management of San Miguel Corporation (the "Company") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the 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 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.

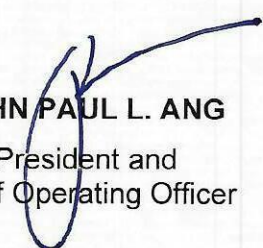
The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

R.G. Manabat & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



RAMON S. ANG

Chairman and
Chief Executive Officer



JOHN PAUL L. ANG

President and
Chief Operating Officer



BRYAN U. VILLANUEVA

Chief Finance Officer

Signed this 13th day of March 2025

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANDALUYONG) S.S

BEFORE ME, a Notary Public for and in Mandaluyong City, this 13th day of March 2025, personally appeared the following:

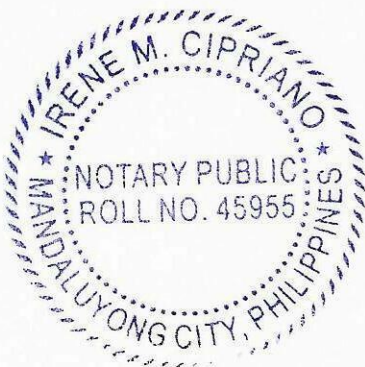
Name	Passport No.	Date of issue	Place of Issue
Ramon S. Ang	P2247867B	May 22, 2019	DFA Manila
John Paul L. Ang	P2247864B	May 22, 2029	DFA Manila
Bryan U. Villanueva	P8559308B	December 23, 2021	DFA-Manila

known to me to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed and that of the corporation they represent.

IN WITNESS WHEREOF, I have hereunto affixed my notarial seal on the date and place first above written.

Doc. No.: 442 ;
Page No.: 90 ;
Book No.: I ;
Series of 2025.


IRENE M. CIPRIANO
Commission No. 0221-24
Notary Public for Mandaluyong City
Until December 31, 2025
SMC, 40 San Miguel Ave., Mandaluyong City
Roll of Attorneys No. 45955
PTR No. 3272758; 01/08/2025; Mandaluyong City
IBP Lifetime Member No. 09482; 01/05/11; Q.C.
MCLE Compliance No. VIII-0008465; 05/07/24; Manila City



SAN MIGUEL CORPORATION AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024, 2023 and 2022**

With Independent Auditors' Report



R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
San Miguel Corporation
No. 40 San Miguel Avenue
Mandaluyong City

Opinion

We have audited the consolidated financial statements of San Miguel Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024, 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) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)

Key Audit Matters

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

Revenue recognition (P1,575,379 million).

Refer to Notes 6, 25 and 33 of the consolidated financial statements.

The risk

Revenue is an important measure used to evaluate the performance of the Group and is generated from various sources. It is accounted for when control of the goods or services is transferred to the customer over time or at a point in time, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. While revenue recognition and measurement are not complex for the Group, revenues may be inappropriately recognized in order to improve business results and achieve revenue growth in line with the objectives of the Group, thus increasing the risk of material misstatement.

Our response

We performed the following audit procedures, among others, on revenue recognition:

- We evaluated and assessed the revenue recognition policies in accordance with PFRS 15, *Revenue from Contracts with Customers*.
- We evaluated and assessed the design and operating effectiveness of the key controls over the revenue process.
- We involved our information technology specialists, as applicable, to assist in the audit of automated controls, including interface controls among different information technology applications for the evaluation of the design and operating effectiveness of controls over the recording of revenue transactions.
- We vouched, on a sampling basis, sales transactions to supporting documentation such as sales invoices and delivery documents to ascertain that the revenue recognition criteria are met.
- We tested, on a sampling basis, sales transactions for the last month of the financial year and also the first month of the following financial year to supporting documentation such as sales invoices and delivery documents to assess whether these transactions are recorded in the appropriate financial year.
- We tested, on a sampling basis, journal entries posted to revenue accounts to identify unusual or irregular items.
- We tested, on a sampling basis, credit notes issued after the financial year, to identify and assess any credit notes that relate to sales transactions recognized during the financial year.

Valuation of Goodwill (P184,994 million).

Refer to Notes 4, 17 and 38 of the consolidated financial statements.

The risk

The Group has embarked on a diversification strategy and has expanded into new businesses through a number of acquisitions and investments resulting in the recognition of a significant amount of goodwill. The goodwill of the acquired businesses are reviewed annually to evaluate whether events or changes in circumstances affect the recoverability of the Group's investments.

The methods used in the annual impairment test of goodwill are complex and judgmental in nature, utilizing assumptions on future market and/or economic conditions. The assumptions used include future cash flow projections, growth rates, discount rates and sensitivity analyses, with a greater focus on more recent trends and current market interest rates, and less reliance on historical trends.

Our response

We performed the following audit procedures, among others, on the valuation of goodwill:

- We assessed management's determination of the recoverable amounts based on fair value less costs to sell or a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. Cash flows beyond the five-year period are extrapolated using a constant growth rate determined for each individual cash-generating unit.
- We tested the reasonableness of the discounted cash flow model by comparing the Group's assumptions to externally derived data such as relevant industry information, projected economic growth, inflation and discount rates. Our own valuation specialist assisted us in evaluating the models used and assumptions applied.
- We performed our own sensitivity analyses on the key assumptions used in the models.



Valuation of Other Intangible Assets with Indefinite Useful Lives (P2,460 million).
Refer to Notes 4, 5, 17, 34 and 38 of the consolidated financial statements.

The risk

The methods used in the annual impairment test for other intangible assets with indefinite useful lives are complex and judgmental in nature, utilizing assumptions on future market and/or economic conditions. These assumptions include future cash flow projections, growth rates, discount rates and sensitivity analyses, with a greater focus on more recent trends and current market interest rates, and less reliance on historical trends.

Our response

We performed the following audit procedures, among others, on the valuation of other intangible assets with indefinite useful lives:

- We assessed management's determination of the recoverable amounts based on a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. Cash flows beyond the five-year period are extrapolated using a constant growth rate determined for each individual cash-generating unit.
- We tested the reasonableness of the discounted cash flow model by comparing the Group's assumptions to externally derived data such as relevant industry information, projected economic growth, inflation and discount rates. Our own valuation specialist assisted us in evaluating the models used and assumptions applied.
- We performed our own sensitivity analyses on the key assumptions used in the models.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2024 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 audits or otherwise appears to be materially misstated.



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

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

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

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

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

ANNEX “B-1”

Signature Page of KPMG



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 Darwin P. Virocel.

R.G. MANABAT & CO.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 10467159

Issued January 2, 2025 at Makati City

April 15, 2025

Makati City, Metro Manila

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(In Millions)

	<i>Note</i>	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4, 5, 7, 38, 39, 40	P293,677	P261,358
Trade and other receivables - net	4, 5, 8, 33, 35, 38, 39, 40	266,981	263,119
Inventories	4, 5, 9, 38	178,355	161,986
Current portion of biological assets - net	4, 16	3,241	3,515
Prepaid expenses and other current assets	4, 5, 10, 12, 23, 33, 34, 38, 39, 40	158,180	141,424
Total Current Assets		900,434	831,402
Noncurrent Assets			
Investments and advances - net	4, 5, 11, 23, 38	52,948	37,089
Investments in equity and debt instruments	4, 12, 33, 39, 40	21,050	19,417
Property, plant and equipment - net	4, 5, 13, 34, 38	891,450	753,472
Right-of-use assets - net	4, 5, 14, 34	43,302	108,014
Investment property - net	4, 15, 34, 38	87,909	79,513
Biological assets - net of current portion	4, 16	2,652	2,667
Goodwill - net	4, 17, 38	184,994	182,791
Other intangible assets - net	4, 5, 17, 34, 38	340,496	306,638
Deferred tax assets	4, 5, 23, 38	22,045	19,633
Other noncurrent assets - net	4, 5, 18, 33, 34, 35, 39, 40	129,650	118,729
Total Noncurrent Assets		1,776,496	1,627,963
		P2,676,930	P2,459,365
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	19, 30, 33, 38, 39, 40	P293,230	P214,881
Accounts payable and accrued expenses	4, 5, 20, 33, 34, 35, 38, 39, 40	289,038	223,055
Lease liabilities - current portion	4, 5, 30, 33, 34, 38, 39, 40	11,736	19,631
Income and other taxes payable	5, 23, 38	43,628	46,254
Dividends and distributions payable	33, 36, 38, 39, 40	5,160	4,605
Current maturities of long-term debt - net of debt issue costs	5, 21, 30, 33, 38, 39, 40	94,123	236,798
Total Current Liabilities		736,915	745,224
Noncurrent Liabilities			
Long-term debt - net of current maturities and debt issue costs	5, 21, 30, 33, 38, 39, 40	1,173,146	953,786
Lease liabilities - net of current portion	4, 5, 30, 33, 34, 38, 39, 40	30,809	36,941
Deferred tax liabilities	23, 38	34,861	29,503
Other noncurrent liabilities	4, 5, 22, 33, 35, 38, 39, 40	24,758	28,745
Total Noncurrent Liabilities		1,263,574	1,048,975
Total Liabilities		2,000,489	1,794,199

Forward

	Note	2024	2023
Equity	24, 36, 37		
Equity Attributable to Equity Holders of the Parent Company			
Capital stock - common		P16,443	P16,443
Capital stock - preferred		10,187	10,187
Additional paid-in capital		177,442	177,468
Capital securities		24,211	24,211
Equity reserves		(5,275)	7,354
Retained earnings:			
Appropriated		79,849	87,170
Unappropriated		89,413	103,151
Treasury stock		(109,763)	(109,763)
		282,507	316,221
Non-controlling Interests	2, 5, 24, 38	393,934	348,945
Total Equity		676,441	665,166
		P2,676,930	P2,459,365

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In Millions, Except Per Share Data)

	<i>Note</i>	2024	2023	2022
SALES	6, 25, 33	P1,575,379	P1,446,703	P1,506,591
COST OF SALES	26, 34, 40	1,312,027	1,208,410	1,314,607
GROSS PROFIT		263,352	238,293	191,984
SELLING AND ADMINISTRATIVE EXPENSES	27, 34	(102,536)	(93,808)	(83,972)
INTEREST EXPENSE AND OTHER FINANCING CHARGES	19, 21, 30, 33, 34, 35	(99,413)	(91,303)	(60,795)
INTEREST INCOME	7, 12, 31, 33, 35	14,704	14,027	7,108
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	11, 23	2,364	1,729	1,197
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT	5, 13, 15, 18	2,175	83	733
OTHER INCOME (CHARGES) - Net	4, 5, 32, 34, 39, 40	(16,479)	4,086	(16,178)
INCOME BEFORE INCOME TAX		64,167	73,107	40,077
INCOME TAX EXPENSE	23, 42	27,492	28,408	13,317
NET INCOME		P36,675	P44,699	P26,760
Attributable to:				
Equity holders of the Parent Company		(P7,411)	P198	(P12,968)
Non-controlling interests	5, 24	44,086	44,501	39,728
		P36,675	P44,699	P26,760
Basic and Diluted Loss Per Common Share Attributable to Equity Holders of the Parent Company	37	(P7.10)	(P2.51)	(P8.15)

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In Millions)

	<i>Note</i>	2024	2023	2022
NET INCOME		P36,675	P44,699	P26,760
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss				
Remeasurement loss on defined benefit retirement plan	35	(2,321)	(2,271)	(8,158)
Income tax benefit	23	497	571	2,036
Net gain on financial assets at fair value through other comprehensive income	12	267	178	65
Income tax expense	23	(24)	(23)	(15)
Share in other comprehensive income (loss) of associates and joint ventures - net	11	33	(111)	80
		(1,548)	(1,656)	(5,992)
Items that may be reclassified to profit or loss				
Net gain (loss) on exchange differences on translation of foreign operations		4,430	(2,602)	4,326
Net gain (loss) on financial assets at fair value through other comprehensive income		2	(71)	38
Income tax benefit	23	-	8	-
Net gain (loss) on cash flow hedges	40	(371)	(205)	383
Income tax benefit (expense)	23	93	58	(106)
Share in other comprehensive income (loss) of associates and joint ventures - net	11	(24)	107	(242)
		4,130	(2,705)	4,399
OTHER COMPREHENSIVE INCOME (LOSS) - Net of tax		2,582	(4,361)	(1,593)
TOTAL COMPREHENSIVE INCOME - Net of tax		P39,257	P40,338	P25,167
Attributable to:				
Equity holders of the Parent Company		(P6,535)	(P3,591)	(P14,189)
Non-controlling interests	5, 24	45,792	43,929	39,356
		P39,257	P40,338	P25,167

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In Millions)

Equity Attributable to Equity Holders of the Parent Company																	
	Note	Equity Reserves														Non-Controlling Interests	Total Equity
		Capital Stock		Additional Paid-in Capital	Senior Perpetual Capital Securities	Reserve for Retirement Plan	Hedging Reserve	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Retained Earnings		Treasury Stock				
		Common	Preferred								Appropriated	Unappropriated	Common	Preferred			
															Total		
As at January 1, 2024		P16,443	P10,187	P177,468	P24,211	(P10,465)	(P403)	P330	P2,974	P14,918	P87,170	P103,151	(P67,093)	(P42,670)	P316,221	P348,945	P665,166
Net gain on exchange differences on translation of foreign operations		-	-	-	-	-	-	-	2,117	-	-	-	-	-	2,117	2,313	4,430
Share in other comprehensive income (loss) of associates and joint ventures - net	11	-	-	-	-	18	-	(12)	(2)	-	-	-	-	-	4	5	9
Net loss on cash flow hedges	40	-	-	-	-	-	(278)	-	-	-	-	-	-	-	(278)	-	(278)
Net gain (loss) on financial assets at fair value through other comprehensive income	12	-	-	-	-	-	-	353	-	-	-	-	-	-	353	(108)	245
Remeasurement loss on defined benefit retirement plan	35	-	-	-	-	(1,320)	-	-	-	-	-	-	-	-	(1,320)	(504)	(1,824)
Other comprehensive income (loss)		-	-	-	-	(1,302)	(278)	341	2,115	-	-	-	-	-	876	1,706	2,582
Net income (loss)		-	-	-	-	-	-	-	-	-	-	(7,411)	-	-	(7,411)	44,086	36,675
Total comprehensive income (loss)		-	-	-	-	(1,302)	(278)	341	2,115	-	-	(7,411)	-	-	(6,535)	45,792	39,257
Share issuance costs from reissuance of treasury shares	24	-	-	(26)	-	-	-	-	-	-	-	-	-	-	(26)	-	(26)
Net addition (reduction) to non-controlling interests and others	5, 11, 24	-	-	-	-	-	-	-	-	(13,505)	-	(529)	-	-	(14,034)	37,561	23,527
Appropriations - net	24	-	-	-	-	-	-	-	-	-	(7,321)	7,321	-	-	-	-	-
Cash dividends and distributions:	36																
Common		-	-	-	-	-	-	-	-	-	-	(3,337)	-	-	(3,337)	(16,721)	(20,058)
Preferred		-	-	-	-	-	-	-	-	-	-	(7,680)	-	-	(7,680)	(3,113)	(10,793)
Senior perpetual capital securities		-	-	-	-	-	-	-	-	-	-	(2,102)	-	-	(2,102)	(18,530)	(20,632)
As at December 31, 2024	24	P16,443	P10,187	P177,442	P24,211	(P11,767)	(P681)	P671	P5,089	P1,413	P79,849	P89,413	(P67,093)	(P42,670)	P282,507	P393,934	P676,441

Forward

	Note	Equity Attributable to Equity Holders of the Parent Company														Non-Controlling Interests	Total Equity
		Equity Reserves															
		Capital Stock		Additional Paid-in Capital	Senior Perpetual Capital Securities	Reserve for Retirement Plan	Hedging Reserve	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Retained Earnings		Treasury Stock		Total		
		Common	Preferred								Appropriated	Unappropriated	Common	Preferred			
As at January 1, 2023		P16,443	P10,187	P177,719	P24,211	(P9,256)	(P274)	P114	P5,641	P16,528	P71,004	P129,239	(P67,093)	(P89,670)	P284,793	P354,359	P639,152
Net gain (loss) on exchange differences on translation of foreign operations		-	-	-	-	-	-	-	(2,654)	-	-	-	-	-	(2,654)	52	(2,602)
Share in other comprehensive income (loss) of associates and joint ventures - net	11	-	-	-	-	(108)	-	116	(13)	-	-	-	-	-	(5)	1	(4)
Net loss on cash flow hedges	40	-	-	-	-	-	(129)	-	-	-	-	-	-	-	(129)	(18)	(147)
Net gain (loss) on financial assets at fair value through other comprehensive income	12	-	-	-	-	-	-	100	-	-	-	-	-	-	100	(8)	92
Remeasurement loss on defined benefit retirement plan	35	-	-	-	-	(1,101)	-	-	-	-	-	-	-	-	(1,101)	(599)	(1,700)
Other comprehensive income (loss)		-	-	-	-	(1,209)	(129)	216	(2,667)	-	-	-	-	-	(3,789)	(572)	(4,361)
Net income		-	-	-	-	-	-	-	-	-	-	198	-	-	198	44,501	44,699
Total comprehensive income (loss)		-	-	-	-	(1,209)	(129)	216	(2,667)	-	-	198	-	-	(3,591)	43,929	40,338
Reissuance of treasury shares - preferred	24	-	-	(251)	-	-	-	-	-	-	-	-	-	47,000	46,749	-	46,749
Net reduction to non-controlling interests and others	5, 11, 24	-	-	-	-	-	-	-	-	(1,610)	-	(995)	-	-	(2,605)	(13,756)	(16,361)
Appropriations - net	24	-	-	-	-	-	-	-	-	-	16,166	(16,166)	-	-	-	-	-
Cash dividends and distributions:	36																
Common		-	-	-	-	-	-	-	-	-	-	(3,337)	-	-	(3,337)	(13,867)	(17,204)
Preferred		-	-	-	-	-	-	-	-	-	-	(3,781)	-	-	(3,781)	(2,586)	(6,367)
Senior perpetual capital securities		-	-	-	-	-	-	-	-	-	-	(2,007)	-	-	(2,007)	(19,134)	(21,141)
As at December 31, 2023	24	P16,443	P10,187	P177,468	P24,211	(P10,465)	(P403)	P330	P2,974	P14,918	P87,170	P103,151	(P67,093)	(P42,670)	P316,221	P348,945	P665,166

Forward

Equity Attributable to Equity Holders of the Parent Company																		
	Note	Equity															Non-Controlling Interests	Total Equity
		Capital Stock		Additional Paid-in Capital	Capital Securities		Reserve for Retirement Plan	Equity Reserves				Retained Earnings		Treasury Stock		Total		
		Common	Preferred		Perpetual Capital Securities	Redeemable Perpetual Securities		Hedging Reserve	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Appropriated	Unappropriated	Common	Preferred			
As at January 1, 2022		P16,443	P10,187	P177,719	P24,211	P3,960	(P4,137)	(P534)	P269	P2,265	P16,273	P66,630	P157,707	(P67,093)	(P77,270)	P326,630	P354,609	P681,239
Net gain on exchange differences on translation of foreign operations		-	-	-	-	-	-	-	-	3,802	-	-	-	-	-	3,802	524	4,326
Share in other comprehensive income (loss) of associates and joint ventures - net	11	-	-	-	-	-	76	-	(237)	(10)	-	-	-	-	-	(171)	9	(162)
Net gain on cash flow hedges	40	-	-	-	-	-	-	260	-	-	-	-	-	-	-	260	17	277
Net gain on financial assets at fair value through other comprehensive income	12	-	-	-	-	-	-	-	82	-	-	-	-	-	-	82	6	88
Remeasurement loss on defined benefit retirement plan	35	-	-	-	-	-	(5,194)	-	-	-	-	-	-	-	-	(5,194)	(928)	(6,122)
Other comprehensive income (loss)		-	-	-	-	-	(5,118)	260	(155)	3,792	-	-	-	-	-	(1,221)	(372)	(1,593)
Net income (loss)		-	-	-	-	-	-	-	-	-	-	-	(12,968)	-	-	(12,968)	39,728	26,760
Total comprehensive income (loss)		-	-	-	-	-	(5,118)	260	(155)	3,792	-	-	(12,968)	-	-	(14,189)	39,356	25,167
Redemption of preferred shares	24	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,300)	(12,300)	-	(12,300)
Acquisition of a subsidiary	5	-	-	-	-	(3,960)	-	-	-	-	-	-	-	-	(100)	(4,060)	-	(4,060)
Net addition (reduction) to non-controlling interests and others	5, 11, 24	-	-	-	-	-	(1)	-	-	(416)	255	-	(1,339)	-	-	(1,501)	(7,527)	(9,028)
Appropriations - net	24	-	-	-	-	-	-	-	-	-	-	4,374	(4,374)	-	-	-	-	-
Cash dividends and distributions:	36																	
Common		-	-	-	-	-	-	-	-	-	-	-	(3,337)	-	-	(3,337)	(11,097)	(14,434)
Preferred		-	-	-	-	-	-	-	-	-	-	-	(4,293)	-	-	(4,293)	(1,544)	(5,837)
Senior perpetual capital securities		-	-	-	-	-	-	-	-	-	-	-	(1,957)	-	-	(1,957)	(19,438)	(21,395)
Redeemable perpetual securities		-	-	-	-	-	-	-	-	-	-	-	(200)	-	-	(200)	-	(200)
As at December 31, 2022	24	P16,443	P10,187	P177,719	P24,211	P -	(P9,256)	(P274)	P114	P5,641	P16,528	P71,004	P129,239	(P67,093)	(P89,670)	P284,793	P354,359	P639,152

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In Millions)

	<i>Note</i>	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		P64,167	P73,107	P40,077
Adjustments for:				
Interest expense and other financing charges	30	99,413	91,303	60,795
Depreciation, amortization and others - net	13, 14, 15, 17, 18, 28, 32	59,360	57,621	50,608
Loss (gain) on foreign exchange - net	32	20,956	(4,188)	19,494
Interest income	31	(14,704)	(14,027)	(7,108)
Equity in net earnings of associates and joint ventures	11	(2,364)	(1,729)	(1,197)
Gain on sale of investments and property and equipment	5, 13, 15, 18	(2,175)	(83)	(733)
Operating income before working capital changes		224,653	202,004	161,936
Changes in noncash current assets, certain current liabilities and others	38	(176)	(5,386)	(93,769)
Cash generated from operations		224,477	196,618	68,167
Interest and other financing charges paid		(99,203)	(91,995)	(60,910)
Income taxes paid		(23,687)	(21,527)	(19,650)
Net cash flows provided by (used in) operating activities		101,587	83,096	(12,393)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property, plant and equipment	13	(76,707)	(71,173)	(75,986)
Intangible assets	17	(40,379)	(64,677)	(58,162)
Investments and advances	11	(16,475)	(5,271)	(2,432)
Contract assets	18	(12,166)	(6,571)	(2,899)
Investment property	15	(9,985)	(5,450)	(4,415)
Advances to contractors and suppliers	18	(5,631)	(9,448)	(11,449)
Investments in equity and debt instruments	12	(2,107)	(616)	(12,937)
Increase in other noncurrent assets and others	18	(5,133)	(9,128)	(3,431)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	5, 38	(1,040)	-	(97,204)
Interest received		13,623	13,396	5,973
Net proceeds of:				
Disposal of subsidiaries, net of cash and cash equivalents disposed of	5	2,537	418	385
Redemption and disposal of investments in equity and debt instruments	12	1,384	606	35,454
Sale of property and equipment and other intangible assets	13, 15, 18	1,168	1,307	253
Dividends received	11	1,510	1,150	2,452
Collection of advances for investment	11	-	-	22,870
Net cash flows used in investing activities		(149,401)	(155,457)	(201,528)

Forward

	Note	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of:				
Short-term borrowings	38	P1,334,679	P1,145,761	P1,148,669
Long-term borrowings	38	357,390	292,879	353,451
Payments of:				
Short-term borrowings	38	(1,256,795)	(1,197,861)	(1,074,087)
Long-term borrowings	38	(309,435)	(190,822)	(115,948)
Net proceeds of issuance of preferred shares and capital securities and reissuance of treasury shares of subsidiaries	24	81,203	13,885	-
Increase (decrease) in non-controlling interests' share in the net assets of subsidiaries and others	24	853	(3,014)	(2,630)
Repurchase of capital securities and redemption of preferred shares of subsidiaries	24	(58,443)	(27,134)	(4,703)
Cash dividends and distributions paid to non-controlling shareholders	38	(38,527)	(35,102)	(32,443)
Payments of lease liabilities	38	(20,195)	(20,995)	(26,031)
Cash dividends and distributions paid	36, 38	(12,401)	(9,043)	(9,680)
Share issuance costs from reissuance of treasury shares	24	(26)	-	-
Net proceeds of reissuance of treasury shares	24	-	46,749	-
Redemption of preferred shares	24	-	-	(12,300)
Net cash flows provided by financing activities		78,303	15,303	224,298
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
		1,830	202	7,807
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		32,319	(56,856)	18,184
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
	7	261,358	318,214	300,030
CASH AND CASH EQUIVALENTS AT END OF YEAR				
	7	P293,677	P261,358	P318,214

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Millions, Except Per Share Data and Number of Shares)

1. Reporting Entity

San Miguel Corporation (SMC or the Parent Company), a subsidiary of Top Frontier Investment Holdings, Inc. (Top Frontier or the Ultimate Parent Company), was incorporated on August 21, 1913. On March 16, 2012, the Philippine Securities and Exchange Commission (SEC) approved the amendment of the Articles of Incorporation and By-Laws of the Parent Company to extend the corporate term for another fifty (50) years from August 21, 2013, as approved on the March 14, 2011 and June 7, 2011 meetings of the Parent Company's Board of Directors (BOD) and stockholders, respectively.

The Parent Company has a corporate life of 50 years pursuant to its articles of incorporation. However, under the Revised Corporation Code of the Philippines, the Parent Company shall have a perpetual corporate life.

The Parent Company is a public company under Section 17.2 of the Securities Regulation Code. Its common and preferred shares are listed on The Philippine Stock Exchange, Inc. (PSE).

The accompanying consolidated financial statements comprise the financial statements of the Parent Company and its Subsidiaries and the Group's interests in associates and joint ventures (collectively referred to as the Group).

The Group is engaged in various businesses, including food and beverage, packaging, energy, fuel and oil, infrastructure, cement and real estate property management and development.

The registered office address of the Parent Company is No. 40 San Miguel Avenue, Mandaluyong City, Philippines.

2. Basis of Preparation

Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on IFRS Accounting Standards issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards consist of PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC).

The consolidated financial statements were approved and authorized for issue in accordance with a resolution by the BOD on March 13, 2025.

Basis of Measurement

The consolidated financial statements of the Group have been prepared on a historical cost basis except for the following items which are measured on an alternative basis at each reporting date:

Items	Measurement Basis
Derivative financial instruments	Fair value
Financial assets at fair value through profit or loss (FVPL)	Fair value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair value
Defined benefit retirement asset (liability)	Fair value of the plan assets less the present value of the defined benefit retirement obligation
Agricultural produce	Fair value less estimated costs to sell at the point of harvest

Functional and Presentation Currency

The consolidated financial statements are presented in Philippine Peso, which is the functional currency of the Parent Company. All financial information is rounded off to the nearest million (000,000), except when otherwise indicated.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries. The major subsidiaries include the following:

	Percentage of Ownership		Country of Incorporation
	2024	2023	
Food and Beverage Business			
San Miguel Food and Beverage, Inc. (SMFB)	88.76	88.76	Philippines
Food			
San Miguel Foods, Inc. (SMFI) and subsidiaries, San Miguel Mills, Inc. (SMMI) and subsidiaries, Magnolia Inc. and subsidiary, PT San Miguel Foods Indonesia ^(b) , San Miguel Super Coffeemix Co., Inc., The Purefoods-Hormel Company, Inc. (PF-Hormel), and San Miguel Foods International, Limited and subsidiary, San Miguel Foods Investment (BVI) Limited and subsidiary and San Miguel Pure Foods (VN) Co., Ltd.]			
Beer and NAB			
San Miguel Brewery Inc. (SMB) and subsidiaries [including Iconic Beverages, Inc. (IBI), Brewery Properties Inc. (BPI) and subsidiary, and San Miguel Brewing International Limited and subsidiaries, San Miguel Brewery Hong Kong Limited (SMBHK) and subsidiaries, San Miguel (Baoding) Brewery Co., Ltd. ^(c) , San Miguel Beer (Thailand) Limited, San Miguel Marketing (Thailand) Limited, San Miguel Brewery Vietnam Company Limited ^(a) and PT. Delta Djakarta Tbk and subsidiary]			
Spirits			
Ginebra San Miguel Inc. (GSMI) and subsidiaries [including Distileria Bago, Inc. and East Pacific Star Bottlers Phils Inc.]			

Forward

	Percentage of Ownership		Country of Incorporation
	2024	2023	
Packaging Business			
San Miguel Yamamura Packaging Corporation (SMYPC) and subsidiaries [including SMC Yamamura Fuso Molds Corporation (SYFMC), Can Asia, Inc. and Wine Brothers Philippines Corporation]	65.00	65.00	Philippines
San Miguel Yamamura Packaging International Limited (SMYPIL) and subsidiaries [including San Miguel Yamamura Phu Tho Packaging Company Limited ^(a) , San Miguel Yamamura Glass (Vietnam) Limited, San Miguel Yamamura Haiphong Glass Company Limited, Zhaoqing San Miguel Yamamura Glass Company Limited ^(a) , Foshan San Miguel Yamamura Packaging Company Limited and subsidiary ^(a) , San Miguel Yamamura Packaging and Printing Sdn. Bhd., San Miguel Yamamura Woven Products Sdn. Bhd. and subsidiary, Packaging Research Centre Sdn. Bhd., San Miguel Yamamura Plastic Films Sdn. Bhd. and San Miguel Yamamura Australasia Pty Ltd (SMYA) and subsidiaries {including SMYC Pty Ltd and subsidiary, Foshan Cospak Packaging Co Ltd., SMYV Pty Ltd, SMYP Pty Ltd and subsidiary, SMYBB Pty Ltd, SMYJ Pty Ltd, and Vinocor Ltd.}]	65.00	65.00	British Virgin Islands (BVI)
Mindanao Corrugated Fibreboard, Inc.	100.00	100.00	Philippines
Energy Business			
San Miguel Global Power Holdings Corp. (San Miguel Global Power) ^(d) and subsidiaries [including Sual Power Inc. (SPI) ^(e) and subsidiary, South Premiere Power Corp. (SPPC), San Roque Hydropower Inc. (SRHI) ^(f) , San Miguel Electric Corp. (SMELC), SMC PowerGen Inc., SMGP BESS Power Inc. (SMGP BESS) ^(g) , Limay Power Inc. (LPI) ^(h) , Malita Power Inc. (MPI) ⁽ⁱ⁾ , Central Luzon Premiere Power Corp., Prime Electric Generation Corporation and subsidiary, Lumiere Energy Technologies, Inc. (LETI), PowerOne Ventures Energy Inc. (PVEI), SMCGP Masinloc Power Company Limited, SMCGP Masinloc Partners Company Limited, Masinloc Power Co. Ltd. (MPCL) ^(j) , Albay Power and Energy Corp. (APEC), Oceantech Power Generation Corporation and subsidiary, SMGP Kabankalan Power Co. Ltd. (SMGP Kabankalan) ^(k) , Excellent Energy Resources Inc. (EERI), SMC Power Generation Corp. and Mariveles Power Generation Corporation (MPGC)]	100.00	100.00	Philippines
Fuel and Oil Business			
SEA Refinery Corporation (SRC) ^(l)	100.00	100.00	Philippines
Petron Corporation (Petron) ^(l) and subsidiaries [including Petron Marketing Corporation, Petron Freeport Corporation, Overseas Ventures Insurance Corporation Ltd. ^(a) , New Ventures Realty Corporation (NVR) and subsidiaries, Mema Holdings Inc. (Mema) and subsidiary, Petron Singapore Trading Pte., Ltd. (PSTPL), Petron Global Limited, Petron Finance (Labuan) Limited and Petrochemical Asia (HK) Limited ^(a) and subsidiaries, Petron Oil & Gas International Sdn. Bhd. and subsidiaries ^(a) , Petron Malaysia Refining & Marketing Bhd (PMRMB), Petron Fuel International Sdn. Bhd. and Petron Oil (M) Sdn. Bhd. (collectively Petron Malaysia)]	68.26	68.26	Philippines

Forward

	Percentage of Ownership		Country of Incorporation
	2024	2023	
Infrastructure Business			
San Miguel Holdings Corp. doing business under the name and style of SMC Infrastructure (SMHC) and subsidiaries ^(a) [including SMC TPLEX Holdings Company, Inc. and subsidiary, SMC TPLEX Corporation (SMCTC), TPLEX Operations and Maintenance Corporation, Trans Aire Development Holdings Corp. (TADHC), SMC NAIAX Corporation (SMC NAIAX), Universal LRT Corporation (BVI) Limited (ULC BVI), SMC Mass Rail Transit 7 Inc. (SMC MRT 7), SMC Infraventures Inc. and subsidiary, SMC Skyway Stage 4 Corporation (MMSS4), Luzon Clean Water Development Corporation (LCWDC), Alloy Manila Toll Expressways, Inc. (AMTEX), Pasig River Expressway Corporation (PREC), Intelligent E-Processes Technologies Corp., SMC Northern Access Link Expressway Corp. (NALEC), SMC Southern Access Link Expressway Corp. (SALEC), South Luzon Toll Road-5 Expressway Inc. (SLEXTR5), SMC NBEX Inc. (SMC NBEX), SMC CBEX Inc. (SMC CBEX), SMC PLEX Inc. (SMC PLEX), SMC TPLEX Extension Infrastructure Corp. (TPLEXE), San Miguel Aerocity Inc. doing business under the name and style of “Manila International Airport” (SMAI) ^(a) , Wiselink Investment Holdings, Inc. and subsidiary, Cypress Tree Capital Investments, Inc. and subsidiaries {including Star Infrastructure Development Corporation (SIDC) and Star Tollway Corporation (collectively the Star Tollways Group)}, Atlantic Aurum Investments B.V. (AAIBV) and subsidiaries {including SMC Tollways Corporation (SMC Tollways) and subsidiaries [including Stage 3 Connector Tollways Holdings Corporation and subsidiary, SMC Skyway Stage 3 Corporation (MMSS3) and SMC Skyway Corporation (SMC Skyway) and subsidiary, Skyway O&M Corporation (SOMCO)] and SMC SLEX Holdings Company Inc. (SSHCI) and subsidiaries, Manila Toll Expressway Systems, Inc. (MATES) and SMC SLEX Inc. (SMC SLEX)} and SMC Bulacan Water Services Corporation (SBWSC) and subsidiaries {including Obando Water Company, Inc. (OWCI) ⁽ⁿ⁾ and Bulakan Water Company, Inc. (BWCI) ⁽ⁿ⁾ }	100.00	100.00	Philippines
Cement Business			
San Miguel Equity Investments Inc. (SMEII) and subsidiaries ^(a) [including Northern Cement Corporation (NCC), Southern Concrete Industries, Inc. (SCII) and Eagle Cement Corporation (ECC) and subsidiaries]	100.00	100.00	Philippines
Real Estate Business			
San Miguel Properties, Inc. (SMPI) and subsidiaries ^(a) [including SMPI Makati Flagship Realty Corp., Bright Ventures Realty, Inc. and Tierra Verdosa Services Corp. ^(m)]	99.98	99.98	Philippines
Davana Heights Development Corporation (DHDC) and subsidiaries	100.00	100.00	Philippines
Silvertides Holdings Corporation (SHC) and subsidiary	100.00	100.00	Philippines
Fonterra Verde Holdings Inc. (FVHI)	100.00	100.00	Philippines
Deity Holdings Corporation (DHC)	100.00	100.00	Philippines
Worldsummit Holdings Corporation (WHC)	100.00	100.00	Philippines
One Verdana Holdings Inc. (OVHI)	100.00	100.00	Philippines

Forward

	Percentage of Ownership		Country of Incorporation
	2024	2023	
Others			
San Miguel International Limited and subsidiary, San Miguel Holdings Limited (SMHL) and subsidiaries [including SMYPIL and San Miguel Insurance Company, Ltd.]	100.00	100.00	Bermuda
SMC Shipping and Lighterage Corporation (SMCSLC) and subsidiaries ^(a) , including SL Harbor Bulk Terminal Corporation (SLHBTC)	70.00	70.00	Philippines
San Miguel Integrated Logistics Services, Inc.	100.00	100.00	Philippines
SMC Stock Transfer Service Corporation ^(a)	100.00	100.00	Philippines
ArchEn Technologies Inc. (ArchEn) ^(a)	100.00	100.00	Philippines
SMITS, Inc. (SMITS) and subsidiaries ^(a)	100.00	100.00	Philippines
Petrogen Insurance Corporation (Petrogen) ^(o)	100.00	100.00	Philippines
Anchor Insurance Brokerage Corporation (AIBC) ^(a)	74.27	58.33	Philippines
SMC Asia Car Distributors Corp. (SMCACDC) and subsidiaries ^(a)	65.00	65.00	Philippines
SMC Equivest Corporation (SMCEC)	100.00	100.00	Philippines

(a) The financial statements of these subsidiaries were audited by other auditors.

(b) Ceased operations in October 2021 and is in the process of liquidation.

(c) Ceased operations in March 2020 and is in the process of liquidation.

(d) Formerly SMC Global Power Holdings Corp. The change in the corporate name was approved by the SEC on March 22, 2023.

(e) Formerly San Miguel Energy Corporation. The change in the corporate name was approved by the SEC on March 9, 2023.

(f) Formerly Strategic Power Devt. Corp. The change in the corporate name was approved by the SEC on March 31, 2023.

(g) Formerly Universal Power Solutions, Inc. The change in the corporate name was approved by the SEC on November 3, 2023.

(h) Formerly SMC Consolidated Power Corporation. The change in the corporate name was approved by the SEC on February 7, 2023.

(i) Formerly San Miguel Consolidated Power Corporation. The change in the corporate name was approved by the SEC on March 9, 2023.

(j) Formerly Masinloc Power Partners Co. Ltd. The change in the corporate name was approved by the SEC on November 13, 2023.

(k) Formerly SMCGP Philippines Energy Storage Co. Ltd. The change in the corporate name was approved by the SEC on September 21, 2023.

(l) Petron is 50.10% indirectly owned by SMC through SRC and 18.16% directly owned by SMC.

(m) Formerly Tierra Verdosa Real Estate Services, Inc. The change in the corporate name was approved by the SEC on October 21, 2024.

(n) Consolidated to SBWSC effective October 22, 2024 (Note 5).

(o) Petrogen is 74.94% directly owned by SMC and 25.06% indirectly owned by SMC through Petron.

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Group obtains control and continues to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. Intergroup balances and transactions, including intergroup unrealized profits and losses, are eliminated in preparing the consolidated financial statements.

Non-controlling interests represent the portion of profit or loss and net assets not attributable to the Parent Company and are presented in the consolidated statements of income, consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the equity attributable to equity holders of the Parent Company.

Non-controlling interests include the interests not held by the Parent Company in its subsidiaries as follows: SMFB, SMYPC, SMYPIL, Petron, SMCTC, TADHC, AMTEX, AAIBV, SMPI, SMCSLC, Petrogen, AIBC and SMCACDC in 2024 and 2023 (Note 24).

3. Material Accounting Policy Information

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements, except for the changes in accounting policies as explained below.

The FSRSC approved the adoption of a number of new and amendments to standards as part of PFRS Accounting Standards.

Adoption of Amendments to Standards

The Group has adopted the following amendments to standards effective January 1, 2024 and accordingly changed its accounting policies in the following areas:

- Lease Liability in a Sale and Leaseback (Amendments to PFRS 16, *Leases*). The amendments confirm the following:
 - On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale and leaseback transaction.
 - After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right-of-use asset it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

- Classification of Liabilities as Current or Noncurrent - 2020 Amendments and Noncurrent Liabilities with Covenants - 2022 Amendments (Amendments to PAS 1, *Presentation of Financial Statements*). To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:
 - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead require that the right must have substance and exist at the reporting date;

- clarified that only covenants with which the entity must comply on or before the reporting date affect the classification of a liability as current or noncurrent and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;
 - provided additional disclosure requirements for noncurrent liabilities subject to conditions within 12 months after the reporting period to enable the assessment of the risk that the liability could become repayable within 12 months; and
 - clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.
- Supplier Finance Arrangements (Amendments to PAS 7, *Statement of Cash Flows*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments introduce new disclosure objectives to provide information about the supplier finance arrangements of an entity that would enable users to assess the effects of these arrangements on the liabilities and cash flows, and the exposure to liquidity risk.

Under the amendments, an entity discloses in aggregate for its supplier finance arrangements:

- the terms and conditions of the arrangements;
- beginning and ending carrying amounts and associated line items of the financial liabilities that are part of a supplier finance arrangement, distinguishing those for which suppliers were already paid, and range of payment due dates including those for comparable trade payables not part of a supplier finance arrangement; and
- the type and effect of non-cash changes in the carrying amounts.

The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in PFRS 7 on factors an entity might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.

The adoption of the amendments to standards did not have a material effect on the consolidated financial statements.

New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2024, and have not been applied in preparing the consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*). The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, an entity needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the entity because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted. Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the entity uses a presentation currency other than its functional currency.

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Contracts Referencing Nature-dependent Electricity (Amendments to PFRS 9 and PFRS 7). The amendments clarify the application of the own-use exemption for contracts referencing electricity from nature-dependent renewable energy sources, amend the hedge accounting requirements to allow these contracts to be designated as hedging instruments if certain conditions are met, and introduce additional disclosure requirements on the impact of these contracts on the financial performance and future cash flow.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to two standards:
 - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, Fair Value Measurement.
 - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
 - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and
 - replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1. The new standard introduces the following key requirements:
 - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
 - Management-defined performance measures are disclosed in a single note to the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

- PFRS 17, *Insurance Contracts*, replaces the interim standard, PFRS 4, *Insurance Contracts*, and establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The new standard applies to all insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

PFRS 17 aims to increase transparency and to reduce diversity in the accounting for insurance contracts. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach) and simplified approach (the premium allocation approach) mainly for short-duration contracts.

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two years after its effective date as decided by the IASB.

On February 14, 2025, the FSRSC further deferred the date of initial application by two years, making PFRS 17 effective for annual reporting periods beginning on or after January 1, 2027, with comparative figures required. Early adoption is permitted. The Insurance Commission issued CL No. 2025-04, aligning with this deferral.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2024 on the consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current and noncurrent classification. An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within 12 months after the reporting period; or (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is current when: (a) it is expected to be settled in the normal operating cycle; (b) it is held primarily for trading; (c) it is due to be settled within 12 months after the reporting period; or (d) there is no right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other assets and liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent.

Financial Instruments

Recognition and Initial Measurement. 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 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 the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at the fair value of the consideration given or received. The initial measurement of financial instruments, except for financial assets and financial liabilities at FVPL, includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

The Group classifies its financial assets, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

Financial Assets at Amortized Cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

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

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

The Group's cash and cash equivalents, trade and other receivables, investment in debt instruments at amortized cost, noncurrent receivables and deposits, and restricted cash are included under this category (Notes 7, 8, 10, 12, 18, 33, 39 and 40).

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI. Investment in debt instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Financial assets at FVOCI are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income.

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment on investment in debt instruments are recognized in the consolidated statements of income. When investment in debt instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are transferred to and recognized in the consolidated statements of income.

Dividends earned on holding an investment in equity instrument are recognized as dividend income in the consolidated statements of income when the right to receive the payment has been established unless the dividend clearly represents a recovery of the part of the cost of the investment. When investment in equity instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are never reclassified to the consolidated statements of income.

The Group's investments in equity and debt instruments at FVOCI are classified under this category (Notes 12, 18, 33, 39 and 40).

Financial Assets at FVPL. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVPL. This includes derivative financial assets that are not designated as cash flow hedge. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

At initial recognition, the Group may irrevocably designate a financial asset as at FVPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or recognizing the gains and losses on different bases.

The Group carries financial assets at FVPL using their fair values. Attributable transaction costs are recognized in the consolidated statements of income as incurred. Changes in fair value and realized gains or losses are recognized in the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income and presented in the statements of changes in equity. Any interest earned from investment in debt instrument designated as at FVPL is recognized in the consolidated statements of income. Any dividend income from investment in equity instrument is recognized in the consolidated statements of income when the right to receive payment has been established unless the dividend clearly represents a recovery of the part of the cost of the investment.

The Group's derivative assets that are not designated as cash flow hedge and investments in equity and debt instruments at FVPL are classified under this category (Notes 10, 12, 18, 33, 39 and 40).

Financial Liabilities

The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and financial liabilities at amortized costs. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Financial Liabilities at FVPL. Financial liabilities are classified under this category through the fair value option. Derivative instruments (including embedded derivatives) with negative fair values, except those covered by hedge accounting relationships, are also classified under this category.

The Group carries financial liabilities at FVPL using their fair values and reports fair value changes in the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income and presented in the consolidated statements of changes in equity. Any interest expense incurred is recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income.

The Group's derivative liabilities that are not designated as cash flow hedge are classified under this category (Notes 20, 22, 39 and 40).

Financial Liabilities at Amortized Costs. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial recognition, financial liabilities at amortized costs are measured using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in "Interest expense and other financing charges" account in the consolidated statements of income. Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are considered as an adjustment to the effective yield of the related debt and are deferred and amortized using the effective interest method. When a loan is paid, the related unamortized debt issue costs at the date of repayment are recognized in the consolidated statements of income.

The Group's liabilities arising from its trade transactions or borrowings such as loans payable, accounts payable and accrued expenses, long-term debt, lease liabilities and other noncurrent liabilities are included under this category (Notes 19, 20, 21, 22, 34, 39 and 40).

Derecognition of Financial Assets and Financial Liabilities

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

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a “passthrough” arrangement; 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.

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

Impairment of Financial Assets

The Group recognizes allowance for expected credit loss (ECL) on financial assets at amortized cost and investments in debt instruments at FVOCI.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

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

The Group recognizes lifetime ECLs for receivables that do not contain significant financing components. The Group uses a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether these financial assets at amortized cost and investments in debt instruments at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Group on terms that the Group would not consider otherwise;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

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

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income. The ECLs on investments in debt instruments at FVOCI are recognized as accumulated impairment in other comprehensive income, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income.

Classification of Financial Instruments between Liability and Equity

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as liability if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

Derivative Financial Instruments and Hedge Accounting

The Group uses derivative financial instruments, such as forwards, swaps and options to manage its exposure on foreign currency, interest rate and commodity price risks. Derivative financial instruments are initially recognized at fair value on the date the 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. Changes in the fair value of derivatives that are not designated as hedging instruments are recognized in the consolidated statements of income.

Freestanding Derivatives

The Group designates certain derivatives as hedging instruments to hedge the exposure to variability in cash flows associated with recognized liabilities arising from changes in foreign exchange rates and interest rates.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedging instrument are expected to offset the changes in cash flows of the hedged item.

Cash Flow Hedge. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the “Hedging reserve” account in the consolidated statements of changes in equity. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the consolidated statements of income.

The Group designates only the intrinsic value of options and the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the time value of options, the forward element of forward contracts and the foreign currency basis spread of financial instruments are separately accounted for as cost of hedging and recognized in other comprehensive income. The cost of hedging is removed from other comprehensive income and recognized in the consolidated statements of income, either over the period of the hedge if the hedge is time related, or when the hedged transaction affects the consolidated statements of income if the hedge is transaction related.

When the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is transferred and included in the initial cost of the hedged asset or liability. For all other hedged transactions, the amount accumulated in equity is reclassified to the consolidated statements of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the consolidated statements of income.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument expires, is sold, is terminated, or is exercised, hedge accounting is discontinued prospectively. The amount that has been accumulated in equity is: (a) retained until it is included in the cost of non-financial item on initial recognition, for a hedge of a transaction resulting in the recognition of a non-financial item; or (b) reclassified to the consolidated statements of income as a reclassification adjustment in the same period or periods as the hedged cash flows affect the consolidated statements of income, for other cash flow hedges. If the hedged future cash flows are no longer expected to occur, the amounts that have been accumulated in equity are immediately reclassified to the consolidated statements of income.

The Group has outstanding derivatives accounted for as cash flow hedge as at December 31, 2024 and 2023 (Note 40).

Embedded Derivatives

The Group assesses whether embedded derivatives are required to be separated from the host contracts when the Group becomes a party to the contract.

An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met:

- (a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (c) the hybrid or combined instrument is not recognized as at FVPL.

However, an embedded derivative is not separated if the host contract is a financial asset.

Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Embedded derivatives that are bifurcated from the host contracts are accounted for either as financial assets or financial liabilities at FVPL.

The Group has embedded derivatives as at December 31, 2024 and 2023 (Note 40).

Inventories

Finished goods, goods in process, materials and supplies, raw land inventory and real estate projects are valued at the lower of cost and net realizable value.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Finished goods and goods in process	- at cost, which includes direct materials and labor and a proportion of manufacturing overhead costs based on normal operating capacity but excluding borrowing costs; finished goods also include unrealized gain (loss) on fair valuation of agricultural produce; costs are determined using the moving-average method.
Petroleum products (except lubes and greases) and crude oil	- at cost, which includes duties and taxes related to the acquisition of inventories; costs are determined using the first-in, first-out method.
Lubes and greases, blending components and polypropylene	- at cost, which includes duties and taxes related to the acquisition of inventories; costs are determined using the moving-average method.
Raw land inventory	- at cost, which includes acquisition costs of raw land intended for sale or development and other costs and expenses incurred to effect the transfer of title of the property; costs are determined using the specific identification of individual costs.
Real estate projects	- at cost, which includes acquisition costs of property and other costs and expenses incurred to develop the property; costs are determined using the specific identification of individual costs.
Materials, supplies and others	- at cost, using the specific identification method, first-in, first-out method or moving-average method.
Coal and Liquefied Natural Gas (LNG)	- at cost, using the weighted average method.

Finished Goods. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Goods in Process. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Petroleum Products, Crude Oil, Lubes and Greases, and Aftermarket Specialties. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to complete and/or market and distribute.

Materials and Supplies, including Coal and LNG. Net realizable value is the current replacement cost.

Any write-down of inventories to net realizable value and all losses of inventories are recognized as expense in the year of write-down or loss occurrence. The amount of reversals of write-down of inventories arising from an increase in net realizable value, if any, are recognized as reduction in the amount of inventories recognized as expense in the year in which the reversal occurs.

Real Estate Projects. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw Land Inventory. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Prepaid Expenses and Other Current Assets

Prepaid expenses represent expenses not yet incurred but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are recognized in the consolidated statements of income as they are consumed or expire with the passage of time.

Other current assets pertain to assets which are expected to be realized within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

Biological Assets and Agricultural Produce

The Group's biological assets include breeding stocks, growing hogs, poultry livestock and goods in process which are grouped according to their physical state, transformation capacity (breeding, growing or laying), as well as their particular stage in the production process.

Breeding stocks are carried at accumulated costs net of amortization and any impairment in value while growing hogs, poultry livestock and goods in process are carried at accumulated costs. The costs and expenses incurred up to the start of the productive stage are accumulated and amortized over the estimated productive lives of the breeding stocks. The Group uses this method of valuation since fair value cannot be measured reliably.

The Group's agricultural produce, which consists of grown broilers and marketable hogs harvested from the Group's biological assets, are measured at their fair value less estimated costs to sell at the point of harvest. The fair value of grown broilers is based on the quoted prices for harvested mature grown broilers in the market at the time of harvest. For marketable hogs, the fair value is based on the quoted prices in the market at any given time.

The Group, in general, does not carry any inventory of agricultural produce at any given time as these are either sold as live broilers and hogs or transferred to the different poultry or meat processing plants and immediately transformed into processed or dressed chicken and carcass.

The carrying amounts of the biological assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Amortization is computed using the straight-line method over the following estimated productive lives of breeding stocks:

	Amortization Period
Hogs - sow	3 years or 6 births, whichever is shorter
Hogs - boar	2.5 - 3 years
Poultry breeding stock	38 - 42 weeks

Contract Assets

A contract asset is the right to consideration that is conditioned on something other than the passage of time, in exchange for goods or services that the Group has transferred to a customer. The contract asset is transferred to receivable when the right becomes unconditional.

A receivable represents the Group's right to an amount of consideration that is unconditional, only the passage of time is required before payment of the consideration is due.

Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at the acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included as part of "Selling and administrative expenses" account in the consolidated statements of income.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at the acquisition date fair value and any resulting gain or loss is recognized in the consolidated statements of income.

The Group measures goodwill at the acquisition date as: a) the fair value of the consideration transferred; plus b) the recognized amount of any non-controlling interests in the acquiree; plus c) if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less d) the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognized immediately in the consolidated statements of income. Subsequently, goodwill is measured at cost less any accumulated impairment in value. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying amount may be impaired.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in the consolidated statements of income. Costs related to the acquisition, other than those associated with the issuance of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the consolidated statements of income.

- *Goodwill in a Business Combination*

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and

- is not larger than an operating segment determined in accordance with PFRS 8, *Operating Segments*.

Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit or group of cash-generating units and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. An impairment loss with respect to goodwill is not reversed.

- *Intangible Assets Acquired in a Business Combination*

The cost of an intangible asset acquired in a business combination is the fair value as at the date of acquisition, determined using discounted cash flows as a result of the asset being owned.

Following initial recognition, intangible asset is carried at cost less any accumulated amortization and impairment losses, if any. The useful life of an intangible asset is assessed to be either finite or indefinite.

An intangible asset with finite life is amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each reporting date. A change in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for as a change in accounting estimate. The amortization expense on intangible asset with finite life is recognized in the consolidated statements of income.

Business Combinations under Common Control

The Group accounts for business combinations involving entities that are ultimately controlled by the same ultimate parent before and after the business combination and the control is not transitory, using the pooling of interests method.

The assets and liabilities of the combining entities are reflected in the consolidated statements of financial position at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments are those to align accounting policies between the combining entities.

No new goodwill is recognized as a result of the business combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is recognized in equity.

The consolidated statements of income reflect the results of the combining entities for the full year, irrespective of when the combination took place.

Comparatives are presented as if the entities had been combined for the period that the entities were under common control.

Non-controlling Interests

The acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result of such transactions. Any difference between the purchase price and the net assets of the acquired entity is recognized in equity. The adjustments to non-controlling interests are based on a proportionate amount of the identifiable net assets of the subsidiary.

Investments in Shares of Stock of Associates and Joint Ventures

An associate is an entity in 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 type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

The Group's investments in shares of stock of associates and joint ventures are accounted for using the equity method.

Property, Plant and Equipment

Property, plant and equipment, except for land, are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less impairment in value, if any.

The initial cost of property, plant and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Cost also includes related asset retirement obligation (ARO), if any. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property, plant and equipment only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably.

Capital projects in progress (CPIP) represent the amount of accumulated expenditures on unfinished and/or ongoing projects. This includes the costs of construction and other direct costs. Borrowing costs that are directly attributable to the construction of plant and equipment are capitalized during the construction period. CPIP is not depreciated until such time that the relevant assets are ready for use.

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Land improvements	5 - 50
Buildings and improvements	2 - 50
Power plants	5 - 42
Refinery and plant equipment	4 - 30
Service stations and other equipment	3 - 30
Equipment, furniture and fixtures	2 - 50
Mine properties	55
Leasehold improvements	2 - 50
	or term of the lease, whichever is shorter

Depreciation of refinery and plant equipment used in production is computed based on the unit of production method (UPM) which considers the expected capacity over the estimated useful lives of these assets. UPM closely reflects the expected pattern of consumption of the future economic benefits embodied in these assets.

The remaining useful lives, residual values, and depreciation methods are reviewed and adjusted periodically, if appropriate, to ensure that such periods and methods of depreciation are consistent with the expected pattern of economic benefits from the items of property, plant and equipment.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

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

An item of property, plant and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statements of income in the period of retirement and disposal.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. 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:

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

Group as Lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

	Number of Years
Land	2 - 999
Buildings and improvements	2 - 15
Power plants	29 - 43
Service stations and other equipment	10 - 12
Machinery and equipment	2 - 7

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- 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 under a residual value guarantee; 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.

The lease liability is measured at amortized cost using the effective interest method. The carrying amount of the lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases (i.e., lease that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. The Group recognizes the lease payments associated with these leases as rent expense on a straight-line basis over the lease term.

Group as Lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is classified as an operating lease. As part of the assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the recognition exemption, it classifies the sublease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies PFRS 15, to allocate the consideration in the contract.

The Group recognizes lease payments received under operating leases as rent income on a straight-line basis over the lease term.

Investment Property

Investment property consists of property held to earn rentals and/or for capital appreciation but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment property, except for land, is measured at cost including transaction costs less accumulated depreciation and any accumulated impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Land is stated at cost less any impairment in value.

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Land and leasehold improvements	5 - 50 or term of the lease, whichever is shorter
Buildings and improvements	2 - 50
Machinery and equipment	3 - 40
Right-of-use assets	2 - 50

The useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains and losses on the retirement and disposal of investment property are recognized in the consolidated statements of income in the period of retirement and disposal.

Transfers are made to investment property when, and only when, there is an actual change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is an actual change in use, evidenced by commencement of the owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of property for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less accumulated amortization and any accumulated impairment. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditures are recognized in the consolidated statements of income in the year in which the related expenditures are incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method used for an intangible asset with a finite useful life are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimate. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of income consistent with the function of the intangible asset.

Except for mineral rights and evaluation asset, which is amortized using UPM method, amortization of other intangible assets with finite lives is computed using the straight-line method over the following estimated useful lives:

	Number of Years
Toll road concession rights	28 - 36
Airport concession rights	25 - 50
Water concession rights	25 - 30
Computer software and licenses	2 - 10
Other rights	27

The Group assessed the useful lives of licenses and trademarks and brand names to be indefinite. Based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the Group.

Licenses and trademarks and brand names with indefinite useful lives are tested for impairment annually, either individually or at the cash-generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from the disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of income when the asset is derecognized.

Service Concession Arrangements

Public-to-private service concession arrangements where: (a) the grantor controls or regulates what services the entities in the Group can provide with the infrastructure, to whom it can provide them, and at what price; and (b) the grantor controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the infrastructure at the end of the term of the arrangement are accounted for under Philippine Interpretation IFRIC 12, *Service Concession Arrangements*. Infrastructures used in a public-to-private service concession arrangement for its entire useful life (whole-of-life assets) are within the scope of the Interpretation if the conditions in (a) are met.

The Interpretation applies to both: (i) infrastructure that the entities in the Group construct or acquire from a third party for the purpose of the service arrangement; and (ii) existing infrastructure to which the grantor gives the entities in the Group access for the purpose of the service arrangement.

Infrastructures within the scope of the Interpretation are not recognized as property, plant and equipment of the Group. Under the terms of the contractual arrangements within the scope of the Interpretation, an entity acts as a service provider. An entity constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time.

An entity recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. An entity recognizes an intangible asset to the extent that it receives a right (a license) to charge users of the public service.

When the applicable entity has contractual obligations to fulfill as a condition of its license: (i) to maintain the infrastructure to a specified level of serviceability; or (ii) to restore the infrastructure to a specified condition before it is handed over to the grantor at the end of the service arrangement, it recognizes and measures the contractual obligations in accordance with PAS 37, *Provision, Contingent Liabilities and Contingent Assets*, i.e., at the best estimate of the expenditure that would be required to settle the present obligation at the reporting date.

Borrowing costs attributable to the arrangement are recognized as expenses in the period in which they are incurred unless the applicable entities have a contractual right to receive an intangible asset (a right to charge users of the public service). In this case, borrowing costs attributable to the arrangement are capitalized during the construction phase of the arrangement.

The following are the concession rights covered by the service concession arrangements entered into by the Group:

- *Airport Concession Rights*

Boracay Airport. The airport concession right pertains to the right granted by the Republic of the Philippines (ROP) to TADHC: (i) to operate the Caticlan Airport (the Airport Project or the Boracay Airport); (ii) to design and finance the Airport Project; and (iii) to operate and maintain the Airport Project during the concession period. This also includes the present value of the annual franchise fee, as defined in the Concession Agreement, payable to the ROP over the concession period of 25 years. Except for the portion that relates to the annual franchise fee, which is recognized immediately as intangible asset, the right is earned and recognized by the Group as the project progresses (Note 4).

The airport concession right is carried at cost less accumulated amortization and any impairment in value. Amortization is computed using the straight-line method over the remaining concession periods and assessed for impairment whenever there is an indication that the asset may be impaired.

The airport concession right is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gain or loss from derecognition of the airport concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in the consolidated statements of income.

Manila International Airport (MIA). The airport concession right pertains to the right granted by the ROP to SMAI: (i) to operate; (ii) to design and finance; and (iii) to operate and maintain the MIA during the concession period.

The airport concession right represents the design and construction costs incurred to obtain the right during the construction period. It is carried at cost less accumulated amortization and any impairment in value. Subsequent expenditures or replacement of parts of it, are normally recognized in profit or loss as these are incurred to maintain the expected future economic benefits embodied in the airport concession right unless it can be demonstrated that the expenditures will contribute to the increase in revenue from airport and toll operations which meet the definition of an intangible asset (Note 4).

The airport concession right will be amortized on a straight-line basis over the period stated in the Concession Agreement which is approximately 50 years from issuance of the Certificate of Substantial Completion for the First Phase of the Project, and will be assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method are reviewed at least at each reporting year-end or more frequently when an indication of impairment arises during the reporting year. Changes in the term of the contract or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period and method, as appropriate, and treated as changes in accounting estimates.

The airport concession right will be derecognized upon turnover to the ROP. There will be no gain or loss upon derecognition as the concession right which is expected to be fully amortized by then and will be handed over to the ROP with no consideration.

- ***Toll Road Concession Rights.*** The Group's toll road concession rights represent the costs of construction and development, including borrowing costs, if any, during the construction period of the following projects:
 - South Luzon Expressway (SLEX);
 - South Luzon Expressway Toll Road-5;
 - Ninoy Aquino International Airport (NAIA) Expressway;
 - Skyway Stages 1 and 2 (Skyway);
 - Skyway Stage 3;
 - Skyway Stage 4;
 - Tarlac-Pangasinan-La Union Toll Expressway (TPLEX);
 - Southern Tagalog Arterial Road (STAR);
 - Pasig River Expressway (PAREX);
 - Northern Access Link Expressway (NALEX);
 - Southern Access Link Expressway (SALEX);
 - Pangasinan Link Expressway (PLEX);
 - Cavite-Batangas Expressway (CBEX);
 - Nasugbu-Bauan Expressway (NBEX); and
 - TPLEX Extension.

In exchange for the fulfillment of the Group's obligations under the Concession Agreement, the Group is given the right to operate the toll road facilities over the concession period. Toll road concession rights are recognized initially at the fair value of the construction services. Following initial recognition, the toll road concession rights are carried at cost less accumulated amortization and any impairment losses. Subsequent expenditures or replacement of parts of it are normally recognized in the consolidated statements of income as these are incurred to maintain the expected future economic benefits embodied in the toll road concession rights. Expenditures that will contribute to the increase in revenue from toll operations are recognized as an intangible asset.

The toll road concession rights are amortized using the straight-line method over the term of the Concession Agreement. The toll road concession rights are assessed for impairment whenever there is an indication that the toll road concession rights may be impaired.

The toll road concession rights will be derecognized upon turnover to the ROP. There will be no gain or loss upon derecognition of the toll road concession rights as these are expected to be fully amortized upon turnover to the ROP.

- ***Water Concession Rights***
Bulacan Bulk Water Supply. The water concession right pertains to the right granted by the Metropolitan Waterworks and Sewerage System (MWSS) to LCWDC as the concessionaire of the supply of treated bulk water, planning, financing, development, design, engineering and construction of facilities including the management, operation and maintenance in order to alleviate the chronic water shortage and provide potable water needs of the Province of Bulacan. The Concession Agreement is for a period of 30 years and may be extended for up to 50 years. The water concession right represents the upfront fee, cost of design, construction and development of the Bulacan Bulk Water Supply Project. The service concession right is not yet amortized until the construction is completed.

The carrying amount of the water concession right is reviewed for impairment annually, or more frequently when an indication of impairment arises during the reporting year.

The water concession right will be derecognized upon turnover to MWSS. There will be no gain or loss upon derecognition of the water concession right, as this is expected to be fully amortized upon turnover to MWSS.

Obando and Bulakan Water Supply. OWCI and BWCI account for the service concession arrangement with Obando Water District (OWD) and Bulakan Water District (BWD), respectively, under the intangible asset model as it receives the right (license) to charge users of public service. OWCI and BWCI are granted the rights and authority to finance, design, construct, operate and maintain the water and sanitation services inside the Municipality of Obando and Bulakan, respectively.

Service concession rights consist of the present value of the total estimated concession fee payments and the costs of rehabilitation works on the existing facilities pursuant to the Concession Agreement. Amortization commences once it is available for use and calculated on a straight-line basis over the remaining concession period.

The carrying amounts of the concession rights are reviewed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in asset market value, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

- *Metro Rail Transit Line 7 (MRT 7 Project).* The Group's capitalized project costs incurred for the MRT 7 Project is recognized as a financial asset as it does not convey to the Group the right to control the use of the public service infrastructure but only an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

The Group can finance, design, test, commission, construct and operate and maintain the MRT 7 Project on behalf of the ROP in accordance with the terms specified in the Concession Agreement.

As payment, the ROP shall pay fixed amortization payment on a semi-annual basis in accordance with the scheduled payment described in the Concession Agreement (Note 34).

The amortization period and method are reviewed at least at each reporting date. Changes in the terms of the Concession Agreement or the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statements of income in the expense category consistent with the function of the intangible asset.

Mineral Rights and Evaluation Assets

The Group's mineral rights and evaluation assets have finite lives and are carried at cost less accumulated amortization and any accumulated impairment.

Subsequent expenditures are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in the consolidated statements of income as incurred.

Amortization of mineral rights and evaluation assets is recognized in the consolidated statements of income based on UPM method utilizing only recoverable coal, limestone and shale reserves as the depletion base. In applying the UPM method, amortization is normally calculated using the quantity of material extracted from the mine in the period as a percentage of the total quantity of material to be extracted in current and future periods based on proved and probable reserves.

The Group's mineral rights and evaluation asset is amortized using UPM method over 25 years.

Gain or loss from derecognition of mineral rights and evaluation assets is measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in the consolidated statements of income.

Deferred Exploration and Development Costs

Deferred exploration and development costs comprise of expenditures which are directly attributable to:

- Researching and analyzing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and
- Compiling pre-feasibility and feasibility studies.

Deferred exploration and development costs also include expenditures incurred in acquiring mineral rights and evaluation assets, entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Exploration assets are reassessed on a regular basis and tested for impairment provided that at least one of the following conditions is met:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing or planned for the future.

If the project proceeds to the development stage, the amounts included within deferred exploration and development costs are transferred to property, plant and equipment.

Returnable Containers

Returnable bottles, shells, pallets, and Liquefied Petroleum Gas (LPG) cylinders are measured at cost less accumulated depreciation and impairment, if any. These are presented as “Deferred containers - net” under “Other noncurrent assets - net” account in the consolidated statements of financial position and are depreciated over the estimated useful lives of 2 to 15 years. Depreciable amount is equal to cost less estimated residual value, equivalent to the deposit value. Depreciation of deferred containers is included under “Selling and administrative expenses” account in the consolidated statements of income.

The remaining useful lives, residual values and depreciation method are reviewed and adjusted periodically, if appropriate, to ensure that such periods and method of depreciation are consistent with the expected pattern of economic benefits from deferred containers.

The carrying amounts of deferred containers are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Refundable containers deposits are collected from customers based on deposit value and refunded when the containers are returned to the Group in good condition. These deposits are presented as part of “Customers’ deposits” under “Accounts payable and accrued expenses” account in the consolidated statements of financial position.

Impairment of Non-financial Assets

The carrying amounts of investments and advances, property, plant and equipment, right-of-use assets, investment property, biological assets, other intangible assets with finite useful lives, deferred containers, deferred exploration and development costs and idle assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill, licenses and trademarks and brand names with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statements of income in those expense categories consistent with the function of the impaired asset.

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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of income. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. An impairment loss with respect to goodwill is not reversed.

Contract Liabilities

A deferred income is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a deferred income is recognized when the payment is made, or the payment is due (whichever is earlier). Deferred income is recognized as revenue when the Group performs under the contract.

Fair Value Measurements

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Provisions

Provisions are recognized when: (a) the Group has a present obligation (legal or constructive) as a result of past events; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate of the amount of the obligation can be made. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Capital Stock and Additional Paid-in Capital

Common Shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Preferred Shares

Preferred shares are classified as equity if they are non-redeemable, or redeemable only at the option of the Parent Company, and any dividends thereon are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Preferred shares are classified as a liability if they are redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in the consolidated statements of income as accrued.

Additional Paid-in Capital

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Parent Company, the shares are measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Capital Securities

Redeemable Perpetual Securities (RPS) and Senior Perpetual Capital Securities (SPCS) are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or financial liabilities with another person or entity that is potentially unfavorable to the issuer.

Incremental costs directly attributable to the issuance of RPS and SPCS are recognized as a deduction from equity, net of tax.

Retained Earnings

Retained earnings represent the accumulated net income or losses, net of any dividends and distributions and other capital adjustments. Appropriated retained earnings represent that portion which is restricted and therefore not available for any dividend and distribution declaration.

Treasury Shares

Own equity instruments which are reacquired are carried at cost and deducted from equity. No gain or loss is recognized on the purchase, sale, reissuance or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Revenue

The Group recognizes revenue from contracts with customers when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties.

The transfer of control can occur over time or at a point in time. Revenue is recognized at a point in time unless one of the following criteria is met, in which case it is recognized over time: (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.

The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it acts as a principal as it controls the goods or services before transferring to the customer.

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

Revenue from Sale of Food and Beverage, Packaging, Petroleum Products and Cement and Aggregates

Revenue is recognized at the point in time when control of the goods is transferred to the customer, which is normally upon delivery of the goods. Trade discounts and volume rebate do not result to significant variable consideration and are generally determined based on concluded sales transactions as at the end of each period. Payment is generally due within 30 to 60 days from delivery.

Revenue from sale of petroleum products is allocated between the consumer loyalty program and the other component of the sale. The allocation is based on the relative stand-alone selling price of the points. The amount allocated to the consumer loyalty program is deducted from revenue at the time points are awarded to the consumer.

A deferred liability on consumer loyalty program included under “Accounts payable and accrued expenses” account in the consolidated statements of financial position is set up until the Group has fulfilled its obligations to supply the discounted products under the terms of the program or when it is no longer probable that the points under the program will be redeemed. The deferred liability is based on the best estimate of future redemption profile. All the estimates are reviewed on an annual basis or more frequently, where there is an indication of a material change.

Revenue from Power Generation and Trading

Revenue from power generation and trading is recognized over time when actual power or capacity is generated, transmitted and/or made available to the customers, net of related discounts and adjustments.

Revenues from retail and other power-related services are recognized over time upon the supply of electricity to the customers. The Uniform Filing Requirements on the rate unbundling released by the Energy Regulatory Commission (ERC) on October 30, 2001 specified the following bill components: (a) generation charge; (b) transmission charge; (c) system loss charge; (d) distribution charge; (e) supply charge; (f) metering charge; (g) currency exchange rate adjustments; where applicable; and (h) interclass and life subsidies. Feed-in tariffs allowance, Value-added Tax (VAT) and universal charges are billed and collected on behalf of the national and local government and do not form part of the Group's revenue. Generation, transmission and system loss charges, which are part of revenues, are passthrough charges.

Revenue from Sale of Real Estate

Revenue from sale of real estate projects under pre-completion stage is recognized over time based on percentage of completion since the Group does not have an alternative use of the specific real estate property sold as the Group is precluded by the contract from redirecting the use of the property for a different purpose. Further, the Group has the right to payment for the development completed to date as the Group can choose to complete the development and enforce its rights to full payment under the contract even if the customer defaults on amortization payments. The Group determines the stage of completion based on surveys done by the Group's engineers and total costs to be incurred on a per unit basis. Revenue is recognized when 10% of the total contract price has already been collected.

Revenue from sale of completed real estate projects, and undeveloped land or raw land is recognized at a point in time. The Group recognizes in full the revenue and cost from sale of completed real estate projects and undeveloped land when 10% or more of the contract price is received.

If the transaction does not qualify for revenue recognition, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue, payments received from customers are presented as “Customers' deposits” under “Accounts payable and accrued expenses” account in the consolidated statements of financial position.

Cancellation of real estate sales is accounted for on the year of forfeiture. The repossessed real estate projects are recognized at fair value less cost to repossess. Any gain or loss on cancellation is recognized as part of “Other income (charges) - net” account in the consolidated statements of income.

Revenue from Service Concession Arrangements

Revenue from toll operations is recognized upon the use by the road users of the toll road and is paid by way of cash or charge against Radio Frequency Identification account. Toll fees are set and regulated by the Toll Regulatory Board (TRB).

Landing, take-off and parking fees are recognized as the services are rendered over time which is the period from landing up to take-off of aircrafts.

Terminal fees are recognized upon receipt of fees charged to passengers for the use of airport and port terminals.

Revenue from port cargo handling and ancillary services is recognized as the services are rendered over time based on the quantity of items handled during the period multiplied by a predetermined rate.

Revenue from construction contracts is recognized over time based on the percentage of completion, measured by reference to the proportion of costs incurred to date to estimated total costs for each contract.

Revenue from Freight Services

Revenue from freight services is recognized as the services are rendered over time based on every voyage contracted with customers during the period multiplied by a predetermined rate.

Revenue from Other Sources

Revenue from Agricultural Produce. Revenue from initial recognition of agricultural produce is measured at fair value less estimated costs to sell at the point of harvest. Fair value is based on the relevant market price at the point of harvest.

Interest Income. Interest income is recognized using the effective interest method. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

Dividend Income. Dividend income is recognized when the Group's right to receive the payment is established.

Rent Income. Rent income is recognized on a straight-line basis over the related lease terms. Lease incentives granted are recognized as an integral part of the total rent income over the term of the lease.

Gain or Loss on Sale of Investments in Shares of Stock. Gain or loss is recognized when the Group disposes of its investment in shares of stock of a subsidiary, associate and joint venture and financial assets at FVPL. Gain or loss is computed as the difference between the proceeds of the disposed investment and its carrying amount, including the carrying amount of goodwill, if any.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the reporting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Research and Development Costs

Research costs are expensed as incurred. Development costs incurred on an individual project are carried forward when their future recoverability can be reasonably regarded as assured. Any expenditure carried forward is amortized in line with the expected future sales from the related project.

The carrying amount of development costs is reviewed for impairment annually when the related asset is not yet in use. Otherwise, this is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement Costs

The net defined benefit retirement liability or asset is the aggregate of the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods, reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of economic benefits available in the form of reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method. The projected unit credit method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning projected salaries of employees. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in equity and are not reclassified to profit or loss in subsequent period.

Defined benefit costs comprise the following:

- Service costs;
- Net interest on the defined benefit retirement liability or asset; and
- Remeasurements of defined benefit retirement liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statements of income. Past service costs are recognized when plan amendment or curtailment occurs. Independent qualified actuary calculates these amounts periodically.

Net interest on the net defined benefit retirement liability or asset is the change during the period as a result of contributions and benefit payments, which is determined by applying the discount rate based on the government bonds to the net defined benefit retirement liability or asset. Net interest on the net defined benefit retirement liability or asset is recognized as expense or income in the consolidated statements of income.

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

When the benefits of a plan are changed, or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the consolidated statements of income. The Group recognizes gains and losses on the settlement of a defined benefit retirement plan when the settlement occurs.

Foreign Currency

Foreign Currency Translations

Transactions in foreign currencies are initially recorded in the respective functional currencies of the Group entities at exchange rates on the dates of the transactions.

Monetary assets and monetary liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and non-monetary liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the consolidated statements of income, except for differences arising on the translation of monetary items that in substance form part of a net investment in a foreign operation and hedging instruments in a qualifying cash flow hedge or hedge of a net investment in a foreign operation, which are recognized in other comprehensive income.

Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Philippine Peso at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Philippine Peso at average exchange rates for the period.

Foreign currency differences are recognized in other comprehensive income and presented in the "Translation reserve" account in the consolidated statements of changes in equity. However, if the operation is not a wholly-owned subsidiary, the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in shares of stock of an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income and presented in the "Translation reserve" account in the consolidated statements of changes in equity.

Taxes

Current Tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred Tax. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to taxable temporary differences associated with investments in shares of stock of subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - Minimum Corporate Income Tax (MCIT) and unused tax losses - Net Operating Loss Carry Over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to deductible temporary differences associated with investments in shares of stock of subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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 asset to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Current tax and deferred tax are recognized in the consolidated statements of income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

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

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

- where 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 tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of "Prepaid expenses and other current assets" or "Income and other taxes payable" accounts in the consolidated statements of financial position.

Assets Held for Sale

The Group classifies noncurrent assets, or disposal groups comprising assets and liabilities as held for sale or distribution, if their carrying amounts will be recovered primarily through sale or distribution rather than through continuing use. The assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell or distribute, except for some assets which are covered by other standards. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on remeasurement are recognized in the consolidated statements of income. Gains are not recognized in excess of any cumulative impairment losses.

The criteria for held for sale or distribution is regarded as met only when the sale or distribution is highly probable, and the asset or disposal group is available for immediate sale or distribution in its present condition. Actions required to complete the sale, or distribution should indicate that it is unlikely that significant changes to the sale or distribution will be made or that the decision on distribution or sale will be withdrawn. Management must be committed to the sale or distribution within one year from the date of classification.

Intangible assets, property, plant and equipment and investment property once classified as held for sale or distribution are not amortized or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale or distribution.

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

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

Basic and Diluted Earnings Per Common Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to equity holders of the Parent Company, net of dividends on preferred shares and distributions to holders of RPS and SPCS, by the weighted average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

Diluted EPS is computed in the same manner, adjusted for the effect of all potential dilutive debt or equity instruments.

Operating Segments

The Group's operating segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 6 to the consolidated financial statements. The Chief Executive Officer (the chief operating decision maker) reviews management reports on a regular basis.

The measurement policies the Group used for segment reporting under PFRS 8 are the same as those used in the consolidated financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods.

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated 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 Group's financial position at the 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.

4. Use of Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the consolidated financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future period affected.

Judgments

In the process of applying the accounting policies, the Group has made the following judgments, apart from those involving estimations, which have significant effect on the amounts recognized in the consolidated financial statements:

Measurement of Biological Assets. Breeding stocks are carried at accumulated costs net of amortization and any impairment in value while growing hogs, poultry livestock and goods in process are carried at accumulated costs. The costs and expenses incurred up to the start of the productive stage are accumulated and amortized over the estimated productive lives of the breeding stocks. The Group uses this method of valuation since fair value cannot be measured reliably. The Group's biological assets or any similar assets prior to point of harvest have no active market available in the Philippine poultry and hog industries. Further, the existing sector benchmarks are determined to be irrelevant and the estimates (i.e., revenues due to highly volatile prices, input costs and efficiency values) necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value.

Determining the Lease Term of Contracts with Renewal Options - Group as Lessee. The Group determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. At lease commencement date, the Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew the lease by considering all relevant factors that create an economic incentive for it to exercise the renewal option. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or change in circumstances within its control.

Identification of Distinct Performance Obligation. The Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation either: (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. The Group has determined that it has distinct performance obligations other than the sale of petroleum products such as the provision of technical support and consumer loyalty program and allocates the transaction price into these several performance obligations.

Applicability of Philippine Interpretation IFRIC 12. In accounting for the Group's transactions in connection with its Concession Agreement with the ROP, significant judgment was applied to determine the most appropriate accounting policy to use.

Management used Philippine Interpretation IFRIC 12 as guide and determined that the Concession Agreement is within the scope of the interpretation since it specifically indicated that the ROP will regulate what services the Group must provide, at what prices these services will be offered, and that at the end of the concession period, the entire infrastructure, as defined in the Concession Agreement, will be turned over to the ROP (Note 34).

Management determined that the consideration receivable from the ROP, in exchange for the fulfillment of the Group's obligations under the Concession Agreement, may either be an intangible asset in the form of a right (license) to charge fees to users or financial asset in the form of an unconditional right to receive cash or another financial asset. Judgment was further exercised by management in determining the cost components of acquiring the right. Further reference to the terms of the Concession Agreement (Note 34) was made to determine such costs.

a. *Airport Concession Rights*

Boracay Airport. The airport concession right consists of: (i) Airport Project cost; (ii) present value of infrastructure restoration obligation (IRO); and (iii) present value of total franchise fees over 25 years and its subsequent amortization.

- (i) The Airport Project cost is recognized as part of intangible assets as the construction progresses. The cost-to-cost method was used as management believes that the actual cost of construction is most relevant in determining the amount that should be recognized as cost of the intangible asset at each reporting date as opposed to cost plus and other methods of percentage-of-completion.
- (ii) The present value of the IRO is capitalized as part of "Airport concession rights" under "Other intangible assets - net" account in the consolidated statements of financial position (Note 17).
- (iii) The present value of the obligation to pay annual franchise fees over 25 years has been immediately recognized as part of intangible assets because the right related to it has already been granted and is already being enjoyed by the Group as evidenced by its taking over the operations of the Boracay Airport during the last quarter of 2010. Consequently, management has started amortizing the related value of the intangible asset and the corresponding obligation has likewise been recognized.

MIA. The airport concession right consists of the pre-design costs, consultancy fees and other directly attributable costs incurred in the development of the project.

b. *Toll Road Concession Rights.* The Group's toll road concession rights represent the costs of construction and development, including borrowing costs, if any, during the construction period of the following projects: (i) SLEX; (ii) NAIA Expressway; (iii) Skyway; (iv) TPLEX; (v) STAR; (vi) PAREX; (vii) NALEX; (viii) SALEX; (ix) PLEX; (x) CBEX; (xi) NBEX; and (xii) TPLEX Extension.

Pursuant to the Concession Agreements, any stage or phase or ancillary facilities thereof, of a fixed and permanent nature, shall be owned by the ROP.

c. *Water Concession Rights.* The Group's water concession rights represent the right to collect charges from water service providers and third-party purchasers availing of a public service, grant control or regulate the price and transfer significant residual interest of the water treatment facilities at the end of the Concession Agreement.

- d. *MRT 7 Project.* The Concession Agreement related to the MRT 7 Project does not convey to the Group the right to control the use of the public service infrastructure but only an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Management determined that the consideration receivable from the ROP, in exchange for the fulfillment of the obligation under the Concession Agreement, is a financial asset in the form of an unconditional right to receive cash or another financial asset.

Difference in judgment in respect to the accounting treatment of the transactions would materially affect the assets, liabilities and operating results of the Group.

Recognition of Profit Margin on the Airport and Toll Road Concession Arrangements. The Group has not recognized any profit margin on the construction of the airport and toll road projects as it believes that the fair value of the intangible asset reasonably approximates the cost. The Group also believes that the profit margin of its contractors on the rehabilitation of the existing airport and its subsequent upgrade is enough to cover any difference between the fair value and the carrying amount of the intangible asset.

Recognition of Revenue from Sale of Real Estate and Raw Land. The Group recognizes its revenue from sale of real estate projects and raw land in full when 10% or more of the total contract price is received and when development of the real estate property is 100% completed. Management believes that the revenue recognition criterion on percentage of collection is appropriate based on the Group's collection history from customers and the number of back-out sales in prior years. Buyer's interest in the property is considered to have vested when the payment of at least 10% of the contract price was received from the buyer and the Group ascertained the buyer's commitment to complete the payment of the total contract price.

Distinction Between Investment Property and Owner-occupied Property. The Group determines whether a property qualifies as investment property or owner-occupied property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in marketing or administrative functions. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in marketing or for administrative purposes. If the portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Classification of Redeemable Preferred Shares. Based on the features of the preferred shares of TADHC, particularly on mandatory redemption, management determined that the shares are, in substance, financial liabilities. Accordingly, these were presented as part of "Accounts payable and accrued expenses" account in the consolidated statements of financial position as at December 31, 2024 and 2023 (Note 20).

Evaluating Control over its Investees. Determining whether the Group has control in an investee requires significant judgment. Although the Group owns less than 50% of the voting rights of BPI, management has determined that the Group has control in this entity by virtue of its exposure and rights to variable returns from its involvement in this investee and its ability to affect those returns through its power over the investee.

The Group receives substantially all of the returns related to BPI's operations and net assets and has the current ability to direct BPI's activities that most significantly affect the returns. The Group controls BPI since it is exposed, and has rights, to variable returns from its involvement with BPI and has the ability to affect those returns through such power over BPI.

Classification of Joint Arrangements. The Group has determined that it has rights only to the net assets of the joint arrangements based on the structure, legal form, contractual terms and other facts and circumstances of the arrangement. As such, the Group classified its joint arrangements in Angat Hydropower Corporation (Angat Hydro) and KWPP Holdings Corporation (KWPP) as at December 31, 2024 and 2023 as joint ventures (Note 11).

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.

Classification of Financial Instruments. The Group exercises judgments in classifying financial instruments, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

The Group uses its judgment in determining the classification of financial assets based on its business model in which assets are managed and their cash flow characteristics. The classification and fair values of financial assets and financial liabilities are presented in Note 40.

Contingencies. The Group is currently involved in various pending claims and lawsuits which could be decided in favor of or against the Group. The Group's estimate of the probable costs for the resolution of these pending claims and lawsuits has been developed in consultation with in-house as well as outside legal counsel handling the prosecution and defense of these matters and is based on an analysis of potential results. The Group currently does not believe that these pending claims and lawsuits will have a material adverse effect on its financial position and financial performance. It is possible, however, that future financial performance could be materially affected by the changes in the estimates or in the effectiveness of strategies relating to these proceedings (Note 43).

Estimates and Assumptions

The key estimates and assumptions used in the consolidated financial statements are based upon the Group's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

Assessment of 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 for at least two years. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customers. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer to reflect the effects of current and forecasted economic conditions.

The Group has assessed that the forward-looking default rate component of its ECL is not material because substantial amount of trade receivables are normally collected within one year. Moreover, based on management's assessment, current conditions and forward-looking information do not indicate a significant increase in credit risk exposure of the Group from its trade receivables.

Trade receivables written off amounted to P25 and P87 in 2024 and 2023, respectively. The allowance for impairment losses on trade receivables amounted to P5,924 and P3,801 as at December 31, 2024 and 2023, respectively. The carrying amount of trade receivables amounted to P191,937 and P185,642 as at December 31, 2024 and 2023, respectively (Note 8).

Assessment of ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of other 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 borrower.

The Group also considers financial assets at day one 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 borrower.

The Group has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable financial institutions and companies with good credit standing and relatively low risk of defaults. Accordingly, no additional provision for ECL on other financial assets at amortized cost was recognized in 2024 and 2023.

The carrying amounts of other financial assets at amortized cost are as follows:

	Note	2024	2023
Other Financial Assets at Amortized Cost			
Cash and cash equivalents (excluding cash on hand)	7, 39	P287,803	P256,366
Other current receivables - net (included under "Trade and other receivables - net" account)	8	75,044	77,477
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	10, 12, 39, 40	12,180	12,158
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	18, 39, 40	8,797	9,181
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	10, 18, 39, 40	23,822	18,519

The allowance for impairment losses on other current receivables, included as part of "Trade and other receivables - net" account and noncurrent receivables and deposits included as part of "Other noncurrent assets - net" account in the consolidated statements of financial position, amounted to P9,419 and P590, respectively, as at December 31, 2024, and P9,319 and P567, respectively, as at December 31, 2023 (Notes 8 and 18).

Fair Value Measurements. A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third-party information is used to measure fair values, then the valuation team assesses the evidence obtained to support the conclusion that such valuations meet the requirements of PFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

The Group uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques (Note 3).

If the inputs used to measure the fair value of an asset or a liability can 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 based on the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The methods and assumptions used to estimate the fair values for both financial and non-financial assets and liabilities are discussed in Notes 9, 10, 11, 12, 15, 16, 17, 18, 20, 35 and 40.

Write-down of Inventory. The Group writes down the cost of inventory to net realizable value whenever net realizable value becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the reporting date to the extent that such events confirm conditions existing at the reporting date.

The write-down of inventories amounted to P1,605 and P1,686 as at December 31, 2024 and 2023, respectively (Note 9).

The carrying amounts of inventories amounted to P178,355 and P161,986 as at December 31, 2024 and 2023, respectively (Note 9).

Estimated Useful Lives of Property, Plant and Equipment, Right-of-Use Assets, Investment Property and Deferred Containers. The Group estimates the useful lives of property, plant and equipment, right-of-use assets, investment property and deferred containers based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment, right-of-use assets, investment property and deferred containers are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, estimation of the useful lives of property, plant and equipment, right-of-use assets, investment property and deferred containers is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment, right-of-use assets, investment property and deferred containers would increase the recorded cost of sales and selling and administrative expenses and decrease noncurrent assets.

There is no change in the estimated useful lives of property, plant and equipment, right-of-use assets, investment property and deferred containers based on management's review at the reporting date.

Property, plant and equipment, net of accumulated depreciation, amounted to P907,069 and P767,874 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of property, plant and equipment amounted to P332,242 and P295,317 as at December 31, 2024 and 2023, respectively (Note 13).

Right-of-use assets, net of accumulated depreciation, amounted to P43,395 and P108,102 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of right-of-use assets amounted to P12,445 and P24,725 as at December 31, 2024 and 2023, respectively (Note 14).

Investment property, net of accumulated depreciation, amounted to P87,931 and P79,535 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of investment property amounted to P26,111 and P22,573 as at December 31, 2024 and 2023, respectively (Note 15).

Deferred containers, net of accumulated depreciation, included as part of "Other noncurrent assets - net" account in the consolidated statements of financial position amounted to P21,188 and P18,412 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of deferred containers amounted to P25,096 and P20,189 as at December 31, 2024 and 2023, respectively (Note 18).

Estimated Useful Lives of Intangible Assets. The useful lives of intangible assets are assessed at the individual asset level as having either a finite or indefinite life. Intangible assets are regarded as having an indefinite useful life when, based on analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group.

Intangible assets with finite useful lives, net of accumulated amortization, included as part of "Other intangible assets - net" account in the consolidated statements of financial position amounted to P338,075 and P304,328 as at December 31, 2024 and 2023, respectively. Accumulated amortization of intangible assets with finite useful lives amounted to P73,285 and P64,898 as at December 31, 2024 and 2023, respectively (Note 17).

Estimated Useful Lives of Intangible Assets - Concession Rights. The Group estimates the useful lives of toll road, airport, port and water concession rights based on the period over which the assets are expected to be available for use. The Group has not included any renewal period because of uncertainty of the probability of securing renewal contract at the end of the original contract term as at the reporting date.

The amortization period and method are reviewed when there are changes in the expected term of the contract or the expected pattern of consumption of future economic benefits embodied in the asset.

The combined carrying amounts of toll road, airport and water concession rights amounted to P305,582 and P272,812 as at December 31, 2024 and 2023, respectively (Note 17).

Impairment of Goodwill, Licenses and Trademarks and Brand Names with Indefinite Useful Lives. The Group determines whether goodwill, licenses and trademarks and brand names are impaired at least annually. This requires the estimation of value in use of the cash-generating units to which goodwill is allocated and the value in use of the licenses and trademarks and brand names. Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and from the licenses and trademarks and brand names and to choose a suitable discount rate to calculate the present value of those cash flows.

The carrying amount of goodwill amounted to P184,994 and P182,791 as at December 31, 2024 and 2023, respectively (Note 17).

The combined carrying amounts of licenses and trademarks and brand names amounted to P2,460 and P2,349 as at December 31, 2024 and 2023, respectively (Note 17).

Acquisition Accounting. At the time of acquisition, the Group considers whether the acquisition represents an acquisition of a business or a group of assets. The Group accounts for an acquisition as a business combination if it acquires an integrated set of business processes in addition to the group of assets acquired.

The Group accounts for acquired businesses using the acquisition method of accounting which requires that the assets acquired, and the liabilities assumed are recognized at the date of acquisition based on their respective fair values.

The application of the acquisition method requires certain estimates and assumptions concerning the determination of the fair values of acquired intangible assets and property, plant and equipment, as well as liabilities assumed at the acquisition date. Moreover, the useful lives of the acquired intangible assets and property, plant and equipment must be determined. Accordingly, for significant acquisitions, the Group obtains assistance from valuation specialists. The valuations are based on information available at the acquisition date.

The carrying amount of goodwill arising from business combinations amounted to P1,488 in 2024. No goodwill was recognized from business combinations in 2023 (Notes 5, 17 and 38).

Assessment of Production Start Date. The Group assesses the stage of development of the mine site to determine the start of production phase or the substantial completion of mining site development or production. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of the project and its location. The Group considers various relevant criteria to assess when the production phase is considered to have commenced. The criteria used to identify the production start date include, but are not limited to:

- Level of capital expenditure incurred compared with construction cost estimate;
- Completion of a reasonable period of testing of the property, plant and equipment; and
- Ability to sustain ongoing production of limestone.

When a mine development project moves into the production phase, the capitalization of certain mine development costs ceases and costs are either capitalized as part of the cost of inventory or expensed, except for costs that qualify for capitalization relating to mining asset additions or improvements, mine development, or mineable reserve development. It is also at this point that depreciation or amortization commences.

Capitalization of Exploration and Evaluation Expenditures. The Group makes judgments in determining whether there are future economic benefits from either future exploration or sale of mineral reserves to capitalize exploration and evaluation expenditures. The Group further applies estimates and assumptions about future events and circumstances to determine whether an economically viable extraction operation can be established.

No impairment loss on deferred exploration and evaluation costs was recognized in 2024, 2023 and 2022.

Deferred exploration and development costs included as part of “Other noncurrent assets - net” account in the consolidated statements of financial position amounted to P92 and P76 as at December 31, 2024 and 2023, respectively (Notes 18 and 34).

Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount 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. The Group’s assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of MCIT and NOLCO is based on the projected taxable income in the following periods.

Deferred tax assets amounted to P22,045 and P19,633 as at December 31, 2024 and 2023, respectively (Note 23).

Impairment of Non-financial Assets. PFRS Accounting Standards requires that an impairment review be performed on investments and advances, property, plant and equipment, right-of-use assets, investment property, biological assets, other intangible assets with finite useful lives, deferred containers, deferred exploration and development costs and idle assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining the recoverable amounts of these assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment loss could have a material adverse impact on the financial performance.

Accumulated impairment on investments and advances, property, plant and equipment, right-of-use assets, investment property, other intangible assets with finite useful lives and deferred containers amounted to P17,149 and P16,298 as at December 31, 2024 and 2023, respectively (Notes 11, 13, 14, 15, 17 and 18).

The combined carrying amounts of investments and advances, property, plant and equipment, right-of-use assets, investment property, biological assets - net of current portion, other intangible assets with finite useful lives, deferred containers, deferred exploration and development costs and idle assets amounted to P1,438,328 and P1,305,214 as at December 31, 2024 and 2023, respectively (Notes 11, 13, 14, 15, 16, 17 and 18).

Estimating the Incremental Borrowing Rate. The Group cannot readily determine the interest rate implicit in the leases. Therefore, it uses its relevant 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 right-of-use asset in a similar economic environment. The incremental borrowing rate, therefore, reflects what the Group would have to pay, which requires estimation when no observable rates are available and to make adjustments to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to consider certain contract and entity-specific estimates.

The Group’s lease liabilities amounted to P42,545 and P56,572 as at December 31, 2024 and 2023 respectively (Notes 34, 38, 39 and 40).

Present Value of Defined Benefit Retirement Obligation. The present value of the defined benefit retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. These assumptions are described in Note 35 to the consolidated financial statements and include discount rate and salary increase rate.

The Group determines the appropriate discount rate at the end of each reporting period. It is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Group considers the interest rates on government bonds that are denominated in the currency in which the benefits will be paid. The terms to maturity of these bonds should approximate the terms of the related retirement obligation.

Other key assumptions for the defined benefit retirement obligation are based in part on current market conditions.

While it is believed that the assumptions of the Group are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the defined benefit retirement obligation of the Group.

The present value of defined benefit retirement obligation amounted to P39,710 and P36,620 as at December 31, 2024 and 2023, respectively (Note 35).

Asset Retirement Obligation. The Group has ARO arising from refinery, power plants, leased service stations, terminals, blending plant and leased properties. Determining ARO requires estimation of the costs of dismantling, installing and restoring leased properties to their original condition. The Group determined the amount of the ARO by obtaining estimates of dismantling costs from the proponent responsible for the operation of the asset, discounted at the Group's current credit-adjusted risk-free rate ranging from 3.24% to 12.64% and 3.29% to 12.64% as at December 31, 2024 and 2023, respectively, depending on the life of the capitalized costs. While it is believed that the assumptions used in the estimation of such costs are reasonable, significant changes in these assumptions may materially affect the recorded expense or obligation in future periods.

The ARO amounted to P2,078 and P4,488 as at December 31, 2024 and 2023, respectively (Notes 20 and 22).

Present Value of Annual Franchise Fee and IRO - Airport Concession Arrangement. Portion of the amount recognized as airport concession right of TADHC as at December 31, 2024 and 2023 pertains to the present value of the annual franchise fee payable to the ROP over the concession period. The recognition of the present value of the IRO is capitalized as part of "Airport concession rights" under "Other intangible assets - net" account in the consolidated statements of financial position (Note 17).

The present values of the annual franchise fee and IRO were determined based on the future value of the obligations discounted at the Group's internal borrowing rate which is believed to be a reasonable approximation of the applicable credit-adjusted risk-free market borrowing rate.

A significant change in such internal borrowing rate used in discounting the estimated cost would result in a significant change in the amount of liabilities recognized with a corresponding effect in profit or loss.

The present value of the annual franchise fees payable to the ROP over 25 years discounted using the 9% internal borrowing rate in 2024 and 2023, included as part of "Airport concession rights" under "Other intangible assets - net" account in the consolidated statements of financial position amounted to P50 and P53 as at December 31, 2024 and 2023, respectively (Note 17).

The cost of infrastructure maintenance and restoration represents the present value of TADHC's IRO recognized and is presented as part of IRO under "Other noncurrent liabilities" account in the consolidated statements of financial position amounting to P100 and P97 as at December 31, 2024 and 2023, respectively (Note 22).

Percentage-of-Completion - Airport and Toll Road Concession Arrangements. The Group determines the percentage-of-completion of the contract by computing the proportion of actual contract costs incurred to date, to the latest estimated total airport and toll road project cost. The Group reviews and revises, when necessary, the estimate of airport and toll road project cost as it progresses, to appropriately adjust the amount of construction cost and revenue recognized at the end of each reporting period. Construction revenue and construction costs, reported as part of "Other income (charges) - net" account in the consolidated statements of income, amounted to P57,772, P60,606 and P60,461 in 2024, 2023 and 2022, respectively (Note 32).

Accrual for Repairs and Maintenance - Toll Road Concession Arrangements. The Group recognizes accruals for repairs and maintenance based on estimates of periodic costs, generally estimated to be every five to ten years as at December 31, 2024 and 2023, or the expected period to restore the toll road facilities to a level of serviceability and to maintain its good condition before the turnover to the ROP. This is based on the best estimate of management to be the amount expected to be incurred to settle the obligation, discounted using a pre-tax rate, ranging from 6.00% to 6.18% and 5.88% to 6.00% as at December 31, 2024 and 2023, respectively, that reflects the current market assessment of the time value of money.

The accrual for repairs and maintenance, included as part of "IRO" under "Other noncurrent liabilities" account in the consolidated statements of financial position, amounted to P1,111 and P1,151 as at December 31, 2024 and 2023, respectively (Note 22).

The current portion included as part of "Accounts payable and accrued expenses" account amounted to P581 and P320 as at December 31, 2024 and 2023, respectively (Note 20).

5. Investments in Subsidiaries

The following are the developments relating to the Parent Company's investments:

Infrastructure

- SMHC

On December 17, 2021, SMHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 5,000,000 common shares, out of the increase in authorized capital stock of SMHC, for a total subscription price of P7,500 or P1,500.00 per common share. The Parent Company paid P3,823 and P3,239 in 2021 and 2022, respectively, while the balance of the subscription price amounting to P438 was paid in 2023.

On April 20 and May 11, 2023, SMHC and the Parent Company executed Subscription Agreements to subscribe to an additional 5,500,000 common shares for a total subscription price of P8,250 or P1,500.00 per common share. The Parent Company paid P7,227 in 2023, while the balance of the subscription price amounting to P1,023 was paid in 2024.

On March 1 and July 17, 2024, SMHC and the Parent Company executed Subscription Agreements to subscribe to an additional 2,500,000 common shares for a total subscription price of P3,750 or P1,500.00 per common share. The Parent Company paid P3,212 in 2024.

- SMAI

On May 12, 2023, the BOD and stockholders of SMAI approved that out of its 45,000,000,000 authorized capital stock, 34,100,000,000 common shares (i) 21,600,000,000 common shares will be converted to Series 1 Preferred Shares on a 1:1 basis and (ii) 12,500,000,000 common shares will be reclassified to Series 2 Preferred Shares.

In the same meeting, the BOD and stockholders of SMAI approved the increase in its authorized capital stock from P45,000 divided into 45,000,000,000 common shares with a par value of P1.00 per common share to P57,850 divided into: (i) 10,900,000,000 common shares with a par value of P1.00 per common share; (ii) 21,600,000,000 Series 1 Preferred Shares with a par value of P1.00 per preferred share; and (iii) 25,350,000,000 Series 2 Preferred Shares with a par value of P1.00 per preferred share.

SMAI approved to offer to all its stockholders the option to convert its common shares to Series 1 Preferred Shares on a 1:1 basis, effective upon the approval by the SEC of the increase in the authorized capital stock of SMAI, the creation of the preferred shares and the corresponding approval of the amendment of the Articles of Incorporation of SMAI reflecting such amendments. Of the two holders of common shares of SMAI at that time, which are the Parent Company and SMHC, only the Parent Company exercised the option to convert its common shares in SMAI into Series 1 Preferred Shares, which SMAI accepted.

On May 12, 2023, SMAI and the Parent Company executed the following: (i) a Subscription Agreement to subscribe to 4,266,672,620 Series 2 Preferred Shares out of the proposed increase in authorized capital stock for a total subscription price of P12,800 or P3.00 per preferred share; and (ii) a Deed of Assignment that the deposit for future stock subscription of P12,800 paid in 2022 be applied as payment by the Parent Company of its subscription to the Series 2 Preferred Shares.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of SMAI and the creation of the preferred shares was filed with the SEC on June 30, 2023, and was approved on September 7, 2023.

Upon the approval of the increase in the authorized capital stock of SMAI and the creation of the preferred shares, all common shares which were issued to the Parent Company on various dates in 2021 to 2022 were converted to Series 1 Preferred Shares. As a result of the foregoing conversion by the Parent Company of its investment in common shares of SMAI to Series 1 Preferred Shares and subsequent subscription to Series 2 Preferred Shares, the Parent Company has 100% indirect ownership in SMAI through SMHC.

On December 29, 2023, the Parent Company and SMAI entered into a Subscription Agreement wherein the Parent Company subscribed to 8,569,655,398 Series 2 Preferred Shares of SMAI for a total subscription price of P42,848 or P5.00 per preferred share, which was fully paid in 2023.

On December 26, 2024, SMAI and the Parent Company executed a Subscription Agreement to subscribe to an additional 3,960,000,000 Series 2 Preferred Shares for a total subscription price of P23,760 or P6.00 per preferred share, which was fully paid in 2024.

The preferred shares issued by SMAI are non-voting, may be convertible into common shares as determined by the BOD of SMAI, may be redeemable at the sole option of SMAI at a price and at such time that the BOD of SMAI shall determine. The preferred shares are entitled to dividends as declared by the BOD of SMAI. In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of SMAI, the holders of preferred shares that are outstanding at that time shall enjoy preference in the payment. Furthermore, holders of preferred shares have no pre-emptive right to any issue of disposition of any stocks of any class of SMAI.

- Acquisition of BWCI and OWCI

On October 22, 2024, the Parent Company through SBWSC acquired 135,000,000 common shares and 88,200,000 common shares representing 90% of the outstanding capital stock of BWCI and OWCI, respectively, for a total consideration of P1,025.

As at December 31, 2024, BWCI and OWCI are 90% owned subsidiaries of SBWSC and 10% owned by BWD and OWD, respectively.

BWCI and OWCI (the Concessionaires) were granted by BWD and OWD, respectively, the sole right to manage, operate, maintain, repair, refurbish and expand, and as appropriate, decommission, the facilities in the entire Municipalities of Bulakan and Obando for a period of 25 years. BWD and OWD will monitor and review the performance of the Concessionaires during the concession period.

The acquisition of BWCI and OWCI was accounted for using the acquisition method of accounting in accordance with PFRS 3, *Business Combinations*.

The following summarizes the recognized amount of assets acquired and liabilities assumed at the acquisition date:

	Note	2024
Assets		
Cash and cash equivalents		P54
Trade and other receivables - net		20
Inventories		14
Prepaid expenses and other current assets		3
Property, plant and equipment - net	13	35
Other intangible assets - net	17	950
Deferred tax assets	23	39
Liabilities		
Accounts payable and accrued expenses	20	(279)
Income and other taxes payable		(4)
Long-term debt - net	21	(129)
Other noncurrent liabilities	22, 35	(848)
Total Identifiable Net Liabilities at Fair Value		(P145)

The fair value of trade and other receivables amounted to P20. The gross amount of the receivables is P25, of which P5 is expected to be uncollectible as at the acquisition date (Note 8).

Provisional goodwill was recognized as a result of the acquisition as follows:

	Note	2024
Total cash consideration transferred		P1,025
Non-controlling interest measured at proportionate interest in identifiable net liabilities		(15)
Total identifiable net liabilities at fair value		145
Provisional goodwill	17, 38	P1,155

Goodwill arising from the acquisition of BWCI and OWCI is attributable to the benefit of the broader scope of SMHC's waterworks portfolio and expanded current service coverage. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable net assets.

If the foregoing acquisitions occurred on January 1, 2024, management estimates that it would have increased consolidated revenue by P178 and decreased consolidated net income by P11. In determining these amounts, management assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2024. From the date of consolidation to December 31, 2024, BWCI and OWCI contributed revenue of P42 and net loss of P1 to the Group's financial performances.

- Argonbay Construction Company, Inc. (ACCI)

On December 15, 2022, the BOD and stockholders of ACCI approved the increase in its authorized capital stock from P150 divided into 1,500,000 common shares with a par value of P100.00 per common share to P20,150 divided into 1,500,000 common shares with a par value of P100.00 per common share and 200,000,000 Series 1 Preferred Shares with a par value of P100.00 per preferred share. On the same date, ACCI and the Parent Company executed a Subscription Agreement to subscribe to 142,600,000 Series 1 Preferred Shares out of the proposed increase in authorized capital stock for a total subscription price of P14,260 or P100.00 per preferred share.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock was filed with the SEC on June 13, 2023, and was approved on June 14, 2023. The Parent Company paid P3,634 in 2022, while the balance of the subscription price amounting to P10,626 was paid in 2023.

On June 20, 2023, ACCI and the Parent Company executed a Subscription Agreement to subscribe to 4,887,226 Series 1 Preferred Shares for a total subscription price of P489 or P100.00 per preferred share, which was fully paid in 2023.

The preferred shares issued by ACCI are non-voting, may be convertible into common shares as determined by the BOD of ACCI, may be redeemable at the sole option of ACCI at a price and at such time that the BOD of ACCI shall determine. The preferred shares are entitled to dividends as declared by the BOD of ACCI. In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of ACCI, the holders of preferred shares that are outstanding at that time shall enjoy preference in the payment. Furthermore, holders of preferred shares have no pre-emptive right to any issue of disposition of any stocks of any class of ACCI.

Cement

- SMEII

On April 26, 2023, SMEII and the Parent Company executed a Subscription Agreement to subscribe to an additional 1,335,273,000 common shares of SMEII for a subscription price of P2,003 or P1.50 per common share, which was fully paid in 2023.

- Acquisition of Pacific Cement Philippines, Inc. (Pacemphil)

On September 3, 2024, East Star Cement Phils., Inc. (ESCPI) signed a deed of sale of shares with individual shareholders (collectively, the Selling Shareholders) for the acquisition of a total of 25,012,917 common shares representing 100% of the total outstanding and issued capital stock of Pacemphil for a total consideration of P572.

The related advances for investments amounting to P572 was reclassified from "Investments and advances" to investment in shares of stock of subsidiaries as part of the total consideration transferred (Note 11).

The acquisition of Pacemphil was accounted for using the acquisition method of accounting in accordance with PFRS 3.

The following summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

	Note	2024
Assets		
Cash and cash equivalents		P22
Prepaid expense and other current assets		4
Property, plant and equipment - net	13	1,302
Investment properties - net	15	390
Liabilities		
Accounts payable and accrued expenses		(1,337)
Income and other taxes payable		(119)
Deferred tax liabilities		(14)
Other noncurrent liabilities		(9)
Total Identifiable Net Assets at Fair Value		P239

The provisional goodwill amounting to P333 pertains to the excess of the consideration paid over the fair values of assets acquired and liabilities assumed as of the acquisition date.

Goodwill arising from the acquisition of Pacemphil is attributable to the benefit of expected synergies with the Group's cement business, revenue growth, future development and the assembled workforce. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable net assets.

If the foregoing acquisition occurred on January 1, 2024, management estimates that it would have decreased consolidated net income by P9. In determining these amounts, management assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2024. From the date of acquisition to December 31, 2024, Pacemphil has contributed net loss of P9 to the Group's financial performance.

- Consolidation of ECC

On October 5, 2022, SMEII signed a share purchase agreement with Far East Holdings, Inc. (FEHI), the parent company of ECC and three other individual shareholders (collectively, the Selling Shareholders) for the acquisition by SMEII of a total of 4,425,123,001 common shares (the Sale Shares) representing approximately 88.50% of the total outstanding and issued capital stock of ECC for a total consideration of P97,441 or P22.02 per Sale Share.

ECC and its subsidiaries are engaged in manufacturing, marketing, sale, and distribution of cement. ECC owns a cement production facility in San Ildefonso, Bulacan and a grinding and packaging facility in Limay, Bataan.

On October 27, 2022, the Philippine Competition Commission (PCC) issued a notice which states that the transaction is not subject to a review based on the implementing rules and regulations of the Philippine Competition Act and its implementing rules and regulations. Consequently, on November 7, 2022, SMEII proceeded to conduct a mandatory tender offer to acquire a total of 574,877,004 common shares of ECC, representing approximately 11.46% of the outstanding capital stock of ECC held by the minority shareholders, as required by the Securities Regulation Code, which tender offer was likewise considered as the tender offer required for the voluntary delisting of ECC under the relevant rules of the PSE after the required written assent of the stockholders of ECC was secured.

The tender offer period ended on December 5, 2022, with a total of 572,780,677 ECC shares representing approximately 11.46% of the total outstanding capital stock of ECC were tendered (Tendered Shares) for a total consideration of P12,613 or P22.02 per common share (Tender Offer Price). The Tendered Shares were crossed through the PSE on December 14, 2022, upon approval of the PSE of a special block sale of the Tendered Shares. Thereafter, ECC petitioned for a voluntary delisting and was approved by the PSE effective February 28, 2023.

As a result of the transaction, ECC was consolidated effective December 14, 2022. SMEII beneficially owns 4,997,903,678 common shares representing 99.96% of the total outstanding capital stock of ECC as at December 31, 2024 and 2023.

The acquisition of ECC was accounted for using the acquisition method of accounting in accordance with PFRS 3.

The following summarizes the recognized amount of assets acquired and liabilities assumed at the acquisition date:

	<i>Note</i>	2022
Assets		
Cash and cash equivalents		P9,548
Trade and other receivables		118
Inventories		2,299
Prepaid expenses and other current assets	10, 24	7,617
Investment and advances	24	105
Property, plant and equipment - net	13	34,434
Right-of-use assets - net	14	26
Other intangible assets - net	17	9,052
Deferred tax assets	23	102
Other noncurrent assets - net		966
Liabilities		
Accounts payable and accrued expenses	20	(3,323)
Income and other taxes payable		(200)
Lease liabilities (including current portion)		(36)
Long-term debt - net		(4,040)
Deferred tax liabilities		(13)
Other noncurrent liabilities	22, 35	(168)
Total Identifiable Net Assets at Fair Value		P56,487

The fair value of trade and other receivables amounted to P118. None of the receivables has been impaired and it is expected that the full amount can be collected (Note 8).

Included as part of “Prepaid expenses and other current assets” and “Accounts payable and accrued expenses” accounts of ECC are the net assets of KB Space Holdings, Inc. (KSHI) classified as held for sale as at December 14, 2022, which were disposed on June 16, 2023. ECC completed the sale of 100% outstanding common shares of KSHI for a consideration of P418 and assigned the P1,300 deposit for future subscriptions to the common shares of KSHI to FEHI (Note 33).

The completion of the purchase price allocation exercise resulted in the adjustments to the recognized amounts of assets acquired as at December 31, 2022. The “Property, plant and equipment - net” and “Other intangibles - net” accounts increased by P932 and P747, respectively, and “Prepaid expenses and other current assets” account decreased by P996 (Notes 10, 13 and 17).

The provisional goodwill recognized in 2022 amounted to P54,273. The final assessment resulted in the recognition of final goodwill in the amount of P53,590, recorded after recognition at fair value of the identifiable assets and liabilities.

The prior year comparative information was not restated since the impact of the adjustment is not material.

	<i>Note</i>	2022
Total cash consideration transferred	11	P110,054
Non-controlling interest measured at proportionate interest in identifiable net assets		23
Total identifiable net assets at fair value		(56,487)
Goodwill	17, 38	P53,590

SMEII incurred acquisition-related costs amounting to P80 in 2022, which were included as part of “Selling and administrative expenses” account in the consolidated statement of income.

Goodwill arising from the acquisition of ECC is attributable to the benefit of expected synergies with the Group's cement business, revenue growth, future development and the assembled workforce. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable net assets.

If the foregoing acquisition occurred on January 1, 2022, management estimates that it would have increased consolidated revenue and consolidated net income by P20,378 and P4,470, respectively. In determining these amounts, management assumed that the fair value adjustments that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2022. ECC has made no contribution to the revenue and net income of the Group in 2022.

Fuel and Oil

▪ Redemption of RPS

On September 25 and October 2, 2024, Petron partially redeemed US\$60 (P3,359) out of the US\$70 RPS which were subscribed by the Parent Company on July 22, 2020.

The RPS are direct, unconditional, unsecured and subordinated capital securities with no fixed redemption date. Petron has the right to defer the distribution under certain conditions.

▪ Acquisition of Mema

On February 16, 2022, the Parent Company through Petron acquired 10,000,000 common shares representing 100% of the outstanding capital stock of Mema for an initial consideration of P104. Mema is a company with a subsidiary that provides hauling and logistics services to Petron. On June 30, 2022, control over the investee was transferred to the Group after the resolution of issues was agreed by Petron and the seller. On December 29, 2022, an adjustment in the purchase price of P300 was agreed by Petron and the seller which was settled in February 2023.

The acquisition of Mema was accounted for using the acquisition method of accounting in accordance with PFRS 3.

The following summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

	<i>Note</i>	2022
Assets		
Cash and cash equivalents		P3,406
Trade and other receivables		2,034
Prepaid expense and other current assets		69
Property, plant and equipment - net	13	219
Other noncurrent asset		15
Liabilities		
Accounts payable and accrued expenses		(5,303)
Other noncurrent liabilities		(14)
Total Identifiable Net Assets at Fair Value		P426

The Group recognized a gain on acquisition amounting to P22, presented as part of "Other income (charges) - net" account in the 2022 consolidated statement of income, representing the excess of total identifiable net assets at fair value of P426 over the total consideration of P404 (Note 32).

The fair value of trade and other receivables amounted to P2,034. None of the receivables has been impaired and the full amount is expected to be collected. As at December 31, 2024, receivables amounting to P2,034 were already collected and minimal amount is still outstanding.

Accounts payable and accrued expenses amounting to P5,198 was settled as at December 31, 2024 from the existing cash and collected receivable.

The fair value of the acquired property, plant and equipment was measured using depreciated replacement cost by considering the current replacement cost of new assets and adjusted for obsolescence, including physical, functional and economic obsolescence.

Mema and its subsidiaries contributed P26 to the Group's net income from the acquisition date to December 31, 2022. Mema and its subsidiaries have no revenue contribution to the Group in 2022. Had the acquisition occurred on January 1, 2022, the Group's revenue and net income in 2022 would have been P1,506,591 and P26,756, respectively. In determining these amounts, management assumed that the fair value adjustments that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2022.

On October 27, 2022, Petron and Mema executed a Subscription Agreement to subscribe to an additional 1,375,000,000 common shares of Mema for a subscription price of P1,375 or P1.00 per common share, of which P899 was paid in 2022, while the remaining balance of the subscription price amounting to P476 was paid in 2023.

On July 19, 2023, Petron and Mema executed another Subscription Agreement to subscribe to an additional 2,770,000,000 common shares of Mema for a subscription price of P2,770 or P1.00 per common share, of which P1,305 and P828 was paid in 2023 and 2024, respectively.

Real Estate

- SMPI

- a) Subscription of Common Shares

On various dates in 2021, SMPI and the Parent Company executed Subscription Agreements to subscribe to an additional 168,783,058 common shares of SMPI for a total subscription price of P3,375 or P20.00 per common share. The Parent Company paid P3,018 in 2021, while the balance amounting to P357 was paid in 2023.

On various dates in 2022, SMPI and the Parent Company executed Subscription Agreements to subscribe to an additional 240,381,050 common shares of SMPI for a total subscription price of P4,808 or P20.00 per common share, which was fully paid in 2022.

On various dates in 2023, SMPI and the Parent Company executed Subscription Agreements to subscribe to an additional 129,446,202 common shares of SMPI for a total subscription price of P2,589 or P20.00 per common share, which was fully paid in 2023.

- b) Sale of Elite Montagne Realty Corp. (Elite) and Rapidshare Realty and Development Corporation (Rapidshare)

On June 11 and October 7, 2024, SMPI entered into Share Purchase Agreement with third parties for the sale of its investments in Elite and Rapidshare, respectively, for a total consideration of P2,542. Out of the said amount, P2,537 was paid in 2024 and the remaining balance is presented as part of "Trade and other receivables - net" account in the consolidated statements of financial position as at December 31, 2024.

The Group recognized gain on sale amounting to P1,903, presented as part of "Gain on sale of investments and property and equipment" account in the consolidated statement of income.

- DHDC

On November 24, 2023, DHDC and the Parent Company executed a Subscription Agreement to subscribe to an additional 67,500,000 common shares of DHDC for a subscription price of P135 or P2.00 per common share. The Parent Company paid P103 and P12 in 2023 and 2024, respectively.

On January 24, 2024, DHDC and the Parent Company executed a Subscription Agreement to subscribe to an additional 24,300,000 common shares of DHDC for a subscription price of P49 or P2.00 per common share, which was fully paid in 2024.

- FVHI

On August 25, 2022, the BOD and stockholders of FVHI approved the additional increase in its authorized capital stock from P1,750 divided into 17,500,000 common shares to P4,250 divided into 42,500,000 common shares, both with a par value of P100.00 per common share. On the same date, FVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 12,500,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P2,500 or P200.00 per common share.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of FVHI was filed with the SEC on June 27, 2024, and was approved on July 1, 2024. The Parent Company paid P2,430 in 2023, while the remaining balance of the subscription price amounting to P70 was paid in 2024.

On December 16, 2024, FVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 8,800,000 common shares for a total subscription price of P1,760 or P200.00 per common share. The Parent Company paid P1,747 in 2024.

- SHC

On various dates in 2020, SHC and the Parent Company executed Subscription Agreements to subscribe to an additional 170,000,000 common shares of SHC for a total subscription price of P680 or P4.00 per common share. The Parent Company paid a total of P570 as at December 31, 2024 and 2023.

- DHC

On November 23, 2022, DHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 61,000,000 common shares of DHC for a subscription price of P122 or P2.00 per common share. The Parent Company paid a total of P87 in 2022, while the remaining balance of the subscription price amounting to P35 was paid in 2023.

On December 7, 2023, DHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 27,000,000 common shares of DHC for a subscription price of P54 or P2.00 per common share. The Parent Company paid P33 in 2023, while the remaining balance of the subscription price amounting to P21 was paid in 2024.

On December 16, 2024, DHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 19,000,000 common shares of DHC for a subscription price of P38 or P2.00 per common share, which was fully paid in 2024.

- WHC

On January 21 and February 14, 2022, WHC and the Parent Company executed Subscription Agreements to subscribe to an additional 152,500,000 common shares of WHC for a subscription price of P305 or P2.00 per common share. The Parent Company paid P117 in 2022, while the remaining balance of the subscription price amounting to P188 was paid in 2023.

On December 4, 2023, WHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 123,500,000 common shares of WHC for a subscription price of P247 or P2.00 per common share. The Parent Company paid P224 in 2023, while the remaining balance of the subscription price amounting to 23 was paid in 2024.

On December 16, 2024, WHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 177,500,000 common shares of WHC at a subscription price of P355 or P2.00 per common share, which was fully paid in 2024.

On December 16, 2024, the BOD and stockholders of WHC approved the additional increase in its authorized capital stock from P1,000 divided into 1,000,000,000 common shares to P1,300 divided into 1,300,000,000 common shares, both with a par value of P1.00 per common share. On the same date, WHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 186,560,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P373 or P2.00 per common share, which was fully paid in 2024.

- OVHI

On August 11, 2022, OVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 500,000 common shares of OVHI for a subscription price of P100 or P200.00 per common share. The Parent Company paid P62 in 2022, while the remaining balance of the subscription price amounting to P38 was paid in 2023.

On December 14, 2023, OVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 255,000 common shares of OVHI for a subscription price of P51 or P200.00 per common share. The Parent Company paid P49 in 2023, while the remaining balance of the subscription price amounting to P2 was paid in 2024.

On December 16, 2024, OVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 820,000 common shares of OVHI for a subscription price of P164 or P200.00 per common share. The Parent Company paid P151 in 2024.

Food

- Acquisition of JGT Holdings, Inc. (JGT)

On July 29, 2024, the BOD of SMFI approved the acquisition of 100% of the outstanding capital stock of JGT from its stockholders for a total consideration of P125.

JGT has not yet started commercial operations as at December 31, 2024.

The transaction is accounted for as an asset acquisition since the assets and activities do not constitute a business as defined in PFRS 3.

Energy

- Subscription of Common Shares

On July 25, 2023, San Miguel Global Power and the Parent Company executed a Subscription Agreement to subscribe to an additional 410,000,000 common shares of San Miguel Global Power for a subscription price of P12,300 or P30.00 per common share, which was fully paid in 2023.

On July 25, 2023, the BOD of San Miguel Global Power approved the additional increase in its authorized capital stock from P2,000 divided into 2,000,000,000 common shares to P3,774 divided into 3,774,400,000 common shares, both with a par value of P1.00 per common share, as well as the amendment of the Amended Articles of Incorporation of San Miguel Global Power to reflect the said increase. On August 1, 2023, the Parent Company entered into a Subscription Agreement with San Miguel Global Power, whereby the Parent Company subscribed to an additional 443,600,000 common shares of San Miguel Global Power out of the proposed increase in authorized capital stock for a total subscription price of P13,308 or P30.00 per common share. The subscription price was fully paid in 2023. The stockholders of San Miguel Global Power approved the aforementioned increase in authorized capital stock and amendment of the Amended Articles of Incorporation during its Special Stockholders' Meeting held on September 7, 2023.

The application for the increase in the authorized capital stock of San Miguel Global Power and the amendment of its Amended Articles of Incorporation to reflect the aforementioned increase in authorized capital stock was filed with the SEC on October 20, 2023, and was approved by the SEC on October 24, 2023.

On November 13, 2023, San Miguel Global Power and the Parent Company executed a Subscription Agreement to subscribe to an additional 720,000,000 common shares for a subscription price of P21,600 or P30.00 per common share, which was fully paid in 2023.

- Redemption of RPS

On October 27, 2023, the BOD of SMGP BESS approved the purchase of US\$223 (P12,573) and P7,800 RPS or an aggregate face value amount of P20,373, which were issued to the Parent Company on various dates in 2023 and 2022.

The RPS are direct, unconditional, unsecured, and subordinated capital securities with no fixed redemption date. SMGP BESS has the right to defer distribution under certain conditions.

- Acquisition of Ilijan Primeline Industrial Estate, Inc. (IPIEC)

On April 3, 2023, the Parent Company through San Miguel Global Power acquired the 100% outstanding capital stock of IPIEC for a total consideration of P50 (Note 15). IPIEC own and manage various properties located in the province of Batangas.

The transaction is accounted for as an asset acquisition since the assets and activities does not constitute a business as defined in PFRS 3.

- Acquisition of Blue Eagle Star Corp. (Blue Eagle)

On December 19, 2023, the Parent Company through San Miguel Global Power acquired the 100% outstanding capital stock of Blue Eagle for a total consideration of P25 (Note 15). Blue Eagle owns and manages various properties located in the province of Cavite.

The transaction is accounted for as an asset acquisition since the assets and activities does not constitute a business as defined in PFRS 3.

- Acquisition of Multi-Ventures Investment Holdings, Inc. (MVHI) and Bluelight Industrial Estate, Inc. (Bluelight)

On August 25, 2022, the Parent Company through San Miguel Global Power acquired 100,000 and 50,000 common shares, equivalent to 100% of the outstanding capital stock of MVHI and Bluelight, respectively, for a total consideration of P16 (Note 13).

MVHI and Bluelight own and manage various properties located in the province of Cavite and Quezon, respectively.

The transaction is accounted for as an asset acquisition since the assets and activities does not constitute a business as defined in PFRS 3.

- Sale of Strategic Energy Development Inc. (SEDI)

On August 26, 2022, San Miguel Global Power sold its 100% shareholdings in SEDI to a third party for P1,200 with 10% downpayment upon signing of the contract. The amount of consideration, which will be collected on installment basis up to 2026 and subject to interest to be agreed by the relevant parties, is presented as part of "Non-trade receivables" under "Trade and other receivables - net" and "Noncurrent receivables and deposits - net" under "Other noncurrent assets - net" accounts in the consolidated statements of financial position as at December 31, 2024 and 2023 (Notes 8 and 18).

The Group recognized a gain on the sale amounting to P555, presented as part of "Gain on sale of investments and property and equipment" account in the 2022 consolidated statement of income.

- Sale of Daguma Agro-Minerals, Inc. (DAMI), Bonanza Energy Resources, Inc. (BERI) and Sultan Energy Phils. Corp. (SEPC)

On December 21, 2022, SPI entered into a Share Purchase Agreement with a third party for the sale of its 100% equity interests in DAMI, BERI and SEPC for a total consideration of P1,818 which was fully paid as at December 31, 2023.

Also on the same date, SPI entered into an agreement with the third party for the assignment of its deposit for future stock subscription amounting to P1,552, payable over a period of five years, subject to interest to be agreed upon by both parties. The amount is presented as part of "Noncurrent receivables and deposits - net" under "Other noncurrent assets - net" account in the consolidated statements of financial position as at December 31, 2024 and 2023 (Note 18).

DAMI and SEPC have coal mining properties, covered by Coal Operating Contracts issued by the Philippine Department of Energy (DOE), located in the provinces of Sarangani, South Cotabato and Sultan Kudarat (Note 34).

The Group recognized a gain on the sale amounting to P182, presented as part of "Gain on sale of investments and property and equipment" account in the 2022 consolidated statement of income.

Others

- SMCSLC

On November 28, 2024, SMCSLC and the Parent Company executed a Subscription Agreement to subscribe to an additional 142,940,000 common shares for a total subscription price of P3,002 or P21.00 per common share, which was fully paid in 2024.

- SMITS

On December 9, 2024, SMITS and the Parent Company executed a Subscription Agreement to subscribe to an additional 442,500 common shares for a total subscription price of P708 or P1,600.00 per common share, which was fully paid in 2024.

- ArchEn

On December 20, 2023, the BOD and stockholders of ArchEn approved the additional increase in the authorized capital stock from P300 divided into 3,000,000 common shares to P360 divided into 3,600,000 common shares, both with a par value of P100.00 per common share. On the same date, ArchEn and the Parent Company executed a Subscription Agreement to subscribe to an additional 150,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P45 or P300.00 per common share, which was fully paid in 2023.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of ArchEn was filed with the SEC on May 4, 2024 and was approved on May 9, 2024.

On June 10, 2024, ArchEn and the Parent Company executed a Subscription Agreement to subscribe to an additional 150,000 common shares of ArchEn for a subscription price of P45 or P300.00 per common share, which was fully paid in 2024.

- Globalwise Realty Corporation (GRC)

On October 10, 2023, the BOD and stockholders of GRC approved the additional increase in the authorized capital stock from P35 divided into 350,000 common shares to P70 divided into 700,000 common shares, both with a par value of P100.00 per common share. On the same date, GRC and the Parent Company executed a Subscription Agreement to subscribe to an additional 120,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P18 or P150.00 per common share, which was fully paid in 2023.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of GRC was filed with the SEC on December 22, 2023 and was approved on February 20, 2024.

On November 24, 2023, GRC and the Parent Company executed a Subscription Agreement to subscribe to an additional 255,000 common shares of GRC for a subscription price of P38 or P150.00 per common share, which was fully paid in 2023.

On February 8, 2024, the BOD and stockholders of GRC approved the additional increase in its authorized capital stock from P70 divided into 700,000 common shares to P1,450 divided into 14,500,000 common shares, both with a par value of P100.00 per common share. On the same date, GRC and the Parent Company executed a Subscription Agreement for SMC to subscribe to an additional 10,465,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P1,570 or P150.00 per common share. The Parent Company paid P1,545 as at December 31, 2024.

On March 7, 2024, GRC and the Parent Company executed a Subscription Agreement to subscribe to an additional 230,000 common shares of GRC for a subscription price of P35 or P150.00 per common share. The Parent Company paid P29 in 2024.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of GRC was filed with the SEC on August 8, 2024 and still pending approval as at March 13, 2025.

- AIBC

In October 2024, AIBC bought-back a total of 9,656,250 of its outstanding common shares at a price of P2.87 per share. AIBC paid P28 to the stockholders who exercised the buy-back option over its outstanding common shares. The offer to buy-back was approved by the BOD of AIBC on April 19, 2024.

As a result, AIBC became 74.27% directly owned by the Parent Company as at December 31, 2024.

- SMCACDC

The investment in SMCACDC consists of 1,270,000 redeemable preferred shares of stock amounting to P1,270 as at December 31, 2024 and 2023.

On July 7, 2023, the BOD of SMCACDC approved the redemption of the 700,000 preferred shares held by the Parent Company, which were issued in 2019. On September 29 and December 29, 2023, SMCACDC paid the total redemption price of P700 or P1,000.00 per preferred share corresponding to the par value of such preferred shares.

The preferred shares issued by SMCACDC are non-voting, non-convertible, and redeemable at the sole option of SMCACDC at a price and at such time that the BOD of SMCACDC shall determine. The preferred shares are entitled to dividends as declared by the BOD of SMCACDC. In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of SMCACDC, the holders of preferred stocks that are outstanding at that time shall enjoy preference in the payment. Furthermore, holders of preferred shares have no pre-emptive right to any issue of disposition of any stocks of any class of SMCACDC.

6. Segment Information

Operating Segments

The reporting format of the Group's operating segments is determined based on the Group's risks and rates of return which are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed separately according to the nature of the products produced and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group's reportable segments are food and beverage, packaging, energy, fuel and oil, infrastructure, cement, and real estate.

The food and beverage segment is engaged in: (i) the processing and marketing of branded value-added refrigerated processed meats, canned meats, ready-to-eat viands, seafood and plant-based food products, the manufacture and marketing of butter, margarine, cheese, milk, ice cream and salad aids, the marketing of flour mixes, and the importation and marketing of coffee products (collectively known as "Prepared and Packaged Food"); (ii) the production and sale of feeds, veterinary medicine and pet care products ("Animal Nutrition and Health"); (iii) poultry and livestock farming, and the processing and sale of poultry and fresh meats ("Protein"); and (iv) the milling, production and marketing of flour and bakery ingredients, grain terminal handling, food service, and international operations ("Others"). It is also engaged in the production, marketing and selling of fermented, malt-based and non-alcoholic beverages within the Philippines and several foreign markets; and production of hard liquor in the form of gin, Chinese wine, brandy, rum, vodka and other liquor variants which are available nationwide, while some are exported to select countries.

The packaging segment is involved in the production and marketing of packaging products including, among others, glass containers, glass molds, polyethylene terephthalate (PET) bottles and preforms, PET recycling, plastic closures, corrugated cartons, woven polypropylene, kraft sacks and paperboard, pallets, flexible packaging, plastic crates, plastic floorings, plastic films, plastic trays, plastic pails and tubs, metal closures and two-piece aluminum cans, woven products, industrial laminates and radiant barriers. It is also involved in crate and plastic pallet leasing, PET bottle filling graphics design, packaging research and testing, packaging development and consultation, contract packaging and trading.

The energy segment sells, retails and distributes power, through power supply agreements (PSAs), retail supply contracts (RSCs), ancillary service procurement agreements (ASPA) and other power-related service agreements, either directly to customers [other generators, distribution utilities (DU), including Manila Electric Company (Meralco), electric cooperatives, industrial customers and National Grid Corporation of the Philippines (NGCP)] or through the Philippine Wholesale Electricity Spot Market (WESM).

The fuel and oil segment is engaged in refining crude oil and marketing and distribution of refined petroleum products.

The infrastructure segment has investments in companies which hold long-term concessions in the infrastructure sector in the Philippines. It is engaged in the management and operation, as well as construction and development of various infrastructure projects such as major toll roads, airports, railways and bulk water.

The cement segment is primarily engaged in the manufacturing, marketing and distribution of cement products.

The real estate segment is primarily engaged in leasing, sale of real estate, management services, and hotel operations.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, receivables, inventories, biological assets, property, plant and equipment and concession rights, net of allowances, accumulated depreciation and amortization and impairment. Segment liabilities include all operating liabilities and consist primarily of accounts payable and accrued expenses and other noncurrent liabilities, excluding interest payable. Segment assets and liabilities do not include deferred taxes.

Inter-segment Transactions

Segment revenues, expenses and performance include sales and purchases between operating segments. Such transactions are eliminated in consolidation.

Major Customer

The Group does not have a single external customer from which sales revenue generated amounted to 10% or more of the total revenues of the Group.

Operating Segments

Financial information about reportable segments follows:

	Food and Beverage			Packaging			Energy			Fuel and Oil			Infrastructure			Cement			Real Estate and Others			Eliminations			Consolidated		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Sales																											
External sales	P400,590	P379,603	P358,587	P24,729	P24,825	P26,794	P196,593	P159,693	P212,843	P858,757	P785,207	P841,688	P36,555	P34,002	P29,004	P34,208	P36,588	P8,984	P23,947	P26,785	P28,691	P -	P -	P -	P1,575,379	P1,446,703	P1,506,591
Inter-segment sales	282	219	266	15,433	13,554	10,245	8,498	9,897	8,546	9,209	15,820	15,950	968	982	1,046	726	643	-	40,814	37,506	35,723	(75,930)	(78,621)	(71,776)	-	-	-
Total sales	P400,872	P379,822	P358,853	P40,162	P38,379	P37,039	P205,091	P169,590	P221,389	P867,966	P801,027	P857,638	P37,523	P34,984	P30,050	P34,934	P37,231	P8,984	P64,761	P64,291	P64,414	(P75,930)	(P78,621)	(P71,776)	P1,575,379	P1,446,703	P1,506,591
Result																											
Segment result	P55,792	P48,411	P48,711	P2,600	P1,915	P1,648	P40,457	P32,526	P17,278	P29,223	P30,721	P19,213	P20,291	P18,164	P14,576	P6,550	P5,980	(P599)	P5,610	P6,640	P6,301	P293	P128	P884	P160,816	P144,485	P108,012
Interest expense and other financing charges																									(99,413)	(91,303)	(60,795)
Interest income																									14,704	14,027	7,108
Equity in net earnings of associates and joint ventures																									2,364	1,729	1,197
Gain on sale of investments and property and equipment																									2,175	83	733
Other income (charges) - net																									(16,479)	4,086	(16,178)
Income tax expense																									(27,492)	(28,408)	(13,317)
Net Income																									P36,675	P44,699	P28,760
Attributable to:																											
Equity holders of the Parent Company																									(P7,411)	P198	(P12,968)
Non-controlling interests																									44,086	44,501	39,728
Net Income																									P36,675	P44,699	P28,760
Other Information																											
Segment assets	P317,550	P297,032	P281,652	P49,218	P50,431	P54,672	P790,293	P702,778	P637,243	P457,756	P432,972	P448,562	P492,423	P440,455	P361,128	P113,340	P116,185	P117,530	P366,344	P339,296	P436,550	(P193,154)	(P180,120)	(P204,706)	P2,393,770	P2,199,029	P2,132,631
Investments in and advances to associates and joint ventures	-	-	-	-	-	-	19,894	10,953	7,855	11	6	11	9,334	5,184	5,229	819	2,358	2,068	22,890	18,588	17,360	-	-	-	52,948	37,089	32,523
Goodwill and trademarks and brand names																									185,212	183,008	184,320
Other assets																									22,955	20,606	19,797
Deferred tax assets																									22,045	19,633	22,554
Consolidated Total Assets																									P2,676,930	P2,459,365	P2,391,825

Forward

	Food and Beverage			Packaging			Energy			Fuel and Oil			Infrastructure			Cement			Real Estate and Others			Eliminations			Consolidated		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Segment liabilities	P83,615	P73,742	P69,749	P10,689	P9,603	P9,802	P124,537	P81,870	P73,768	P81,162	P66,707	P72,756	P59,873	P53,317	P69,783	P6,805	P6,974	P39,115	P98,598	P102,371	P103,096	(P157,705)	(P148,456)	(P189,869)	P307,574	P246,128	P248,200
Loans payable																									293,230	214,881	267,704
Long-term debt																									1,267,269	1,190,584	1,088,196
Lease liabilities																									42,545	56,572	75,475
Income and other taxes payable																									43,628	46,254	37,694
Dividends and distributions payable and others																									11,382	10,277	9,107
Deferred tax liabilities																									34,861	29,503	26,297
Consolidated Total Liabilities																									2,000,489	1,794,199	1,752,673
Capital expenditures (Note 13)	15,672	16,236	11,873	2,435	1,860	1,276	35,093	36,179	44,580	9,059	6,095	5,397	3,549	1,762	1,191	2,645	3,860	4,876	8,254	5,181	6,793	-	-	-	76,707	71,173	75,986
Depreciation of property, plant and equipment (Notes 13 and 28)	6,649	5,962	5,294	2,125	2,039	2,107	10,728	8,425	7,336	10,205	9,980	8,942	449	452	363	2,859	2,700	754	2,957	2,609	2,382	-	-	-	35,972	32,167	27,178
Noncash items other than depreciation of property, plant and equipment	6,623	9,022	8,474	634	805	577	10,351	2,527	14,230	3,712	2,625	6,360	6,879	7,614	5,211	(3)	14	257	14,459	(2,121)	6,704	-	-	-	42,655	20,486	41,813
Loss on (reversal of) impairment of trade and other receivables, goodwill, property, plant and equipment, trademark and brand names and other noncurrent assets (Notes 8, 13, 17, 18 and 32)	1,457	-	(31)	(3)	188	910	35	35	12	-	-	(1)	-	-	(1)	(22)	(20)	(19)	221	577	241	-	-	-	1,688	780	1,111

Disaggregation of Revenue

The following table shows the disaggregation of revenue by timing of revenue recognition and the reconciliation of the disaggregated revenue with the Group's reportable segments:

	Food and Beverage			Packaging			Energy			Fuel and Oil			Infrastructure			Cement			Real Estate and Others			Consolidated		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Timing of Revenue Recognition																								
Sales recognized at point in time	P400,578	P379,593	P358,573	P23,802	P24,000	P25,894	P -	P -	P -	P858,757	P785,207	P841,688	P -	P -	P -	P34,208	P36,588	P8,984	P19,252	P22,945	P24,822	P1,336,597	P1,248,333	P1,259,961
Sales recognized over time	12	10	14	927	825	900	196,593	159,693	212,843	-	-	-	36,555	34,002	29,004	-	-	-	4,695	3,840	3,869	238,782	198,370	246,630
Total External Sales	P400,590	P379,603	P358,587	P24,729	P24,825	P26,794	P196,593	P159,693	P212,843	P858,757	P785,207	P841,688	P36,555	P34,002	P29,004	P34,208	P36,588	P8,984	P23,947	P26,785	P28,691	P1,575,379	P1,446,703	P1,506,591

7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	<i>Note</i>	2024	2023
Cash in banks and on hand		P75,153	P64,282
Short-term investments		218,524	197,076
	4, 39, 40	P293,677	P261,358

Cash in banks earn interest at bank deposit rates. Short-term investments include demand deposits which can be withdrawn at any time depending on the immediate cash requirements of the Group and earn interest at short-term investment rates.

The Group's cash and cash equivalents earned interest income amounting to P12,207, P11,397 and P5,958 in 2024, 2023 and 2022, respectively (Note 31).

8. Trade and Other Receivables

Trade and other receivables consist of:

	<i>Note</i>	2024	2023
Trade		P196,886	P188,447
Non-trade	5	74,600	76,731
Amounts owed by related parties	33, 35	10,838	11,061
		282,324	276,239
Less allowance for impairment losses	4, 5	15,343	13,120
	4, 39, 40	P266,981	P263,119

Trade receivables are non-interest bearing and are generally on a 30 to 60-day term.

Non-trade receivables include claims from the Government, interest receivable, claims receivable, contracts receivable and others.

- a. Claims from the Government consist of duty drawback, VAT and specific tax claims, subsidy receivables from the Government of Malaysia under the Automatic Pricing Mechanism and due from Power Sector Assets and Liabilities Management Corporation (PSALM). Due from PSALM amounting to US\$60 pertains to SPPC's performance bond pursuant to the Ilijan Independent Power Producer (IPP) Administration (IPPA) Agreements that was drawn by PSALM in September 2015. The validity of PSALM's action is the subject of an ongoing case filed by SPPC with the Regional Trial Court (RTC) of Mandaluyong City (Note 43).
- b. Receivables recognized by SPI for WESM transactions as well as the cost of fuel, market fees and other charges related to the dispatch of the excess capacity of the Sual Power Plant.

On March 5, 2022, SPI entered into a Settlement Agreement with Team (Philippines) Energy Corporation (TPEC) and TeaM Sual Corporation (TSC) that aims to resolve all pending disputes on the dispatch of the excess capacity of the Sual Power Plant, including the claims of TPEC and SPI on historic imbalances arising from WESM transactions, cost of fuel, market fees and other charges. Pursuant to said agreement, SPI, TPEC and TSC have agreed to cause the dismissal of all ongoing cases and settle the historic imbalances, and the corresponding amounts claimed relative to the excess capacity of the Sual Power Plant.

In accordance with the Settlement Agreement, SPI recognized a receivable net of collections from TPEC which amounted to P1,103 and P1,618 as at December 31, 2024 and 2023, respectively. The noncurrent portion of the receivable amounting to P549 and P1,074 as at December 31, 2024 and 2023, respectively, is included as part of "Other noncurrent assets - net" account in the consolidated statements of financial position (Note 18). In 2022, SPI recognized the cost of its full dispatch rights on the capacity of the Sual Power Plant, amounting to P1,629, included as part of "Other intangible assets - net" account in the consolidated statements of financial position, with a carrying amount of P1,466 and P1,525 as at December 31, 2024 and 2023, respectively (Note 17).

- c. Receivables recognized by APEC from ALECO following the termination of the concession agreement on November 21, 2022 amounted to P1,641 as at December 31, 2024 and 2023 (Note 34).

Amounts owed by related parties include trade receivables amounting to P975 and P996 as at December 31, 2024 and 2023, respectively.

The movements in the allowance for impairment losses are as follows:

	Note	2024	2023
Balance at beginning of year		P13,120	P12,913
Charges for the year	27, 32	2,241	357
Amounts written off	4	(117)	(128)
Translation adjustments and others		99	(22)
Balance at end of year		P15,343	P13,120

9. Inventories

Inventories consist of:

	Note	2024	2023
At net realizable value:			
Finished goods and goods in process (including petroleum products)		P111,765	P99,489
Materials and supplies (including coal)		60,800	56,346
At cost:			
Raw land inventory and real estate projects		5,790	6,151
	4	P178,355	P161,986

The cost of finished goods and goods in process amounted to P112,395 and P100,035 as at December 31, 2024 and 2023, respectively.

If the Group used the moving-average method (instead of the first-in, first-out method, which is the Group's policy), the cost of petroleum, crude oil and other petroleum products would have increased by P167 and P1,522 as at December 31, 2024 and 2023, respectively.

The cost of materials and supplies amounted to P61,775 and P57,486 as at December 31, 2024 and 2023, respectively.

Inventories (including distribution or transshipment costs) charged to cost of sales amounted to P1,015,168, P929,217 and P1,021,867 in 2024, 2023 and 2022, respectively (Note 26).

The movements in the allowance for write-down of inventories to net realizable value and inventory obsolescence are as follows:

	Note	2024	2023
Balance at beginning of year		P1,686	P1,542
Provisions - net	26, 27	293	252
Write-off and others		(374)	(108)
Balance at end of year		P1,605	P1,686

Provisions for inventory losses amounted to P296 and P272 in 2024 and 2023, respectively. Reversals of provision for inventory losses pertain to inventories sold amounting to P3 and P20 in 2024 and 2023, respectively. Provisions for inventory losses, net of reversals, are included as part of "Cost of sales" and "Selling and administrative expenses" accounts in the consolidated statements of income (Notes 26 and 27).

The fair value of agricultural produce less costs to sell, which formed part of the cost of finished goods inventory, amounted to P138 and P115 as at December 31, 2024 and 2023, respectively, with corresponding costs at point of harvest amounting to P113 and P107, respectively. Net unrealized gain on fair valuation of agricultural produce amounted to P25, P8 and P17 in 2024, 2023 and 2022, respectively (Note 25).

The fair values of marketable hogs and grown broilers, which comprise the Group's agricultural produce, are categorized as Level 1 and Level 3, respectively, in the fair value hierarchy based on the inputs used in the valuation techniques.

The valuation model used is based on the following: (a) quoted prices for harvested mature grown broilers at the time of harvest; and (b) quoted prices in the market at any given time for marketable hogs; provided that there has been no significant change in economic circumstances between the date of the transactions and the reporting date. Costs to sell are estimated based on the most recent transaction and is deducted from the fair value to measure the fair value of agricultural produce at point of harvest. The estimated fair value would increase (decrease) if weight and quality premiums increase (decrease) (Note 4).

The net realizable value of raw land inventory and real estate projects is higher than the carrying amount as at December 31, 2024 and 2023, based on management's assessment.

The fair value of raw land inventory amounted to P29,533 and P25,518 as at December 31, 2024 and 2023, respectively. The fair value has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation techniques (Note 4).

In estimating the fair value of the raw land inventory, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's raw land inventory is its current use.

The Level 3 fair value of raw land inventory was derived using the observable recent transaction prices for similar raw land inventory in nearby locations adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square meter, hence, the higher the price per square meter, the higher the fair value (Note 4).

10. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of:

	<i>Note</i>	2024	2023
Prepaid taxes and licenses	23	P126,022	P113,530
Restricted cash - current	4, 18, 39, 40	18,422	14,076
Advances to contractors and suppliers		6,731	4,901
Derivative assets	39, 40	1,198	2,063
Financial assets at amortized cost - current portion	4, 12, 39, 40	576	554
Prepaid insurance		476	544
Financial assets at FVPL	5, 12, 33, 39, 40	438	1,012
Prepaid rent		227	361
Catalyst		180	207
PSALM monthly fee outage credits		96	1,142
Others	34	3,814	3,034
		P158,180	P141,424

Prepaid taxes and licenses consist mainly of real property tax paid in advance, creditable withholding taxes and excess tax credits which can be utilized as a deduction against future income tax payable.

Restricted cash - current represents mainly: (i) cash in banks maintained by SMC NAIAX, SMCTC, SIDC, MMSS3, SMC Tollways, SMC MRT 7, LCWDC, and TADHC in accordance with the specific purposes and terms as required under certain loan and concession agreements. Certain loan agreements provide that the Security Trustee shall have control over and the exclusive right of withdrawal from the restricted bank accounts; and (ii) funds maintained in various financial institutions, as (a) cash flow waterfall accounts required under the respective credit facilities of LPI, MPI, MPCL and SMGP BESS, (b) environmental guarantee fund for remittance to the Department of Environment and Natural Resources (DENR) and (c) financial benefits to host communities, as required by law.

PSALM monthly fee outage credits pertain to the approved reduction in SPI's future monthly fees payable to PSALM resulting from the outages of the Sual Power Plant in 2024 and 2023.

Financial assets at FVPL include investment in debt securities under investment management agreement with Bank of Commerce (BankCom) amounting to P49 as at December 31, 2024 and 2023 (Note 33).

Prepaid rent pertains to advance rent paid for short-term and low valued leases, in accordance with the provision of the lease agreements.

“Others” consist mainly of prepayments for various operating expenses pertaining to the Group’s right to consideration for work completed but not billed at the reporting date on the sale of real estate projects.

The methods and assumptions used to estimate the fair values of derivative assets and financial assets at FVPL are discussed in Note 40.

11. Investments and Advances

Investments and advances consist of:

	<i>Note</i>	2024	2023
Investments in Shares of Stock of Associates and Joint Ventures - at Equity			
Acquisition Cost			
Balance at beginning of year		P21,290	P21,290
Additions		4,224	-
Reclassification		2	-
Balance at end of year		25,516	21,290
Accumulated Equity in Net Earnings			
Balance at beginning of year		2,421	1,821
Equity in net earnings		2,364	1,729
Share in other comprehensive income (loss)		9	(4)
Dividends		(1,180)	(1,125)
Reclassification		(144)	-
Balance at end of year		3,470	2,421
		28,986	23,711
Advances for Investments	5	23,962	13,378
	4	P52,948	P37,089

Investments in Shares of Stock of Associates

a. BankCom

The Parent Company through SMPI and SMCEC owns 31.94% and 4.87% equity interest in BankCom, respectively, as at December 31, 2024 and 2023.

As at December 31, 2024 and 2023, the fair value of the indirect equity investment by the Parent Company in common shares of stock of BankCom amounted to P3,486 and P3,755, respectively.

BankCom provides services such as deposit products, loans and trade finance, domestic and foreign fund transfers, foreign exchange, credit card and trust services.

b. Manila North Harbour Port, Inc. (MNHPI)

The Parent Company through SMHC owns 50% of the outstanding capital stock of MNHPI as at December 31, 2024 and 2023. MNHPI is the terminal operator of Manila North Harbor, a 60.96-hectare port facility situated at Tondo, City of Manila. The port has a total berth length of 5,758 meters and 36 berths which can accommodate all types of vessels such as containerized and non-container type vessels.

c. New NAIA Infra Corp. (NNIC)

The Parent Company through SMHC owns 33% of the outstanding capital stock of NNIC as at December 31, 2024. NNIC was incorporated on February 15, 2024 primarily to engage in development, expansion, rehabilitation, operation, management and maintenance activities of international and domestic airports, airfields and facilities appurtenant thereto for passenger and cargo as may be authorized by the Civil Aviation Authority of the Philippines (CAAP) or other appropriate government agency.

On March 18, 2024, NNIC was awarded by the Government of the ROP through the Department of Transportation (DOTr), and MIA Authority to rehabilitate, operate, expand and maintain the country's main international gateway, the NAIA, which covers improvements to its runway, main terminals and other facilities for a term of 15 years, with a ten-year extension subject to performance review.

On September 14, 2024, NNIC took over the management and operations of NAIA upon receipt of Notice to Start Operation and Maintenance and Certificate of Turnover of Existing Assets.

Investments in Shares of Stock of Joint Ventures

Angat Hydro and KWPP

PVEI, a subsidiary of San Miguel Global Power has an existing joint venture agreement with Korea Water Resources Corporation (K-Water), covering the acquisition, rehabilitation, operation and maintenance of the 218 megawatts (MW) Angat Hydroelectric Power Plant (Angat Power Plant) which was previously awarded by PSALM to K-Water.

PVEI holds 30,541,470 shares or 60% of the outstanding capital stock of Angat Hydro and 75 shares representing 60% of KWPP outstanding capital stock. PVEI and K-Water are jointly in control of the management and operation of Angat Hydro and KWPP.

Advances for Investments

- a. SMPI made advances to future investees amounting to P139 and P147 as at December 31, 2024 and 2023, respectively. These advances will be applied against future stock subscriptions of SMPI to the investee companies.

Impairment loss recognized on the advances for investments amounted to P12, P498 and P241 in 2024, 2023 and 2022, respectively (Note 32).

- b. San Miguel Global Power and SPI made deposits to certain landholding companies amounting to P14,307 and P5,876 as at December 31, 2024 and 2023, respectively. These deposits will be applied against future stock subscriptions.

San Miguel Global Power bought ownership interests in certain landholding companies. As a result, these landholding companies were consolidated and deposits amounting to P808 in 2023 were eliminated (Note 5).

- c. SMEI and its subsidiaries made advances for future investments amounting to P819 and P2,358 as at December 31, 2024 and 2023, respectively. These advances will be applied against future stock subscriptions.

In 2024, advances for investment paid by ESCPI amounting to P572 were reclassified to investment in shares of stock of subsidiaries as consideration transferred for the acquisition of Pacemphil.

Advances for investment amounting to P967 were reclassified to receivables, which were eliminated upon consolidation of Pacemphil.

- d. The Investment Management Agreement entered into by SMHL and Bryce Canyon Investments Limited (BCIL) for the sale and purchase of assets was terminated on December 16, 2022. Accordingly, the outstanding balance of advances for investment as at December 31, 2021 amounting to US\$409 (P22,870) was paid by BCIL.
- e. Other advances pertain to deposits made to certain companies which will be applied against future stock subscriptions.

The details of the Group's material investments in shares of stock of associates and joint ventures which are accounted for using the equity method are as follows:

	December 31, 2024						December 31, 2023				
	Angat Hydro and KWPP	BankCom	MNHPI	NNIC	Others	Total	Angat Hydro and KWPP	BankCom	MNHPI	Others	Total
Country of incorporation	Philippines	Philippines	Philippines	Philippines			Philippines	Philippines	Philippines		
Percentage of ownership	60.00%	36.81%	50.00%	33.00%			60.00%	36.81%	50.00%		
Share in net income (loss)	P348	P1,022	P1,101	(P330)	P223	P2,364	(P284)	P1,020	P951	P42	P1,729
Share in other comprehensive income (loss)	4	3	1	-	1	9	-	7	2	(13)	(4)
Share in total comprehensive income (loss)	P352	P1,025	P1,102	(P330)	P224	P2,373	(P284)	P1,027	P953	P29	P1,725
Dividends received	P -	P130	P1,050	P -	P -	P1,180	P -	P -	P1,125	P -	P1,125
Carrying amounts of investments in shares of stock of associates and joint ventures	P4,671	P14,135	P4,594	P3,894	P1,692	P28,986	P4,323	P13,385	P4,541	P1,462	P23,711

The following are the audited condensed financial information of the Group's material investments in shares of stock of associates and joint ventures:

	December 31, 2024					December 31, 2023			
	Angat Hydro and KWPP	BankCom	MNHPI	NNIC	Others	Angat Hydro and KWPP	BankCom	MNHPI	Others
Current assets	P1,350	P200,400	P1,960	P15,440	P6,355	P1,531	P107,738	P1,632	P5,461
Noncurrent assets	16,919	65,040	8,258	48,740	3,260	16,823	123,930	8,898	3,373
Current liabilities	(2,019)	(209,265)	(804)	(8,320)	(6,115)	(1,757)	(194,530)	(1,135)	(5,211)
Noncurrent liabilities	(10,636)	(22,945)	(2,451)	(44,097)	(268)	(11,567)	(6,287)	(2,537)	(404)
Net assets	P5,614	P33,230	P6,963	P11,763	P3,232	P5,030	P30,851	P6,858	P3,219
Sales	P2,357	P13,164	P5,848	P2,867	P6,321	P1,752	P11,763	P5,399	P4,770
Net income (loss)	P578	P3,025	P2,202	(P999)	P166	(P481)	P2,802	P1,922	(P48)
Other comprehensive income (loss)	7	9	3	-	4	-	18	3	(30)
Total comprehensive income (loss)	P585	P3,034	P2,205	(P999)	P170	(P481)	P2,820	P1,925	(P78)

12. Investments in Equity and Debt Instruments

Investments in equity and debt instruments consist of:

	<i>Note</i>	2024	2023
Government and other debt securities		P13,286	P13,838
Equity securities		7,311	5,989
Proprietary membership shares and others		1,467	1,156
	4, 39, 40	22,064	20,983
Less current portion	10	1,014	1,566
		P21,050	P19,417

Government and Other Debt Securities

Government and other debt securities include:

- a. Petrogen's investment in government securities classified as financial asset at amortized cost, deposited with the Bureau of Treasury in accordance with the provisions of the Insurance Code, for the benefit and security of its policyholders and creditors amounting to P680 and P658 as at December 31, 2024 and 2023, respectively. The investments in government securities bear fixed annual interest rates ranging from 2.63% to 6.25% in 2024 and 1.94% to 6.25% in 2023 and with maturities up to 2027 (Note 31).
- b. Investment in debt securities under investment management agreement with BankCom entered into by SMB and GSMI classified as financial assets at amortized cost amounting to a total of P3,500 as at December 31, 2024 and 2023 and by Petrogen classified as financial assets at FVOCI amounting to P669 and P668 as at December 31, 2024 and 2023, respectively (Note 33).

The investments in debt securities bear annual average interest rates ranging from 5.78% to 7.85% in 2024 and 7.45% to 7.85% in 2023 and with maturities up to 2029 (Notes 31 and 33).

Income earned from the investments in government and other debt securities amounted to P974, P964 and P141 in 2024, 2023 and 2022, respectively (Notes 31, 32 and 33).

Equity Securities

Equity securities include:

- a. Parent Company's investment in the shares of stock of Top Frontier, consists of 2,561,031 common shares amounting to P162 and P246 as at December 31, 2024 and 2023, respectively.

On December 20, 2022, the BOD of Top Frontier approved the redemption of the remaining 1,904,540 preferred shares held by the Parent Company. On December 21, 2022, Top Frontier redeemed the preferred shares at the redemption price of P35,424, corresponding to the original issue price, plus unpaid cash dividend amounting to P267.

Total dividend income from the investment in preferred shares of stock of Top Frontier amounted to P1,328 in 2022 presented as part of "Dividend income" under "Other income (charges) - net" account in the consolidated statements of income (Notes 32 and 33).

- b. Parent Company's investment in BankCom through SMCEC, consists of 416,666,670 Series 1 Preferred Shares amounting to P132.00 per preferred share or P5,500 as at December 31, 2024 and 2023 (Note 33).

Dividend income from the investment in preferred shares of stock of BankCom amounted to P303 in 2024 presented as part of "Dividend income" under "Other income (charges) - net" account in the consolidated statements of income (Notes 32 and 33).

The preferred shares are non-voting, except as provided by law, perpetual or non-redeemable, cumulative, convertible to common shares at the option of the holders, subject to requirements under laws, rules and regulations, have preference over common shares in case of liquidation, dissolution, or winding up of the affairs of BankCom and subject to the other terms and conditions as may be fixed by the BOD of BankCom, required under regulations, and to the extent permitted by applicable law.

The Group has irrevocably elected to classify these investments as financial assets at FVOCI as it intends to hold these investments for strategic purposes.

The Group recognized gain on financial assets at FVOCI amounting to P243, P155 and P50 in 2024, 2023 and 2022, respectively, in the consolidated statements of comprehensive income.

The movements in investments in equity and debt instruments are as follows:

	<i>Note</i>	2024	2023
Balance at beginning of year		P20,983	P20,802
Additions		2,107	616
Fair value gain		340	158
Amortization of premium		15	14
Redemption/disposals		(1,384)	(606)
Currency translation adjustments and others		3	(1)
Balance at end of year	<i>4, 10, 39, 40</i>	P22,064	P20,983

The investments in equity and debt instruments are classified as follows:

	<i>Note</i>	2024	2023
Noncurrent			
Financial assets at amortized cost	<i>4</i>	P11,604	P11,604
Financial assets at FVOCI		8,988	7,424
Financial assets at FVPL		458	389
		21,050	19,417
Current			
Financial assets at amortized cost	<i>4</i>	576	554
Financial assets at FVPL		438	1,012
	<i>10</i>	1,014	1,566
		P22,064	P20,983

The methods and assumptions used to estimate the fair value of investments in equity and debt instruments are discussed in Notes 3, 4 and 40.

13. Property, Plant and Equipment

Property, plant and equipment consist of:

	Note	Land and Land Improvements	Buildings and Improvements	Power Plants	Refinery and Plant Equipment	Service Stations and Other Equipment	Equipment, Furniture and Fixtures	Leasehold Improvements	Capital Projects in Progress	Total
Cost										
January 1, 2023		P53,863	P80,797	P203,466	P194,444	P20,482	P233,513	P9,971	P194,022	P990,558
Additions		320	734	1,728	394	514	7,698	173	59,612	71,173
Acquisition of a subsidiary	5, 11	448	-	-	-	-	-	-	-	448
Disposals/retirement		(6)	(168)	(76)	(1)	(918)	(2,943)	(14)	(14)	(4,140)
Reclassifications and others	5, 15	3,801	12,365	20,251	948	261	23,101	2,549	(55,165)	8,111
Currency translation adjustments		(102)	(276)	-	(1,278)	(494)	(773)	2	(38)	(2,959)
December 31, 2023		58,324	93,452	225,369	194,507	19,845	260,596	12,681	198,417	1,063,191
Additions	14	3,757	855	2,741	968	893	7,258	389	78,200	95,061
Acquisition of subsidiaries	5, 11	1,414	-	-	-	-	22	-	14	1,450
Disposals/retirement		(135)	(110)	-	(36)	(1,459)	(3,689)	(1)	(39)	(5,469)
Reclassifications and others	15	1,907	8,633	128,627	3,343	122	18,121	4,040	(84,396)	80,397
Currency translation adjustments		215	449	-	1,963	725	1,259	(21)	91	4,681
December 31, 2024		65,482	103,279	356,737	200,745	20,126	283,567	17,088	192,287	1,239,311
Accumulated Depreciation										
January 1, 2023		4,418	22,994	31,561	70,405	15,550	119,783	2,817	-	267,528
Depreciation	6, 28	560	2,518	8,760	6,336	950	12,496	547	-	32,167
Disposals/retirement		(6)	(117)	(13)	(1)	(818)	(1,980)	(14)	-	(2,949)
Reclassifications	5	(11)	(477)	-	31	14	467	(8)	-	16
Currency translation adjustments		1	(129)	-	(553)	(320)	(444)	-	-	(1,445)
December 31, 2023		4,962	24,789	40,308	76,218	15,376	130,322	3,342	-	295,317
Depreciation	6, 28	585	2,826	10,850	6,536	784	13,609	782	-	35,972
Disposals/retirement		-	(76)	-	(34)	(1,406)	(2,842)	(1)	-	(4,359)
Reclassifications		(773)	89	-	-	293	3,386	(2)	-	2,993
Currency translation adjustments		2	244	-	920	398	762	(7)	-	2,319
December 31, 2024		4,776	27,872	51,158	83,640	15,445	145,237	4,114	-	332,242
Accumulated Impairment										
January 1, 2023		-	3,417	-	-	-	11,395	26	-	14,838
Impairment	32	-	-	-	-	-	15	-	65	80
Disposals/retirement		-	(42)	-	-	-	(84)	-	-	(126)
Reclassifications		-	-	-	-	-	(122)	-	-	(122)
Currency translation adjustments		-	(72)	-	-	-	(196)	-	-	(268)
December 31, 2023		-	3,303	-	-	-	11,008	26	65	14,402
Impairment	32	-	460	-	-	-	179	-	207	846
Disposals/retirement		-	-	-	-	-	(92)	-	-	(92)
Reclassifications		-	(1)	-	-	-	-	-	-	(1)
Currency translation adjustments		-	104	-	-	-	361	(1)	-	464
December 31, 2024		-	3,866	-	-	-	11,456	25	272	15,619
Carrying Amount										
December 31, 2023		P53,362	P65,360	P185,061	P118,289	P4,469	P119,266	P9,313	P198,352	P753,472
December 31, 2024		P60,706	P71,541	P305,579	P117,105	P4,681	P126,874	P12,949	P192,015	P891,450

“Equipment, furniture and fixtures” includes machinery, transportation equipment, office equipment and tools and small equipment.

Total depreciation and impairment losses recognized in the consolidated statements of income amounted to P36,818, P32,247 and P27,283 in 2024, 2023 and 2022, respectively (Notes 28 and 32). These amounts include annual amortization of capitalized borrowing costs amounting to P1,252, P1,213 and P767 in 2024, 2023 and 2022, respectively.

Reclassifications and others mainly pertain to: (a) the Sual Coal-fired Thermal Power Plant, which was reclassified from “Right-of-use assets - net” account following the expiration of its IPPA Agreement with PSALM and its turnover to SPI in October 2024 (Note 34); (b) transfers to investment property due to change in usage as evidenced by ending of owner-occupation or commencement of operating lease to another party (Note 15); and (c) reclassifications from capital projects in progress account to specific property, plant and equipment accounts.

In 2024, Petron recognized the reversal of the conveyance of land declared as property dividends in 1993 amounting to P143 equivalent to the net book value of the land at the time of dividend declaration. The land were recognized as part of “Property, plant and equipment” and “Investment property” accounts at P110 and P33, respectively, presented as part of “Additions” (Notes 15 and 43).

The additions to property, plant and equipment in the consolidated statements of cash flows reflects the actual cash flow of the Group during the year. The difference from the total additions to property, plant and equipment represents noncash or unpaid portion, which is included as part of the increase in accounts payable and accrued expenses under operating activities in the statements of cash flows.

The Group has capitalized borrowing costs amounting to P6,117 and P3,881 in 2024 and 2023, respectively. The capitalization rates used to determine the amount of interest eligible for capitalization ranged from 2.81% to 9.43% and 2.83% to 9.52% in 2024 and 2023, respectively. The unamortized capitalized borrowing costs amounted to P31,238 and P25,860 as at December 31, 2024 and 2023, respectively.

Certain fully depreciated property, plant and equipment with aggregate costs of P116,544 and P104,277 as at December 31, 2024 and 2023, respectively are still being used in the Group’s operations.

As at December 31, 2024 and 2023, certain property, plant and equipment amounting to P269,015 and P165,263, respectively, are pledged as security for syndicated project finance loans (Note 21).

14. Right-of-Use Assets

The movements in right-of-use assets are as follows:

	<i>Note</i>	Land	Buildings and Improvements	Power Plants	Service Stations and Other Equipment	Machinery and Equipment	Total
Cost							
January 1, 2023		P17,026	P1,242	P113,399	P71	P685	P132,423
Additions		624	291	-	-	62	977
Disposals/retirement		(129)	(364)	-	-	(104)	(597)
Remeasurement, reclassifications and others		82	(1)	-	-	1	82
Currency translation adjustments		(55)	(5)	-	(2)	4	(58)
December 31, 2023		17,548	1,163	113,399	69	648	132,827
Additions		7,470	208	-	-	61	7,739
Disposals/retirement		(313)	(291)	-	-	(1)	(605)
Remeasurement, reclassifications and others	13, 43	(5,063)	(30)	(78,935)	-	(2)	(84,030)
Currency translation adjustments		(98)	12	-	4	(9)	(91)
December 31, 2024		19,544	1,062	34,464	73	697	55,840
Accumulated Depreciation							
January 1, 2023		4,561	837	14,283	15	572	20,268
Depreciation	28	977	293	3,571	4	54	4,899
Disposals/retirement		(95)	(337)	-	-	(104)	(536)
Remeasurement, reclassifications and others		107	13	-	-	-	120
Currency translation adjustments		(23)	(3)	-	-	-	(26)
December 31, 2023		5,527	803	17,854	19	522	24,725
Depreciation	28	955	185	3,143	4	64	4,351
Disposals/retirement		(86)	(227)	-	-	(1)	(314)
Remeasurement, reclassifications and others	13, 43	(1,237)	(61)	(14,974)	-	-	(16,272)
Currency translation adjustments		(45)	5	-	-	(5)	(45)
December 31, 2024		5,114	705	6,023	23	580	12,445
Accumulated Impairment							
December 31, 2023		88	-	-	-	-	88
Currency translation adjustments		5	-	-	-	-	5
December 31, 2024		93	-	-	-	-	93
Carrying Amount							
December 31, 2023		P11,933	P360	P95,545	P50	P126	P108,014
December 31, 2024		P14,337	P357	P28,441	P50	P117	P43,302

The Group recognized right-of-use assets for leases of office space, warehouse, factory facilities and parcels of land. The leases typically run for a period of 2 to 50 years. Some leases contain an option to renew the lease at the end of the lease term and are subjected to reviews to reflect current market rentals. The renewal option provides operational flexibility in managing the leased asset portfolio and aligns the business needs of the Group.

Total depreciation recognized in the consolidated statements of income amounted to P4,351, P4,899 and P5,614 in 2024, 2023 and 2022, respectively (Note 28).

The remeasurements pertain mainly to the change in the estimated dismantling costs of ARO during the year (Note 4).

The reclassifications and others in 2024 mainly relates to the Sual Coal-fired Thermal Power Plant which was reclassified to "Property, plant and equipment - net" account following the expiration of the IPPA Agreement between SPPC and PSALM and its turnover to SPI in October 2024 (Notes 13 and 34) and the reversal of right-of-use assets recognized previously by Petron due to pretermination of the lease contracts with PNOOC as a result of the conveyance of the landholdings (Note 43).

No impairment loss was recognized in 2024, 2023 and 2022.

The Group recognized interest expense related to these leases amounting to P2,803, P3,772 and P4,785 in 2024, 2023 and 2022, respectively (Note 30).

The Group also has certain leases of property and equipment with lease terms of 12 months or less and leases of equipment with low value. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases. The expenses relating to short-term leases, leases of low-value assets and variable lease payments that do not depend on an index or a rate amounted to P169, P18 and P3,622, respectively, in 2024, P194, P8 and P3,326, respectively, in 2023, and P82, P6 and P3,415, respectively, in 2022 (Notes 26 and 27).

The Group had total cash outflows for leases of P26,610, P28,222 and P34,237 in 2024, 2023 and 2022, respectively.

15. Investment Property

The movements in investment property are as follows:

	Note	Land, Land and Leasehold Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Right-of-Use Asset	Total
Cost							
January 1, 2023		P53,752	P20,895	P18	P1,233	P20,037	P95,935
Additions		2,919	143	-	914	1,474	5,450
Acquisition of subsidiaries	5	214	-	-	916	-	1,130
Reclassifications	13	1,388	(272)	50	(99)	14	1,081
Disposals/retirement		(20)	(14)	-	-	(268)	(302)
Currency translation adjustments		(173)	(532)	-	(10)	(471)	(1,186)
December 31, 2023		58,080	20,220	68	2,954	20,786	102,108
Additions		4,873	171	-	3,230	1,744	10,018
Acquisition of a subsidiary	5	390	-	-	-	-	390
Reclassifications	13	268	225	(4)	(385)	(150)	(46)
Disposals/retirement		(21)	(59)	-	-	(274)	(354)
Currency translation adjustments		297	864	-	14	751	1,926
December 31, 2024		63,887	21,421	64	5,813	22,857	114,042
Accumulated Depreciation							
January 1, 2023		886	12,294	10	-	8,077	21,267
Depreciation	28	31	708	7	-	1,300	2,046
Reclassifications		(62)	387	-	-	(227)	98
Disposals/retirement		-	(10)	-	-	(268)	(278)
Currency translation adjustments		-	(538)	-	-	(22)	(560)
December 31, 2023		855	12,841	17	-	8,860	22,573
Depreciation	28	17	714	6	-	1,403	2,140
Reclassifications		759	81	(2)	-	(65)	773
Disposals/retirement		(1)	(57)	-	-	(262)	(320)
Currency translation adjustments		-	567	-	-	378	945
December 31, 2024		1,630	14,146	21	-	10,314	26,111
Accumulated Impairment							
January 1, 2023		8	-	-	-	-	8
Impairment	32	-	-	-	14	-	14
December 31, 2023		8	-	-	14	-	22
Impairment	32	-	-	-	2	-	2
Reclassifications and others		-	-	-	(2)	-	(2)
December 31, 2024		8	-	-	14	-	22
Carrying Amount							
December 31, 2023		P57,217	P7,379	P51	P2,940	P11,926	P79,513
December 31, 2024		P62,249	P7,275	P43	P5,799	P12,543	P87,909

Total depreciation recognized in the consolidated statements of income amounted to P2,140, P2,046 and P2,082 in 2024, 2023 and 2022, respectively (Note 28).

The reclassification relates to the change in usage as evidenced by ending of owner-occupation or commencement of operating lease to another party which was reclassified from "Property, plant and equipment - net" account mainly by SMPI and MVHI (Note 13).

Additions include land recognized by Petron arising from the reversal of the reconveyance of land declared as property dividends in 1993 amounting to P33 (Notes 13 and 43).

Impairment loss of P2 and P14 was recognized in 2024 and 2023, respectively. No impairment loss was recognized in 2022.

There are no other direct selling and administrative expenses other than depreciation and real property taxes arising from investment property that generated income in 2024, 2023 and 2022.

The fair value of investment property amounting to P187,191 and P143,726 as at December 31, 2024 and 2023, respectively, has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation techniques (Note 4).

The fair value of investment property was determined by external, independent property appraisers having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent appraisers provide the fair value of the Group's investment property on a regular basis.

Valuation Technique and Significant Unobservable Inputs

The valuation of investment property applied the following approaches:

Cost Approach. This approach is based on the principle of substitution, which holds that an informed buyer would not pay more for a given property than the cost of an equally desirable alternative. The methodology of this approach is a set of procedures that estimate the current reproduction cost of the improvements, deducts accrued depreciation from all sources, and adds the value of investment property.

Sales Comparison Approach. The market value was determined using the Sales Comparison Approach. The comparative approach considers the sale of similar or substitute property, registered within the vicinity, and the related market data. The estimated value is established by process involving comparison. The property being valued is then compared with sales of similar property that have been transacted in the market. Listings and offerings may also be considered. The observable inputs to determine the market value of the property are the following: location characteristics; size; time element; quality and prospective use; bargaining allowance and marketability.

Income Approach. The rental value of the subject property was determined using the Income Approach. Under the Income Approach, the market value of the property is determined first, and then the proper capitalization rate is applied to arrive at its rental value. The rental value of the property is determined based on what a prudent lessor or a prospective lessee are willing to pay for its use and occupancy considering the prevailing rental rates of similar property and/or rate of return a prudent lessor generally expects on the return on its investment. A study of current market conditions indicates that the return on capital for similar real estate investment range from 3.00% to 5.82%.

16. Biological Assets

Biological assets consist of:

	Note	2024	2023
Current:			
Growing stocks		P2,446	P2,608
Goods in process		795	907
		3,241	3,515
Noncurrent:			
Breeding stocks - net		2,652	2,667
	4	P5,893	P6,182

Growing stocks pertain to growing hogs and poultry livestock, while goods in process pertain to hatching eggs.

The amortization of breeding stocks recognized in the consolidated statements of income amounted to P3,339, P4,054 and P3,303 in 2024, 2023 and 2022, respectively (Note 28).

The movements in biological assets are as follows:

	Note	2024	2023
Cost			
Balance at beginning of year		P6,210	P6,116
Increase (decrease) due to:			
Production		61,112	62,668
Purchases		897	607
Mortality		(338)	(320)
Harvest		(58,580)	(58,792)
Retirement		(3,394)	(4,069)
Balance at end of year		5,907	6,210
Accumulated Amortization			
Balance at beginning of year		28	27
Amortization	28	3,339	4,054
Retirement		(3,353)	(4,053)
Balance at end of year		14	28
Carrying Amount		P5,893	P6,182

The Group harvested approximately 574.0 million and 540.4 million kilograms of grown broilers in 2024 and 2023, respectively, and 0.03 million and 0.04 million heads of marketable hogs in 2024 and 2023, respectively.

The aggregate fair value less estimated costs to sell of agricultural produce harvested during the year, determined at the point of harvest, amounted to P61,738 and P51,664 in 2024 and 2023, respectively.

17. Goodwill and Other Intangible Assets

Goodwill and other intangible assets consist of:

	2024	2023
Goodwill	P184,994	P182,791
Other intangible assets	340,496	306,638
	P525,490	P489,429

The movements in goodwill are as follows:

	Note	2024	2023
Gross Carrying Amount			
Balance at beginning of year		P184,660	P185,771
Additions	5, 38	1,488	-
Purchase price allocation adjustment	5	-	(683)
Cumulative translation adjustments		666	(428)
Balance at end of year		186,814	184,660
Accumulated Impairment			
Balance at beginning of year		1,869	1,671
Impairment	32	-	188
Cumulative translation adjustments		(49)	10
Balance at end of year		1,820	1,869
	4	P184,994	P182,791

The movements in other intangible assets with indefinite useful lives are as follows:

	Licenses	Trademarks and Brand Names	Total
Cost			
January 1, 2023	P2,125	P445	P2,570
Currency translation adjustments	7	(5)	2
December 31, 2023	2,132	440	2,572
Currency translation adjustments	111	12	123
December 31, 2024	2,243	452	2,695
Accumulated Impairment			
January 1, 2023	-	225	225
Currency translation adjustments	-	(2)	(2)
December 31, 2023	-	223	223
Currency translation adjustments	-	12	12
December 31, 2024	-	235	235
Carrying Amount			
December 31, 2023	P2,132	P217	P2,349
December 31, 2024	P2,243	P217	P2,460

The movements in other intangible assets with finite useful lives are as follows:

		Concession Rights			Mineral Rights and Evaluation Assets	Computer Software and Licenses and Others	Total
	Note	Toll Road	Airport	Water			
Cost							
January 1, 2023		P200,053	P74,831	P6,951	P12,800	P9,162	P303,797
Additions	8	7,019	44,163	27	2	13,466	64,677
Reclassifications and others		128	(141)	-	748	47	782
Currency translation adjustments		-	-	-	-	(30)	(30)
December 31, 2023		207,200	118,853	6,978	13,550	22,645	369,226
Additions	8	10,927	27,753	4	51	1,644	40,379
Acquisition of subsidiaries	5	-	-	950	-	-	950
Reclassifications and others		392	363	23	(3)	(15)	760
Currency translation adjustments		-	-	-	-	45	45
December 31, 2024		218,519	146,969	7,955	13,598	24,319	411,360
Accumulated Amortization							
January 1, 2023		49,710	2,091	977	507	3,497	56,782
Amortization	28	6,825	358	258	341	362	8,144
Reclassifications and others		-	-	-	2	-	2
Currency translation adjustments		-	-	-	-	(30)	(30)
December 31, 2023		56,535	2,449	1,235	850	3,829	64,898
Amortization	28	6,977	371	271	334	380	8,333
Reclassifications and others		-	-	23	(1)	(13)	9
Currency translation adjustments		-	-	-	-	45	45
December 31, 2024		63,512	2,820	1,529	1,183	4,241	73,285
Accumulated Impairment							
January 1, 2023		-	-	-	-	39	39
December 31, 2024 and 2023		-	-	-	-	39	39
Carrying Amount							
December 31, 2023		P150,665	P116,404	P5,743	P12,700	P18,777	P304,289
December 31, 2024		P155,007	P144,149	P6,426	P12,415	P20,039	P338,036

The Group has capitalized borrowing costs amounting to P30 and P75 in 2024 and 2023, respectively. The capitalization rates used to determine the amount of interest eligible for capitalization ranged from 8.81% to 8.91% and 5.87% to 9.20% in 2024 and 2023, respectively. The unamortized capitalized borrowing costs amounted to P39 and P42 as at December 31, 2024 and 2023, respectively.

Goodwill, licenses and trademarks and brand names with indefinite lives acquired through business combinations, have been allocated to individual cash-generating units, for impairment testing as follows:

	2024		2023	
	Goodwill	Licenses, Trademarks and Brand Names	Goodwill	Licenses, Trademarks and Brand Names
Energy	P69,944	P -	P69,944	P -
Cement	53,923	-	53,590	-
Fuel and oil	30,757	-	30,118	-
Infrastructure	23,105	-	21,950	-
Food and beverage	3,639	2,460	3,639	2,349
Packaging	3,552	-	3,476	-
Others	74	-	74	-
Total	P184,994	P2,460	P182,791	P2,349

The recoverable amount of goodwill has been determined based on fair value less costs to sell or a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources. Cash flows beyond the five-year period are extrapolated using a constant growth rate determined per individual cash-generating unit to arrive at its terminal value. The growth rates used, which range from 1.00% to 10.19% and 2.88% to 8.82% in 2024 and 2023, respectively, are based on strategies developed for each business and include the Group's expectations of market developments and past historical performance. The discount rates applied to after tax cash flow projections ranged from 6% to 10% and 6% to 11% in 2024 and 2023, respectively. The discount rate also imputes the risk of the cash-generating units compared to the respective risk of the overall market and equity risk premium. The recoverable amount of goodwill has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique (Note 4).

No impairment loss was recognized for goodwill in 2024. Impairment loss recognized in 2023 and 2022 amounted to P188 and P789, respectively (Note 32).

The recoverable amount of licenses, trademarks and brand names has been determined based on a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources. Cash flows beyond the five-year period are extrapolated using a determined constant growth rate to arrive at its terminal value. The growth rates used, which range from 2% to 12% and 2% to 5% in 2024 and 2023, respectively are based on strategies developed for each business and include the Group's expectations of market developments and past historical performance. The discount rates applied to after tax cash flow projections ranged from 7% to 12% in 2024 and 2023. The recoverable amount of trademarks and brand names has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique (Note 4).

Management's calculations are updated to reflect the most recent developments as at the reporting date. Management's expectations reflect performance to date and are based on its experience in times of recession and consistent with the assumptions that a market participant would make.

No impairment loss was recognized for licenses, trademarks and brand names in 2024, 2023 and 2022.

Other than the items on which impairment losses were already recognized, management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

- *Gross Margins.* Gross margins are based on average values achieved in the period immediately before the budget period. These are increases over the budget period for anticipated efficiency improvements. Values assigned to key assumptions reflect past experience, except for efficiency improvement.

- *Discount Rates.* The Group uses the weighted-average cost of capital as the discount rate, which reflects management's estimate of the risk specific to each unit. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.
- *Raw Material Price Inflation.* Consumer price forecast is obtained from indices during the budget period from which raw materials are purchased. Values assigned to key assumptions are consistent with external sources of information.

As at December 31, 2024 and 2023, certain other intangible assets amounting to P96,021 and P97,715, respectively, were pledged as security for syndicated project finance loans (Note 21).

18. Other Noncurrent Assets

Other noncurrent assets consist of:

	<i>Note</i>	2024	2023
Contract assets		P56,028	P39,138
Advances to contractors and suppliers		27,005	33,053
Deferred containers - net	4	20,643	17,484
Noncurrent receivables and deposits - net	4, 5, 8, 33, 34, 39, 40	8,797	9,181
Restricted cash	4, 39, 40	5,400	4,443
Deposits on land for future development		4,987	5,311
Derivative assets - noncurrent	3, 39, 40	1,584	301
Idle assets	4	1,296	2,610
Noncurrent prepaid expense		527	1,498
Catalyst		515	629
Noncurrent prepaid rent		299	180
Deferred exploration and development costs	4	92	76
Retirement assets	35	77	39
Noncurrent prepaid input tax		66	115
Others		2,334	4,671
		P129,650	P118,729

The movements in deferred containers - net are as follows:

	Note	2024	2023
Gross Carrying Amount			
Balance at beginning of year		P38,601	P35,240
Additions		11,355	5,563
Disposals/retirement/reclassifications		(3,673)	(2,235)
Currency translation adjustments		1	33
Balance at end of year		46,284	38,601
Accumulated Depreciation			
Balance at beginning of year		20,189	16,691
Depreciation	28	4,834	4,128
Disposals/retirement/reclassifications		69	(623)
Currency translation adjustments		4	(7)
Balance at end of year		25,096	20,189
Accumulated Impairment			
Balance at beginning of year		928	1,092
Impairment	27, 32	-	487
Disposals/reclassifications		(383)	(652)
Currency translation adjustments		-	1
Balance at end of year		545	928
		P20,643	P17,484

Contract assets mainly represent costs related to the development of the MRT 7 Project (Note 34). The difference between the additions in contract assets presented in the consolidated statements of cash flows and additions to contract assets represent noncash items such as capitalized borrowing cost, amortization of right-of-use assets and interest on lease liabilities.

In 2024, Petron reassessed its accounting policy for LPG cylinders which had previously been recognized as an outright expense. Petron considered its legal ownership of LPG cylinders, compliance with regulatory requirements under the LPG Industry Regulation Act and alignment with the recent interpretation of the SEC on the matter. The LPG cylinders were recognized as part of "Deferred containers - net" account amounting to P3,176, presented as part of "Additions".

Noncurrent receivables and deposits include amounts owed by related parties amounting to P4,412 and P4,410 as at December 31, 2024 and 2023, respectively (Note 33) and are presented net of allowance for impairment losses amounting to P590 and P567 as at December 31, 2024 and 2023, respectively (Note 4).

Restricted cash represents:

- MPCL's cash flow waterfall accounts and environmental guarantee fund amounting to P2,974 and P2,645 as at December 31, 2024 and 2023, respectively;
- LPI's cash flow waterfall accounts amounting to P1,654 and P1,204 as at December 31, 2024 and 2023, respectively;
- Cash in bank maintained by NCC and SCII in accordance with the specific purpose and term as required under its loan agreement, amounting to P554 and P273 as at December 31, 2024 and 2023, respectively;

- iv. Deposit in escrow by ESCPI to settle the remaining unpaid creditors under the Court-approved Rehabilitation Plan with Final Registry of Claims amounting to P141 as at December 31, 2023. On May 6, 2024, the escrow fund has been closed;
- v. Rehabilitation funds established by NCC, ECC and EERI in compliance with DENR Administrative Order No. 2005-07 for environmental protection and enhancement amounting to P162 and P130 as at December 31, 2024 and 2023, respectively; and
- vi. Deposit in escrow by ECC for a pending legal case amounting to P56 and P50 as at December 31, 2024 and 2023, respectively.

The methods and assumptions used to estimate the fair values of noncurrent receivables and deposits, and restricted cash are discussed in Note 40.

“Others” include marketing assistance to dealers and other noncurrent prepaid expenses.

19. Loans Payable

Loans payable consist of:

	<i>Note</i>	2024	2023
Parent Company			
Peso-denominated		P49,903	P21,300
Foreign currency-denominated		17,323	-
Subsidiaries			
Peso-denominated		201,697	180,123
Foreign currency-denominated		24,307	13,458
	<i>38, 39, 40</i>	P293,230	P214,881

Loans payable mainly represent unsecured Peso and foreign currency-denominated amounts obtained from local and foreign banks. Interest rates per annum for Peso-denominated loans ranged from 3.96% to 8.32% and from 3.50% to 7.85% in 2024 and 2023, respectively. Interest rates per annum for foreign currency-denominated loans ranged from 3.96% to 8.00% and 3.71% to 7.53% in 2024 and 2023, respectively (Note 30).

Loans payable include interest-bearing amounts payable to BankCom amounting to P6,941 and P6,382 as at December 31, 2024 and 2023, respectively (Note 33).

20. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of:

	Note	2024	2023
Non-trade	5	P135,297	P94,354
Trade	34	120,062	102,717
Customers' deposits		14,101	9,245
Accrued interest payable		6,215	5,653
Accrued payroll		6,105	6,245
Amounts owed to related parties	33	2,066	1,555
Derivative liabilities	39, 40	1,890	908
Deferred liability on consumer loyalty program		831	747
Current portion of IRO	4	581	320
Retention payable		406	249
Retirement liabilities	35	170	101
Deferred rent income		77	58
Redeemable preferred shares	4	19	19
Others		1,218	884
	39, 40	P289,038	P223,055

Trade payables are non-interest bearing and are generally on a 30 to 60-day term.

Non-trade payables include guarantee deposits, utilities, rent and other expenses payable to third parties.

Redeemable Preferred Shares. These represent the preferred shares of TADHC issued in 2010. The preferred shares are cumulative, non-voting, redeemable and with liquidation preference. The shares are preferred as to dividends, which are given in the form of coupons, at the rate of 90% of the applicable base rate (i.e., one year Bloomberg Valuation or BVAL). The dividends are cumulative from and after the date of issue of the preferred shares, whether or not in any period the amount is covered by available unrestricted retained earnings.

The preferred shares are required to be redeemed at the end of the ten-year period from and after the issuance of the preferred shares by paying the principal amount, plus all unpaid coupons (at the sole option of TADHC, the preferred shares may be redeemed earlier in whole or in part).

In the event of liquidation, dissolution, bankruptcy or winding up of the affairs of TADHC, the holders of the preferred shares are entitled to be paid in full, an amount equivalent to the issue price of such preferred shares plus all accumulated and unpaid dividends up to the current dividend period or proportionately to the extent of the remaining assets of TADHC, before any assets of TADHC will be paid or distributed to the holders of the common shares.

As at December 31, 2024 and 2023, the preferred shares remain outstanding as other requirements prior to redemption are pending from the shareholders.

"Others" include ARO, accruals for materials, repairs and maintenance, advertising, handling, contracted labor, supplies and various other payables.

The methods and assumptions used to estimate the fair value of derivative liabilities are discussed in Note 40.

21. Long-term Debt

Long-term debt consists of:

	2024	2023
Parent Company		
Peso-denominated Bonds:		
Fixed interest rate of 7.4458%, 7.8467% and 8.4890% maturing in 2028, 2029 and 2032, respectively (a)	P59,446	P59,299
Fixed interest rate of 5.2704% and 5.8434% maturing in 2027 and 2029, respectively (b)	29,758	29,699
Fixed interest rate of 7.2584% and 7.7197% maturing in 2031 and 2034, respectively (c)	19,748	-
Fixed interest rate of 7.465% maturing in 2027 (d)	18,652	29,762
Fixed interest rate of 6.625%, 5.7613% and 7.125% maturing in 2025, 2027 and 2028, respectively (e)	12,835	30,087
Peso-denominated Term Notes:		
Fixed interest rate of 6.9375% with maturities up to 2026 (f)	15,089	15,231
Fixed interest rate of 7.4998% with maturities up to 2029 (g)	5,104	5,148
Foreign currency-denominated Term Notes:		
Fixed interest rate of 6.55% maturing in 2028 (h)	8,630	8,247
Fixed interest rate of 6.68%, maturing in 2029 (i)	8,619	-
Floating interest rate based on Secured Overnight Financing Rate (SOFR) plus margin, maturing in 2029 (j)	112,973	-
Floating interest rate based on SOFR plus margin, with maturities up to 2035 (k)	108,534	81,332
Floating interest rate based on SOFR plus margin, maturing in 2028 (l)	75,553	71,892
Floating interest rate based on SOFR plus margin, maturing in 2026 (m)	51,564	49,074
Floating interest rate based on SOFR plus margin, maturing in 2027 (n)	40,016	38,099
Floating interest rate based on SOFR plus margin, maturing in 2028 (o)	17,054	16,244
Floating interest rate based on SOFR plus margin, maturing in 2028 (p)	16,987	16,166
Floating interest rate based on SOFR plus margin, maturing in 2028 (q)	11,369	10,837
Floating interest rate based on SOFR plus margin, maturing in 2026 (r)	5,751	5,488
Floating interest rate based on SOFR plus margin, maturing in 2027 (s)	5,748	5,487
Floating interest rate based on SOFR plus margin, maturing in 2029 (t)	2,864	-
Floating interest rate based on SOFR plus margin (u)	-	110,301
	626,294	582,393

Forward

	2024	2023
Subsidiaries		
Peso-denominated Bonds:		
Fixed interest rate of 5.9077%, 7.1051% and 8.0288% maturing in 2025, 2028 and 2032, respectively (v)	P39,650	P39,560
Fixed interest rate of 6.4783%, 6.7026% and 6.9331% maturing in 2030, 2031 and 2034, respectively (w)	34,529	-
Fixed interest rate of 3.4408% and 4.3368% maturing in 2025 and 2027, respectively (x)	17,917	17,869
Fixed interest rate of 5.05% and 5.25% maturing in 2025 and 2027, respectively (y)	14,963	14,927
Fixed interest rate of 7.60% maturing in 2026 (z)	6,902	16,111
Fixed interest rate of 8.0551% maturing in 2025 (aa)	6,788	19,948
Fixed interest rate of 5.1792% maturing in 2026 (ab)	4,746	4,740
Fixed interest rate of 6.625% maturing in 2027 (ac)	3,594	10,056
Fixed interest rate of 6.4872% maturing in 2025 (ad)	2,498	2,494
Fixed interest rate of 6.00% (ae)	-	2,537
Peso-denominated Term Notes:		
Fixed interest rate of 8.2104% and 7.7497% with maturities up to 2033 (af)	38,503	27,538
Fixed interest rate of 7.5758% and 8.0808% with maturities up to 2034 (ag)	31,854	-
Fixed interest rate of 6.2836%, 6.5362% and 7.3889% with maturities up to 2029 (ah)	29,415	32,497
Fixed interest rate of 7.1913% with maturities up to 2033 (ai)	28,625	29,791
Fixed interest rate of 8.7118% with maturities up to 2027 (aj)	17,731	22,832
Fixed interest rate of 8.2443% with maturities up to 2030 (ak)	13,410	14,643
Fixed interest rate of 3.80%, 3.875%, 3.95% and 4.15% with maturities up to 2028 (al)	11,894	11,897
Fixed interest rate of 4.8356% with maturities up to 2031 (am)	11,246	12,239
Fixed interest rate of 6.8412% and 6.5323% maturing in 2027 (an)	9,951	9,937
Fixed interest rate of 6.5716% and 6.5719% with maturities up to 2031 (ao)	9,925	-
Fixed interest rate of 7.5758% with maturities up to 2032 (ap)	9,883	-
Fixed interest rate of 7.3232% maturing in 2032 (aq)	9,873	-
Fixed interest rate of 7.7632% with maturities up to 2029 (ar)	9,684	-
Fixed interest rate of 3.5483% with maturities up to 2029 (as)	9,662	9,804
Fixed interest rate of 5.6276% with maturities up to 2029 (at)	8,173	9,355
Fixed interest rate of 7.968% and 8.541% maturing in 2028 (au)	7,451	7,439
Fixed interest rate of 4.6332% and 5.7513% maturing in 2025 and 2027, respectively (av)	6,986	6,972

Forward

	2024	2023
Fixed interest rate of 3.846% maturing in 2026 (aw)	P6,981	P6,970
Fixed interest rate of 7.4941% with maturities up to 2029 (ax)	6,959	-
Fixed interest rate of 5.00% with maturities up to 2025 (ay)	4,819	4,854
Fixed interest rate of 7.1663% with maturities up to 2027 (az)	4,483	4,975
Fixed interest rate of 7.4206% with maturities up to 2027 (ba)	3,114	4,356
Fixed interest rate of 7.5496% with maturities up to 2027 (bb)	3,114	4,355
Fixed interest rate of 8.1711%, 8.449%, 9.028% and 9.635% with maturities up to 2030 (bc)	3,011	3,342
Fixed interest rate of 6.492% maturing in 2025 (bd)	2,370	2,366
Fixed interest rate of 4.20% maturing in 2026 (be)	1,995	1,992
Fixed interest rate of 3.284% with maturities up to 2026 (bf)	1,889	1,940
Fixed interest rate of 5.1657% with maturities up to 2025 (bg)	1,500	2,232
Fixed interest rate of 4.59% with maturities up to 2025 (bh)	625	1,873
Fixed interest rate of 6.8672% maturing in 2025 (bi)	624	622
Fixed interest rate of 7.3725%, 7.0071%, 6.8047% and 6.6224% maturing in 2033 (bj)	129	-
Fixed interest rate of 5.556%, 5.825% and 5.997% (bk)	-	32,809
Fixed interest rate of 6.9265% (bl)	-	14,091
Fixed interest rate of 4.63% (bm)	-	9,983
Fixed interest rate of 5.5276% (bn)	-	1,606
Floating interest rate based on BVAL plus margin, with maturities up to 2038 (bo)	30,255	14,086
Floating interest rate based on BVAL plus margin, or Bangko Sentral ng Pilipinas (BSP) Term Deposit Auction Facility (BSP TDF) plus margin, whichever is higher, with maturities up to 2029 (as)	7,729	7,842
Floating interest rate based on BVAL plus margin, with maturities up to 2030 (bp)	6,050	7,187
Floating interest rate based on BVAL plus margin, with maturities up to 2029 (bq)	4,969	-
Floating interest rate based on BVAL plus margin, or BSP Overnight Lending Facility Rate plus margin, whichever is higher, with maturities up to 2030 (br)	4,199	3,852
Floating interest rate based on BVAL plus margin (bs)	-	19,877
Floating interest rate based on BVAL plus margin (bt)	-	586

Forward

	Note	2024	2023
Foreign currency-denominated Term Notes:			
Fixed interest rate of 8.331% with maturities up to 2030 (bu)		P16,494	P17,079
Floating interest rate based on SOFR plus margin, with maturities up to 2029 (bv)		28,347	-
Floating interest rate based on SOFR plus margin, with maturities up to 2027 (bw)		27,118	36,245
Floating interest rate based on SOFR plus margin, maturing in 2026 (bx)		17,249	16,421
Floating interest rate based on SOFR plus margin, maturing in 2027 (by)		17,085	16,249
Floating interest rate based on SOFR plus margin, maturing in 2027 (bz)		16,954	-
Floating interest rate based on SOFR plus margin, with maturities up to 2028 (ca)		10,227	12,172
Floating interest rate based on SOFR plus margin, maturing in 2025 (cb)		5,770	5,484
Floating interest rate based on SOFR plus margin, with maturities up to 2030 (bu)		5,428	5,621
Floating interest rate based on SOFR plus margin, maturing in 2025 (cc)		2,880	2,719
Floating interest rate based on Bank Bill Swap Rate (BBSY) plus margin, with maturities up to 2027 (cd)		1,603	-
Floating interest rate based on Tokyo Overnight Average Rate (TONA) plus margin, with maturities up to 2025 (ce)		788	2,512
Floating interest rate based on BBSY plus margin, with maturities up to 2027 (cf)		324	359
Floating interest rate based on BBSY plus margin, with maturities up to 2026 (cg)		40	77
Floating interest rate based on SOFR plus margin (ch)		-	10,993
Floating interest rate based on SOFR plus margin (ci)		-	5,487
Floating interest rate based on BBSY plus margin (cj)		-	1,791
		640,975	608,191
	38, 39, 40	1,267,269	1,190,584
Less current maturities		94,123	236,798
		P1,173,146	P953,786

- a. The amount represents the P60,000 fixed rate bonds issued by the Parent Company consisting of: (i) five-year and three months Series L Bonds, due in 2028 with an interest rate of 7.4458% per annum; (ii) seven-year Series M Bonds, due in 2029 with an interest rate of 7.8467% per annum; and (iii) ten-year Series N Bonds, due in 2032 with an interest rate of 8.4890% per annum. The Bonds were listed on the Philippine Dealing & Exchange Corp. (PDEX). Interest is payable every 14th of March, June, September and December of each year.

The proceeds of the issuance of the bonds were used for: (i) the optional redemption of the Parent Company's Series "2" Preferred Shares - Subseries "2-H"; (ii) the repayment of the Peso-denominated short-term loan facilities that were used to pay the Series A and Series D Bonds; (iii) the payment of Series E Bonds; and (iv) the refinancing of certain US Dollar-denominated obligations.

Unamortized debt issue costs amounted to P554 and P701 as at December 31, 2024 and 2023, respectively.

- b. The amount represents the first tranche of the P60,000 Shelf Registered Fixed Rate Bonds issued by the Parent Company amounting to P30,000. The Bonds were listed on the PDEX.

The first tranche of the fixed rate bonds listed on March 4, 2022, consists of: (i) five-year Series J Bonds, due in 2027 with an interest rate of 5.2704% per annum; and (ii) seven-year Series K Bonds, due in 2029 with an interest rate of 5.8434% per annum. Interest is payable every 4th of March, June, September and December of each year.

The proceeds of the issuance of the bonds were used for refinancing the Parent Company's short-term loan facilities and other general corporate purposes.

Unamortized debt issue costs amounted to P242 and P301 as at December 31, 2024 and 2023, respectively.

- c. The amount represents the first tranche of the P50,000 Shelf Registered Fixed Rate Bonds issued by the Parent Company amounting to P20,000. The Bonds were listed on the PDEX.

The first tranche of the fixed rate bonds listed on July 3, 2024, consists of: (i) six-year and six months Series O Bonds, due in 2031 with an interest rate of 7.2584% per annum; and (ii) ten-year Series P Bonds, due in 2034 with an interest rate of 7.7197% per annum. Interest is payable every 3rd of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used for the partial payment of Series I Bonds and the remaining balance will be used for additional investment in the Manila International Airport (MIA) Project and other airport-related projects in Bulacan and the repayment of Series F Bonds on March 19, 2025.

Unamortized debt issue costs amounted to P252 as at December 31, 2024.

- d. The amount represents the first tranche of the P50,000 Shelf Registered Fixed Rate Bonds issued by the Parent Company amounting to P30,000. The Bonds were listed on the PDEX.

The first tranche of the fixed rate bonds listed on July 8, 2021, comprises six-year Series I Bonds, due in 2027 with an interest rate of 3.3832% per annum and with a put option on the part of the bondholder on the third anniversary of its issue date. Interest is payable every 8th of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used to repay existing obligations.

The Parent Company partially paid P11,240 on July 8, 2024, as a result of the Put Option Exercise by the exercising Series I Bondholders. The remaining balance of the Series I Fixed Rate Peso-denominated Bonds was repriced at 7.465% per annum from 3.3832% per annum effective July 8, 2024, until maturity on July 8, 2027.

Unamortized debt issue costs amounted to P108 and P238 as at December 31, 2024 and 2023, respectively.

- e. The amount represents the first, second, third and fourth tranche of the P60,000 Shelf Registered Fixed Rate Bonds issued by the Parent Company amounting to P20,000, P10,000, P20,000 and P10,000, respectively. The Bonds were listed on the PDEX.
- The first tranche of the fixed rate bonds listed on March 1, 2017 amounting to P20,000 consists of: (i) five-year Series A Bonds, due in 2022 with an interest rate of 4.8243% per annum; (ii) seven-year Series B Bonds, due in 2024 with an interest rate of 5.284% per annum; and (iii) ten-year Series C Bonds, due in 2027 with an interest rate of 5.7613% per annum. Interest is payable every 1st of March, June, September and December of each year.
 - The second tranche of the fixed rate bonds listed on April 7, 2017 amounting to P10,000 comprises five-year Series D Bonds, due in 2022 with an interest rate of 5.1923% per annum. Interest is payable every 7th of January, April, July and October of each year.
 - The third tranche of the fixed rate bonds listed on March 19, 2018 amounting to P20,000 consists of: (i) five-year Series E Bonds, due in 2023 with an interest rate of 6.25% per annum; (ii) seven-year Series F Bonds, due in 2025 with an interest rate of 6.625% per annum; and (iii) ten-year Series G Bonds, due in 2028 with an interest rate of 7.125% per annum. Interest is payable every 19th of March, June, September and December of each year.
 - The fourth tranche of the fixed rate bonds listed on October 4, 2019 amounting to P10,000 comprises five-year Series H Bonds, due in 2024 with an interest rate of 5.55% per annum. Interest is payable every 4th of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used to partially refinance various loans.

The Parent Company paid the P6,683 Series A Bonds, P10,000 Series D Bonds, P13,146 Series E Bonds, P7,294 Series B Bonds and P10,000 Series H Bonds on March 1, 2022, April 7, 2022, March 20, 2023, March 1, 2024 and October 4, 2024, respectively.

Unamortized debt issue costs amounted to P42 and P84 as at December 31, 2024 and 2023, respectively.

- f. The amount represents the drawdown by the Parent Company on June 24, 2019 from its term loan facility amounting to P16,000. The loan is amortized over seven years and is subject to a fixed interest rate of 6.9375% per annum payable quarterly. The proceeds of the loan were used for general corporate purposes.

The Parent Company paid the scheduled amortizations amounting to P880 and P720 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P31 and P49 as at December 31, 2024 and 2023, respectively.

- g. The amount represents the drawdown by the Parent Company on June 30, 2023 from its term loan facility amounting to P5,200. The loan is amortized over six years and is subject to a fixed interest rate of 7.4998% per annum payable semi-annually and with a put option on the part of the lender on the third anniversary of the first drawdown date. The proceeds of the loan were used for the refinancing of Corona Virus Disease 2019 response activities during the period 2020 to 2022.

The Parent Company paid the scheduled amortization amounting to P52 as at December 31, 2024.

Unamortized debt issue costs amounted to P44 and P52 as at December 31, 2024 and 2023, respectively.

- h. The amount represents the drawdown by the Parent Company on July 31, 2023 from its term loan facility amounting to US\$150. The term of the loan is for five years and is subject to a fixed interest rate of 6.55% per annum, payable quarterly. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P47 and P59 as at December 31, 2024 and 2023, respectively.

- i. The amount represents the drawdown by the Parent Company on May 17, 2024 from its term loan facility amounting to US\$150. The term of the loan is for five years and is subject to a fixed interest rate of 6.68% per annum, payable quarterly. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P58 as at December 31, 2024.

- j. The amount represents the drawdown by the Parent Company on September 27, 2024 from its term loan facility amounting to US\$2,000. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used to refinance the matured loans drawn by the Parent Company amounting to US\$50 and US\$1,950 on December 27, 2019 and March 19, 2020, respectively.

Unamortized debt issue costs amounted to P2,717 as at December 31, 2024.

- k. The amount represents the drawdown by the Parent Company of US\$1,903 on various dates in 2024, 2023 and 2022 from its US\$2,165 term loan facility. The term of the loan is for 13 years and is subject to a floating interest rate. The proceeds of the loan were used to fund the land development works of the MIA Project in Bulacan.

Unamortized debt issue costs amounted to P1,535 and P1,348 as at December 31, 2024 and 2023, respectively.

- l. The amount represents the drawdown by the Parent Company of US\$1,330 on various dates in 2023 from its term loan facility. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P1,381 and P1,750 as at December 31, 2024 and 2023, respectively.

- m. The amount represents the drawdown by the Parent Company on various dates in 2022 and 2021 from its term loan facility amounting to US\$900. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P497 and P759 as at December 31, 2024 and 2023, respectively.

- n. The amount represents the drawdown by the Parent Company on various dates in 2022 from its term loan facility amounting to US\$700. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P475 and P660 as at December 31, 2024 and 2023, respectively.

- o. The amount represents the drawdown by the Parent Company on September 20, 2023 from its term loan facility amounting to US\$300. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used to refinance a total of US\$300 term loans availed in 2018.

Unamortized debt issue costs amounted to P300 and P367 as at December 31, 2024 and 2023, respectively.

- p. The amount represents the drawdown by the Parent Company of US\$200 and US\$100 on November 15 and 24, 2023, respectively, from its term loan facility amounting to US\$300. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P367 and P445 as at December 31, 2024 and 2023, respectively.

- q. The amount represents the drawdown by the Parent Company on July 10, 2023 from its term loan facility amounting to US\$200. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P200 and P237 as at December 31, 2024 and 2023, respectively.

- r. The amount represents the drawdown by the Parent Company on December 23, 2021 from its term loan facility amounting to US\$100. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P33 and P49 as at December 31, 2024 and 2023, respectively.

- s. The amount represents the drawdown by the Parent Company on August 2, 2022 from its term loan facility amounting to US\$100. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P36 and P50 as at December 31, 2024 and 2023, respectively.

- t. The amount represents the drawdown by the Parent Company on August 2, 2024 from its term loan facility amounting to US\$50. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P28 as at December 31, 2024.

- u. The amount represents the drawdown by the Parent Company of US\$50 and US\$1,950 on December 27, 2019 and March 19, 2020, respectively, from its term loan facility amounting to US\$2,000. The term of the loan is for five years and is subject to a floating interest rate based on SOFR plus margin. Effective June 30, 2023 the benchmark rate of US Dollar-denominated loans was changed from London Interbank Offered Rate (LIBOR) to SOFR. The proceeds of the loan were used for general corporate purposes.

The loan was fully paid on September 27, 2024.

Unamortized debt issue costs amounted to P439 as at December 31, 2023.

- v. The amount represents the first tranche of the P60,000 Shelf Registered Fixed Rate Bonds issued by San Miguel Global Power amounting to P40,000 on July 26, 2022. The Bonds were listed on the PDEX.

The Bonds consists of: (i) three-year Series K Bonds due in 2025 with an interest rate of 5.9077% per annum; (i) five-year and nine months Series L Bonds due in 2028 with an interest rate of 7.1051% per annum; and, (iii) ten-year Series M Bonds due in 2032 with an interest rate of 8.0288% per annum. Interest is payable every 26th of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used: (i) to partially finance San Miguel Global Power's investments in power-related assets, particularly the LNG projects and related assets, coal power plant projects, Battery Energy Storage Systems (BESS) and solar power plant projects; (ii) for general corporate purposes; and (iii) for payment of transaction-related fees, costs and expenses.

Unamortized debt issue costs amounted to P350 and P440 as at December 31, 2024 and 2023, respectively.

- w. The amount represents the P35,000 fixed rate bonds issued by SMC Tollways on December 5, 2024, divided into: (i) five-year and three months Series A Bonds, due in 2030 with an interest rate of 6.4783% per annum; (ii) seven-year Series B Bonds, due in 2031 with an interest rate of 6.7026% per annum; and, (iii) ten-year Series C Bonds, due 2034 with an interest rate of 6.9331% per annum. Interest is payable every 5th of March, June, September and December of each year. The Bonds were listed on the PDEX.

The proceeds of the issuance of the bonds were used for the prepayment of existing indebtedness and to fund capital expenditure requirements of the Skyway Project and the SMC Skyway Stage 3 Project.

Unamortized debt issue costs amounted to P471 as at December 31, 2024.

- x. The amount represents the first tranche of the P50,000 Shelf Registered Fixed Rate Bonds issued by Petron on October 12, 2021 amounting to P18,000. The Bonds were listed on the PDEX.

The first tranche of the fixed rate bonds amounting to P18,000, consist of four-year Series E Bonds, due in 2025 with an interest rate of 3.4408% per annum and six-year Series F Bonds, due in 2027 with an interest rate of 4.3368% per annum. Interest is payable every 12th of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used primarily for the redemption of its outstanding Series A Bonds, partial financing of the power plant project and payment of existing indebtedness.

Unamortized debt issue costs amounted to P83 and P131 as at December 31, 2024 and 2023, respectively.

- y. The amount represents the P15,000 fixed rate bonds issued by SMFB on March 10, 2020, divided into five-year Series A Bonds, due in 2025 with an interest rate of 5.05% per annum, and seven-year Series B Bonds, due in 2027 with an interest rate of 5.25% per annum. Interest is payable every 10th of March, June, September and December of each year. The Bonds were listed on the PDEX.

The proceeds of the issuance of the bonds were used to redeem the outstanding Series "2" Perpetual Preferred Shares of SMFB and payment of transaction-related fees, costs and expenses.

Unamortized debt issue costs amounted to P37 and P73 as at December 31, 2024 and 2023, respectively.

- z. The amount represents the first tranche of the P60,000 Shelf Registered Fixed Rate Bonds issued by San Miguel Global Power amounting to P30,000 on April 24, 2019. The Bonds were listed on the PDEX.

The Bonds consist of: (i) three-year Series H Bonds, due in 2022 with an interest rate of 6.8350% per annum; (ii) five-year Series I Bonds, due in 2024 with an interest rate of 7.1783% per annum; and, (iii) seven-year Series J Bonds, due in 2026 with an interest rate of 7.60% per annum. Interest is payable every 24th of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used for refinancing of maturing long-term and short-term loans, investments in power-related assets and payment of transaction-related expenses.

San Miguel Global Power paid the P13,845 Series H Bonds and P9,232 Series I Bonds on April 25, 2022 and April 24, 2024, respectively.

Unamortized debt issue costs amounted to P21 and P44 as at December 31, 2024 and 2023, respectively.

aa. The amount represents the first and second tranche of the P40,000 Shelf Registered Fixed Rate Bonds issued by Petron amounting to P20,000 and P20,000 on October 27, 2016 and October 19, 2018, respectively. The Bonds were listed on the PDEX.

- The first tranche of the fixed rate bonds listed on October 27, 2016 amounting to P20,000, consists of: (i) five-year Series A Bonds, due in 2021 with an interest rate of 4.0032% per annum; and, (ii) seven-year Series B Bonds, due in 2023 with an interest rate of 4.5219% per annum. Interest is payable every 27th of January, April, July and October of each year.
- The second tranche of the fixed rate bonds listed on October 19, 2018 amounting to P20,000, consists of: (i) five-year and six months Series C Bonds, due in 2024 with an interest rate of 7.8183% per annum; and, (ii) seven-year Series D Bonds, due in 2025 with an interest rate of 8.0551% per annum. Interest is payable every 19th of January, April, July and October of each year.

The proceeds of the first tranche were used to partially settle the US\$475 and US\$550 Term Loan, repay short-term loans and for general corporate purposes.

The proceeds of the second tranche were used for the payment of short-term loans, redemption of a portion of Petron's Undated Subordinated Capital Securities (USCS) and for general corporate purposes.

Petron paid the P13,000 Series A Bonds, P7,000 Series B Bonds, and P13,200 Series C Bonds on October 27, 2021, October 27, 2023 and April 19, 2024, respectively.

Unamortized debt issue costs amounted to P12 and P52 as at December 31, 2024 and 2023, respectively.

ab. The amount represents the P15,000 fixed rate bonds issued by San Miguel Global Power on July 11, 2016, divided into: (i) five-year Series A Bonds, due in 2021 with an interest rate of 4.3458% per annum; (ii) seven-year Series B Bonds, due in 2023 with an interest rate of 4.7575% per annum; and, (iii) ten-year Series C Bonds, due in 2026 with an interest rate of 5.1792% per annum. Interest is payable every 11th of January, April, July and October of each year. The Bonds were listed on the PDEX.

The proceeds of the issuance of the bonds were used to refinance the US\$300 short-term loan that matured on July 25, 2016, which were used for the redemption of the US\$300 bond in January 2016.

San Miguel Global Power paid the P6,154 Series A Bonds and P4,090 Series B Bonds on July 12, 2021 and July 11, 2023, respectively.

Unamortized debt issue costs amounted to P10 and P16 as at December 31, 2024 and 2023, respectively.

- ac. The amount represents the first and second tranche of the P35,000 Shelf Registered Fixed Rate Bonds issued by San Miguel Global Power amounting to P20,000 and P15,000 on December 22, 2017 and August 17, 2018, respectively. The Bonds were listed on the PDEX.

- The first tranche of the fixed rate bonds listed on December 22, 2017 amounting to P20,000, consists of: (i) five-year Series D Bonds, due in 2022 with an interest rate of 5.375% per annum; (ii) seven-year Series E Bonds, due in 2024 with an interest rate of 6.25% per annum; and (iii) ten-year Series F Bonds, due in 2027 with an interest rate of 6.625% per annum. Interest is payable every 22nd of March, June, September and December of each year.
- The second tranche of the fixed rate bonds listed on August 17, 2018 amounting to P15,000 pertains to the five-year Series G Bonds, due in 2023 with an interest rate of 6.75% per annum. Interest is payable every 17th of February, May, August and November of each year.

The proceeds of the first tranche were used to refinance Peso-denominated short-term loans.

The proceeds of the second tranche were used to refinance the outstanding shareholder advances and partially refinance existing US Dollar-denominated loan obligations and payment of transaction-related expenses.

San Miguel Global Power paid the P9,913 Series D Bonds, P15,000 Series G Bonds, and P6,478 Series E Bonds on December 22, 2022, August 17, 2023, and December 23, 2024, respectively.

Unamortized debt issue costs amounted to P15 and P31 as at December 31, 2024 and 2023, respectively.

- ad. The amount represents the P7,300 fixed rate bonds issued by SMC SLEX on May 22, 2015, divided into: (i) five-year and three months Series A Bonds, due in 2020 with an interest rate of 4.9925% per annum; (ii) seven-year Series B Bonds, due in 2022 with an interest rate of 5.5796% per annum; and, (iii) ten-year Series C Bonds, due in 2025 with an interest rate of 6.4872% per annum. Interest is payable every 22nd of February, May, August and November of each year. The Bonds were listed on the PDEX.

The proceeds of the issuance of bonds were used to prepay the Peso-denominated Corporate Notes drawn in 2012.

SMC SLEX paid the P2,400 Series B Bonds and the P2,400 Series A Bonds on May 22, 2022 and August 24, 2020, respectively.

Unamortized debt issue costs amounted P2 and P6 as at December 31, 2024 and 2023, respectively.

- ae. The amount represents the P15,000 fixed rate bonds issued by SMB on April 2, 2014, divided into: (i) seven-year Series G Bonds, due in 2021 with an interest rate of 5.50% per annum; and (ii) ten-year Series H Bonds, due in 2024 with an interest rate of 6.00% per annum. Interest is payable every 2nd of April and October of each year. The Bonds were listed on the PDEX.

The proceeds of the issuance of Series G Bonds and Series H Bonds were used to partially refinance the payment of Series B Bonds.

SMB paid the P12,462 Series G Bonds and the P2,538 Series H Bonds on April 5, 2021 and April 2, 2024, respectively.

Unamortized debt issue costs amounted to P1 as at December 31, 2023.

- af. The amount represents the drawdown by SMGP BESS from its P40,000 term loan facility on October 27, 2023, and March 25, 2024 amounting to P28,000 and P12,000, respectively. The loan is subject to a fixed interest rate of 8.2104% and 7.7497% per annum and payable quarterly up to October 2033. The proceeds of the loan were used for the purchase of outstanding perpetual securities issued to the Parent Company and reimbursement or repayment of reimbursable advances from San Miguel Global Power, both of which were used to finance payments for interest, design, construction and the operation of its BESS projects, and cover transaction-related costs, fees and expenses.

Payments made amounted to P1,000 as December 31, 2024.

The drawdown includes payable to BankCom amounting to P5,655 and P4,060 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P497 and P462 as at December 31, 2024 and 2023, respectively.

- ag. The amount represents the drawdown by MPGC from its P32,500 Omnibus Loan and Security Agreement (OLSA) with various banks dated December 17, 2024. The loan is subject to a fixed interest rate of 7.5758% and 8.0808% per annum and payable quarterly up to December 2034. The proceeds of the loan were used to finance the Mariveles Greenfield Power Plant project.

The drawdown includes payable to BankCom amounting to P7,500 as at December 31, 2024 (Note 33).

Unamortized debt issue costs amounted to P646 as at December 31, 2024.

- ah. The amount represents the drawdown by LPI from its P44,000 OLSA with various banks dated June 22, 2017. The loan consists of Tranche A amounting to P42,000 and Tranche B amounting to P2,000 drawn on June 28, 2017 and January 31, 2018, respectively. The loan is payable quarterly up to June 2029.

The proceeds of the loan were used for the settlement of the US\$360 short-term loan, acquisition of the Phase II Limay Greenfield Power Plant, repayment of shareholder advances and payment of transaction-related fees and expenses.

Payments made amounted to P14,338 and P11,185 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P247 and P318 as at December 31, 2024 and 2023, respectively.

- ai. The amount represents the drawdown by SMEII on July 14, 2023 from its term loan facility amounting to P30,000. The loan is amortized over ten years up to May 2033 and is subject to a fixed interest rate of 7.1913% per annum. The proceeds of the loan were used for refinancing of existing short-term loan and/or other general corporate purposes.

Payment made amounted to P1,200 as at December 31, 2024.

Unamortized debt issue costs amounted to P175 and P209 as at December 31, 2024 and 2023, respectively.

- aj. The amount represents the loan drawn by MMSS3 from its P31,000 OLSA with various banks dated December 15, 2014.

The proceeds of the loan were used to partially finance the design, construction and operation and maintenance of the Skyway Stage 3 Project. The loan is payable in 35 unequal consecutive quarterly installments starting on the earlier of March 30, 2020 or one quarter after issuance of toll operation certificate by TRB. Final repayment date is 12 years after initial drawdown date.

Payments made amounted to P13,203 and P8,057 as at December 31, 2024 and 2023, respectively.

The drawdown includes payable to BankCom amounting to P2,124 and P2,738 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P66 and P111 as at December 31, 2024 and 2023, respectively.

- ak. The amount represents the loan drawn by MPI from its P21,300 12-year OLSA with various banks dated August 9, 2018.

The proceeds of the loan were used by MPI for the repayment of the short-term loan used to fund the design, construction and operation of the Davao Greenfield Power Plant and payment of transaction-related fees and expenses. On August 17, 2023, the applicable fixed interest rate on the outstanding balance of the loan facility was repriced from 6.5077% and 7.7521% to 8.2443% per annum, pursuant to the terms of the OLSA.

Payments made amounted to P7,778 and P6,481 as at December 31, 2024 and 2023, respectively.

The drawdown includes payable to BankCom amounting to P2,031 and P2,226 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P112 and P176 as at December 31, 2024 and 2023, respectively.

- al. The amount represents the loans drawn by SMB on March 30, 2021 from its loan facilities amounting to P12,000 with various banks. The loans are subject to fixed interest rates, where P10,000 and P2,000 will mature on March 30, 2026 and March 30, 2028, respectively. The proceeds of the loans were used for the payment of Series G Bonds.

Payments made amounted to P79 and P58 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P27 and P45 as at December 31, 2024 and 2023, respectively.

am. The amount represents the loan drawn by NCC on various dates in 2023, 2022 and 2021 from the P12,500 OLSA with various banks dated June 22, 2021.

The loan is subject to a fixed interest rate of 4.8356% per annum and is payable in 34 unequal quarterly installments commencing on the seventh quarter from initial advance. Final repayment date is ten years from initial advance.

The proceeds of the loan were used to partially finance the development, design, construction, completion and operation of the cement plant in Sison, Pangasinan, repay the reimbursable sponsor advances and finance the transaction costs, other taxes, costs and operation expenses and other financing costs incurred in availing the loan.

Payments made amounted to P1,125 and P100 as at December 31, 2024 and 2023, respectively.

The drawdown includes payable to BankCom amounting to P2,002 and P2,183 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P129 and P161 as at December 31, 2024 and 2023, respectively.

an. The amount represents the loan drawn by SMB amounting to P5,000 and P5,000 on December 20, 2022 and February 21, 2023 from its P10,000 term loan facility executed with a local bank on December 19, 2022. The loan is subject to fixed interest rates of 6.8412% and 6.5323% per annum for two years for loan drawn in 2022 and 2023, respectively, subject to repricing thereafter. The loan is payable in five years and four years and ten months and will mature in December 2027.

The proceeds of the loan were used to partially finance capital expenditures.

Unamortized debt issue costs amounted to P49 and P63 as at December 31, 2024 and 2023, respectively.

ao. The amount represents the loans drawn by SMB amounting to P7,000 and P3,000 from its P10,000 unsecured term loan facility executed with various local banks on December 10, 2024. The loan is subject to a fixed interest rate of 6.5716% and 6.5719% per annum for one year, subject to repricing thereafter. The loan will mature in December 2029 and December 2031.

Unamortized debt issue costs amounted to P75 as at December 31, 2024.

ap. The amount represents the drawdown by SSHCI on December 12, 2024 from its term loan facility amounting to P10,000. The loan is subject to a fixed interest rate of 7.5758% per annum and will mature on June 11, 2032. The proceeds of the loan were used to partially finance its existing debt obligations under the original loan facility.

The drawdown includes payable to BankCom amounting to P500 as at December 31, 2024 (Note 33).

Unamortized debt issue costs amounted to P117 as at December 31, 2024.

- aq. The amount represents the drawdown by SMC SLEX on December 12, 2024, from its term loan facility amounting to P10,000. The loan is subject to a fixed interest rate of 7.3232% per annum and will mature on June 11, 2032. The proceeds of the loan were used to refinance existing debt obligations.

The drawdown includes payable to BankCom amounting to P500 as at December 31, 2024 (Note 33).

Unamortized debt issue costs amounted to P127 as at December 31, 2024.

- ar. The amount represents the drawdown by San Miguel Global Power on July 19, 2024 amounting to P9,750 from its P10,000 term loan facility. The loan is subject to a fixed interest rate of 7.531% per annum and will mature in June 2029. The proceeds of the loan were used to refinance an existing loan.

Unamortized debt issue costs amounted to P66 as at December 31, 2024.

- as. The amount represents the loan drawn by SMFI amounting to P8,000 and P10,000 in 2020 and 2019, respectively, from its term loan facility amounting to P18,000. The loan is amortized for ten years and is subject to a floating interest rate based on BVAL plus margin or BSP TDF overnight rate plus margin, whichever is higher with a one-time option to convert to a fixed interest rate. The proceeds of the loan were used to refinance its existing short-term obligations, fund capital expansion projects and for other general corporate purposes.

On December 14, 2020, SMFI exercised its one-time option to convert its P10,000 loan to a fixed interest rate of 3.5483% per annum.

Payments made for the fixed interest loan amounted to P298 and P149 as at December 31, 2024 and 2023, respectively.

Payments made for the floating interest loan amounted to P238 and P119 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs for the fixed interest loan amounted to P40 and P47 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs for the floating interest loan amounted to P33 and P39 as at December 31, 2024 and 2023, respectively.

- at. The amount represents the drawdown by SMCTC on December 19, 2019 amounting to P12,000 from its P42,000 Second Amendment to the OLSA with various local banks dated December 16, 2019.

The proceeds of the loan were used for consolidation of project loans, re-leveraging the project, repayment of certain shareholder advance and partial financing of operation and maintenance of the project. The loan is payable in 39 quarterly installments commencing on the third month from initial drawdown. Final repayment date shall be ten years after receipt.

The loan is subject to repricing on the fifth year from date of initial drawdown.

Payments made amounted to P3,780 and P2,580 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P47 and P65 as at December 31, 2024 and 2023, respectively.

- au. The amount represents the drawdown by San Miguel Global Power from its P10,000 term loan facility on June 15 and August 8, 2023 amounting to P5,000 and P2,500, respectively. The loan is subject to a fixed interest rate of 7.968% per annum and will mature in June 2028. The proceeds of the loan were used to: (a) partially refinance maturing debt obligations; (b) fund general corporate purposes, including investments in LNG and BESS; and (c) cover transaction-related costs, fees and expenses.

Unamortized debt issue costs amounted to P49 and P61 as at December 31, 2024 and 2023, respectively.

- av. The amount represents the loans drawn by SMB from a local bank on April 1, 2022 amounting to P4,000 with a term of three years subject to a fixed interest rate of 4.6332% per annum and P3,000 with a term of five years subject to a fixed interest rate of 5.7513% per annum, payable quarterly. The proceeds of the loan were used to pay the Series F Bonds which matured on April 2, 2022.

Unamortized debt issue costs amounted to P14 and P28 as at December 31, 2024 and 2023, respectively.

- aw. The amount represents the drawdown by PF-Hormel on September 29, 2021 from its loan facilities with various banks amounting to P7,000. The loan will mature on September 29, 2026 and is subject to a fixed interest rate of 3.846% per annum. The proceeds of the loan were used for refinancing of existing indebtedness and general corporate purposes.

Unamortized debt issue costs amounted to P19 and P30 as at December 31, 2024 and 2023, respectively.

- ax. The amount represents the drawdown by Petron on March 6, 2024 from its term loan facility amounting to P7,000. The loan is amortized over five years with two years grace period, after which the total principal will be amortized in seven equal semi-annual installments beginning March 6, 2026. The loan is subject to interest payable in semi-annual amortizations with fixed interest rate of 7.4941% per annum for the first two years and will thereafter be repriced to a new fixed rate until maturity on March 6, 2029. The proceeds of the loan were used to partially redeem Series C Offer Bonds on April 19, 2024.

Unamortized debt issue costs amounted to P41 as at December 31, 2024.

- ay. The amount represents the drawdown by San Miguel Global Power on May 28, 2021 from its term loan facility amounting to P5,000. The principal repayment is in semi-annual installments up to May 2025 and is subject to a fixed interest rate of 5.00% per annum payable quarterly. The proceeds of the loan were used for general corporate purposes.

Payments made amounted to P175 and P125 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P6 and P21 as at December 31, 2024 and 2023, respectively.

- az. The amount represents the drawdown by Petron on May 19, 2022 from its term loan facility amounting to P5,000. The facility is subject to a fixed interest rate of 7.1663% per annum and amortized over five years with a two-year grace period, after which the total principal will be amortized in seven semi-annual payments beginning May 19, 2024. The proceeds of the loan were used for partial financing of the power plant project.

Unamortized debt issue costs amounted to P17 and P25 as at December 31, 2024 and 2023, respectively.

- ba. The amount represents the drawdown by Petron on June 15, 2022 from its term loan facility amounting to P5,000. The facility is subject to a fixed interest rate of 7.4206% per annum and amortized over five years with a 15-month grace period, after which the total principal will be amortized in 16 equal quarterly payments beginning September 15, 2023. The proceeds of the loan were used to partially pay its US Dollar-denominated term loan.

Payments made amounted to P1,875 and P625 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P11 and P19 as at December 31, 2024 and 2023, respectively.

- bb. The amount represents the drawdown by Petron on June 16, 2022 from its term loan facility amounting to P5,000. The facility is subject to a fixed interest rate of 7.5496% per annum and amortized over five years with a 15-month grace period, after which the total principal will be amortized in 16 equal quarterly payments beginning September 16, 2023. The proceeds of the loan were used to pay its US Dollar-denominated term loan and various loan facilities.

Payments made amounted to P1,875 and P625 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P11 and P20 as at December 31, 2024 and 2023, respectively.

- bc. The amount represents the drawdown by LCWDC in 2018 amounting to P4,200 from its P5,400 OLSA with various local banks dated September 16, 2016. The loan is subject to repricing on the seventh year from the initial drawdown date. The proceeds of the loan were used for the Bulacan Bulk Water Supply Project.

Payments made amounted to P1,176 and P840 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P13 and P18 as at December 31, 2024 and 2023, respectively.

- bd. The amount represents the drawdown by Petron on September 8, 2022 from its term loan facility amounting to P2,375. The loan is subject to a fixed interest rate of 6.4920% per annum and will be fully paid on September 8, 2025. The proceeds of the loan were used to pay existing indebtedness.

Unamortized debt issue costs amounted to P5 and P9 as at December 31, 2024 and 2023, respectively.

- be. The amount represents the drawdown by SMCSLC on July 14, 2021 from its term loan facilities with various banks amounting to P2,000. The loan will mature on July 14, 2026, and is subject to a fixed interest rate of 4.20% per annum payable quarterly. The proceeds of the loan were used to refinance existing indebtedness and for general corporate purposes.

Unamortized debt issue costs amounted to P5 and P8 as at December 31, 2024 and 2023, respectively.

- bf. The amount represents the P2,000 seven-year term loan availed by SMMI on December 19, 2019. The loan is amortized for seven years and is subject to a floating interest rate based on BVAL plus margin with a one-time option to convert to a fixed interest rate within two years. The proceeds of the loan were used to refinance existing short-term loans, fund its capital expenditure requirements for the upgrade or expansion of its production facilities and/or finance other general corporate requirements.

On December 19, 2020, SMMI exercised its option to convert the interest rate from floating to fixed. As a result, the interest rate was fixed at 3.284% per annum.

Payments made amounted to P107 and P54 as at December 31, 2024 and December 31, 2023, respectively.

Unamortized debt issue costs amounted to P4 and P6 as at December 31, 2024 and 2023, respectively.

- bg. The amount represents the drawdown by SMYPC on January 30, 2020, from its term loan facility amounting to P5,000. The loan matured on January 30, 2025 and is subject to a fixed interest rate of 5.1657% per annum payable quarterly. The proceeds of the loan were used to refinance existing short-term loans.

Payments made amounted to P3,500 and P2,763 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P5 as at December 31, 2023.

- bh. The amount represents the drawdown by Petron on April 27, 2020 from its term loan facility amounting to P5,000. The loan is amortized over five years and is subject to a fixed interest rate of 4.59% per annum payable quarterly. The proceeds of the loan were used for general corporate purposes.

Payments made amounted to P4,375 and P3,124 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P3 as at December 31, 2023.

- bi. The amount represents the drawdown by Petron on September 30, 2022 from its term loan facility amounting to P625. The loan is subject to a fixed interest rate of 6.8672% per annum and will be fully paid on September 8, 2025. The proceeds of the loan were used to pay existing indebtedness.

Unamortized debt issue costs amounted to P1 and P3 as at December 31, 2024 and 2023, respectively.

- bj. The amount represents the drawdown by BWCI on various dates in 2023 amounting to a total of P130 from its P200 OLSA. The loan is amortized over ten years and is subject to a fixed interest rate payable quarterly. The loan will mature on January 31, 2033.

Unamortized debt issue costs amounted to P1 as at December 31, 2024.

- bk. The amount represents the loan drawn by SMC Tollways from its P41,200 Corporate Notes Facility Agreement with various local banks dated December 9, 2019.

The proceeds of the loan were mainly used to refinance existing debt obligations, invest and/or advance for infrastructure projects, for general corporate purposes and to finance transaction-related fees, taxes and expenses. The loan is payable in 40 quarterly installments commencing on the third month from initial issue date. Final repayment date is ten years from initial issue date.

The Notes are subject to repricing on the fifth year from initial issue date.

Payment made amounted to P8,097 as at December 31, 2023 and was fully paid on December 31, 2024.

Unamortized debt issue costs amounted P294 as at December 31, 2023.

- bl. The amount represents the drawdown by San Miguel Global Power on April 26, 2017 from its term loan facility amounting to P15,000. The loan is amortized over seven years and is subject to a fixed interest rate of 6.9265% per annum, payable quarterly. The proceeds of the loan were used for debt refinancing.

Payments made amounted to P15,000 and P900 as at December 31, 2024 and 2023, respectively.

The loan was fully paid on April 26, 2024.

Unamortized debt issue costs amounted to P9 as at December 31, 2023.

- bm. The amount represents the drawdown by SMB on December 19, 2019 from its term loan facility amounting to P10,000. The loan matured on December 26, 2024 and is subject to a fixed interest rate of 4.63% per annum. The proceeds of the loan were used for general corporate purposes.

The loan was fully paid on December 26, 2024.

Unamortized debt issue costs amounted to P17 as at December 31, 2023.

- bn. The amount represents the drawdown by Petron on July 25, 2017, from its term loan facility amounting to P15,000. The loan is amortized over seven years and is subject to a fixed interest rate of 5.5276% per annum payable quarterly. The proceeds of the loan were used to refinance the bridge loan availed on December 23, 2016, for the acquisition of the Refinery Solid Fuel-fired Power Plant.

Payment made amounted to P13,393 as at December 31, 2023 and was fully paid on December 31, 2024.

Unamortized debt issue costs amounted to P1 as at December 31, 2023.

- bo. The amount represents the drawdown by SMC MRT 7 on various dates in 2023 and 2024 amounting to P14,300 and P16,400, respectively, from the P100,000 OLSA with various banks dated May 18, 2023. The loan is subject to a floating interest rate and with a term of 15 years. The proceeds of the loan were used to finance the MRT 7 Project.

The drawdown includes payable to BankCom amounting to P1,996 and P930 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P445 and P214 as at December 31, 2024 and 2023, respectively.

- bp. The amount represents the outstanding balance from the amended Omnibus Refinancing Agreement (ORA) executed by MPCL with local banks on January 17, 2023 (the "Amended ORA") amounting to P8,155. The loan is subject to a floating interest rate with maturities up to January 2030. MPCL holds a one-time right to convert the loan into a fixed interest rate borrowing on the second anniversary as allowed under the terms of the agreement.

Payments made amounted to P2,041 and P877 as at December 31, 2024 and 2023, respectively.

The drawdown includes payable to BankCom amounting to P3,687 and P4,389 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P64 and P91 as at December 31, 2024 and 2023, respectively.

- bq. The amount represents the drawdown by Petron on April 18, 2024 from its unsecured term loan facility amounting to P5,000. The loan is amortized over five years with two-year and six months grace period, after which the total principal will be amortized in six equal semi-annual installments beginning October 18, 2026. The loan is subject to a floating interest rate payable in semi-annual amortizations. The proceeds of the loan were used to partially redeem Series C Bonds on April 19, 2024.

Unamortized debt issue costs amounted to P31 as at December 31, 2024.

- br. The amount represents the drawdown by SMC NAIAx on various dates in 2022 to 2023 amounting to P4,311 and in 2024 amounting to P761, from the P5,656 OLSA with various banks dated December 21, 2022. Proceeds of the loan were used mainly to refinance the remaining balance of the old loan facility, finance its investments, expansion, and capital expenditure programs in the Projects; and cover transaction costs, fees and expenses in connection with or arising from the making of the term loan facility. The loan is payable in 30 equal quarterly installments commencing on the third month from initial drawdown date. Final repayment date is seven years and six months from the signing date of the OLSA.

The loan is subject to annual repricing from the date of initial drawdown.

Payments made amounted to P834 and P417 as at December 31, 2024 and 2023, respectively.

The drawdown includes payable to BankCom amounting to P1,272 and P1,168 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P39 and P42 as at December 31, 2024 and 2023, respectively.

- bs. The amount represents the drawdown by SSHCI on various dates in 2023 and 2022 amounting to P4,200 and P15,800, respectively, from its P20,000 term loan facility. The term of the loan is for three years and is subject to a floating interest rate based on BVAL plus margin payable quarterly. The proceeds of the loan were used to partially finance investments, expansion and capital expenditure programs in toll roads, other infrastructure and infrastructure-related projects and other related and/or allied businesses which provide service to the toll roads and other infrastructure-related projects.

The loan was fully paid on December 13, 2024.

The drawdown includes payable to BankCom amounting to P1,000 as at December 31, 2023 (Note 33).

Unamortized debt issue costs amounted to P123 as at December 31, 2023.

- bt. The amount represents drawdowns by SMYPC of P1,449 and P551 in 2020 and 2019, respectively from its term loan facility amounting to P2,000. The loan is amortized for five years and is subject to a floating interest rate payable quarterly. The proceeds of the loan were used to finance the capital expenditure in relation to Line 3 of the glass manufacturing plant project.

Payment made amounted to P1,413 as at December 31, 2023 and was fully paid as at December 31, 2024.

Unamortized debt issue costs amounted to P1 as at December 31, 2023.

- bu. The amount represents total outstanding loan drawn in various tranches by MPCL from its Omnibus Expansion Financing Agreement with various local banks dated December 1, 2015, to finance the construction of the additional 335 MW Coal-fired plant within MPCL existing facilities. The loan is divided into fixed interest tranche amounting to US\$395 as at December 31, 2024 and 2023, and floating interest tranche based on six-month SOFR plus margin amounting to US\$130 as at December 31, 2024 and 2023. The loan has maturities up to December 15, 2030. On December 16, 2023, the applicable fixed interest rate on the outstanding balance of the loan facility was repriced from 5.5959% to 8.331%, pursuant to the terms of the agreement.

Payments made for the fixed interest tranche amounted to US\$107 and US\$83 as at December 31, 2024 and 2023, respectively, while the payments made for the floating interest tranche amounted to US\$35 and US\$27 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs for the fixed interest tranche amounted to P140 and P173 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs for the floating interest tranche amounted to P46 and P57 as at December 31, 2024 and 2023, respectively.

- bv. The amount represents the drawdown by Petron on various dates in 2024 from its term loan facility amounting to a total of US\$500. The loan is amortized over five years with two-year grace period, after which the total principal will be amortized in seven equal semi-annual installments beginning July 11, 2026. The facility is subject to a floating interest rate based on SOFR plus a spread, repriced every 1, 3 or 6 months. The proceeds of the loan were used to partially repay outstanding debt obligations and settle liabilities for crude oil importations.

Unamortized debt issue costs amounted to P575 as at December 31, 2024.

- bw. The amount represents the drawdowns by Petron in November and December 2022 amounting to US\$267 and US\$228 loans, respectively, from its US\$550 term loan facility. The loan is amortized over five years with a two-year grace period, after which the total principal will be amortized in seven equal semi-annual installments beginning November 8, 2024. The facility is subject to a floating interest rate based on SOFR plus a spread, repriced every 1, 3 or 6 months. The proceeds of the loan were used to partially prepay the US\$800 term loan facility availed in 2019 and the US\$150 term loan availed in 2020.

In 2023, Petron drew an additional US\$55 to partially prepay JPY15,000 and US\$800 term loan facilities.

On February 17, 2023, Petron increased its term loan facility from \$550 to US\$669 and availed US\$88 from the additional US\$119 loan facility in May 2023 to fully pre-terminate the US\$800 term loan facility. In August 2023, the remaining US\$31 was drawn to pay Petron's P7,000 Series B Bonds on October 27, 2023.

Payments made amounted to US\$192 as at December 31, 2024.

Unamortized debt issue costs amounted to P474 and P797 as at December 31, 2024 and 2023, respectively.

- bx. The amount represents the balance of the US\$300 five-year term loan availed in tranches by San Miguel Global Power on March 12, 2021 and June 7, 2021. These were drawn from a Syndication Agreement executed on May 21, 2021 which amended the Facility Agreement dated March 9, 2021, increasing the loan facility from US\$200 to US\$300. The loan is subject to a floating interest rate based on SOFR plus margin and will mature in March 2026. The proceeds of the loan were used as repayment of Facility A Loan that matured on March 12, 2021, and the payment of Series A Bonds in July 2021.

Unamortized debt issue costs amounted to P105 and P190 as at December 31, 2024 and 2023, respectively.

- by. The amount represents the drawdown of San Miguel Global Power on August 26, 2022, from its term loan facility amounting to US\$300. The term of the loan is for five years and is subject to a floating interest rate based on SOFR plus margin and will mature in August 2027. The proceeds of the loan were used for general corporate purposes, including capital expenditures and refinancing of loans, and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P269 and P362 as at December 31, 2024 and 2023, respectively.

- bz. The amount represents the drawdown of San Miguel Global Power on September 9, 2024 from its term loan facility amounting to US\$200. The initial loan amount under the facility agreement was increased from US\$200 to US\$300 on October 9, 2024. The term of the loan is for three years and is subject to a floating interest rate based on SOFR plus margin and will mature on August 30, 2027. The proceeds of the loan were used to refinance existing loan obligations.

Unamortized debt issue costs amounted to P400 as at December 31, 2024.

- ca. The amount represents the drawdown of Petron on July 13, 2023 from its term loan facility amounting to US\$225. The facility was signed on March 28, 2023, which subsequently increased from US\$150 to US\$225 on June 8, 2023. The facility is amortized over five years with a two-year grace period, after which the total principal will be amortized in seven equal semi-annual installments beginning on March 28, 2025. The facility is subject to a floating interest rate based on SOFR plus a spread, repriced every 1, 3 or 6 months. The proceeds of the US\$225 Facility were used to partially refinance the redemption of US\$500 SPCS.

Payments made amounted to US\$45 as at December 31, 2024.

Unamortized debt issue costs amounted to P185 and P286 as at December 31, 2024 and 2023, respectively.

- cb. The amount represents drawdown by San Miguel Global Power on May 24, 2022 from its term loan facility amounting to US\$100. The term of the loan is three years and is subject to a floating interest rate based on SOFR plus margin and will mature in May 2025. The proceeds of the loan were used for working capital requirements relating to expansion projects, for general corporate purposes, and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P15 and P53 as at December 31, 2024 and 2023, respectively.

- cc. The amount represents drawdown by San Miguel Global Power on October 31, 2023, from its term loan facility amounting to US\$50. The loan is subject to a floating interest rate based on SOFR plus margin and will mature in April 2025. The proceeds of the loan were used for loan refinancing and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P12 and P50 as at December 31, 2024 and 2023, respectively.

- cd. The amount represents the drawdown by SMYA amounting to AU\$45 on July 22, 2024 from its syndicated facility agreement executed with various banks. The loan is subject to a floating interest rate and will mature in July 2027 but has an option to extend until July 2029. The proceeds of the loan were used to refinance existing indebtedness.

Unamortized debt issue costs amounted to P14 as at December 31, 2024.

- ce. The amount represents the drawdown by Petron on April 22, 2020 from its term loan facility amounting to JPY15,000 with various banks. The loan is amortized over five years and is subject to a floating interest rate based on JPY LIBOR plus a spread payable every 1, 3 or 6 months as selected by the borrower. Due to the global discontinuation of JPY LIBOR by December 31, 2021, an amendment was made to the JPY Facility adopting the TONA as the new benchmark rate. Beginning December 29, 2021, the floating interest rate on the JPY15,000 facility is based on TONA plus a spread, repriced every 1, 3, or 6 months. The proceeds of the loan were used to partially prepay its US\$1,000 term loan facility.

Payments made amounted to JPY12,857 and JPY8,571 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P2 and P17 as at December 31, 2024 and 2023, respectively.

- cf. The amount represents the drawdown by SMYA on November 11, 2022 amounting to AU\$10. The loan is amortized over five years and is subject to interest based on BBSY rate plus margin. The proceeds of the loan were used to finance short-term obligations and general corporate purposes.

Payments made amounted to AU\$2 and AU\$1 as at December 31, 2024 and 2023, respectively.

- cg. The amount represents the loan drawn by SMYA on February 25, 2021 amounting to AU\$5. The loan is amortized over five years and is subject to interest based on BBSY rate plus margin. The proceeds of the loan were used to refinance maturing short-term obligations and general corporate purposes.

Payments made amounted to AU\$4 and AU\$3 as at December 31, 2024 and 2023, respectively.

- ch. The amount represents the drawdown of San Miguel Global Power on January 21, 2022 from its term loan facility amounting to US\$200. The initial loan amount under the facility agreement was increased from US\$100 to US\$200 on December 16, 2021. The term of the loan is for three years and is subject to a floating interest rate based on SOFR plus margin and matured in September 2024. The proceeds of the loan were used for capital expenditures relating to expansion projects and payment of other transaction related fees, costs and expenses of the facility.

The loan was fully paid on October 10, 2024.

Unamortized debt issue costs amounted to P81 as at December 31, 2023.

- ci. The amount represents drawdown by San Miguel Global Power on March 16, 2023 from its term loan facility amounting to US\$100. The loan is subject to a floating interest rate based on SOFR plus margin and matured in September 2024. The proceeds of the loan were used for general corporate purposes, capital expenditures, refinancing of loan, and payment of other transaction related fees, costs and expenses of the facility.

The loan was fully paid on October 10, 2024.

Unamortized debt issue costs amounted to P50 as at December 31, 2023.

- cj. The amount represents the drawdown by SMYA on July 31, 2019 amounting to AU\$80 from AU\$100 syndicated facility agreement entered into by SMYA on July 23, 2019. The loan is amortized over five years and is subject to interest based on BBSY rate plus margin. The proceeds of the loan were used to refinance maturing short-term obligations and general corporate purposes.

Payments made amounted to AU\$81 and AU\$33 as at December 31, 2024 and 2023, respectively.

The loan was fully paid on July 31, 2024.

Unamortized debt issue costs amounted to P6 as at December 31, 2023.

The gross amount of long-term debt payable to BankCom amounted to P27,267 and P18,694 as at December 31, 2024 and 2023, respectively (Note 33).

The debt agreements contain, among others, covenants relating to merger and consolidation, negative pledge, maintenance of certain financial ratios, working capital requirements, restrictions on loans and guarantees, disposal of a substantial portion of assets, significant changes in the ownership or control of subsidiaries, payments of dividends and redemption of capital stock.

The Group is required to comply with the following financial ratios:

Parent Company	Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) to consolidated total interest expense	Not less than 2.00:1.00
	Consolidated net debt to consolidated total equity	Does not exceed 2.10:1.00
Major subsidiaries:		
Petron	Net leverage	Not to exceed 6.50
	Consolidated gross debt to consolidated net worth	Not to exceed 2.75
San Miguel Global	Net debt to equity	Not more than 3.25x
Power	Interest coverage	Not less than 2.25x
SMFB	Consolidated debt to consolidated equity	Not more than 3.50x
	Consolidated total EBITDA to consolidated interest expense	Not less than 2.00x

The Group is in compliance with the covenants of the debt agreements as at December 31, 2024 and 2023.

Long-term debt includes syndicated project finance loans amounting to P141,287 and P138,481 as at December 31, 2024 and 2023, respectively, which were secured by certain property, plant and equipment and other intangible assets (Notes 13 and 17).

On February 28, 2025, Petron made a full drawdown from the P5,000 unsecured term loan facility signed and executed on February 26, 2025. This facility is subject to a financial covenant ratio of consolidated gross debt to consolidated net worth, which must not exceed 2.75x.

The movements in debt issue costs are as follows:

	Note	2024	2023
Balance at beginning of year		P13,250	P11,507
Additions		6,310	5,525
Amortization	30	(3,821)	(3,717)
Reclassification, capitalized and others		(326)	(65)
Balance at end of year		P15,413	P13,250

Repayment Schedule

The annual maturities of long-term debt are as follows:

Year	Gross Amount	Debt Issue Costs	Net
2025	P95,114	P991	P94,123
2026	185,221	2,401	182,820
2027	233,162	2,405	230,757
2028	254,148	3,416	250,732
2029 and thereafter	515,037	6,200	508,837
Total	P1,282,682	P15,413	P1,267,269

Contractual terms of the Group's interest-bearing loans and borrowings and exposure to interest rate, foreign currency and liquidity risks are discussed in Note 39.

22. Other Noncurrent Liabilities

Other noncurrent liabilities consist of:

	Note	2024	2023
Retirement liabilities - noncurrent	5, 35	P12,380	P10,652
Retention payable - noncurrent		4,109	8,934
ARO	4	2,021	4,442
IRO	4	1,211	1,248
Obligation to ROP - service concession agreement	4, 34	713	46
Cash bonds		426	439
Customers' deposits	39, 40	418	381
Mine rehabilitation obligation (MRO) and decommissioning	4, 5	142	103
Derivative liabilities - noncurrent	4, 39, 40	127	269
Amounts owed to related parties	33	2	2
Cylinder deposits		-	748
Others	5	3,209	1,481
	39, 40	P24,758	P28,745

"Others" include deferred rent income and liability to contractor and supplier.

23. Income Taxes

The components of income tax expense are shown below:

	2024	2023	2022
Current	P24,386	P21,678	P19,442
Deferred	3,106	6,730	(6,125)
	P27,492	P28,408	P13,317

The movements of deferred tax assets and liabilities are accounted for as follows:

2024	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Balance at December 31
Allowance for impairment losses on trade and other receivables and inventory	P2,108	(P272)	P -	P6	P1,842
MCIT	1,174	304	-	-	1,478
NOLCO	7,855	191	-	-	8,046
Undistributed net losses (earnings) of foreign subsidiaries	(846)	(882)	-	23	(1,705)
Leases	(24,266)	2,211	-	(22)	(22,077)
Unrealized intercompany charges and others	4,105	(4,658)	566	(413)	(400)
	(P9,870)	(P3,106)	P566	(P406)	(P12,816)

2023	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Balance at December 31
Allowance for impairment losses on trade and other receivables and inventory	P2,017	P92	P -	(P1)	P2,108
MCIT	808	366	-	-	1,174
NOLCO	14,816	(6,961)	-	-	7,855
Undistributed net earnings of foreign subsidiaries	(846)	-	-	-	(846)
Leases	(22,404)	(105)	-	(1,757)	(24,266)
Unrealized intercompany charges and others	1,866	(122)	614	1,747	4,105
	(P3,743)	(P6,730)	P614	(P11)	(P9,870)

The above amounts are reported in the consolidated statements of financial position as follows:

	Note	2024	2023
Deferred tax assets	4	P22,045	P19,633
Deferred tax liabilities		(34,861)	(29,503)
		(P12,816)	(P9,870)

As at December 31, 2024, the NOLCO of the Group, which are presented as part of "Deferred tax assets" account in the consolidated statement of financial position, that can be claimed as deduction from future taxable income are as follows:

Year Incurred/Paid	Carryforward Benefits Up To	NOLCO
2020	December 31, 2025	P5,414
2021	December 31, 2026	544
2022	December 31, 2025	2,988
2023	December 31, 2026	464
2024	December 31, 2027	28,728
		P38,138

As at December 31, 2024, the MCIT of the Group, which are presented as part of “Deferred tax assets” account in the consolidated statement of financial position, that can be claimed as deduction from corporate income tax due are as follows:

Year Incurred/Paid	Carryforward Benefits Up To	MCIT
2022	December 31, 2025	P94
2023	December 31, 2026	988
2024	December 31, 2027	396
		P1,478

As at December 31, 2024 and 2023, deferred tax assets in respect of NOLCO and others amounting to P58,182 and P14,284, respectively, has not been recognized because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 to implement Section 4 (bbbb) of Republic Act (RA) No. 11494 (“Bayanihan to Recover as One Act”), relative to NOLCO which provides that the net operating loss of a business or enterprise for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

The net operating loss for the said taxable years may be carried over as a deduction even after the expiration of RA No. 11494, provided that the same is claimed within the next five consecutive taxable years following the year such loss was incurred.

For taxable years 2024, 2023 and 2022, the expiration period of NOLCO reverted to three years.

The reconciliation between the statutory income tax rate on income before income tax and the Group’s effective income tax rate is as follows:

	2024	2023	2022
Statutory income tax rate	25.00%	25.00%	25.00%
Increase (decrease) in income tax rate resulting from:			
Interest income subject to final tax	(5.73%)	(4.80%)	(4.43%)
Equity in net earnings of associates and joint ventures	(0.92%)	(0.59%)	(0.75%)
Gain on sale of investments subject to final or capital gains tax	(0.85%)	(0.03%)	(0.46%)
Others, mainly income subject to different tax rates - net	25.34%	19.28%	13.87%
Effective income tax rate	42.84%	38.86%	33.23%

**Percentages are computed based on amounts in nearest peso.*

RA No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

The CREATE Act, which seeks to reduce the corporate income tax rates and to rationalize the current fiscal incentives by making it time-bound, targeted and performance-based, was passed on March 26, 2021 and took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation on April 11, 2021.

Key provisions of the CREATE Act which have an impact on the Group are: (i) reduction of Regular Corporate Income Tax (RCIT) rate from 30% to 25% for domestic and resident foreign corporations effective July 1, 2020; (ii) reduction of MCIT rate from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023; and (iii) repeal of the imposition of improperly accumulated earnings tax. The rate of MCIT reverted to 2% based on gross income starting July 1, 2023.

Accordingly, current and deferred taxes as at and for the year ended December 31, 2024 and 2023 were computed and measured using the applicable income tax rates. MCIT was computed using 2% and 1.5% tax rates in 2024 and 2023, respectively.

RA No. 12066 or the CREATE to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act

The CREATE MORE Act, which seeks to improve the country's fiscal incentives policies by clarifying issues in the implementation of the CREATE Act, took effect on November 28, 2024. Key provisions of the CREATE MORE Act which have an impact on the Group are: (i) reduction of RCIT rate from 25% to 20% and expanded deductions for Registered Business Enterprises (RBEs) under the Enhanced Deductions Regime; and (ii) broadened eligibility and extended period of incentives for RBEs.

International Tax Reform - Pillar Two Model Rules

The Top Frontier Group has applied the amendments to PAS 12, *Income Taxes* (International Tax Reform - Pillar Two Model Rules), which provide a mandatory temporary exception from accounting for deferred taxes arising from Pillar Two income taxes. No deferred tax assets or liabilities have been recognized in relation to Pillar Two legislation.

'Pillar Two legislation' has been enacted or substantively enacted in certain jurisdictions where the Top Frontier Group operates. For Australia, Japan, Vietnam and the Netherlands, the legislation is effective beginning January 1, 2024. For Hong Kong, Indonesia, Malaysia, New Zealand, and Singapore, the legislation is not yet effective as at December 31, 2024.

As part of the Top Frontier Group, the Group is in scope of the enacted or substantively enacted legislation and has performed a Transitional Country-by-Country (CbCR) Safe Harbor (TCSH) test to determine jurisdictions that can be excluded from the full Pillar Two calculations. The test was based on the most recent tax filings, CbCR reports, and financial statements for the covered entities. Except for Malaysia and Singapore, all jurisdictions passed the TCSH test.

Top Frontier Group is in the process of performing full Pillar Two calculations for Malaysia and Singapore and does not expect exposure to 'Pillar Two income taxes' since the enacted legislations in these jurisdictions are not yet effective as at December 31, 2024.

24. Equity

a. Amendments to the Articles of Incorporation

On July 23, 2009, during the annual stockholders' meeting of the Parent Company, the stockholders approved the amendments to the Articles of Incorporation for the declassification of the common shares of the Parent Company. The authorized capital stock of the Parent Company amounting to P22,500 was divided into 2,034,000,000 Class "A" common shares, 1,356,000,000 Class "B" common shares with a par value of P5.00 per share and 1,110,000,000 Series "1" Preferred Shares with a par value of P5.00 per share, and defined the terms and features of the Series "1" Preferred Shares. The SEC approved the amendments to the Amended Articles of Incorporation of the Parent Company on August 20, 2009.

During the April 18, 2012 and June 14, 2012 meetings of the BOD and stockholders of the Parent Company, respectively, the BOD and stockholders approved the amendments to the Articles of Incorporation of the Parent Company, to increase the authorized capital stock of the Parent Company from P22,500 to P30,000 as follows: (a) the increase in the number of the common shares from 3,390,000,000 common shares to 3,790,000,000, or an increase of 400,000,000 common shares; and (b) the creation and issuance of 1,100,000,000 Series "2" Preferred Shares with a par value of P5.00 per share.

On September 21, 2012, the SEC approved the amendment to the Articles of Incorporation of the Parent Company to increase the authorized capital stock, and consequently creating the Series "2" Preferred Shares.

On June 9, 2015, during the annual stockholders meeting of the Parent Company, the stockholders approved the amendment to Article VII of the Amended Articles of Incorporation of the Parent Company to reclassify 810,000,000 Series "1" Preferred Shares to Series "2" Preferred Shares, consisting of 691,099,686 Series "1" preferred treasury shares to Series "2" preferred treasury shares and 118,900,314 Series "1" preferred unissued shares to Series "2" preferred unissued shares. With the approved reclassification, the resulting distribution of the preferred shares of the Parent Company was 300,000,000 for Series "1" Preferred Shares and 1,910,000,000 for Series "2" Preferred Shares. The stockholders also approved the issuance of the Series "2" Preferred Shares subject to the passage of Enabling Resolutions containing the details of the terms and conditions of the issuance.

The amendment to Article VII of the Amended Articles of Incorporation of the Parent Company to reclassify 810,000,000 Series "1" Preferred Shares to Series "2" Preferred Shares was approved by the SEC on July 14, 2015.

b. Capital Stock

Common Shares

On July 27, 2010, the BOD of the Parent Company approved the offer to issue approximately 1,000,000,000 common shares (from the unissued capital stock and treasury shares) at a price of not less than P75.00 per share.

Effective August 26, 2010, all Class "A" common shares and Class "B" common shares of the Parent Company were declassified and are considered as common shares without distinction, as approved by the SEC. Both are available to foreign investors, subject to the foreign ownership limit.

The Parent Company has a total of 33,162 and 33,379 common shareholders as at December 31, 2024 and 2023, respectively.

The number of issued and outstanding shares of common stock are as follows:

	2024	2023	2022
Issued shares	3,288,649,125	3,288,649,125	3,288,649,125
Less treasury shares	904,752,537	904,752,537	904,752,537
Issued and outstanding shares	2,383,896,588	2,383,896,588	2,383,896,588

Preferred Shares

i. Series "1" Preferred Shares

Series "1" Preferred Shares have a par value of P5.00 per share and are entitled to receive cash dividends upon declaration by and at the sole option of the BOD of the Parent Company at a fixed rate of 8% per annum calculated in respect of each Series "1" Preferred Share by reference to the Issue Price thereof in respect of each dividend period.

Series "1" Preferred Shares are non-voting except as provided for under the Corporation Code. The Series "1" Preferred Shares are redeemable in whole or in part, at the sole option of the Parent Company, at the end of three years from the issue date at P75.00 plus any accumulated and unpaid cash dividends.

All shares rank equally with regard to the residual assets of the Parent Company, except that holders of preferred shares participate only to the extent of the issue price of the shares plus any accumulated and unpaid cash dividends.

On July 23, 2009, the stockholders of the Parent Company approved the Offer by the Parent Company to exchange existing common shares of up to approximately 35% of the issued and outstanding capital stock of the Parent Company with Series "1" Preferred Shares. The exchange ratio was one common share for one Series "1" Preferred Share and the qualified shareholders of record as at July 2, 2009, were vested with the right to participate on the exchange.

On October 5, 2009, the Parent Company completed the exchange of 476,296,752 Class "A" Common Shares and 396,876,601 Class "B" Common Shares for Series "1" Preferred Shares.

On October 15, 2009, the BOD of the Parent Company approved the issuance, through private placement, of up to 226,800,000 Series "1" Preferred Shares.

On December 22, 2009, the Parent Company issued 97,333,000 Series "1" Preferred Shares to qualified buyers and by way of private placement to not more than 19 non-qualified buyers at the issue price of P75.00 per Series "1" Preferred Share.

On December 8, 2010 and October 3, 2011, the Parent Company listed 873,173,353 and 97,333,000 Series "1" Preferred Shares worth P65,488 and P7,300, respectively.

On August 13, 2012, the BOD of the Parent Company approved the redemption of Series “1” Preferred Shares at a redemption price of P75.00 per share.

On October 5, 2012, 970,506,353 Series “1” Preferred Shares were reverted to treasury.

On April 14, 2015, the Parent Company reissued 279,406,667 Series “1” Preferred Shares held in treasury in the name of certain subscribers at P75.00 per share. The Series “1” Preferred Shares became tradable on the PSE beginning June 10, 2015.

On March 12, 2020, the BOD of the Parent Company approved the redemption of Series “1” Preferred Shares at a redemption price of P75.00 per share.

On April 14, 2020, 279,406,667 Series “1” Preferred Shares were reverted to treasury.

On June 11, 2024, the BOD of the Parent Company approved the amendment of the Articles of Incorporation of the Parent Company to reclassify 300,000,000 Series “1” Preferred Shares to Series “2” Preferred Shares. The purpose of the reclassification is to allow the Parent Company to issue additional preferred shares as a new subseries of Series “2” Preferred Shares under the more flexible terms and conditions of the Series “2” Preferred Shares.

As at December 31, 2024, the Parent Company has 300,000,000 Series “1” Preferred Shares of which 279,406,667 are treasury shares, and 20,593,333 are unissued. As stated in the Amended Articles of Incorporation of the Parent Company, the Series “1” Preferred Shares may be issued at a dividend rate based on a specific formula, shall have a maturity of five years, with an early redemption option of three years. On the other hand, the Series “2” Preferred Shares allow for more flexibility for the Parent Company, through the approval of the BOD of Enabling Resolutions, to determine the terms and conditions of the issuance based on prevailing market condition.

The Amended Articles of Incorporation of the Parent Company reflecting the amendments was approved by the SEC on February 25, 2025.

The Parent Company has 279,406,667 Series “1” Preferred Shares held in treasury as at December 31, 2024 and 2023.

The Parent Company has no outstanding Series “1” Preferred Shares as at December 31, 2024 and 2023.

ii. Series “2” Preferred Shares

Subseries 2-A, Subseries 2-B and Subseries 2-C

In September 2012, the Parent Company issued 1,067,000,000 Series “2” Preferred Shares at the issue price of P75.00 per share. The said Series “2” Preferred Shares worth P80,025 were listed on the PSE on September 28, 2012. The SEC approved the registration and issued a permit to sell on August 10, 2012.

The Series “2” Preferred Shares were issued in three subseries (Subseries “2-A”, Subseries “2-B” and Subseries “2-C”) and are Peso-denominated, perpetual, cumulative, non-participating and non-voting.

The Parent Company has the redemption option starting on the third, fifth and seventh year and every dividend payment thereafter, with a step-up rate effective on the fifth, seventh and tenth year, respectively, if the shares are not redeemed. Dividend rates are 7.500%, 7.625% and 8.000% per annum for Subseries “2-A”, Subseries “2-B” and Subseries “2-C” Preferred Shares, respectively.

On September 21, 2015, the Parent Company redeemed its 721,012,400 Series “2” Preferred Shares - Subseries “2-A” at a redemption price of P75.00 per share plus any unpaid cash dividends. The Parent Company paid P54,076 to the holders of Subseries “2-A” Preferred Shares. The redemption was approved by the BOD of the Parent Company on August 20, 2015.

On September 23, 2019, the Parent Company redeemed its 90,428,200 Series “2” Preferred Shares - Subseries “2-B” at a redemption price of P75.00 per share. The Parent Company paid P6,782 to the holders of Subseries “2-B” Preferred Shares. The redemption was approved by the BOD of the Parent Company on September 12, 2019.

On September 21, 2021, the Parent Company redeemed its outstanding 255,559,400 Series “2” Preferred Shares - Subseries “2-C” at a redemption price of P75.00 per share. The Parent Company paid P19,167 to the holders of Subseries “2-C” Preferred Shares. The redemption was approved by the BOD of the Parent Company on August 5, 2021.

The Parent Company has no outstanding Series “2” Subseries “2-A”, Subseries “2-B” and Subseries “2-C” Preferred Shares as at December 31, 2024 and 2023.

Subseries 2-D, Subseries 2-E and Subseries 2-F

On September 21, 2015, the Parent Company issued and listed on the PSE 446,667,000 Series “2” Preferred Shares held in treasury in three subseries (Subseries “2-D”, Subseries “2-E” and Subseries “2-F”) and are Peso-denominated, perpetual, cumulative, non-participating and non-voting. Dividend rates are 5.9431%, 6.3255% and 6.8072% per annum for Subseries “2-D”, Subseries “2-E” and Subseries “2-F” Preferred Shares, respectively. The SEC approved the registration and issued a permit to sell on August 6, 2015.

On September 21, 2020, the Parent Company redeemed its 89,333,400 Series “2” Preferred Shares - Subseries “2-D” at a redemption price of P75.00 per share plus any unpaid cash dividends. The Parent Company paid P6,700 to the holders of Subseries “2-D” Preferred Shares. The redemption was approved by the BOD of the Parent Company on August 6, 2020.

On September 21, 2021, the Parent Company redeemed its 134,000,100 Series “2” Preferred Shares - Subseries “2-E” at a redemption price of P75.00 per share plus any unpaid cash dividends. The Parent Company paid P10,050 to the holders of Subseries “2-E” Preferred Shares. The redemption was approved by the BOD of the Parent Company on August 5, 2021.

The Subseries “2-F” Preferred Shares include 1,333,500 shares amounting to P100 held by a subsidiary, which were reclassified to treasury shares upon consolidation of the subsidiary on December 14, 2022 (Note 5).

As at December 31, 2024 and 2023, only the 223,333,500 Series “2” Preferred Shares -Subseries “2-F” remain outstanding.

Subseries 2-G, Subseries 2-H and Subseries 2-I

On February 24, 2016, the BOD of PSE approved the listing application of the Parent Company of up to 975,571,800 shares of Series “2” Preferred Shares under shelf registration (the Shelf Registered Shares) and the offering of up to 400,000,000 shares of Series “2” Preferred Shares (the First Tranche) with a par value of P5.00 per share and an offer price of P75.00 per share. The SEC approved the Shelf Registered Shares and issued a permit to sell on March 8, 2016.

The Parent Company offered the “First Tranche” of up to: (i) 280,000,000 shares of Series “2” Preferred Shares consisting of Subseries “2-G”, Subseries “2-H” and Subseries “2-I”; and (ii) 120,000,000 shares of Series “2” Preferred Shares to cover the oversubscription option. The First Tranche was re-issued and offered from the Series “2” Preferred Shares Subseries held in treasury. The First Tranche was issued on March 30, 2016 which was also the listing date of the Shelf Registered Shares.

Dividend rates are 6.5793%, 6.3222% and 6.3355% per annum for Subseries “2-G”, Subseries “2-H” and Subseries “2-I” Preferred Shares, respectively.

Following the completion of the Parent Company’s follow-on offering of 280,000,000 Series “2” Preferred Shares, with an oversubscription option of 120,000,000 Series “2” Preferred Shares, the Parent Company re-issued the Series “2” Preferred Shares held in treasury, as follows: (i) 244,432,686 Series “2” Preferred Shares; and (ii) 155,567,314 Subseries “2-A” Preferred Shares (collectively, the “Offer Shares”). The Series “2” Preferred Shares were Series “1” Preferred Shares held in treasury that were reclassified to Series “2” Preferred Shares on June 9, 2015.

The remaining 575,571,800 Shelf Registered Shares were no longer issued due to the expiration of the shelf registration, which is a period of three years from the date of approval.

On March 30, 2021, the Parent Company redeemed its 66,666,600 Series “2” Preferred Shares - Subseries “2-G” at a redemption price of P75.00 per share plus any unpaid cash dividends. The Parent Company paid P5,000 to the holders of Subseries “2-G” Preferred Shares. The redemption was approved by the BOD of the Parent Company on March 11, 2021.

On December 21, 2022, the Parent Company redeemed its 164,000,000 Series “2” Preferred Shares - Subseries “2-H” at a redemption price of P75.00 per share plus any unpaid cash dividends. The Parent Company paid P12,300 to the holders of Subseries “2-H” Preferred Shares. The redemption was approved by the BOD of the Parent Company on September 22, 2022.

As at December 31, 2024 and 2023, only the 169,333,400 Series “2” Preferred Shares - Subseries “2-I” remain outstanding.

Subseries 2-J and Subseries 2-K

On September 30, 2020, the BOD of the PSE approved the listing application of the Parent Company of up to 533,333,334 Series "2" Preferred Shares under shelf registration (the Shelf Registered Shares) and the offering of up to 266,666,667 Series "2" Preferred Shares (the First Tranche) with a par value of P5.00 per share and an offer price of P75.00 per share. The SEC approved and rendered effective the shelf registration of the Shelf Registered Shares on October 9, 2020 and issued a permit to sell the First Tranche on the same date.

The Parent Company offered the First Tranche consisting of: (i) 133,333,400 Subseries "2-J" Preferred Shares; and (ii) an Oversubscription Option of up to 133,333,267 Subseries "2-J" Preferred Shares at an offer price of P75.00 per share. The First Tranche consisting of 266,666,667 Subseries "2-J" Preferred Shares was issued on October 29, 2020, which was also the date when the First Tranche was listed on the PSE.

The Parent Company offered a Second Tranche of the Shelf Registered Shares, consisting of: (i) 133,333,400 Subseries "2-K" Preferred Shares; and (ii) an Oversubscription Option of up to 133,333,267 Subseries "2-K" Preferred Shares at an offer price of P75.00 per share. The Second Tranche consisting of 183,904,900 Subseries "2-K" was issued and listed on the PSE on December 10, 2020.

The First and Second Tranche were re-issued and offered from the Subseries "2-A" Preferred Shares held in treasury.

Dividend rates are 4.75% and 4.50% per annum for Subseries "2-J" and Subseries "2-K" Preferred Shares, respectively.

Subseries 2-M

On August 23, 2023, the Parent Company issued via private placement 173,333,325 Subseries "2-M" Preferred Shares at an offer price of P75.00 per share, with a fixed dividend rate of 8.375% per annum. Subseries "2-M" Preferred Shares were listed on the PSE on August 29, 2023. The Subseries "2-M" Preferred Shares are cumulative, non-voting, non-participating, non-convertible, redeemable, Peso-denominated preferred shares issued out of the treasury shares of the Parent Company.

Subseries 2-L, Subseries 2-N and Subseries 2-O

On October 17, 2023, the BOD of the PSE approved the shelf registration application of the Parent Company of up to 866,666,700 Series "2" cumulative, non-voting, non-participating, non-convertible, redeemable and re-issuable (the Shelf Registered Shares) and with an offer Supplement for the First Tranche of 400,000,000 Subseries "2-L", Subseries "2-N" and Subseries "2-O" Preferred Shares (the "Base Offer Shares") and an Oversubscription Option of up to 266,666,700 Subseries "2-L", Subseries "2-N" and Subseries "2-O" Preferred Shares, with a par value of P5.00 per share and an offer price of P75.00 per share. The SEC approved and rendered effective the shelf registration of the Shelf Registered Shares on November 9, 2023 and issued a permit to sell the First Tranche on the same date.

On December 1, 2023, the First Tranche consisting of 165,358,600 Subseries “2-L” Preferred Shares, 100,115,100 Subseries “2-N” Preferred Shares, and 187,859,700 Subseries “2-O” Preferred Shares was issued and listed on the PSE.

Dividend rates are 7.9145%, 8.3466% and 8.5936% per annum for Subseries “2-L”, Subseries “2-N” and Subseries “2-O” Preferred Shares, respectively.

The Parent Company has 288,194,494, including the 1,333,500 preferred shares held by a subsidiary (Note 5), Series “2” Preferred Shares held in treasury as at December 31, 2024 and 2023.

The Parent Company has 1,469,905,192 outstanding Series “2” Preferred Shares as at December 31, 2024 and 2023.

The Parent Company has a total of 290 and 277 preferred shareholders as at December 31, 2024 and 2023, respectively.

c. *Treasury Shares*

Treasury shares consist of:

	2024	2023	2022
Common	P67,093	P67,093	P67,093
Preferred	42,670	42,670	89,670
	P109,763	P109,763	P156,763

Common Shares

The Parent Company has 904,752,537 common shares held in treasury as at December 31, 2024, 2023 and 2022.

1. In the Entry of Judgment received on January 27, 2015, the Supreme Court entered in the Book of Entries of Judgments the Resolution of September 4, 2012 in G.R. Nos. 177857-58 and 178193 wherein the Supreme Court clarified that the 753,848,312 SMC Series “1” Preferred Shares of the Coconut Industry Investment Fund (CIIF) companies converted from the CIIF block of SMC shares, with all the dividend earnings as well as all increments arising therefrom shall now be the subject matter of the January 29, 2012 Decision and declared owned by the Government and used only for the benefit of all coconut farmers and for the development of the coconut industry. Thus, the fallo of the Decision dated January 24, 2012 was accordingly modified.

On October 5, 2016, the Supreme Court of the Philippines in G.R. Nos. 177857-58 and 178193 issued a Judgment denying the “Manifestation and Omnibus Motion” filed by the Presidential Commission on Good Government to amend the Resolution Promulgated on September 4, 2012 to Include the “Treasury Shares” Which are Part and Parcel of the 33,133,266 CIIF Block of SMC Shares of 1983 Decreed by the Sandiganbayan, and Sustained by the Honorable Court, as Owned by the Government. The denial of the motion is without prejudice to the right of the ROP to file the appropriate action or proceeding to determine the legal right of the Parent Company to the 25,450,000 treasury shares of the Parent Company. On November 29, 2016, the Supreme Court denied with finality the motion for reconsideration of the ROP. To date, no such further action or proceeding has been filed by the ROP relating to the 25,450,000 Treasury Shares of the Parent Company.

2. In 2009, 873,173,353 common shares reverted to treasury were acquired through the exchange of common shares to preferred shares, on a one-for-one basis, at P75.00 per share amounting to P65,488.
3. On May 5, 2011, the Parent Company completed the secondary offering of its common shares. The offer consists of 110,320,000 shares of stock of the Parent Company consisting of 27,580,000 common shares from the treasury shares of the Parent Company and 82,740,000 SMC common shares held by Top Frontier, priced at P110.00 per share.
4. Also on May 5, 2011, US\$600 worth of exchangeable bonds of the Parent Company sold to overseas investors were simultaneously listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The exchangeable bonds have a maturity of three years, a coupon of 2% per annum and a conversion premium of 25% of the offer price. The exchangeable bonds are exchangeable for common shares to be re-issued from the treasury shares of the Parent Company. The initial exchange price for the exchange of the exchangeable bonds into common shares is P137.50 per share.

On December 5, 2011, 765,451 common shares were delivered to the bondholders of the Parent Company's exchangeable bonds who exercised their exchange rights under the terms and conditions of the bonds at an exchange price of P113.24 per share. Subsequently on December 8, 2011 and February 10 and 16, 2012, the delivered common shares of stock of the Parent Company were transacted and crossed on the PSE via a special block sale in relation to the issuance of common shares pursuant to the US\$600 exchangeable bonds of the Parent Company.

In 2014, 2013 and 2012, additional 1,077,573, 6,540,959 and 1,410,604 common shares, respectively, were delivered to the bondholders of the Parent Company's exchangeable bonds who exercised their exchange rights under the terms and conditions of the bonds at exchange prices ranging from P80.44 to P113.24 per share. The additional common shares of stock of the Parent Company were transacted and crossed on the PSE on various dates via special block sales.

A total of 9,794,587 common shares were issued to the bondholders of the Parent Company's exchangeable bonds as at December 31, 2014.

5. In 2014 and 2013, 68,150 common shares and 3,410,250 common shares, respectively, under the Parent Company's Employee Stock Purchase Plan (ESPP) were cancelled and held in treasury shares.

In 2016, the Parent Company discontinued the ESPP.

d. Capital Securities

SPCS

On December 5, 2019, the BOD approved the establishment of a medium term note programme amounting to US\$3,000 (the "Programme"), and the issuance of US\$500 perpetual securities out of the Programme. The Programme and the initial issuance of perpetual securities were both registered on the SGX-ST.

The Programme will be available for a medium term and will allow the Parent Company to tap the financial market for funding through the issuance of securities, including but not limited to corporate notes, bonds, and perpetual securities and other similar instruments at different currencies (other than Philippine Peso). The establishment of the Programme will give the Parent Company ready access to funding and will give the Parent Company the flexibility to fund its contemplated investments and projects such as the MRT 7 construction, the MIA, as well as the refinancing of its existing obligations and for other general corporate purposes. All instruments and securities that will be issued out of the Programme shall be exempt securities and shall not be required to be registered with the PSE.

On July 29, 2020, the Parent Company issued US\$500 (P24,595) SPCS at an issue price of 100%, with a rate of distribution of 5.5% per annum, payable every January 29 and July 29 of each year. The securities were issued under the Programme. The net proceeds were used to finance investments and various projects, to refinance existing obligations and for general corporate purposes.

RPS

On July 1, 2020, the Parent Company issued P4,000 RPS to a related party, with a rate of distribution of 5% per annum, payable every January 1, April 1, July 1 and October 1 of each year. The RPS was purchased at an amount equivalent to its face value on May 25, 2023.

On August 4, 2020, the Parent Company issued US\$100 (P4,909) RPS to a related party at an issue price of 100%, with a rate of distribution of 2.5% per annum, payable every February 5, May 5, August 5 and November 5 of each year.

The RPS are capital securities with no fixed redemption date. The security holders have the right to receive distribution payable quarterly in arrears. The Parent Company has the right to defer this distribution under certain conditions. The net proceeds of RPS were used by the Parent Company for general corporate purposes.

e. Unappropriated Retained Earnings

The unappropriated retained earnings of the Parent Company are restricted in the amount of P67,093 in 2024, 2023 and 2022, representing the cost of common shares held in treasury.

The unappropriated retained earnings of the Group include the accumulated earnings in subsidiaries and equity in net earnings of associates and joint ventures not available for declaration as dividends until declared by the respective investees.

f. Appropriated Retained Earnings

The BOD of certain subsidiaries approved additional appropriations amounting to P30,222, P34,817 and P23,602 in 2024, 2023 and 2022, respectively, to finance future capital expenditure projects. Reversal of appropriations amounted to P37,543, P18,651 and P19,228 in 2024, 2023 and 2022, respectively.

g. Non-controlling Interests

Non-controlling interests consist of:

	2024	2023
Capital securities of subsidiaries	P222,343	P189,484
Share in the net assets of subsidiaries	126,768	117,964
Preferred shares of subsidiaries	44,823	41,497
	P393,934	P348,945

The following are the developments relating to the capital securities and preferred shares of subsidiaries:

Energy

▪ San Miguel Global Power

a) Issuance of SPCS

The outstanding SPCS of San Miguel Global Power are as follows:

Date of Issuance	Initial Rate of Distribution Per Annum	Balance as at December 31, 2024	
December 2, 2024	8.125%	US\$500	P28,882
September 12 and 30, 2024	8.75%	900	49,849
June 9 and September 15, 2021	5.45%	684	32,417
October 21 and December 15, 2020	7.00%	194	9,613
January 21, 2020	5.70%	493	24,807
November 5, 2019	5.95%	113	5,627
		US\$2,884	P151,195

Date of Issuance	Initial Rate of Distribution Per Annum	Balance as at December 31, 2023	
June 9 and September 15, 2021	5.45%	US\$684	P32,416
October 21 and December 15, 2020	7.00%	724	34,884
January 21, 2020	5.70%	593	29,836
November 5, 2019	5.95%	492	24,445
April 25 and July 3, 2019	6.50%	783	40,187
		US\$3,276	P161,768

On August 27 and November 14, 2024, San Miguel Global Power announced on the SGX-ST website the following:

- a. that it will undertake to invite eligible holders of San Miguel Global Power's outstanding US Dollar-denominated SPCS listed with the SGX-ST (collectively, the "Existing Securities"): (i) 7.00% SPCS issued on October 21 and December 15, 2020; (ii) 5.70% SPCS issued on January 31, 2020; and (iii) 5.95% SPCS issued on November 5, 2019
 - (1) to offer to exchange some or all of its Existing Securities for new US Dollar-denominated SPCS to be issued by San Miguel Global Power (the "Exchange Offers"); and
 - (2) to tender for purchase for cash some or all of its Existing Securities up to an aggregate nominal amount and at a purchase price, to be determined by San Miguel Global Power (the "Tender Offers", and together with the Exchange Offers, the "Offers"); and
- b. that it will undertake the offer and issuance of up to US\$600 in SPCS or such other amount as San Miguel Global Power may later determine (collectively together with the Tender Offers, the "Additional New Securities").

On September 12, 2024, San Miguel Global Power completed the issuance of US\$800 SPCS (P44,300, net of directly attributable transaction costs amounting to P660) at an issue price of 100%, with an initial rate of distribution of 8.75% per annum and step-up date of September 12, 2029.

The US\$800 SPCS consist of the following:

- (i) US\$532 (P29,456, net of directly attributable transaction costs amounting to P439) in aggregate principal amount of SPCS issued in exchange for Existing Securities (with a carrying value of P25,801) pursuant to the Exchange Offers; and
- (ii) US\$268 (P14,844, net of directly attributable transaction costs amounting to P221) in aggregate principal amount of Additional New Securities. The proceeds of the issuance of SPCS covered the purchase of Existing Securities, amounting to US\$157 (with a carrying value equivalent to P7,679), accepted pursuant to the Tender Offers.

On September 30, 2024, San Miguel Global Power completed the issuance of US\$100 SPCS (P5,549, net of directly attributable transaction costs amounting to P54) at an issue price of 100% plus an amount corresponding to accrued distribution from and including September 12, 2024 to, but excluding, September 30, 2024.

The US\$100 SPCS is consolidated into and form a single series with the US\$800 SPCS issued on September 12, 2024, bringing the total securities to US\$900. The US\$800 SPCS and US\$100 SPCS are identical in all respects, other than with respect to the date of issuance and issue price.

On December 2, 2024, San Miguel Global Power completed the issuance of US\$500 SPCS (P28,882, net of directly attributable transaction costs amounting to P445) at an issue price of 100%, with an initial rate of distribution of 8.125% per annum and step-up date of March 2, 2030.

The US\$500 SPCS consist of the following:

- (i) US\$274 (P15,823, net of directly attributable transaction costs amounting to P244) in aggregate principal amount of SPCS issued in exchange for Existing Securities (with a carrying value of P13,402) pursuant to the Exchange Offers; and
- (ii) US\$226 (P13,059, net of directly attributable transaction costs amounting to P201) in aggregate principal amount of Additional New Securities. The proceeds of the issuance of SPCS partly covered the purchase of Existing Securities, amounting to US\$46 (with a carrying value equivalent to P2,236), accepted pursuant to the Tender Offers.

As a result of the foregoing, the movements in the Existing Securities are as follows:

Title of Existing Securities	Principal of Existing Securities	Accepted Exchange Offers	Accepted Tender Offers	Remaining Principal of Existing Securities	Amount in Philippine Peso*
7.00% SPCS issued on October 21 and December 15, 2020	US\$724	(US\$436)	(US\$94)	US\$194	P9,613
5.70% SPCS issued on January 31, 2020	593	(100)	-	493	24,807
5.95% SPCS issued on November 5, 2019	492	(270)	(109)	113	5,627
	US\$1,809	(US\$806)	(US\$203)	US\$800	P40,047

*Net of transaction costs.

The difference between the price and net carrying value of the Existing Securities accepted pursuant to the Offers amounted to P8,574 and was recognized as part of the "Equity reserves" account in the consolidated statements of financial position.

The net proceeds of the issuances of the Additional New Securities and the US\$100 SPCS were applied to the following: (i) costs and expenses related to the Exchange Offers, including payment of accrued distribution amount in respect of the Existing Securities accepted for exchange pursuant to the terms and conditions of the Exchange Offers; (ii) costs and expenses related to the Tender Offers, including payment of the purchase price and the accrued distribution amount in respect of the Existing Securities accepted for purchase pursuant to the terms and conditions of the Tender Offers; and (iii) for pre-development costs of solar energy projects and BESS projects.

The US\$800, US\$100 and US\$500 SPCS were listed on the SGX-ST on September 13, October 1 and December 3, 2024, respectively.

The Securities were offered to holders of Existing Securities pursuant to the Offers and were sold mainly offshore and to a limited number of qualified buyers in the Philippines. Hence, the Offers and sale of the Securities qualified as exempt transactions for which no confirmation of exemption from the registration requirements of the Securities Regulation Code were required to be filed with the SEC.

The holders of the Securities have conferred a right to receive distributions on a semi-annual basis from their issuance dates at the initial rate of distribution, subject to the step-up rate. San Miguel Global Power has a right to defer this distribution under certain conditions.

The Securities constitute direct, unconditional, unsecured and unsubordinated obligations of San Miguel Global Power with no fixed redemption date and are redeemable in whole, but not in part, at San Miguel Global Power's option on the step-up date, or any distribution payment date thereafter or upon the occurrence of certain other events, at the principal amounts of the Securities plus any accrued, unpaid or deferred distribution.

b) Repurchase of SPCS

On October 26, 2022, the BOD of San Miguel Global Power authorized the conduct of tender offer to the holders of its US Dollar-denominated SPCS listed on the SGX-ST to purchase for cash said SPCS up to a total aggregate principal amount of US\$400. The conduct of the tender offer commenced on October 26, 2022, and expired on November 4, 2022 (the "Expiration Deadline"). All valid tender offers from security holders, representing an aggregate of US\$124 in principal amount of SPCS were accepted by San Miguel Global Power. Security holders that validly tendered their securities at or prior to the Expiration Deadline and which San Miguel Global Power accepted for purchase from such security holders were paid the applicable purchase price amounting to US\$81 (P4,703, inclusive of transaction costs of P25) and the relevant accrued distribution amounting to US\$2 (P102) on November 9, 2022.

The difference between the price paid and the net carrying value of the SPCS repurchased amounting to P1,297, net of transaction costs, was recognized as part of "Equity reserves" account in the consolidated statements of financial position.

The payment for the repurchased SPCS was funded by San Miguel Global Power's issuance of RPS to SMC.

c) Redemption of SPCS

On April 23, 2024, San Miguel Global Power completed the redemption of its US\$783 remaining securities (with a net carrying value of P40,187) out of the US\$800 SPCS issued in April and July 2019, pursuant to the terms and conditions of the securities. The redemption price includes the principal amount and any accrued but unpaid distributions up to (but excluding) the step-up date.

The difference between the price paid and the net carrying value of the US\$783 securities amounted to P4,853 and was recognized as part of the "Equity reserves" account in the consolidated statement of financial position as at December 31, 2024.

The US\$783 securities were redeemed using in part the proceeds of the RPS issued in April 2024 and cash generated from operations.

d) Issuance of Redeemable Perpetual Capital Securities (RPCS)

On April 19, 2024, San Miguel Global Power issued US\$800 RPCS to a third party (P43,432, net of directly attributable transaction costs amounting to P2,688) at an issue price of 100%. Proceeds of the issuance were used for general corporate purposes, including capital expenditures and refinancing of maturing obligations.

Fuel and Oil

▪ Petron

a) Redemption of SPCS

On January 19, 2023, Petron redeemed US\$22 (P1,118) from US\$500 SPCS issued in 2018 at a purchase price of US\$927.00 per US\$1,000.00 in principal amount.

On July 19, 2023, the remaining outstanding SPCS with an aggregate amount of US\$478 (P23,763) was fully redeemed at a purchase price of US\$1,000.00 per US\$1,000.00 in principal amount. Following such redemption, distributions ceased to accrue and the redeemed securities were cancelled and delisted from the SGX-ST.

The difference between the price paid and the net carrying amount of the SPCS redeemed amounting to P1,538, net of transaction costs, was recognized as part of "Equity reserves" account in the consolidated statements of financial position as at December 31, 2024 and 2023.

b) Redemption of Series 3A Preferred Shares

On December 26, 2024, Petron redeemed its 13,403,000 Series 3A Preferred Shares issued on June 25, 2019 at a redemption price of P1,000.00 per share or a total of P13,403. The redemption was approved by the BOD of Petron on June 26, 2024.

c) Issuance of Series 4 Preferred Shares

On July 7, 2023, Petron issued and listed on the PSE 5,000,000 Series 4A, 2,995,000 Series 4B, and 6,005,000 Series 4C Preferred Shares (inclusive of the oversubscription of 1,500,000 shares) under the 50,000,000 Series 4 Shelf Registered Preferred Shares at an issue price of P1,000.00 per share or for a total amount of P14,000. The Series 4 Shelf Registered Preferred Shares, which were approved for issue by the SEC on June 14, 2023, are cumulative, deferrable, non-voting, non-participating, non-convertible, redeemable, and reissuable Peso-denominated perpetual preferred shares. The net proceeds were used to partly fund the full redemption on July 19, 2023 of the remaining US\$478 SPCS issued in 2018.

Petron has the redemption option starting on the second and half, third and fifth year or on any dividend payment date thereafter for Series 4A, Series 4B and Series 4C Preferred Shares, respectively. Dividend rates are 6.7079%, 6.7972% and 7.0861% per annum for Series 4A, Series 4B and Series 4C Preferred Shares, respectively.

On September 23, 2024, Petron issued and listed on the PSE additional 16,830,000 Series 4 Preferred Shares at an offer price of P1,000.00 per share for a total amount of P16,830. The additional Series 4 Preferred Shares were issued in two sub-series: (i) 8,500,000 Series 4D Preferred Shares; and (ii) 8,330,000 Series 4E Preferred Shares. The Series 4D and 4E Preferred Shares are cumulative, deferrable, non-voting, non-participating, non-convertible, redeemable, and reissuable Peso-denominated perpetual preferred shares.

Petron has the redemption option starting on the third and fifth year from listing date or on any dividend payment date thereafter for Series 4D and 4E Preferred Shares, respectively. Series 4D and 4E Preferred Shares have dividend rates of 6.8364% and 7.1032% per annum, respectively. Cash dividends are payable quarterly every March 23, June 23, September 23 and December 23 of each year, as and if declared by Petron's BOD. The net proceeds were used to fully redeem Petron's Series 3A Preferred Shares on December 26, 2024, refinance maturing obligations, and fund general corporate purposes, including the purchase of crude oil inventory.

The details of material share in the net assets of subsidiaries are as follows:

	December 31, 2024		December 31, 2023	
	Petron	SMFB	Petron	SMFB
Percentage of non-controlling interests	31.74%	11.24%	31.74%	11.24%
Carrying amount of non-controlling interests	P17,232	P75,254	P15,462	P70,402
Net income attributable to non-controlling interests	P1,031	P18,010	P1,836	P17,636
Other comprehensive income (loss) attributable to non-controlling interests	P1,251	P553	(P1,068)	(P545)
Dividends paid to non-controlling interests	P511	P13,778	P510	P12,229

The following are the audited condensed financial information of subsidiaries with material non-controlling interests:

	December 31, 2024		December 31, 2023	
	Petron	SMFB	Petron As restated	SMFB
Current assets	P255,873	P144,192	P233,007	P135,889
Noncurrent assets	212,929	232,914	212,762	219,886
Current liabilities	(252,259)	(116,706)	(237,293)	(103,008)
Noncurrent liabilities	(112,333)	(80,211)	(108,816)	(83,652)
Net Assets	P104,210	P180,189	P99,660	P169,115
Sales	P867,966	P400,872	P801,027	P379,822
Net income	P8,471	P40,933	P10,112	P38,105
Other comprehensive income (loss)	2,926	899	(2,493)	(1,672)
Total Comprehensive Income	P11,397	P41,832	P7,619	P36,433
Cash flows provided by operating activities	P13,208	P58,055	P20,316	P71,388
Cash flows used in investing activities	(10,216)	(25,349)	(7,550)	(27,690)
Cash flows used in financing activities	(1,285)	(32,080)	(21,753)	(27,751)
Effect of exchange rate changes on cash and cash equivalents	1,163	588	(677)	(39)
Net increase (decrease) in cash and cash equivalents	P2,870	P1,214	(P9,664)	P15,908

25. Sales

Sales consist of:

	Note	2024	2023	2022
Goods		P1,532,679	P1,408,087	P1,472,886
Services		42,700	38,616	33,705
	6, 33	P1,575,379	P1,446,703	P1,506,591

26. Cost of Sales

Cost of sales consist of:

	Note	2024	2023	2022
Inventories	9, 40	P1,015,168	P929,217	P1,021,867
Taxes and licenses		125,643	115,944	106,351
Depreciation and amortization	28	46,427	43,390	37,846
Power purchases	34	29,665	25,250	57,089
Fuel and oil		19,725	21,850	23,212
Personnel	29	17,720	15,347	12,791
Contracted services		16,610	14,932	12,794
Freight, trucking and handling		14,204	13,728	12,367
Repairs and maintenance		9,019	7,614	5,328
Communications, light and water		6,143	9,846	4,406
Tolling fees	34	5,777	5,825	6,692
Energy fees	34	1,574	1,641	10,452
Rent		812	839	879
Others	9, 34	3,540	2,987	2,533
		P1,312,027	P1,208,410	P1,314,607

27. Selling and Administrative Expenses

Selling and administrative expenses consist of:

	2024	2023	2022
Selling	P48,517	P46,871	P43,469
Administrative	54,019	46,937	40,503
	P102,536	P93,808	P83,972

Selling expenses consist of:

	Note	2024	2023	2022
Personnel	29	P15,081	P13,769	P12,454
Freight, trucking and handling		9,756	9,833	10,247
Depreciation and amortization	28	8,138	7,611	6,801
Advertising and promotions		7,934	7,015	5,885
Rent		2,306	2,179	2,017
Repairs and maintenance		2,069	2,171	1,783
Taxes and licenses		1,101	1,056	949
Supplies		950	1,219	916
Professional fees		603	575	561
Communications, light and water		498	491	717
Others		81	952	1,139
		P48,517	P46,871	P43,469

Administrative expenses consist of:

	Note	2024	2023	2022
Personnel	29	P19,732	P18,002	P16,783
Contracted services		7,242	6,375	4,523
Depreciation and amortization	28	4,767	4,856	4,595
Taxes and licenses		4,711	4,673	3,845
Travel, entertainment and representation		4,641	4,680	3,119
Professional fees		3,162	2,899	2,605
Repairs and maintenance		2,624	1,908	1,855
Impairment loss	8, 9, 13, 15, 18	2,323	319	115
Supplies		1,208	945	916
Communications, light and water		885	930	948
Rent		690	478	408
Research and development		89	80	45
Others		1,945	792	746
		P54,019	P46,937	P40,503

28. Depreciation and Amortization

Depreciation and amortization are distributed as follows:

	Note	2024	2023	2022
Cost of sales:				
Property, plant and equipment	13	P31,048	P27,091	P22,435
Other intangible assets	17	7,985	7,813	7,178
Right-of-use assets	14	3,575	3,950	4,532
Biological assets				
and others	15, 16, 18	3,819	4,536	3,701
	26	46,427	43,390	37,846
Selling and administrative expenses:				
Property, plant and equipment	13	4,924	5,076	4,743
Right-of-use assets	14	776	949	1,082
Investment property, deferred containers and others	15, 17, 18	7,205	6,442	5,571
	27	12,905	12,467	11,396
		P59,332	P55,857	P49,242

“Others” include depreciation of investment property and amortization of catalyst in cost of sales, and depreciation of idle assets and amortization of computer software and licenses in selling and administrative expenses.

29. Personnel Expenses

Personnel expenses consist of:

	Note	2024	2023	2022
Salaries and wages		P33,229	P29,863	P26,543
Retirement costs	35	2,088	1,787	2,028
Other employee benefits		17,216	15,468	13,457
		P52,533	P47,118	P42,028

Personnel expenses are distributed as follows:

	Note	2024	2023	2022
Cost of sales	26	P17,720	P15,347	P12,791
Selling expenses	27	15,081	13,769	12,454
Administrative expenses	27	19,732	18,002	16,783
		P52,533	P47,118	P42,028

30. Interest Expense and Other Financing Charges

Interest expense and other financing charges consist of:

	Note	2024	2023	2022
Interest expense		P91,505	P83,083	P54,269
Other financing charges	21, 35	7,908	8,220	6,526
		P99,413	P91,303	P60,795

Amortization of debt issue costs included as part of "Other financing charges" amounted to P3,821, P3,717 and P2,824 in 2024, 2023 and 2022, respectively (Note 21).

Interest expense on loans payable, long-term debt and lease liabilities is as follows:

	Note	2024	2023	2022
Loans payable	19	P17,713	P15,400	P7,718
Long-term debt	21	70,989	63,911	41,766
Lease liabilities	14, 34	2,803	3,772	4,785
		P91,505	P83,083	P54,269

31. Interest Income

Interest income consists of:

	Note	2024	2023	2022
Interest from short-term investments, cash in banks and others	7, 12, 35	P14,042	P13,206	P6,761
Interest from amounts owed by related parties	12, 33, 35	662	821	347
		P14,704	P14,027	P7,108

32. Other Income (Charges)

Other income (charges) consists of:

	Note	2024	2023	2022
Construction costs (a)	4, 17, 34	(P57,772)	(P60,606)	(P60,461)
Gain (loss) on foreign exchange - net	39	(20,514)	2,485	(21,518)
Provision on impairment (b)	8, 11, 13, 17, 18	(1,688)	(780)	(1,111)
Construction revenue (a)	4, 17, 34	57,772	60,606	60,461
Miscellaneous gain (c)	5, 43	3,509	2,291	22
Gain (loss) on derivatives - net	40	614	(1,379)	2,920
Dividend income	12, 33	330	25	1,352
Others - net (d)	4, 34	1,270	1,444	2,157
		(P16,479)	P4,086	(P16,178)

- a. The construction revenue recognized in profit or loss approximates the construction costs recognized. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Construction costs are recognized by reference to the stage of completion of the construction activity of toll road, airport, port, and water concession rights as at the reporting date.

- b. Provision on impairment mainly consists of:

SMBHK

In 2024, SMBHK identified a shortfall in the actual results against previous forecasts due to various factors, including but not limited to, a decline in demand for its own brewed products in light of fierce market competition and more outbound travel spending. Indicators of impairment existed for the noncurrent assets employed in the manufacturing operations in Hong Kong, comprising primarily the production plant and machinery.

SMBHK determined the recoverable amount of the cash-generating unit to which these assets belong to be P1,706 as at December 31, 2024, which is lower than the carrying amount. Based on SMBHK management's assessment, impairment loss of P673 was recognized in property, plant and equipment employed in SMBHK's production plant.

SMFI

In 2024, impairment loss amounting to P784 was recognized by SMFI due to discontinued hog farm operations and indefinitely suspended capital projects. This was based on management's assessment that the recoverable amount of certain idle assets consisting of buildings and improvements, and machinery and equipment is lower than the carrying amount.

SMYA

The Group's packaging operations in Australia particularly the wine filling and bottling operations is being challenged by the ongoing restrictions imposed by China on importations from Australia, including wines. In 2021, China imposed a punitive tariff on Australian wines which severely impacted the Australian wine industry. The ongoing trade restriction and the lingering effect of COVID-19 led to the decline in demand for products of SMYA compared to forecasted revenues. Management has determined that the carrying amount of the cash generating unit is higher than the recoverable value. Accordingly, impairment loss of P188 and P789 in 2023 and 2022, respectively, were recognized by SMYA.

SMPI

SMPI made advances to future investees that will be applied against future stock subscriptions. Management assessed that the carrying amount of advances for investments may not be recoverable in full. Accordingly, additional impairment losses amounting to P12, P498 and P241 were recognized in 2024, 2023 and 2022, respectively (Note 12).

- c. Miscellaneous gain represents the income recognized in 2024 by Petron from the reversal of ARO and pretermination of lease related to the reconveyance of landholdings from Philippine National Oil Company (PNOC) amounting to P1,794 and P1,715, respectively. GSMI recognized income from the assignment of products rights amounting to P1,530 in 2023. The Group recognized income from the Tax Credit Certificates (TCC) issued by the BIR in relation to the claims for refund filed for overpayment of excise taxes for San Mig Light amounting to P761 in 2023 (Note 43) and gain from the consolidation of Mema amounting to P22 in 2022 (Note 5).
- d. "Others" consist of rent income, commission income, changes in fair value of financial assets at FVPL, insurance claims, casualty loss, loss on retirement of breeding stocks and expenses of closed facilities.

33. Related Party Disclosures

The Parent Company, certain subsidiaries and their shareholders, associates and joint ventures purchase products and services from one another in the normal course of business. The Parent Company requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the total consolidated assets based on its latest audited financial statements.

Amounts owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at December 31:

	Note	Year	Revenue from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Ultimate Parent Company	8, 36	2024	P9	P -	P -	P516	Settled on dividend payment date	Unsecured
		2023	7	-	-	516		
	18	2024	-	-	3,037	-	To be settled on the first anniversary of commercial operations of the Nonoc Project; interest bearing	Unsecured; no impairment
		2023	-	-	3,037	-		
Retirement plans	8, 35	2024	30	-	3,166	-	On demand;	Unsecured;
		2023	29	-	3,332	-	non-interest bearing	no impairment
	8, 31, 35	2024	234	-	4,127	-	On demand;	Unsecured;
		2023	239	-	4,129	9	interest bearing	no impairment
Associates	8, 18, 20, 22	2024	1,984	-	940	161	On demand;	Unsecured;
		2023	2,466	-	1,119	73	non-interest bearing	no impairment
	8, 10, 12, 18, 19, 21, 31	2024	637	1,394	9,720	34,208	Less than 1 to 12 years;	Unsecured;
		2023	469	1,447	9,717	25,076	interest bearing	secured; no impairment
Joint ventures	8, 18, 20, 22	2024	88	1,103	268	456	On demand;	Unsecured;
		2023	74	65	197	18	non-interest bearing	no impairment
	8	2024	13	-	621	-	On demand;	Unsecured;
		2023	40	-	621	-	interest bearing	with impairment
	8, 18, 31	2024	81	-	1,485	-	Less than 1 to 10.5 years;	Unsecured;
		2023	77	-	1,479	-	interest bearing	no impairment
Shareholder of the Ultimate Parent Company	8, 20	2024	-	-	1,300	-	On demand;	Unsecured;
		2023	-	-	1,300	-	non-interest bearing	no impairment
Shareholders in subsidiaries	8, 20	2024	43	1,265	96	1,368	On demand;	Unsecured;
		2023	30	990	100	1,304	non-interest bearing	no impairment
Others	8, 20, 22	2024	543	1,559	208	126	On demand;	Unsecured;
		2023	452	2,965	157	161	non-interest bearing	no impairment
Total		2024	P3,662	P5,321	P24,968	P36,835		
Total		2023	P3,883	P5,467	P25,188	P27,157		

1. Revenue consists of sale of power, fuel and other products and services to related parties.
2. Purchases consist of purchase of inventories, power and other products and services from related parties.
3. Amounts owed by related parties consist of current and noncurrent receivable, advances to suppliers and deposits and share in expenses.
 - a) Amounts owed by related parties include interest bearing receivable from the Ultimate Parent Company related to the remaining balance of the consideration for the sale of Clariden Holdings, Inc. (Clariden) amounting to P2,312 and the assignment of certain receivables of the Ultimate Parent Company amounting to P725.
 - (i) *Amounts owed by the Ultimate Parent Company amounting to P2,312:* On September 27, 2019, SMC and Top Frontier agreed in writing that the second payment amounting to P1,099, plus 5.75% interest rate per annum of any portion thereof unpaid, and the final payment amounting to P1,213, plus 6.00% interest rate per annum of any portion thereof unpaid, shall be payable and the interest shall be accrued, on the first anniversary of commercial operations of the Nonoc Project or such extended date as may be mutually agreed by the parties in writing.
 - (ii) *Amounts owed by the Ultimate Parent Company amounting to P725:* On September 27, 2019, the parties agreed in writing that the amounts plus 5.75% interest rate per annum of any portion thereof unpaid shall be payable and the interest shall be accrued, upon commencement of commercial operations of the Nonoc Project.

The Nonoc Project is primarily focused in extracting nickel deposits in Nonoc Island, Surigao City, Surigao del Norte undertaken by Philnico Industrial Corporation, Pacific Nickel Philippines, Inc., and Philnico Processing Corp., indirect subsidiaries of Clariden. As at December 31, 2024 and 2023, the Nonoc Project has not yet started commercial operations.

These amounts are included as part of noncurrent receivables and deposits under "Other noncurrent assets - net" account in the consolidated statements of financial position as at December 31, 2024 and 2023 (Note 18).

- b) The Parent Company has advances to and receivables from San Miguel Corporation Retirement Plan (SMCRP) amounting to P6,311 and P6,522 as at December 31, 2024 and 2023, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position (Note 8). Portion of the advances are subject to interest rate of 5.75% per annum. Interest income earned from the advances amounted to P189 in 2024 and P188 in 2023 and 2022 (Note 35).
- c) Petron has advances to Petron Corporation Employee Retirement Plan (PCERP) amounting to P982 and P937 as at December 31, 2024 and 2023, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position (Note 8). Portion of the advances are subject to interest rate of 5% per annum. Interest income earned from the advances amounted to P45 in 2024 and 2023 and P58 in 2022 (Note 35).

- d) Amounts owed by related parties include investments in equity and debt instruments under investment management agreement with BankCom for a total amount of P9,718 and P9,717 as at December 31, 2024 and 2023, respectively, presented as part of "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts in the consolidated statements of financial position (Notes 10 and 12). Income earned from investments in equity and debt instruments amounted to P627, P466 and P1,369 in 2024, 2023 and 2022, respectively (Notes 31 and 32).
- e) Amounts owed by related parties include interest-bearing receivable from joint ventures amounting to P621 included as part of "Trade and other receivables - net" account in the consolidated statements of financial position (Note 8). Allowance for impairment losses pertaining to these receivables amounted to P621 as at December 31, 2024 and 2023. Interest income earned from the receivable amounted to P13 and P40 in 2024 and 2023, respectively (Note 31).
- f) Amounts owed by joint ventures include the interest-bearing loans granted to Angat Hydro by PVEI.

In January 2017, PVEI granted shareholder advances to Angat Hydro amounting to US\$32 (P1,579). The advances are subject to interest of 4.5% per annum and were due on April 30, 2017. The due date of the advances was extended to December 31, 2025, as agreed by the parties. As at December 31, 2024 and 2023, the remaining balance of the shareholder advances amounted to US\$2 (P132) and US\$2 (P126), respectively.

In February 2023 and June and October 2021, PVEI granted additional shareholder advances to Angat Hydro amounting to P344, P600 and P409, respectively. The advances are subject to interest of 6.125%, 4.6% and 6.125% per annum, respectively, and are due on January 5, 2032.

As at December 31, 2024 and 2023, the outstanding balance of advances amounted to P1,485 and P1,479, respectively, presented as part of "Trade and other receivables - net" and "Other noncurrent assets - net" accounts in the consolidated statements of financial position (Notes 8 and 18). Interest income earned from the advances amounted to P81, P77 and P59 in 2024, 2023 and 2022, respectively (Note 31).

- g) Amounts owed by related parties include the receivable from the assignment by ECC to FEHI of the advances for future investment in KSHI amounting to P1,300, presented as part of "Trade and other receivables - net" account in the consolidated statements of financial position as at December 31, 2024 and 2023 (Notes 5 and 8).
4. Amounts owed to related parties consist of trade payables, professional fees and leases. Amounts owed to a related party for the lease of office space presented as part of "Lease liabilities - current portion" amounted to P9 and P4 as at December 31, 2024 and 2023, respectively, and as part of "Lease liabilities - net of current portion" amounted to P35 and P5 as at December 31, 2024 and 2023, respectively. The amount owed to the Ultimate Parent Company pertains to dividends payable (Note 36).

5. The amounts owed to associates include interest bearing loans payable to BankCom presented as part of “Loans payable” account amounting to P6,941 and P6,382 and “Long-term debt” account amounting to P27,267 and P18,694 in the consolidated statements of financial position as at December 31, 2024 and 2023, respectively (Notes 19 and 21). Interest expense incurred on the loans amounted to P1,394, P1,447, and P1,004 in 2024, 2023 and 2022, respectively.

The amounts owed to associates include syndicated project finance loans amounting to P20,584 and P12,375 as at December 31, 2024 and 2023, respectively, which were secured by certain property, plant and equipment and other intangible assets (Notes 13 and 17).

The compensation of key management personnel of the Group, by benefit type, follows:

	Note	2024	2023	2022
Short-term employee benefits		P659	P544	P631
Retirement benefits	35	57	47	17
		P716	P591	P648

There were no known transactions with parties that fall outside the definition "related parties" under PAS 24, *Related Party Disclosures*, but with whom SMC or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

34. Significant Agreements and Lease Commitments

Significant Agreements

- Energy
 - *IPPA Agreements*

As a result of the biddings conducted by PSALM for the appointment of the IPP Administrator for the capacity of the following power plants, the Group was declared the winning bidder to act as IPP Administrator through the following appointed subsidiaries:

Subsidiary	Power Plant	Location
SPI	Sual Coal - Fired Power Station (Sual Power Plant)	Sual, Pangasinan Province
SRHI	San Roque Hydroelectric Multi-purpose Power Plant (San Roque Power Plant)	San Roque, Pangasinan Province

SPPC also became the IPP Administrator for the Ilijan Power Plant, a natural gas-fired combined cycle power plant located in Ilijan, Batangas, in June 2010 until the Ilijan Power Plant was turned over to SPPC in June 2022.

The IPPA Agreements are with the conformity of the National Power Corporation (NPC), a government-owned and controlled corporation created by virtue of RA No. 6395, as amended, whereby NPC confirms, acknowledges, approves and agrees to the terms of the IPPA Agreements and further confirms that for so long as it remains the counterparty of the IPP, it will comply with its obligations and exercise its rights and remedies under the original agreement with the IPP at the request and instruction of PSALM.

The IPPA Agreements include, among others, the following common salient rights and obligations:

- i. the right and obligation to manage and control the capacity of the power plant for its own account and at its own cost and risks;
- ii. the right to trade, sell or otherwise deal with the capacity (whether pursuant to the spot market, bilateral contracts with third parties or otherwise) and contract for or offer related ancillary services, in all cases for its own account and at its own cost and risks. Such rights shall carry the rights to receive revenues arising from such activities without obligation to account therefore to PSALM or any third party;
- iii. the right to receive a transfer of the power plant upon termination of the IPPA Agreement at the end of the cooperation period or in case of buy-out;
- iv. for SPI and previously for SPPC, the right to receive an assignment of NPC's interest in existing short-term bilateral power supply contracts;
- v. the obligation to supply and deliver, at its own cost, fuel required by the IPP and necessary for the Sual Power Plant to generate the electricity required to be produced by the IPP;
- vi. maintain the performance bond in full force and effect with a qualified bank; and
- vii. the obligation to pay PSALM the monthly payments and energy fees in respect of all electricity generated from the capacity, net of outages.

SPI served as the IPP Administrator for the Sual Power Plant from November 2009 until the end of the IPPA Agreement term on October 24, 2024. Accordingly, PSALM turned over the Sual Power Plant to SPI on October 25, 2024 (Notes 13 and 14).

Relative to the IPPA Agreements, SRHI has to pay PSALM monthly payments for 18 years until April 26, 2028, SPPC for 12 years until June 26, 2022 and SPI for 15 years until October 1, 2024. Energy fees amounted to P1,574, P1,641 and P10,452 in 2024, 2023 and 2022, respectively (Note 26). SPI and SRHI renewed their performance bonds amounting to US\$58 and US\$20 which expired on November 2, 2024 and January 25, 2025, respectively. Subsequently, the performance bond of SRHI was renewed up to January 25, 2026.

On June 16, 2015, SPPC renewed its performance bond amounting to US\$60 with a validity period of one year. This performance bond was subsequently drawn by PSALM on September 4, 2015, which is subject to an ongoing case (Note 43).

The SRHI's lease liabilities are carried at amortized cost using 3.30% and 7.90% US Dollar and Philippine Peso discount rates, respectively.

The discount determined at the inception of the agreement is amortized over the period of the IPPA Agreements and recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income. Interest expense amounted to P1,347, P2,421 and P3,462 in 2024, 2023 and 2022, respectively (Note 30).

In October 2024, the IPPA Agreement between SPI and PSALM ended. Accordingly, the Sual Power Plant was reclassified from "Right-of-use assets" to "Property, plant and equipment" account pursuant to the terms and conditions of the IPPA Agreement.

The power plants under the remaining IPPA lease arrangements with PSALM, presented under "Right-of-use assets - net" account in the consolidated statements of financial position, amounted to P28,441 and P95,545 as at December 31, 2024 and 2023, respectively (Note 14).

- *Land Lease Agreement with PSALM*

SPPC

On April 4, 2022, SPPC entered into a long-term lease agreement with PSALM for parcels of land with an aggregate area of 242,445.50 square meters. The leased premises shall be used for the operation, management, expansion and maintenance of the Ilijan Power Plant. The lease term is for a period of 25 years, which commenced upon the expiration of the IPPA Agreement between PSALM and SPPC in June 2022 and is subject to renewal upon mutual agreement of both parties.

Subsequently, upon the request of SPPC, PSALM issued a certification for the inclusion in the lease agreement of certain parcels of land, with an aggregate area of 24,116 square meters, where the Ilijan switchyard is located.

In 2022, SPPC paid in advance the total lease charges amounting to P1,823 covering the entire leased premises and whole duration of the lease term.

On April 17, 2023, SPPC paid a consent fee amounting to P104 to PSALM for the planned lease of 37,870 square meters of land to NGCP.

On July 26, 2024, an agreement was executed with PSALM for the purchase by SPPC of 258,701 square meters out of the leased premises for a total consideration of P1,210 (inclusive of the unamortized balance of the advance rental paid in 2022). Consequently, the total area covered by the long-term lease agreement was reduced to 7,860.50 square meters.

SPI

On October 25, 2024, SPI entered into a long-term lease agreement with PSALM covering certain parcels of land with an aggregate area of 2,887,329 square meters. The leased premises shall be used for the operation, management, expansion and maintenance of the Sual Power Plant. The lease term is for 25 years commencing in October 2024, upon expiration of the IPPA Agreement between SPI and PSALM, and is subject to renewal upon mutual agreement of both parties.

In 2024, SPI partially paid in advance the total lease charges amounting to P6,604 covering the entire leased premises and whole duration of the lease term. The remaining balance to be paid in full in March 2025.

MPCL

MPCL has an existing lease agreement with PSALM for the lease of the 183,791 square meters land located in Barangay Bani, Masinloc, Zambales. The lease agreement will expire on April 11, 2028.

○ *Market Participation Agreements (MPA)*

SPI, SRHI, SPPC, LPI, MPI, and MPCL each entered into separate MPAs with the Philippine Electricity Market Corporation (PEMC) to satisfy the conditions contained in the Philippine WESM Rules on WESM membership and to set forth the rights and obligations of a WESM member.

The relevant parties in each of the MPAs acknowledged that PEMC was entering into the agreement in its capacity as both governing arm and autonomous group market operator of the WESM, and that in due time the market operator functions shall be transferred to an independent market operator (IMO) pursuant to RA No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001” (EPIRA). The parties further agreed that upon such transfer, all rights, obligations, and authority of PEMC under the MPA shall also pertain to the IMO and that all references to PEMC shall also refer to such IMO.

Upon the initiative of the DOE and PEMC, Independent Electricity Market Operator of the Philippines (IEMOP) was incorporated and assumed the functions and obligations as the market operator of the WESM commencing on September 26, 2018. Consequently, SPI, SRHI, SPPC, LPI, MPI and MPCL each entered into separate Supplemental MPAs with PEMC and IEMOP for the transfer of rights of the market operator to IEMOP. SMGP Kabankalan, SMGP BESS, MPGC and EERI also entered into separate MPAs with IEMOP upon commencement of their commercial operations.

Under the WESM Rules, the cost of administering and operating the WESM shall be recovered through a charge imposed on all WESM members or transactions, as approved by the ERC. Market fees charged by IEMOP to the relevant subsidiaries amounted to P1,102, P372 and P201 in 2024, 2023 and 2022, respectively (Note 26).

EERI, MPCL and LPI each has a guarantee, in the form of surety bond or standby letter of credit, to secure the full and prompt performance of obligations for its transactions as a Direct Member and trading participant in the WESM, which is valid until June 10, 2025, July 21, 2025 and October 24, 2025, respectively.

○ *PSAs and RSCs*

SPI, SPPC, SRHI, MPI, LPI, MPCL, MPGC and EERI have offtake contracts such as PSAs and RSCs with various counterparties to sell electricity produced by the power plants. Counterparties for PSAs include DUs, electric cooperatives, third party Retail Electricity Suppliers (RES) and other entities.

Counterparties for RSCs are contestable customers, or large industrial users who have been certified contestable by the ERC.

Majority of the consolidated sales of the Group are through long-term offtake contracts, which may have provisions for take-or-pay, passing on fuel costs, foreign exchange differentials or certain other fixed costs and minimum offtake level. Most of the agreements provide for renewals or extensions subject to mutually agreed terms and conditions by the parties and applicable rules and regulations. Tariff structures vary depending on the customer and their needs, with some having structures based on energy-based pricing or capacity-based pricing.

For capacity-based contracts, the customers are charged with the capacity fees based on the contracted capacity plus the energy fees for the associated energy taken during the month. As stipulated in the contracts, energy-based contracts on the other hand are based on the actual energy consumption of customers using the basic energy charge and/or adjustments.

SPI, SPPC, SRHI, MPI, LPI, MPCL and MPGC can also purchase power from WESM or other power generation companies during periods when power generated from the power plants is not sufficient to meet the customers' power requirements. Power purchases amounted to P29,665, P25,250 and P57,089 in 2024, 2023 and 2022, respectively (Note 26).

On March 2, 2021, EERI and MPCL executed long-term PSAs with Meralco for the supply and delivery of 1,200 MW and 600 MW contract capacity starting in November 2024 and April 2025, respectively.

On March 17, 2023, EERI and MPCL each submitted a Notice of Termination to Meralco due to the non-occurrence of the acceptance date of ERC's Final Approvals on or before the longstop date prescribed in the respective agreements. The termination of the agreements took effect upon the lapse of 15 days from the receipt of the notice and will not result in any liability on the part of EERI and MPCL.

SPPC and Meralco also executed two separate emergency PSAs in 2023, (i) dated March 23, 2023, for the supply of 300 MW from March 26, 2023, which increased to 480 MW from April 1, 2023; and (ii) dated August 7, 2023, for the supply of 330 MW, both with terms expiring on March 25, 2024. These agreements were executed as a result of the termination of the PSA dated September 30, 2019, between SPPC and Meralco effective December 7, 2022, for the supply of 670 MW baseload capacity.

On February 5, 2024, the following contracts were executed: (i) the PSA of EERI with Meralco for the supply and delivery of 1,200 MW contract capacity; and (ii) the PSA of MPGC with Meralco for the supply and delivery of 300 MW contract capacity commencing not later than April 26, 2025. Both PSAs have a term of 15 years. With the issuance by the ERC of a Notice of Resolution on December 10, 2024, providing for the approval of the PSA of EERI, commercial operations for Unit 1 of the Batangas Combined Cycle Power Plant (BCCPP) commenced on December 29, 2024, for the supply of 400 MW to Meralco.

Also on February 5, 2024, SPPC executed a 15-year PSA with Meralco for the supply and delivery of contract capacity of 810 MW commencing on December 26, 2023, to be increased to 1,010 MW on February 26, 2024, and to be further increased to 1,200 MW on March 26, 2024 (the “2024 SPPC PSA”). Given that the ERC has yet to issue a provisional authority and/or interim relief to the joint application filed by Meralco and SPPC for approval of the 2024 SPPC PSA at that time, Meralco and SPPC executed an emergency PSA on March 25, 2024 to supply 810 MW from March 26, 2024, to March 31, 2024, which increased to 1,200 MW (net) from April 1, 2024 until the earlier of the implementation of the 2024 SPPC PSA and March 25, 2025. On May 9, 2024, the ERC granted provisional authority to implement the 2024 SPPC PSA which commenced on June 20, 2024.

On March 20, 2024, LPI also executed a PSA with Meralco for the supply of 400 MW until February 25, 2025, pursuant to a competitive selection process conducted by Meralco for its 400 MW baseload power requirements. As at the report date, an interim relief on the PSA with LPI was issued by the ERC on July 11, 2024 is in effect.

On July 31, 2024, Meralco awarded in favor of SRHI a PSA for the supply of 340 MW (net) renewable energy mid-merit supply capacity to be sourced from the San Roque Hydroelectric Power Plant for a term of ten years.

On September 2, 2024, Meralco awarded in favor of MPCL a PSA for the supply of 500 MW baseload capacity to be sourced from Units 3 and 4 of the Masinloc Coal-fired Thermal Power Plant for a term of 15 years effective September 2025. As at the report date, the application for the approval of the PSA of MPCL has been filed with and has yet to be approved by the ERC.

The PSAs of Meralco with MPGC and SRHI have been approved by the ERC on November 26, 2024, and December 3, 2024, respectively. However, MPGC and SRHI are still awaiting for the issuance and receipt of the respective orders of approval from the ERC.

○ *ASPA*

- i. On September 8, 2017, MPCL entered into an ASPA with the NGCP for a period of five years effective from May 26, 2018 allocating the entire capacity of its 10 MW Masinloc Phase I BESS as frequency regulating reserve for the NGCP to maintain power quality, reliability and security of the grid. This ASPA expired on May 25, 2023.

On May 2, 2023, MPCL entered into an ASPA with NGCP for a period of five years to allocate the 8 MW capacity of the Masinloc Phase 1 BESS as contingency reserve. On August 15, 2023, the ERC granted provisional authority to MPCL for the implementation of the ASPA which commenced on September 9, 2023.

- ii. On May 6, 2021, SMGP Kabankalan entered into an ASPA with NGCP for a period of five years commencing on January 26, 2022, allocating its 20 MW Kabankalan 1 BESS to provide ancillary services to the Visayas grid based on the Provisional Authority granted by the ERC.

- iii. On May 2, 2023, SMGP BESS entered into several ASPAs with NGCP for its 330 MW BESS located in various sites nationwide, to provide ancillary services for a period of five years, of which 220 MW and 110 MW commenced operations in 2023 and March 2024, respectively, following the Provisional Authority granted by the ERC on the relevant ASPA.
- *Coal Supply Agreements*

SPI, MPI, LPI, MPCL and MPGC have supply agreements with various coal suppliers for the coal requirements of the power plants.
- *LNG Supply Agreements*

SPPC and EERI have supply agreements with various LNG suppliers for the natural gas requirements of the Ilijan Power Plant and BCCPP.
- *Engineering, Procurement, and Construction (EPC) Contracts*

EERI, MPGC, MPCL and SMGP BESS have EPC agreements with various third-party contractors for the ongoing construction of its respective power plants and BESS projects.
- *Distribution Wheeling Service (DWS) Agreements*

As RES, LPI and MPCL each entered into DWS Agreements with certain DUs for the conveyance of electricity through its distribution systems in order to supply the power requirements of their respective contestable customers. The agreements are valid and binding upon execution unless terminated by either party.

The DWS charges from the DUs are passed on to the contestable customers who have opted for a single billing arrangement as provided in the ERC Supplemental Switching Rules.
- *Agreement for the use of LNG Terminal*

On May 26, 2023, SPPC entered into a Novation Agreement with SMCGP Transpower Pte. Ltd. (SMCGP Transpower). This agreement involved the transfer and assignment to SPPC of all the rights and obligations held by SMCGP Transpower under its Terminal Use Agreement (TUA) with Linseed Field Corporation (LFC) dated April 11, 2022.

EERI, LFC, and SPPC, entered into an Amendment Agreement dated October 22, 2024, wherein EERI was made a party to the TUA and shall have the same rights, obligations, and liabilities granted to SPPC under the TUA.

- Fuel and Oil

- *Supply Agreements*

Petron has assigned all its rights and obligations to PSTPL (as Assignee) to have a term contract to purchase Petron's crude oil requirements from Saudi Arabian Oil Company (Saudi Aramco) and Kuwait Petroleum Corporation (KPC), Abu Dhabi National Oil Company (ADNOC), Chevron USA Inc. Singapore Branch (Chevron) and Shell International Eastern Trading Company (SIETCO). The contract with Saudi Aramco is from January 1, 2024 to December 31, 2024 with automatic annual extension thereafter unless terminated at the option of either party, upon at least 60 days written notice. The contract with Saudi Aramco has been extended for another year. The contract with KPC from July 1, 2023 to December 31, 2024 was renewed from January 1, 2025 to December 31, 2025 while the contract from ADNOC from January 1, 2024 to December 31, 2024 has been terminated. Lastly, the contract with Chevron is from December 1, 2024 to November 30, 2025 and the contract with SIETCO is for three years from November 6, 2023.

PMRMB acquires crude oil and condensate for the Port Dickson Refinery from various sources through a combination of term purchase contracts and spot market purchases. PMRMB has a term supply contract for Tapis crude oil and Terengganu condensate with Exxon Mobile Exploration and Production Malaysia Inc. ("EMEPMI") for a period of two years until March 2026 supplemented by other short-term supply contracts and spot crude purchases. As at December 31, 2024, about 45% of the crude and condensate volume is sourced from EMEPMI, while the balance from other term and spot purchases. Pricing is determined through a formula that is linked to international industry benchmarks. PMRMB also utilizes Port Dickson Refinery spare capacity for crude processing arrangement of third parties to optimize utilization and benefits.

Outstanding liabilities of the Group for such purchases are shown as part of "Accounts payable and accrued expenses" account in the consolidated statements of financial position as at December 31, 2024 and 2023 (Note 20).

- *Lease Agreement with PNO*

On September 30, 2009, Petron through NVRC entered into a 30-year lease with PNO without rent-free period, covering a property which it shall use as site for its refinery, commencing on January 1, 2010 and ending on December 31, 2039. Based on the latest valuation of the property conducted by a third-party appraiser acceptable to both parties, the annual rental shall be P238 retroactive to year 2022, payable on the 15th day of January each year without the necessity of demand. This lease is subject to renewal options and annual escalation clauses of 3% per annum to be applied starting 2018 until the next re-appraisal is conducted. The leased premises shall be reappraised every fifth year in which the new rental rate shall be determined equivalent to 5% of the reappraised value, and still subject to annual escalation clause of 3% for the four years following the re-appraisal.

As at December 31, 2024, said lease contract along with the lease contracts for its bulk plants and service stations which are the subject landholdings of the rescinded deeds of conveyance were considered deemed canceled with the Supreme Court's ruling in favor of Petron (Note 43). As at December 31, 2024 and 2023, Petron leases other parcels of land from PNOC for its pipeline right-of-way and service stations.

- Infrastructure
 - *Airport Concession Agreement*
 - i. *Boracay Airport*

The ROP awarded TADHC the Airport Project through a Notice of Award (NOA) issued on May 15, 2009. The Airport Project is proposed to be implemented through a Contract-Add-Operate and Transfer Arrangement, a variant of the Build-Operate-Transfer (BOT) contractual arrangement under RA No. 6957, as amended by RA No. 7718, otherwise known as the BOT Law, and its Revised Implementing Rules and Regulations.

On June 22, 2009, TADHC entered into a Concession Agreement with the ROP, through the DOTr and CAAP. Based on the Concession Agreement, TADHC has been granted with the concession of the Airport Project which includes the development and upgrade of the Caticlan Airport (marketed and promoted as Boracay Airport) as an international airport. Subject to existing law, the Concession Agreement also grants to TADHC the franchise to operate and maintain the Boracay Airport up to the end of the concession period, which is for a period of 25 years (as may be renewed or extended for another 25 years upon written agreement of the parties), and to collect the fees, rentals and other charges as may be determined in accordance with the Concession Agreement.

The salient features of the Concession Agreement are presented below:

1. The operations and management of the Boracay Airport shall be transferred to TADHC, provided that the ROP shall retain the operations and control of air traffic services, national security matters, immigration, customs and other governmental functions and the regulatory powers insofar as aviation security, standards and regulations are concerned at the Boracay Airport.
2. As concessionaire, TADHC shall have full responsibility in all aspect of the operation and maintenance of the Boracay Airport and shall collect the regulated and other fees generated from it and from the end users. To guarantee faithful performance of its obligation in respect to the operation and maintenance of the Boracay Airport, TADHC shall post in favor of the ROP, an Operations and Maintenance Performance Security (OMPS) amounting to P25, which must be valid for the entire concession period of 25 years. As at December 31, 2024, TADHC has yet to pay the OMPS as the Airport Project has not yet entered the In-Service Date.

3. Immediately upon receiving the Notice to Commence Implementation (NCI) and provided all conditions precedent in the Concession Agreement are fulfilled or waived, TADHC shall start all the activities necessary to upgrade and rehabilitate the Boracay Airport into a larger and more technologically advanced aviation facility to allow international airport operations.
4. TADHC shall finance the cost of the Airport Project, while maintaining a debt-to-equity ratio of 70:30, with debt pertaining to a loan with BankCom. TADHC's estimated capital commitment to develop the Airport Project amounts to P2,500, including possible advances to the ROP for the right of way up to the amount of P466. Such ratio is complied with as TADHC fully issued its authorized capital stock as a leverage to the loan obtained (Notes 21 and 33).
5. TADHC shall also post a P250 Work Performance Security in favor of the ROP as guarantee for faithful performance by TADHC of the works required to be carried out in connection with the construction and completion of civil, structural, sanitary, mechanical, electrical and architectural infrastructure. This performance security shall be partially released by the ROP from time to time to the extent of the percentage-of-completion of the Airport Project. TADHC has paid P0.8 premiums in 2024 and 2023 for the Work Performance Security and is included as part of "Airport concession rights" under "Other intangible assets" account in the consolidated statements of financial position (Note 17). The unamortized portion is included as part of "Prepaid expenses and other current assets" account in the consolidated statements of financial position (Note 10).
6. In consideration for allowing TADHC to operate and manage the Boracay Airport, TADHC shall pay the ROP P8 annually. The first payment shall be made immediately upon the turnover by the ROP of the operations and management of the Boracay Airport to TADHC, and every year thereafter until the end of the concession period. The operations and management of the Boracay Airport was turned over to TADHC on October 16, 2010.

After fulfillment of all contractual and legal requirements, the Concession Agreement became effective on December 7, 2009. The NCI issued to TADHC by the DOTr was accepted by TADHC on December 18, 2009.

In accordance with the license granted by the ROP, as expressly indicated in the Concession Agreement, TADHC presently operates the Boracay Airport. TADHC completed the rehabilitation of the existing airport terminal building and facilities on June 25, 2011. Construction work for the extension of runway has been completed in 2016. The construction of the new terminal building is ongoing and expected to be completed in 2025.

ii. MIA

On August 14, 2019, the ROP, through the DOTr, issued a NOA to SMHC, awarding the MIA Project. In accordance with the NOA, SMAI was registered by SMHC as the concessionaire.

The MIA Project shall create a gateway for international and domestic travel, with the necessary ancillary facilities to support the creation of a new airport city outside Metro Manila to decongest the existing road networks and provide an alternative higher capacity airport facility.

A. Concession Agreement

On September 18, 2019, SMAI entered into a Concession Agreement with the ROP, through the DOTr, for the right to finance, design, construct, supply, complete, test, commission and eventually operate and maintain the MIA Project for a period of 50 years from the issuance of the Certificate of Substantial Completion for the first phase.

The salient features of the Concession Agreement are presented below:

1. The MIA shall consist of airfield facilities, passenger and cargo terminal buildings, airport support facilities and an airport toll road facility which will connect the MIA to the North Luzon Expressway and will be implemented in three phases, with increasing capacity for each phase completed.
2. The implementation of the first phase shall be completed within a period of five years from the date of commencement of construction, with the remaining phases subject to the timely submission and approval of the required documentation for each phase.
3. SMAI shall turnover 100 hectares of land to the ROP as government center land area and execute the necessary documents to transfer full ownership in favor of the ROP.
4. SMAI shall be responsible for the acquisition of right-of-way and possession of sufficient title to the facilities of the site of the MIA and the removal or abatement of all liens, encumbrances and hazardous substances within the MIA's vicinities as the case may be.
5. SMAI shall provide proper maintenance of the MIA's facilities and ensure that all airport facilities and airport toll road are in the condition required upon turnover to the ROP at the end of the concession period.
6. All revenues derived from the operations, maintenance and management of the MIA shall accrue to SMAI, including the lease or sublease of all business or commercial ventures and activities consistent with the MIA's operations.

B. Legislative Franchise

On December 20, 2020, RA No. 11506 lapsed into law, granting SMAI a franchise to construct, develop, establish, operate and maintain a domestic and international airport in the municipality of Bulakan and to construct, develop, establish, operate and maintain an adjacent Airport City (the MIA Project). The franchise is for a period of 50 years. RA No. 11506 became effective on January 15, 2021 and enhances the earlier Concession Agreement.

The salient features of RA No. 11506 are as follows:

1. SMAI shall be exempt from any and all direct and indirect taxes of any kind, nature and description, including but not limited to income taxes, value-added taxes, excise taxes, customs duties and tariffs, business taxes, among others during a ten-year construction period beginning from the effectivity of RA No. 11506. After the construction period, SMAI shall be exempt from income and real estate taxes until SMAI has fully recovered the costs incurred in the construction of the MIA Project.
2. After SMAI has fully recovered the costs, SMAI shall be entitled to generate income from its operations equivalent to an internal rate of return of 12% per annum. Any amount in excess shall be remitted to the national government.
3. SMAI is also required to offer at least 20% of its outstanding capital stock to any securities exchange in the Philippines for public participation within 5 years upon full recovery of costs incurred in the construction of the MIA Project.

o MRT 7 Concession Agreement

The ROP awarded ULC BVI the financing, design, construction, supply, completion, testing, commissioning and operation and maintenance of the MRT 7 Project through a NOA issued on January 31, 2008. The MRT 7 Project is an integrated transportation system, under a Build-Gradual Transfer-Operate, Maintain and Manage scheme, which is a modified Build-Transfer-Operate arrangement under RA No. 6957, as amended by RA No. 7718, otherwise known as the BOT Law, and its Revised Implementing Rules and Regulations, to address the transportation needs of passengers and to alleviate traffic in Metro Manila, particularly traffic going to and coming from North Luzon.

On June 18, 2008, ULC BVI entered into the MRT 7 Agreement or Concession Agreement with the ROP through the DOTr, for a 25-year concession period, subject to extensions as may be provided for under the Concession Agreement and by law. Based on the Concession Agreement, ULC BVI has been granted the right to finance, design, test, commission, construct and operate and maintain the MRT 7 Project, which consists of a highway, Intermodal Transport Terminal and Metro Rail Transit System including the depot and rolling stock.

The ROP through the DOTr granted ULC BVI the following rights under the Concession Agreement:

- To finance, design, construct, supply, complete and commission the MRT 7 Project;
- To designate a Facility Operator and/or a Maintenance Provider to Operate and Maintain the MRT 7 Project;
- To receive the Amortization Payments and the Revenue Share as specified in the Concession Agreement;
- To charge and collect the Agreed Fares or the Actual Fares and/or to receive the Fare Differential, if any;
- Development Rights as specified in the Concession Agreement; and
- To do any and all acts which are proper, necessary or incidental to the exercise of any of the above rights and the performance of its obligations under the Concession Agreement.

The salient features of the Concession Agreement are presented below:

1. The MRT 7 Project cost shall be financed by ULC BVI through debt and equity at a ratio of approximately 75:25 and in accordance with existing BSP regulations on foreign financing components, if any. Based on the Concession Agreement, ULC BVI's estimated capital commitment to develop the MRT 7 Project amounts to US\$1,236, adjusted to 2008 prices at US\$1,540 per National Economic and Development Authority Investment Coordination Committee approval on July 14, 2014.
2. ULC BVI shall post a Performance Security for Construction and Operations and Maintenance in favor of the ROP as guarantee for faithful performance by ULC BVI to develop the MRT 7 Project. This performance security for operations and maintenance shall be reduced every year of the concession period to the amounts as specified in the Concession Agreement.
3. All rail-based revenues above 11.90% internal rate of return of ULC BVI for the MRT 7 Project over the cooperation period, which means the period covering the construction and concession period, shall be shared equally by ULC BVI and the ROP at the end of the concession period. All rail-based revenues above 14% internal rate of return shall wholly accrue to the ROP.
4. As payment for the gradual transfer of the ownership of the assets of the MRT 7 Project, the ROP shall pay ULC BVI a fixed amortization payment on a semi-annual basis in accordance with the schedule of payment described in the Concession Agreement. The ROP's amortization payment to ULC BVI shall start when the MRT 7 Project is substantially completed.

5. For every semi-annual full payment made by the ROP through the DOTr, and actually received by ULC BVI, the latter shall issue a Certificate of Transfer of Ownership, in favor of the former representing a pro-indiviso interest in the assets of the MRT 7 Project in proportion to the amortization payment made over the total amortization payment to be made during the concession period. After the end of the concession period but provided that all the amortization payment and other amounts due to ULC BVI under the Concession Agreement shall have been fully paid, settled and otherwise received by ULC BVI, full ownership of the assets of the MRT 7 Project shall be transferred to it, free from all liens and encumbrances.
6. The amortization payments shall be adjusted pursuant to the escalation formula based on parametric formula for price adjustment reflecting changes in the prices of labor, materials and equipment necessary in the implementation/completion of the MRT 7 Project both local and at the country where the equipment/components shall be sourced.
7. Net passenger revenue shall be shared by the ROP and ULC BVI on a 30:70 basis.
8. The ROP grants ULC BVI the exclusive and irrevocable commercial Development Rights (including the right to lease or sublease or assign interests in, and to collect and receive any and all income from, but not limited to, advertising, installation of cables, telephone lines, fiber optics or water mains, water lines and other business or commercial ventures or activities over all areas and aspects of the MRT 7 Project with commercial development potentials) from the effectivity date of the Concession Agreement until the end of the concession period, which can be extended for another 25 years, subject to the ROP's approval. In consideration of the Development Rights granted, ULC BVI or its assignee shall pay the ROP 20% of the net income before tax actually realized from the exercise of the Development Rights.
9. Upon the expiration of the concession period and payment in full of the amortization payments and the other obligations of the ROP through the DOTr, the Concession Agreement shall be deemed terminated, and all the rights and obligations thereunder shall correspondingly cease to exist, other than all rights and obligations accrued prior to the date of such expiration including, without limitation, the obligations of ROP through the DOTr to make termination payments in accordance with the Concession Agreement and following expiration of the concession period, the Development Rights of ULC BVI pursuant to the Concession Agreement shall survive.

10. If ULC BVI and ROP through the DOTr are not able to agree on the solution to be adopted in an appropriate Variation Order within the period specified in the Concession Agreement, then ULC BVI may proceed to terminate the Concession Agreement. Also, if either of ULC BVI and ROP through the DOTr intends to terminate the Concession Agreement, by mutual agreement under the Concession Agreement, it shall give a notice of intention to terminate to the other. Following receipt of the Intent Notice, the parties shall meet for a period of up to eight weeks and endeavor to agree on the terms, conditions arrangements, and the necessary payments for such termination. If at the expiration of the said period, ULC BVI and ROP through the DOTr are unable to agree on and execute an agreement for the mutual termination of the Concession Agreement, the same shall remain valid and in effect.

On July 23, 2014, the ROP through the DOTr confirmed their obligations under the MRT 7 Agreement dated June 18, 2008 through the Performance Undertaking issued by the Department of Finance (DOF), which was received by ULC BVI on August 19, 2014. The Performance Undertaking is a recognition of the obligations of the ROP through the DOTr under the Concession Agreement, particularly the remittance of semi-annual amortization payment in favor of ULC BVI. The issuance of the Performance Undertaking triggers the obligation of ULC BVI to achieve financial closure within 18 months from the date of the receipt of the Performance Undertaking. Within the aforementioned period, ULC BVI achieved Financial Closure, as defined in the MRT 7 Agreement. There were no changes in the terms of the Concession Agreement in 2024.

On April 20, 2016, ULC BVI through the Parent Company, led the ground breaking ceremony for the MRT 7 Project.

Pursuant to Section 19.1 of the Concession Agreement, on September 30, 2016, ULC BVI sent a request letter to the ROP through the DOTr to secure the latter's prior approval in relation to the intention of ULC BVI to assign all its rights and obligations under the Concession Agreement to SMC MRT 7, the designated special purpose company for the MRT 7 Project. The assignment of the rights and obligations from ULC BVI to SMC MRT 7 will be achieved through execution of the Accession Agreement. Based on the Concession Agreement, ULC BVI may assign its rights, title, interests or obligations therein, provided that the following conditions are met:

- The assignment will not in any way diminish ULC BVI's principal liability under the Concession Agreement; and
- ULC BVI secures from ROP, through the DOTr, its prior approval, which shall not be unreasonably withheld.

In addition, the letter dated September 30, 2016 from ULC BVI also requested that upon submission by SMC MRT 7 of the lenders' recognition that the Financing Agreements for the MRT 7 Project is for its benefit, the DOTr shall cause the amendment of the Performance Undertaking dated July 23, 2014 by changing the addressee and beneficiary thereof from ULC BVI to SMC MRT 7.

On December 12, 2016, the ROP through the DOTr gave its consent to the assignment of all the rights and obligations of ULC BVI under the Concession Agreement to SMC MRT 7.

Following the DOTr's approval, SMC MRT 7 and ULC BVI carried out the Accession Agreement on January 12, 2017.

- o *Toll Road Concession Agreements*

- i. *SLEX*

SMC SLEX. On February 1, 2006, SMC SLEX executed the Supplemental Toll Operation Agreement (STOA) with MATES, Philippine National Construction Corporation (PNCC) and the ROP through the TRB. The STOA authorizes SMC SLEX by virtue of a joint venture to carry out the rehabilitation, construction and expansion of the SLEX, comprising of: Toll Road (TR)1 (Alabang viaduct); TR2 (Filinvest to Calamba, Laguna); TR3 (Calamba, Laguna to Sto. Tomas, Batangas) and TR4 (Sto. Tomas, Batangas to Lucena City). The concession granted shall expire 30 years from February 1, 2006.

On December 14, 2010, the TRB issued the Toll Operations Certificate for Phase 1 of the SLEX i.e., TR1, TR2 and TR3, and approved the implementation of the initial toll rate starting April 1, 2011.

In 2012, SMC SLEX received a letter from the DOF informing SMC SLEX of the conveyance by PNCC to the ROP of its shares of stock in SMC SLEX, by way of deed of assignment. Moreover, SMC SLEX also received the Declarations of Trust signed by the individual nominees of PNCC, in favor of the ROP, in which each nominee affirmed their holding of single, qualifying share in SMC SLEX in favor of the ROP.

On July 21, 2015, SMC SLEX entered into a MOA with Ayala Corporation (AC), on the inter-operability of the SLEX and Muntinlupa-Cavite Expressway (MCX) (formerly known as the Daang Hari-SLEX Connector Road). AC is the concession holder of MCX while MCX Tollway, Inc. is the facility operator of MCX.

The MOA on inter-operability provides the framework that will govern the interface and integration of the technical operations and toll operation systems between the MCX and the SLEX, to ensure seamless travel access into MCX and SLEX for road users. MCX opened and operated as a toll expressway on July 24, 2015.

In 2019, SMC SLEX commenced the construction of TR4 and is ongoing as at December 31, 2024.

SLEXTR5. On June 3, 2022, a STOA was executed by and among the ROP as the Grantor, acting by and through the TRB, PNCC, SLEXTR5 as the Investor, and MATES as the Operator, wherein the SLEXTR5 was granted the exclusive right, privilege, responsibility, and obligation to design and construct the TR5 Project, and to finance the same, while MATES was granted the exclusive right, privilege, responsibility, and obligation to operate and maintain the TR5 Project.

The TR5 Project is a 420-kilometer (km) extension of SLEX from Lucena City, Quezon to Matnog, Sorsogon.

The TR5 Project shall be owned by the ROP, without prejudice to the rights and the entitlements of SLEXTR5 and MATES under the STOA. The legal transfer of ownership of the TR5 Project to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction thereof.

The franchise period for the TR5 Project shall be 30 consecutive years commencing from the issuance of the Toll Operation Certificate or the Toll Operation Permit for the entire TR5 Project to SLEXTR5 and/or MATES.

ii. NAIA Expressway

On July 8, 2013, SMC NAIAX entered into a Concession Agreement with the ROP, through the Department of Public Works and Highways (DPWH), wherein SMC NAIAX was granted the right to finance, design, construct, operate and maintain the NAIA Expressway Project. The NAIA Expressway Project links the three NAIA terminals to the Skyway, the Manila-Cavite Toll Expressway and the Entertainment City of the Philippine Amusement and Gaming Corporation.

On September 22, 2016, SMC NAIAX started commercial operations of NAIA Expressway upon receipt of the Toll Operations Permit from the TRB. The Toll Operations Permit for Phase II A and B was issued on September 9, 2016 and December 19, 2016, respectively.

At the end of the concession period, SMC NAIAX shall turnover the NAIA Expressway to the DPWH in the condition required for turnover as described in the Minimum Performance Standards Specifications of the Concession Agreement.

iii. Skyway

On June 10, 1994, PNCC, the franchise holder for the construction, operations and maintenance of the Metro Manila Expressway, including any and all extensions, linkages or stretches thereof, such as the proposed Skyway, and PT Citra Lamtoro Gung Persada (Citra), as joint proponents, submitted to the ROP through the TRB, the Joint Investment Proposal covering not only the proposed Skyway but also the planned Metro Manila Tollways. The Joint Investment Proposal embodied, among others, that Citra in cooperation with PNCC committed itself to finance, design and construct the Skyway in three stages, consisting of: (a) South Metro Manila Skyway (SMMS) as Stages 1 and 2; (b) North Metro Manila Skyway and the Central Metro Manila Skyway as Stage 3; and (c) Metro Manila Tollways as Stage 4. The Joint Investment Proposal was approved by the TRB on November 27, 1995.

○ Skyway Stages 1 and 2

The STOA for SMMS was executed on November 27, 1995 by and among SMC Skyway, PNCC and the ROP acting through the TRB. Under the STOA, the design and the construction of the SMMS and the financing thereof, shall be the primary and exclusive privilege, responsibility and obligation of SMC Skyway as investor. On the other hand, the operations and maintenance of the SMMS shall be the primary and exclusive privilege, responsibility and obligation of PNCC, through its wholly-owned subsidiary, the PNCC Skyway Corporation (PSC).

On July 18, 2007, the STOA was amended, to cover among others, the implementation of Stage 2 of the SMMS (Stage 2); the functional and financial integration of Stage 1 of the SMMS (Stage 1) and Stage 2 upon the completion of the construction of Stage 2; and the grant of right to SMC Skyway to nominate to the TRB a qualified party to perform the operations and maintenance of the SMMS to replace PSC. SMC Skyway, PNCC and PSC then entered into a MOA for the successful and seamless turnover of the operations and maintenance responsibilities for the SMMS from PSC to SOMCO.

The SMMS shall be owned by the ROP, without prejudice to the rights and entitlement of SMC Skyway and SOMCO under the STOA. The legal transfer of ownership of the SMMS to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of construction. The toll revenues are shared or distributed among SMC Skyway, SOMCO and PNCC for the operations and maintenance of the SMMS.

The 30-year franchise period for the Integrated Stage 1 and Stage 2 commenced on April 25, 2011.

Under the STOA, SMC Skyway may file an application to adjust the toll rates which shall be of two kinds, namely periodic and provisional adjustments. Periodic adjustments for the Integrated Stage 1 and Stage 2 may be applied for every year. SMC Skyway may file an application for provisional adjustment upon the occurrence of a force majeure event or significant currency devaluation. A currency devaluation shall be deemed significant if it results in a depreciation of the value of the Philippine Peso relative to the US Dollar by at least five percent. The applicable exchange rate shall be the exchange rate between the currencies in effect as at the date of approval of the prevailing preceding toll rate.

- Skyway Stage 3

The Stage 3 STOA was executed on July 8, 2013 by and among the ROP as the Grantor, acting by and through the TRB, PNCC, MMSS3 as the Investor, and Central Metro Manila Skyway Corporation (CMMSC) as the Operator, wherein MMSS3 was granted the primary and exclusive privilege, responsibility and obligation to design and construct the Skyway Stage 3 Project, and to finance the same, while CMMSC was granted the primary and exclusive privilege, responsibility and obligation to operate and maintain the Skyway Stage 3 Project.

The Skyway Stage 3 Project is an elevated roadway with the entire length of approximately 17.93 km from Buendia Avenue in Makati to Balintawak, Quezon City and will connect to the existing Skyway Stage 1 and 2. This is envisioned to inter-connect the northern and southern areas of Metro Manila to help decongest traffic in Metro Manila and stimulate the growth of trade and industry in Luzon, outside of Metro Manila.

The Skyway Stage 3 Project shall be owned by the ROP, without prejudice to the rights and the entitlements of MMSS3 and CMMSC under the Stage 3 STOA. The legal transfer of ownership of the Skyway Stage 3 Project to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction thereof.

The franchise period for the Skyway Stage 3 Project is 30 consecutive years commencing from the issuance of the Toll Operation Certificate for the entire Skyway Stage 3 Project to MMSS3 and/or CMMSC.

MMSS3 and CMMSC shall enter into a revenue sharing agreement to set forth the terms and conditions of their sharing of the toll revenues from the Skyway Stage 3 Project.

On December 29, 2020, the Skyway Stage 3 Project was partially opened to the public. It was formally inaugurated and opened to motorists on January 14, 2021, free of toll fee. On July 1, 2021, MMSS3 received the Toll Operation Permit and started its full toll operation.

- Skyway Stage 4

On July 14, 2014, the Stage 4 STOA was executed by and among the ROP as the Grantor, acting through the TRB, PNCC, MMSS4 as the Investor, and Metro O&M Corporation (MOMCO) as the Operator. MMSS4 was granted the primary and exclusive privilege, responsibility and obligation to finance the design and construction of Skyway Stage 4 Project, while MOMCO was granted the primary and exclusive privilege, responsibility, and obligation to operate and maintain the same.

The Skyway Stage 4 Project shall be owned by the ROP, without prejudice to the rights and the entitlements of MMSS4 and MOMCO under the Stage 4 STOA. The legal transfer of ownership shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction thereof. The 30-year concession period shall commence from the date of issuance of the Toll Operation Certificate by the TRB to MMSS4 and/or MOMCO.

As at December 31, 2024, the Skyway Stage 4 Project is in the inception of its construction stage.

iv. TPLEX

SMCTC entered into a Concession Agreement with the ROP through the DPWH and the TRB to finance, design, construct, operate and maintain and impose and collect tolls from the users of the TPLEX Project. The TPLEX Project is a toll expressway from La Paz, Tarlac to Rosario, La Union which is approximately 89.21 km and consists of four-lane expressway with nine toll plazas from start to end.

The TPLEX Project shall be owned by the ROP without prejudice to the rights and entitlement of SMCTC. The legal transfer of ownership of the TPLEX Project shall be deemed to occur automatically on a continuous basis in accordance with the progress of construction and upon issuance of the Certificate of Substantial Completion for each segment of the TPLEX Project.

The toll revenue collected from the operation of the TPLEX Project is the property of SMCTC. SMCTC shall have the right to assign or to enter into such agreements with regard to the toll revenue and its collection, custody, security and safekeeping.

The concession period shall be for a term of 35 years starting from the effective date of the Concession Agreement and may be extended.

On October 31, 2013, SMCTC opened the first section of the TPLEX Project from Tarlac to Gerona. The Section 1B from Gerona to Rosales was opened to motorists on December 23, 2013. The 30.31 km stretch from Gerona to Carmen was fully operational on April 16, 2014. The 14.91 km stretch from Carmen (Tomana) to Urdaneta was fully operational starting February 17, 2015.

On July 28, 2016, the Segment 7A (Urdaneta to Binalonan) was opened. Segment 7B (Binalonan to Pozorrubio) was opened to motorists on December 7, 2017, while Segment 8 (Pozorrubio to Rosario), which is the final phase of the TPLEX Project, was completed and became operational on July 15, 2020.

v. *STAR*

On June 18, 1998, SIDC and the ROP, individually and collectively through the DPWH and the TRB, entered into a Toll Concession Agreement covering the STAR Project. The STAR Project consists of two stages as follows:

Stage	Project Description
Stage I	Operations and maintenance of the 22.16 km toll road from Sto. Tomas, Batangas to Lipa City, Batangas
Stage II (Phases I and II)	Finance, design, construction, operations and maintenance of the 19.74 km toll road from Lipa City, Batangas to Batangas City, Batangas

Under the Toll Concession Agreement, the STAR Project and any stage or phase or ancillary facilities thereof of a fixed and permanent nature shall be owned by the ROP, without prejudice to the rights and entitlements of SIDC. The legal transfer of ownership of the STAR Project and/or any stage, phase or ancillary thereof shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction and upon the ROP's issuance of the Certificate of Substantial Completion. The right of way shall be titled in the ROP's name regardless of the construction.

In December 2006, the Toll Concession Agreement was amended to extend the original concession period from 30 years beginning January 1, 2000, to 36 years and shall be valid until December 31, 2035.

The TRB issued the Toll Operations Certificate for Stage II Phase II on December 13, 2016.

vi. PAREX

On November 29, 2019, the PNCC and SMHC, as joint proponents, submitted to the ROP through the TRB, the Joint Investment Proposal covering the PAREX Project. The said proposal embodied, among others, that SMHC in cooperation with PNCC committed itself to finance, design and construct the PAREX Project in three segments. The Joint Investment Proposal was approved by the TRB on March 4, 2020 and the STOA was executed on September 21, 2021 by and among PREC, SOMCO, PNCC and the ROP acting through the TRB. Under the STOA, the design and the construction of the PAREX Project and the financing thereof, shall be the primary and exclusive privilege, responsibility and obligation of PREC as investor. Whereas the operations and maintenance of the PAREX Project shall be the primary and exclusive privilege, responsibility, and obligation of SOMCO as operator.

The PAREX Project shall consist of three segments:

Segment I	- Radial Road No. 10 to Skyway Stage 3 to Plaza Azul, approximately 5.740 km
Segment II	- Skyway Stage 3 to San Juan River Circumferential Road No. 5 (C-5), approximately 7.325 km
Segment III	- C-5 to Southeast Metro Manila Expressway or (C-6), approximately 6.300 km

The PAREX shall be owned by the ROP, without prejudice to the rights and entitlement of PREC and SOMCO under the STOA. The legal transfer of ownership of the PAREX to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of construction. The toll revenues are shared or distributed between PREC and SOMCO for the operations and maintenance of the PAREX.

The 30-year franchise period shall commence from the issuance of the Toll Operation Certificate.

Under the STOA, PREC may file an application to adjust the toll rates which shall be of two kinds, namely periodic and contingency. Periodic adjustments can be applied every two years of the existing toll rate to a new toll rate on the respective toll review date. On the other hand, contingency adjustment can be applied upon the occurrence of a force majeure event and/or additional cost of any required repair or reconstruction works arising out of force majeure to the extent not covered by insurance.

vii. NALEX

On March 21, 2022, a STOA was executed by and among the ROP as the Grantor, acting by and through the TRB, PNCC, NALEC as the Investor, and SOMCO as the Operator, wherein NALEC was granted the exclusive right, privilege, responsibility and obligation to design and construct the NALEX Project, and to finance the same, while SOMCO was granted the exclusive right, privilege, responsibility, and obligation to operate and maintain the NALEX Project.

The NALEX Project is a mixed at-grade and elevated viaduct expressway, with the entire length of approximately 136.4 km from Balintawak, Quezon City to Tarlac City, that will link the existing Skyway Stage 3 to TPLEX.

The NALEX Project shall be owned by the ROP, without prejudice to the rights and the entitlements of NALEC and SOMCO under the STOA. The legal transfer of ownership of the NALEX Project to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction thereof.

The franchise period for the NALEX Project shall be 30 consecutive years commencing from the issuance of the Toll Operation Certificate or the Toll Operation Permit for the entire NALEX Project to NALEC and/or SOMCO.

viii. SALEX

On June 20, 2022, a STOA was executed by and among the ROP as the Grantor, acting by and through the TRB, PNCC, SALEC as the Investor, and SOMCO as the Operator, wherein SALEC was granted the exclusive right, privilege, responsibility and obligation to design and construct the SALEX Project, and to finance the same, while SOMCO was granted the exclusive right, privilege, responsibility, and obligation to operate and maintain the SALEX Project.

The SALEX Project is a mixed at-grade and elevated viaduct expressway, with an entire length of approximately 40.65 km, that will link the existing Skyway Stage 3, PAREX, NAIA Expressway to the MIA.

The SALEX Project shall be owned by the ROP, without prejudice to the rights and the entitlements of SALEC and SOMCO under the STOA. The legal transfer of ownership of the SALEX Project to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction thereof.

The franchise period for the SALEX Project shall be 30 consecutive years commencing from the issuance of the Toll Operation Certificate or the Toll Operation Permit for the entire SALEX Project to SALEC and/or SOMCO.

ix. *PLEX*

On October 19, 2023, SMC PLEX entered into a Tollway Concession Agreement (TCA) with the Provincial Government of Pangasinan (PGP). Under the TCA, the PLEX Project will include the financing, engineering, design, construction, operation, and maintenance of a 76.8 km toll road. Subject to existing law, the TCA also grants to SMC PLEX the franchise to operate and maintain the PLEX Project up to the end of the concession period, which is for a period of 35 years (as may be renewed or extended upon written agreement of the parties), and to collect the toll fees, rentals and other charges, as may be determined in accordance with the TCA.

The following are the salient features of the TCA:

1. The PLEX Phase 1 involves the financing, engineering, design, construction, operation, and maintenance of a 42.76 km toll road. The PLEX Project covers the construction of a four-lane expressway composing of three Segments and a spur road as follows: (a) Segment 1: Binalonan - Manaoag (6.90 km); (b) Segment 2: Manaoag - Calasiao (11.30 km); (c) Segment 2-A: Calasiao Spur (2.39 km); and (d) Segment 3: Calasiao - Lingayen (22.17 km).
2. PLEX Phase 2 is approximately a 34.04 km toll road, from Lingayen, Pangasinan to Alaminos, Pangasinan. PLEX Phase 2 covers the construction of a four-lane expressway beginning from the end of PLEX Phase 1.
3. SMC PLEX shall have the right to designate an operator, with prior consent of the PGP, to operate and maintain the PLEX Project. As at December 31, 2024, SMC PLEX has not yet designated an operator.
4. To guarantee the faithful performance by SMC PLEX of the construction of the PLEX Project, PLEX shall post in favor of the Grantor, prior to the Construction Commencement Date, a Construction Performance Security which shall be two percent of the total project cost before financing. This performance security shall be partially released by the PGP from time to time to the extent of the percentage-of-completion of the PLEX Project.
5. As concessionaire, SMC PLEX shall have full responsibility for all aspects of the Operation and Maintenance of the PLEX Project and shall collect, for its own account, the fees generated from the PLEX Project. To guarantee faithful performance of its obligation in respect to the operation and maintenance of the PLEX Project, SMC PLEX shall post in favor of the PGP an OMPS amounting to P56, which must be valid for at least one year, and shall be renewed every year thereafter until the end of concession period.
6. SMC PLEX shall finance the cost of the PLEX Project, while maintaining a debt-to-equity ratio of 70:30.
7. SMC PLEX shall enter into an interoperability agreement with the concessionaire/s and operator/s of other existing toll road projects, one year prior to the start of Operation and Maintenance.

8. The PGP shall be entitled to a five percent share in the Toll Revenue and Commercial Development Revenue of PLEX Phase 1 from the start of the concession period and shall terminate at the end of the concession period.
9. Ten years after the date of issuance of the Toll Operations Certificate for the PLEX Phase 1 and every year thereafter until the end of the concession period, SMC PLEX shall submit to the PGP its actual historical cash flows from Revenues based on the audited financial statements to test if the Project Internal Rate of Return has exceeded ten percent as of the relevant testing date. If the Project Internal Rate of Return has not exceeded ten percent as of the relevant testing date, the PGP shall not be entitled to any Province Earnings Share. If it exceeded ten percent as of the relevant testing date, the PGP shall be entitled, starting from the calendar year immediately following the calendar year of such testing date, to thirty percent of the Earnings before Taxes of the concessionaire. The amount of the Province Earnings Share shall be determined every quarter of the relevant calendar year where the PGP is entitled for such share. If it has exceeded twelve percent as of the relevant testing date, the PGP shall be entitled, starting from the calendar year immediately following the calendar year of such testing date, to seventy percent of the Earnings before Taxes of the concessionaire.
10. At the end of the concession period, SMC PLEX shall transfer the ownership and all its rights, title to, and interest in the PLEX Phase 1 to the PGP, free from any lien and encumbrance and in consideration of the sum of One Peso. On the transfer date, SMC PLEX shall deliver the Warranty Security, amounting to P100, which shall be valid for a period of one year from the turnover of the facilities.

x. *CBEX*

On February 7, 2023, SMC CBEX entered into a TCA with the Provincial Government of Cavite (PGC). Under the TCA, the CBEX Project will include the financing, engineering, design, construction, operation and maintenance of a 27.06 km toll road. Subject to existing law, the TCA also grants to SMC CBEX the franchise to operate and maintain the CBEX Project up to the end of the concession period, which is for a period of 35 years (as may be renewed or extended for another 50 years upon written agreement of the parties), and to collect the toll fees, rentals and other charges, as may be determined in accordance with the TCA.

The following are the salient features of the TCA:

1. SMC CBEX shall have the right to designate an operator, with prior consent of the PGC, to operate and maintain the CBEX Project. As at December 31, 2024, SMC CBEX has not yet designated an operator.
2. To guarantee the faithful performance by SMC CBEX of the construction of the CBEX Project, SMC CBEX shall post in favor of the Grantor, prior to the Construction Commencement Date, a Construction Performance Security which shall be two percent of the total project cost before financing. This performance security shall be partially released by the PGC from time to time to the extent of the percentage-of-completion of the CBEX Project.

3. As concessionaire, SMC CBEX shall have full responsibility in all aspects of the operation and maintenance of the CBEX Project and shall collect the regulated and other fees generated from it and from the end users. To guarantee faithful performance of its obligation in respect to the operation and maintenance of the CBEX Project, SMC CBEX shall post in favor of the PGC an OMPS amounting to P100, which must be valid for the entire concession period of 35 years.
4. SMC CBEX shall finance the cost of the CBEX Project, while maintaining a debt-to-equity ratio of 70:30.
5. SMC CBEX shall enter into an interoperability agreement with the concessionaire/s and operator/s of other existing toll road projects within three months from issuance of the Toll Operation Permit.
6. SMC CBEX shall remit to the PGC the Province Earnings Share of 70% of the net income of the CBEX Project after SMC CBEX has achieved Return of Investment based on the CBEX Project's free cash flows. The Province Earnings Share shall be remitted quarterly after the date of issuance of Toll Operation Permit and every year thereafter until the end of the concession period.
7. At the end of the concession period, SMC CBEX shall transfer ownership to the PGC without lien and encumbrance in an operational/serviceable condition as provided for by the TCA. On the transfer date, SMC CBEX shall deliver the Warranty Security, amounting to P100, which shall be valid for a period of one year from the turnover of the facilities.

xi. NBEX

On July 31, 2023, SMC NBEX entered into a TCA with the Provincial Government of Batangas (PGB), following the issuance of a NOA on March 22, 2023. Under the TCA, the NBEX Project will include the financing, engineering, design, construction, operation and maintenance of a 60.9 km toll road. Subject to existing law, the TCA also grants to SMC NBEX the franchise to operate and maintain the NBEX Project up to the end of the concession period, which is for a period of 35 years (as may be renewed or extended for another 50 years upon written agreement of the parties), and to collect the toll fees, rentals and other charges, as may be determined in accordance with the TCA.

The following are the salient features of the TCA:

1. SMC NBEX shall have the right to designate an operator, with prior consent of the PGB, to operate and maintain the project. As at December 31, 2024, SMC NBEX has not designated an operator.
2. To guarantee the faithful performance by SMC NBEX of the construction of the NBEX Project, SMC NBEX shall post in favor of the Grantor, prior to the Construction Commencement Date, a Construction Performance Security which shall be two percent of the total project cost before financing. This performance security shall be partially released by the PGB from time to time to the extent of the percentage-of-completion of the NBEX Project.

3. As concessionaire, SMC NBEX shall have full responsibility in all aspects of the operation and maintenance of the NBEX Project and shall collect the regulated and other fees generated from it and from the end users. To guarantee faithful performance of its obligation in respect to the operation and maintenance of the NBEX Project, SMC NBEX shall post in favor of the PGB an OMPS amounting to P100, which must be valid for the entire concession period of 35 years. As at December 31, 2024, SMC NBEX has yet to pay the OMPS as the NBEX Project has not yet entered the In-Service Date.
4. SMC NBEX shall finance the cost of the NBEX Project, while maintaining a debt-to-equity ratio of 70:30.
5. SMC NBEX shall enter into an interoperability agreement with the concessionaire/s and operator/s of other existing toll road projects within three months from issuance of the Toll Operation Permit.
6. SMC NBEX shall remit to the PGB the Province Earnings Share of 70% of the net income of the NBEX Project after SMC NBEX has achieved Return of Investment based on the NBEX Project's free cash flows. The Province Earnings Share shall be remitted quarterly after the date of issuance of Toll Operation Permit and every year thereafter until the end of the concession period.
7. At the end of the concession period, SMC NBEX shall transfer the ownership to the PGB without lien and encumbrance in an operational/serviceable condition as provided for by the TCA. On the transfer date, SMC NBEX shall deliver the Warranty Security, amounting to P100, which shall be valid for a period of one year from the turnover of the facilities.

xii. TPLEX Extension

On July 3, 2024, TPLEXE was awarded by the Government of the ROP, through the DPWH, rights to the financing, design, construction, operation and maintenance of the TPLEX Extension Project under a BOT scheme under RA No. 6957, as amended by the RA No. 7718, and its Implementing Rules and Regulations.

The TPLEX Extension Project is comprised of a 59.4 km toll road from Rosario, La Union to San Juan, La Union, with four travel lanes, divided into three segments: (1) Rosario-Tubao; (2) Tubao-Naguilian and (3) Naguilian-San Juan. There shall be five interchanges located at: (1) Rosario, La Union; (2) Tubao, La Union; (3) Naguilian, La Union; (4) Bauang, La Union and (5) San Juan, La Union; inclusive of civil works, toll facilities and toll system of the toll road.

The TPLEX Extension Project is owned by the ROP without prejudice to the rights and entitlement of TPLEXE. The legal transfer of ownership of the TPLEX Extension Project shall be deemed to occur automatically on a continuous basis in accordance with the progress of construction and upon issuance of the Certificate of Substantial Completion for each segment of the TPLEX Extension Project.

The concession period for the TPLEX Extension Project shall be 34 years commencing from the effectivity date of the STOA.

- *Water Concession Agreements*

- i. *Bulacan Bulk Water Supply Project*

On December 7, 2015, MWSS issued a NOA to SMC - K-water Consortium (the Consortium) awarding the Bulacan Bulk Water Supply Project. In accordance with the NOA, the LCWDC was registered by the Consortium as the concessionaire.

On January 15, 2016, a Concession Agreement was executed between MWSS and LCWDC for a 30-year period, subject to extensions as may be provided for under the Concession Agreement. The Bulacan Bulk Water Supply Project shall comprise of the supply of treated bulk water, planning, financing, development, design, engineering and construction of facilities including the management, operation and maintenance in order to alleviate the chronic water shortage and provide potable water needs of the province of Bulacan.

On January 24, 2019, LCWDC commenced operations upon issuance of the Certificate of Final Acceptance by the MWSS for the completion of all works required under Stage 1 of the Bulacan Bulk Water Supply Project.

On April 25, 2019, MWSS issued the Certificate of Final Acceptance for Stage 2 of the Bulacan Bulk Water Supply Project.

Upon issuance of the Certificate of Final Acceptance by MWSS for completion of all works for Stage 1, LCWDC officially commenced its operations and started delivery of potable bulk water to the first seven Water Districts of Bulacan. Thereafter, on 24 April 2020, LCWDC successfully completed Stages 1 & 2 of the Project and delivered bulk water to a total of 12 Water Districts.

Other salient features of the Concession Agreement are as follows:

1. LCWDC shall pay annual water rights fee to the Provincial Government of Bulacan amounting to P5 for the first five years of operation, subject to adjustment based on the Concession Agreement starting on the sixth contract year onwards.
2. LCWDC shall pay an annual Concession Fee and Operation and Maintenance Fee to MWSS amounting to the equivalent of 2.5% of the Annual Gross Revenue of LCWDC and P5, respectively.
3. MWSS and the Water Service Providers (WSPs) of the Province of Bulacan entered into a Memoranda of Understanding where the parties agreed to cooperate with each other towards the successful implementation of the Bulacan Bulk Water Service Project. Pursuant thereto, MWSS, LCWDC, and the individual WSPs for Stages 1 & 2 has entered into individual MOA where the MWSS, through LCWDC, has committed to supply the potable bulk water and the WSPs have agreed to accept the water and/or pay the Bulk Water Charges at the rate of Eight Pesos and Fifty Centavos plus VAT, subject to certain adjustments as provided under the Concession Agreement and the MOA.

4. LCWDC utilized the National Housing Authority (NHA) site for the water treatment facility. The NHA site is the 5.5 hectares located at Pleasant Hills, San Jose Del Monte, Bulacan intended as the site for the water treatment facility. LCWDC paid in staggered cash in the aggregate amount of P165.
5. At the end of the concession period, LCWDC shall transfer the facilities to MWSS in the condition required for turnover as described in the Minimum Performance Standards and Specifications of the Concession Agreement.

ii. Obando Water Project

On October 12, 2017, OWCI entered into a Concession Agreement with OWD. The Concession Agreement sets forth the rights and obligations of OWCI as Concessionaire throughout the 25-year concession period. The OWD will monitor and review the performance of the concessionaire during the concession period.

Under the Agreement, OWD grants OWCI (as contractor to perform certain functions and as agent for the exercise of certain rights and powers under PD No. 564), the sole right to manage, operate, maintain, repair, refurbish and expand the fixed and movable assets required to provide water and sanitation services in the entire Municipality of Obando for a period of 25 years commencing on January 1, 2018 until December 31, 2042 or the early termination date as the case may be. While OWCI has the right to manage, operate, repair and refurbish specified OWD facilities in the service area, legal title to these assets remains with the OWD. The legal title to all fixed assets contributed to the existing OWD system by OWCI during the concession remains with OWCI until the Expiration Date (or the early termination date) at which time all rights, titles and interest in such assets will automatically vest in OWD.

The initial water tariff, exclusive of VAT and/or any applicable tax, to be charged to the customers for the first three years of the Concession Agreement shall be based on the 2005 Local Water Utilities Administration (LWUA) approved tariff table of OWD. Under the Concession Agreement, in the event that one or more grounds for extraordinary price adjustment has occurred or is expected to occur, an appropriate price adjustment to be applied to the tariff or an appropriate adjustment to the service obligations of the concessionaire will be determined by OWD.

Grounds for extraordinary price adjustment means any of the following circumstances:

- a. Change in law or change in the interpretation of the terms of the Concession Agreement;
- b. Extraordinary cost incurred due to prolonged force majeure;
- c. A material change has been made to the basis of calculation or definition of the Consumer Price Index or replacement index agreed;
- d. Change in assumptions at the time of the execution of the Agreement; and

- e. The concessionaire has incurred significant additional costs as a result of an event of force majeure which are not covered by insurance.

In 2023, the following provisions in the Concession Agreement were amended:

- Deferral of certain service obligations on continuity of supply, water availability and pressure, non-revenue water reduction, and supply of sanitation services and septage management system;
- Exclusion of the island barangays from the service area;
- Correction on provision of water other than through a water main and base and additional concession fee;
- Adjustment on the disconnection, performance security, tariff schedule and amendment on the extraordinary price adjustment;
- Adjustment for failure to meet service obligations and addition of formula for the early termination amount; and
- Basis of franchise tax has shifted from OWCI's gross receipt to OWD's gross receipt to align with BIR regulations.

iii. Bulakan Water Project

On June 14, 2019, BWCI entered into a Concession Agreement with BWD. The Concession Agreement sets forth the rights and obligations of BWCI as concessionaire throughout the 25-year concession period. BWD will monitor and review the performance of the concessionaire during the concession period.

Under the Concession Agreement, BWD grants BWCI, (as contractor to perform certain functions and as agent for the exercise of certain rights and powers), the sole right to manage, operate, maintain, repair, refurbish and expand, and as appropriate, decommission, the facilities in the entire Municipality of Bulakan for a period of 25 years commencing on June 14, 2019 until June 13, 2044 or the early termination date as the case may be.

While BWCI has the right to manage, operate, repair and refurbish specified BWD facilities in the service area, legal title to these assets remains with the BWD. The legal title to all fixed assets contributed to the existing BWD system by BWCI during the concession remains with BWCI until the Expiration Date (or the early termination date) at which time all rights, titles and interest in such assets will automatically vest in BWD.

The water tariff, exclusive of VAT and/or any applicable tax, to be charged to the customers is based on the agreed tariff escalation clause under the Concession Agreement.

Under the Concession Agreement, in the event that one or more grounds for extraordinary price adjustment has occurred or is expected to occur, an appropriate price adjustment to be applied to the tariff or an appropriate adjustment to the service obligations of the concessionaire will be determined by BWD.

Grounds for extraordinary price adjustment means any of the following circumstances:

- Change in law or change in the interpretation of the terms of the Concession Agreement;
- Any event of force majeure;
- A material change has been made to the basis of calculation or definition of the Consumer Price Index or replacement index;
- The business assumptions of the concessionaire have proven to be incorrect in a material way; or
- The concessionaire has incurred significant additional costs as a result of an event of force majeure which are not covered by insurance.

On November 21, 2022, BWD received tariff approval letter from LWUA approving the 43% tariff increase effective December 2022 (December 2022 consumption; January 2023 Billing) this is in accordance with the LWUA Board Resolution no. 55, Series of 2022 dated November 11, 2022).

As a result of the above terms of the Concession Agreement, BWCI recognized service concession asset and service concession obligation, on the commencement date.

On August 14, 2024, through its Board Resolution No. 030, series 2024, BWD approved the adjusted timeline for the fulfillment of the service obligations of BWCI under the Concession Agreement.

- Food and Beverage

- *Toll Agreements*

The significant subsidiaries of SMFB have entered into toll processing with various contract growers, breeders, contractors and processing plant operators (collectively referred to as the "Parties"). The terms of the agreements include the following, among others:

- The Parties have the qualifications to provide the contracted services and have the necessary manpower, facilities and equipment to perform the services contracted.
- Tolling fees paid to the Parties are based on the agreed rate per acceptable output or processed product. The fees are normally subject to review in cases of changes in costs, volume and other factors.
- The periods of the agreement vary. Negotiations for the renewal of any agreement generally commence six months before expiry date.

Total tolling expenses included as part of “Cost of sales” account in the consolidated statements of income amounted to P5,777, P5,825 and P6,692 in 2024, 2023 and 2022, respectively (Note 26).

▪ Cement

○ *Mineral Production Sharing Agreement (MPSA)*

NCC, ECC and its subsidiaries have the following existing MPSAs granted by the Philippine Government through the Mines and Geosciences Bureau (MGB) and the DENR. Details of the MPSA are as follows:

i. NCC

<u>MPSA No.</u>	<u>Location</u>	<u>Date of Issuance</u>
106-98-1	Labayug, Sison, Pangasinan	March 12, 1998

The MPSA has an initial term of 25 years from the date of issuance and an approved renewal of another 25 years or until March 12, 2048.

NCC has the following key commitments under its MPSA:

- The Philippine Government share shall be the excise tax on mineral products at the time of removal and at the rate provided for in RA No. 7729 amending Section 151 (a) of the Revised National Internal Revenue Code, as well as other taxes, duties and fees levied by existing laws.

Excise taxes paid to the Philippine Government aggregated to P15, P14 and P11 in 2024, 2023 and 2022, respectively.

- Allotment of a minimum of 1.50% of the direct drilling and milling costs necessary to implement the activities for community development.

Allotment made amounted to P8 in 2024 and P6 in 2023 and 2022.

On July 23, 2021, NCC filed its MPSA renewal to the DENR, as part of the covenants of the OLSA. The application was consequently received by the Office of the Regional Director, Mines and Geoscience Bureau Region I on July 26, 2021.

ii. ECC and subsidiaries

MPSA No.	Location	Date of Issuance
245-2007-III	Dona Remedios Trinidad and San Ildefonso, Bulacan	July 25, 2007
181-2002-III	Akle, San Ildefonso, Bulacan	December 9, 2002
161-00-III	Akle, San Ildefonso, Bulacan	September 12, 2000
100-97-VII	Ginatilan, Cebu	December 29, 1997
101-97-VII	Ginatilan and Malabuyoc, Cebu	December 29, 1997
059-96-VII	Lo-oc, Malabuyoc, Cebu	August 6, 2020
060-96-VII	Lo-oc, Malabuyoc, Cebu	August 6, 2020
083-97-IX	Siayan, Sindangan and Jose Dalman, Zamboanga del Norte	November 20, 1997

The MPSAs have a term of 25 years from the issuance date and may be renewed thereafter for another term not exceeding 25 years. On August 6, 2020, the MGB approved the extension of the terms of the MPSAs 059-96-VII and 060-96-VII in Cebu sites for a period of nine years until November 18, 2030.

In 2024, ECC secured a 25-year extension for its MPSA 181-2002-III. Furthermore, ECC began commercial operations under MPSA 245-2007-III after receiving approval for its mining plan. Consequently, additional provision for MRO amounting to P34 was recognized (Note 13).

In August 2022, ECC applied for an extension of the term of MPSAs 100-97-VII and 101-97-VII from Cebu sites. As at December 31, 2024, ECC has not yet received the approval for the extension.

ECC and subsidiaries have the following key commitments under the MPSAs:

- Payment to the Philippine Government of 4% excise tax of the market value of the minerals or mineral products extracted from the area and annual occupation fee based on the rate provided in the existing rules and regulations.

Excise taxes paid to the Philippine Government amounted to P48, P61, and P13 in 2024, 2023 and 2022, respectively.

- Allotment of a minimum of 1% of the direct drilling and milling costs necessary to implement the activities for community development.

Pursuant to Administrative Order No. 2010-21: "Revised Implementing Rules and Regulations of RA No. 7942, otherwise known as the Philippine Mining Act of 1995," the allotment for community development activities was revised to 1.5% of the operating costs.

Allotment for community development activities amounted to P14, P7, and P13 in 2024, 2023 and 2022, respectively.

As at December 31, 2024, ECC and subsidiaries are compliant with the foregoing commitments and obligations.

Lease Commitments

▪ Group as Lessor

The Group has entered into operating leases on its investment property portfolio, consisting of certain service stations and other related structures, machinery and equipment, surplus office spaces as well as leased property (Note 15). These non-cancellable leases will expire up to year 2038. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future minimum lease receipts under non-cancellable operating leases are as follows:

	2024	2023
Within one year	P1,609	P1,370
More than one to two years	787	657
More than two to three years	533	402
More than three to four years	532	361
More than four to five years	365	342
More than five years	4,073	2,486
	P7,899	P5,618

Rent income recognized in the consolidated statements of income amounted to P2,284, P2,004 and P1,766 in 2024, 2023 and 2022, respectively (Note 32). Income from sub-leasing recognized in the consolidated statements of income amounted to P1,696, P1,608 and P1,275 in 2024, 2023 and 2022, respectively.

35. Retirement Plans

The Parent Company and majority of its subsidiaries have funded, noncontributory, defined benefit retirement plans (collectively, the Retirement Plans) covering all of their permanent employees. The Retirement Plans of the Parent Company and majority of its subsidiaries pay out benefits based on final pay. Contributions and costs are determined in accordance with the actuarial studies made for the Retirement Plans. Annual cost is determined by using the projected unit credit method. Majority of the Group's latest actuarial valuation date is December 31, 2024. Valuations are obtained on a periodic basis.

Majority of the Retirement Plans are registered with the BIR as tax-qualified plans under RA No. 4917, as amended. The control and administration of the Group's Retirement Plans are vested in the Board of Trustees of each Retirement Plan. The majority of the Board of Trustees of the Group's Retirement Plans who exercises voting rights over the shares and approves material transactions are employees and/or officers of the Parent Company and its subsidiaries. The Retirement Plans' accounting and administrative functions are undertaken by the Retirement Funds Office of the Parent Company.

The following table shows a reconciliation of the net defined benefit retirement liability and its components:

	Fair Value of Plan Assets		Present Value of Defined Benefit Retirement Obligation		Effect of Asset Ceiling		Net Defined Benefit Retirement Liability	
	2024	2023	2024	2023	2024	2023	2024	2023
Balance at beginning of year	P25,908	P22,249	(P36,620)	(P31,873)	(P2)	(P6)	(P10,714)	(P9,630)
Benefit obligation of consolidated subsidiaries	-	-	(4)	-	-	-	(4)	-
Recognized in Profit or Loss								
Current service costs	-	-	(2,068)	(1,785)	-	-	(2,068)	(1,785)
Past service costs	-	-	(9)	(2)	-	-	(9)	(2)
Interest expense	-	-	(2,236)	(2,264)	-	-	(2,236)	(2,264)
Interest income	1,598	1,632	-	-	-	-	1,598	1,632
Settlement loss	-	-	(11)	-	-	-	(11)	-
	1,598	1,632	(4,324)	(4,051)	-	-	(2,726)	(2,419)
Recognized in Other Comprehensive Income								
Remeasurements								
Actuarial gains (losses) arising from:								
Experience adjustments	-	-	(1,644)	(1,612)	-	-	(1,644)	(1,612)
Changes in financial assumptions	-	-	(286)	(1,249)	-	-	(286)	(1,249)
Changes in demographic assumptions	-	-	19	(710)	-	-	19	(710)
Return on plan assets excluding interest income	(401)	1,296	-	-	-	-	(401)	1,296
Changes in the effect of asset ceiling	-	-	-	-	(9)	4	(9)	4
	(401)	1,296	(1,911)	(3,571)	(9)	4	(2,321)	(2,271)
Others								
Contributions	3,318	3,301	-	-	-	-	3,318	3,301
Benefits paid	(3,252)	(2,567)	3,479	2,802	-	-	227	235
Transfers from other plans	71	19	(71)	(19)	-	-	-	-
Transfers to other plans	(23)	(19)	23	19	-	-	-	-
Other adjustments	29	(3)	(282)	73	-	-	(253)	70
	143	731	3,149	2,875	-	-	3,292	3,606
Balance at end of year	P27,248	P25,908	(P39,710)	(P36,620)	(P11)	(P2)	(P12,473)	(P10,714)

The Group's annual contribution to the Retirement Plans consists of payments covering the current service cost plus amortization of unfunded past service liability.

Retirement costs recognized as part of "Personnel expenses" in the consolidated statements of income by the Parent Company amounted to P113, P89 and P87 in 2024, 2023 and 2022, respectively (Note 29).

Retirement costs recognized as part of "Personnel expenses" in the consolidated statements of income by the subsidiaries amounted to P1,975, P1,698 and P1,941 in 2024, 2023 and 2022, respectively (Note 29). Certain subsidiaries made amendments to their respective Retirement Plans in terms of the percentage of final pay based on the adjusted credited years of service. As a result, the Group recognized past service costs amounting to P9, P2 and P258 in 2024, 2023 and 2022, respectively.

The net interest income (expense) on the defined benefit retirement asset (liability) recognized as part of "Interest expense and other financing charges" and "Interest income" accounts in the consolidated statements of income by the Parent Company amounted to (P14), (P75) and P191 in 2024, 2023 and 2022, respectively (Notes 30 and 31).

The net interest expense on the defined benefit retirement liability recognized as part of "Interest expense and other financing charges" and "Interest income" accounts in the consolidated statements of income by the subsidiaries amounted to P624, P557 and P310 in 2024, 2023 and 2022, respectively (Notes 30 and 31).

As at December 31, 2024, net retirement assets and liabilities, included as part of "Other noncurrent assets - net" account, amounted to P77 (Note 18) and under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts, amounted to P170 and P12,380, respectively (Notes 20 and 22).

As at December 31, 2023, net retirement assets and liabilities, included as part of "Other noncurrent assets - net" account, amounted to P39 (Note 18) and under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts, amounted to P101 and P10,652, respectively (Notes 20 and 22).

The carrying amounts of the Group's retirement fund approximate fair values as at December 31, 2024 and 2023.

The Group's plan assets consist of the following:

	In Percentages	
	2024	2023
Investments in marketable securities and shares of stock	80.51	79.53
Investments in pooled funds:		
Fixed income portfolio	3.59	4.11
Stock trading portfolio	0.74	0.74
Investments in real estate	2.60	2.74
Others	12.56	12.88

Investments in Marketable Securities

As at December 31, 2024, the plan assets include:

- 45,227,625 common shares and 9,252,860 Subseries “2-F”, 9,782,770 Subseries “2-I”, 3,900,620 Subseries “2-J”, 4,008,450 Subseries “2-K”, 2,995,200 Subseries “2-L”, 7,441,600 Subseries “2-N” and 3,873,600 Subseries “2-O” Preferred Shares of the Parent Company with fair market value per share of P86.00, P73.30, P72.25, P71.90, P70.00, P77.65, P79.70 and P82.30, respectively;
- 832,357,597 common shares and 474,160 Series 3B, 136,500 Series 4B, 736,500 Series 4C, 235,000 Series 4D and 286,000 Series 4E Preferred Shares of Petron with fair market value per share of P2.43, P1,030.00, P1,020.00, P1,043.00, P1,050.00 and P1,050.00, respectively;
- 33,635,700 common shares of SMB with fair market value per share of P20.00;
- 19,154,430 common shares of GSML with fair market value per share of P275.00;
- 25,304,900 common shares of SMFB with fair market value per share of P52.75;
- 300 common shares of SMPI with fair market value per share of P134.12;
- 5,997,311 common shares of Top Frontier with fair market value per share of P63.10;
- 435,246,060 common shares of BankCom with fair market value per share of P6.75; and
- investment in shares of stock of the PSE, other equity securities and bonds which amounted to P8,233.

As at December 31, 2023, the plan assets include:

- 43,044,317 common shares and 9,151,060 Subseries “2-F”, 9,782,770 Subseries “2-I”, 3,900,620 Subseries “2-J”, 4,008,450 Subseries “2-K”, 2,680,200 Subseries “2-L”, 7,441,600 Subseries “2-N” and 3,873,600 Subseries “2-O” Preferred Shares of the Parent Company with fair market value per share of P102.10, P72.50, P70.50, P67.95, P68.00, P78.00, P77.00 and P78.00, respectively;
- 821,600,597 common shares and 12,960 Series 3A, 474,160 Series 3B, 136,500 Series 4B and 736,500 Series 4C Preferred Shares of Petron with fair market value per share of P3.55, P970.00, P980.00, P1,000.00 and P973.00, respectively;
- 33,635,700 common shares of SMB with fair market value per share of P20.00;
- 19,154,430 common shares of GSML with fair market value per share of P168.70;
- 24,179,970 common shares of SMFB with fair market value per share of P51.00;
- 300 common shares of SMPI with fair market value per share of P134.12;

- 5,997,311 common shares of Top Frontier with fair market value per share of P101.90;
- 435,246,060 common shares of BankCom with fair market value per share of P7.27; and
- investment in shares of stock of the PSE, other equity securities and bonds which amounted to P7,348.

The fair market value per share of the above marketable securities is determined based on quoted market prices in active markets as at the reporting date (Note 4).

The Group's Retirement Plans recognized a gain (loss) on the investment in marketable securities of Top Frontier, Parent Company and its subsidiaries amounting to P382, P2,180 and (P9,544) in 2024, 2023 and 2022, respectively.

Dividend income from the investment in shares of stock of the Parent Company and its subsidiaries amounted to P956, P618 and P395 in 2024, 2023 and 2022, respectively.

Investments in Shares of Stock

The Group's plan assets also include San Miguel Brewery Inc. Retirement Plan's investment in 8,608,494 preferred shares of stock of BPI (inclusive of nominee shares), accounted for under the cost method since cost approximates fair value, amounting to P859 as at December 31, 2024 and 2023.

Investments in Pooled Funds

Investments in pooled funds were established mainly to put together a portion of the funds of the Retirement Plans of the Group to be able to draw, negotiate and obtain the best terms and financial deals for the investments resulting from big volume transactions.

The Board of Trustees approved the percentage of asset to be allocated to fixed income instruments and equities. The Retirement Plans have set maximum exposure limits for each type of permissible investment in marketable securities and deposit instruments. The Board of Trustees may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

Approximately 86% of the Retirement Plans' investments in pooled funds in stock trading portfolio include investments in shares of stock of the Parent Company and its subsidiaries as at December 31, 2024 and 2023.

Approximately 58% and 64% of the Retirement Plans' investments in pooled funds in fixed income portfolio include investments in shares of stock of the Parent Company and its subsidiaries as at December 31, 2024 and 2023, respectively.

Investments in Real Estate

The Retirement Plans of the Group have investments in real estate properties as at December 31, 2024 and 2023. The fair value of investment property amounted to P989 as at December 31, 2024 and 2023.

Others

Others include the Retirement Plans' investments in trust account, government securities, bonds and notes, cash and cash equivalents and receivables which earn interest. Investment in trust account represents funds entrusted to a financial institution for the purpose of maximizing the yield on investible funds.

The Board of Trustees reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching (ALM) strategy and investment risk management policy. The Group's ALM objective is to match maturities of the plan assets to the defined benefit retirement obligation as they fall due. The Group monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation. The Group is expected to contribute P2,940 to the Retirement Plans in 2025.

The Retirement Plans expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk as follows:

Investment and Interest Rate Risks. The present value of the defined benefit retirement obligation is calculated using a discount rate determined by reference to market yields to government bonds. Generally, a decrease in the interest rate of a reference government bond will increase the defined benefit retirement obligation. However, this will be partially offset by an increase in the return on the Retirement Plans' investments and if the return on plan asset falls below this rate, it will create a deficit in the Retirement Plans. Due to the long-term nature of the defined benefit retirement obligation, a level of continuing equity investments is an appropriate element of the long-term strategy of the Group to manage the Retirement Plans efficiently.

Longevity and Salary Risks. The present value of the defined benefit retirement obligation is calculated by reference to the best estimates of: (1) the mortality of the plan participant; and (2) the future salaries of the plan participants. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the defined benefit retirement obligation.

The overall expected rate of return is determined based on historical performance of the investments.

The principal actuarial assumptions used to determine retirement benefits are as follows:

	In Percentages	
	2024	2023
Discount rate	3.50 - 7.00	3.00 - 7.00
Salary increase rate	3.00 - 8.00	3.00 - 8.00

Assumptions for mortality and disability rates are based on published statistics and mortality and disability tables.

The weighted average duration of defined benefit retirement obligation ranges from 2.30 to 19.40 years and 1.50 to 20.10 years as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, the reasonably possible changes to one of the relevant actuarial assumptions, while holding all other assumptions constant, would have affected the defined benefit retirement obligation by the amounts below:

	Defined Benefit Retirement Obligation			
	2024		2023	
	1 Percent Increase	1 Percent Decrease	1 Percent Increase	1 Percent Decrease
Discount rate	(P1,972)	P2,326	(P1,862)	P2,081
Salary increase rate	2,640	(2,333)	2,324	(2,129)

The outstanding balances of the Group's receivable from the retirement plans are as follows:

- a. The Parent Company has advances to and receivables from SMCRP amounting to P6,311 and P6,522 as at December 31, 2024 and 2023, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position (Notes 8 and 33). Portion of the advances are subject to interest per annum of 5.75% in 2024 and 2023. Interest income earned from the advances amounted to P189 in 2024 and P188 in 2023 and 2022 (Notes 31 and 33).
- b. Petron has advances to PCERP amounting to P982 and P937 as at December 31, 2024 and 2023, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position (Notes 8 and 33). The advances are subject to interest per annum of 5% in 2024 and 2023. Interest income earned from the advances amounted to P45 in 2024 and 2023 and P58 in 2022 (Notes 31 and 33).

In 2022, portion of Petron's advances to PCERP were converted into contribution to the retirement plan (Note 33).

Transactions with the Retirement Plans are made at normal market prices and terms. Outstanding balances as at December 31, 2024 and 2023 are unsecured and settlements are made in cash. There have been no guarantees provided for any retirement plan receivable. The Group has not made any provision for impairment losses relating to the receivables from the Retirement Plans in 2024, 2023 and 2022.

36. Dividends and Distributions

Dividends

The BOD of the Parent Company approved the declaration and payment of the following cash dividends for common and preferred shares as follows:

2024

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	March 11, 2024	March 27, 2024	April 26, 2024	P0.35
	June 11, 2024	June 28, 2024	July 26, 2024	0.35
	November 7, 2024	November 22, 2024	December 2, 2024	0.35
	December 5, 2024	January 3, 2025	January 24, 2025	0.35
Preferred SMC2F	January 18, 2024	March 21, 2024	April 4, 2024	1.27635
	May 14, 2024	June 21, 2024	July 4, 2024	1.27635
	August 8, 2024	September 20, 2024	October 4, 2024	1.27635
	November 7, 2024	December 20, 2024	January 3, 2025	1.27635
SMC2I	January 18, 2024	March 21, 2024	April 4, 2024	1.18790625
	May 14, 2024	June 21, 2024	July 4, 2024	1.18790625
	August 8, 2024	September 20, 2024	October 4, 2024	1.18790625
	November 7, 2024	December 20, 2024	January 3, 2025	1.18790625
SMC2J	January 18, 2024	March 21, 2024	April 4, 2024	0.890625
	May 14, 2024	June 21, 2024	July 4, 2024	0.890625
	August 8, 2024	September 20, 2024	October 4, 2024	0.890625
	November 7, 2024	December 20, 2024	January 3, 2025	0.890625
SMC2K	January 18, 2024	March 21, 2024	April 4, 2024	0.84375
	May 14, 2024	June 21, 2024	July 4, 2024	0.84375
	May 14, 2024	June 21, 2024	July 4, 2024	0.1031250
	August 8, 2024	September 20, 2024	October 4, 2024	0.84375
SMC2L	January 18, 2024	March 21, 2024	April 4, 2024	1.48396875
	May 14, 2024	June 21, 2024	July 4, 2024	1.48396875
	May 14, 2024	June 21, 2024	July 4, 2024	0.3297708333333333
	August 8, 2024	September 20, 2024	October 4, 2024	1.48396875
SMC2M	January 18, 2024	March 21, 2024	April 4, 2024	1.5703125
	May 14, 2024	June 21, 2024	July 4, 2024	1.5703125
	May 14, 2024	June 21, 2024	July 4, 2024	0.5059895833333333
	August 8, 2024	September 20, 2024	October 4, 2024	1.5703125
SMC2N	January 18, 2024	March 21, 2024	April 4, 2024	1.5649875
	May 14, 2024	June 21, 2024	July 4, 2024	1.5649875
	May 14, 2024	June 21, 2024	July 4, 2024	0.347775
	August 8, 2024	September 20, 2024	October 4, 2024	1.5649875
SMC2O	January 18, 2024	March 21, 2024	April 4, 2024	1.611300
	May 14, 2024	June 21, 2024	July 4, 2024	1.611300
	May 14, 2024	June 21, 2024	July 4, 2024	0.3580666666666667
	August 8, 2024	September 20, 2024	October 4, 2024	1.611300
	November 7, 2024	December 20, 2024	January 3, 2025	1.611300

2023

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	March 9, 2023	March 31, 2023	April 28, 2023	P0.35
	June 13, 2023	June 30, 2023	July 26, 2023	0.35
	September 7, 2023	October 6, 2023	October 27, 2023	0.35
	December 7, 2023	January 5, 2024	January 26, 2024	0.35
Preferred SMC2F	January 26, 2023	March 21, 2023	April 4, 2023	1.27635
	May 11, 2023	June 21, 2023	July 5, 2023	1.27635
	August 3, 2023	September 21, 2023	October 5, 2023	1.27635
	November 9, 2023	December 21, 2023	January 4, 2024	1.27635
SMC2I	January 26, 2023	March 21, 2023	April 4, 2023	1.18790625
	May 11, 2023	June 21, 2023	July 5, 2023	1.18790625
	August 3, 2023	September 21, 2023	October 5, 2023	1.18790625
	November 9, 2023	December 21, 2023	January 4, 2024	1.18790625
SMC2J	January 26, 2023	March 21, 2023	April 4, 2023	0.890625
	May 11, 2023	June 21, 2023	July 5, 2023	0.890625
	August 3, 2023	September 21, 2023	October 5, 2023	0.890625
	November 9, 2023	December 21, 2023	January 4, 2024	0.890625
SMC2K	January 26, 2023	March 21, 2023	April 4, 2023	0.84375
	May 11, 2023	June 21, 2023	July 5, 2023	0.84375
	August 3, 2023	September 21, 2023	October 5, 2023	0.84375
	November 9, 2023	December 21, 2023	January 4, 2024	0.84375
SMC2M	November 9, 2023	December 21, 2023	January 4, 2024	1.5703125

On January 16, 2025, the BOD of the Parent Company declared cash dividends to all preferred shareholders of record as at March 21, 2025 on the following shares to be paid on April 4, 2025, as follows:

Class of Shares	Dividends Per Share
SMC2F	P1.27635
SMC2I	1.18790625
SMC2J	0.890625
SMC2K	0.84375
SMC2L	1.48396875
SMC2M	1.5703125
SMC2N	1.5649875
SMC2O	1.611300

On March 13, 2025, the BOD of the Parent Company declared cash dividends at P0.35 per share to all common shareholders of record as at March 28, 2025 to be paid on April 25, 2025.

Distributions

The Parent Company paid P2,102 and P2,007 to the holders of SPCS in 2024 and 2023, respectively, as distributions in accordance with the terms and conditions of their respective separate subscription agreements with the Parent Company.

37. Basic and Diluted Earnings Per Common Share

Basic and diluted EPS is computed as follows:

	<i>Note</i>	2024	2023	2022
Net income (loss) attributable to equity holders of the Parent Company		(P7,411)	P198	(P12,968)
Dividends on preferred shares	24, 36	(7,416)	(4,185)	(4,293)
Distributions on capital securities	24, 36	(2,102)	(2,007)	(2,157)
Net loss attributable to common shareholders of the Parent Company (a)		(P16,929)	(P5,994)	(P19,418)
Weighted average number of common shares outstanding (in millions) - basic and diluted (b)		2,384	2,384	2,384
Basic and diluted loss per common share attributable to equity holders of the Parent Company (a/b)		(P7.10)	(P2.51)	(P8.15)

As at December 31, 2024, 2023 and 2022, the Parent Company has no dilutive debt or equity instruments.

38. Supplemental Cash Flow Information

Supplemental information with respect to the consolidated statements of cash flows is presented below:

- a. Changes in noncash current assets, certain current liabilities and others are as follows (amounts reflect actual cash flows rather than increases or decreases of the accounts in the consolidated statements of financial position):

	2024	2023	2022
Trade and other receivables - net	(P1,561)	(P24,104)	(P66,502)
Inventories	(16,046)	27,789	(43,902)
Prepaid expenses and other current assets	(13,154)	(13,928)	(19,926)
Accounts payable and accrued expenses	41,388	(2,026)	16,744
Income and other taxes payable and others	(10,803)	6,883	19,817
	(P176)	(P5,386)	(P93,769)

b. Acquisition of subsidiaries, net of cash and cash equivalents acquired.

	2024	2022
Cash and cash equivalents	P110	P12,957
Trade and other receivables - net	20	2,155
Inventories	14	2,299
Prepaid expenses and other current assets	9	4,724
Investments and advances - net	-	165
Property, plant and equipment - net	1,450	36,969
Right-of-use assets - net	-	26
Investment property - net	390	-
Other intangible assets - net	950	1,346
Deferred tax assets	42	103
Other noncurrent assets - net	-	1,108
Accounts payable and accrued expenses	(1,642)	(9,505)
Income and other taxes payable	(123)	(205)
Long-term debt - net of debt issue costs	(129)	(4,040)
Deferred tax liabilities	(14)	(13)
Other noncurrent liabilities	(857)	(170)
Lease liabilities	-	(36)
Non-controlling interests	15	(23)
Net assets	235	47,860
Cash and cash equivalents	(110)	(12,957)
Goodwill in subsidiaries	1,488	54,273
Other intangible assets - net	-	6,960
Investments in equity and debt instruments	-	4,077
Investments and advances - net	(573)	(2,987)
Gain on consolidation	-	(22)
Net cash flows	P1,040	P97,204

c. Changes in liabilities arising from financing activities

	Loans Payable	Long-term Debt	Lease Liabilities	Dividends and Distributions Payable
Balance at January 1, 2024	P214,881	P1,190,584	P56,572	P4,605
Changes from Financing Cash Flows				
Proceeds of borrowings	1,334,679	357,390	-	-
Payments of borrowings	(1,256,795)	(309,435)	-	-
Payments of lease liabilities	-	-	(20,195)	-
Dividends and distributions paid	-	-	-	(50,928)
Total Changes from Financing Cash Flows	77,884	47,955	(20,195)	(50,928)
Effect of Changes in Foreign Exchange Rates	495	24,454	506	-
Other Changes	(30)	4,276	5,662	51,483
Balance at December 31, 2024	P293,230	P1,267,269	P42,545	P5,160

	Loans Payable	Long-term Debt	Lease Liabilities	Dividends and Distributions Payable
Balance at January 1, 2023	P267,704	P1,088,196	P75,475	P4,037
Changes from Financing Cash Flows				
Proceeds of borrowings	1,145,761	292,879	-	-
Payments of borrowings	(1,197,861)	(190,822)	-	-
Payments of lease liabilities	-	-	(20,995)	-
Dividends and distributions paid	-	-	-	(44,145)
Total Changes from Financing Cash Flows	(52,100)	102,057	(20,995)	(44,145)
Effect of Changes in Foreign Exchange Rates	(1,007)	(3,328)	(234)	-
Other Changes	284	3,659	2,326	44,713
Balance at December 31, 2023	P214,881	P1,190,584	P56,572	P4,605

39. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Market Risk (Interest Rate Risk, Foreign Currency Risk and Commodity Price Risk)
- Liquidity Risk
- Credit Risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group include cash and cash equivalents, financial assets at FVPL, investments in equity and debt instruments, restricted cash, short-term and long-term loans, dividends and distributions payable and derivative instruments. These financial instruments, except financial assets at FVPL and derivative instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Group such as trade and other receivables, noncurrent receivables and deposits, accounts payable and accrued expenses, lease liabilities and other noncurrent liabilities arise directly from and are used to facilitate its daily operations.

The outstanding derivative instruments of the Group such as options, forwards and swaps are intended mainly for risk management purposes. The Group uses derivatives to manage its exposures to foreign currency, interest rate and commodity price risks arising from the operating and financing activities. The accounting policies in relation to derivatives are set out in Note 3 to the consolidated financial statements.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Audit and Risk Oversight Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the consolidated financial statements and financial reporting process and the systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the consolidated financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance with tax, legal and regulatory requirements; e) evaluation of management's process to assess and manage the enterprise risk issues; and f) fulfillment of the other responsibilities set out by the BOD. The Audit and Risk Oversight Committee shall prepare such reports as may be necessary to document the activities of the committee in the performance of its functions and duties. Such reports shall be included in the annual report of the Group and other corporate disclosures as may be required by the SEC and/or the PSE.

The Audit and Risk Oversight Committee also oversees how management monitors compliance with the risk management policies and procedures of the Group and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit assists the Audit and Risk Oversight Committee in monitoring and evaluating the effectiveness of the risk management and governance processes of the Group. Internal Audit undertakes both regular and special reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Oversight Committee.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group's exposure to changes in interest rates relates primarily to the long-term borrowings and investment securities. Investment securities acquired or borrowings issued at fixed rates expose the Group to fair value interest rate risk. On the other hand, investment securities acquired, or borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. The management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

On the other hand, the investment policy of the Group is to maintain an adequate yield to match or reduce the net interest cost from its borrowings pending the deployment of funds to their intended use in the operations and working capital management. However, the Group invests only in high-quality securities while maintaining the necessary diversification to avoid concentration risk.

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.

The management of interest rate risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various standard and non-standard interest rate scenarios.

The Group uses interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities, and notional amounts. The Group assesses whether the derivative designated in the hedging relationship is expected to be effective in offsetting changes in cash flows, of the hedged item using the hypothetical derivative method.

The following are the main sources of ineffectiveness in the hedge relationships:

- the effect of the counterparty's and the Group's own credit risk on the fair value of the derivative contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- changes in the timing of the hedged transactions.

Interest Rate Risk Table

The terms and maturity profile of the interest-bearing financial instruments, together with its gross amounts, are shown in the following tables:

December 31, 2024	<1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated Interest rate	P69,559 3.284% - 9.635%	P75,072 3.284% - 9.635%	P111,758 3.5483% - 9.635%	P93,032 3.5483% - 9.635%	P81,440 3.5483% - 9.635%	P172,129 4.8356% - 9.635%	P602,990
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	1,453 8.331%	1,519 8.331%	1,588 8.331%	10,338 6.55% - 8.331%	10,416 6.68% - 8.331%	8,674 8.331%	33,988
Floating Rate							
Philippine Peso-denominated Interest rate	1,895 BVAL + margin or applicable reference rate, whichever is higher	2,923 BVAL + margin or applicable reference rate, whichever is higher	4,045 BVAL + margin or applicable reference rate, whichever is higher	4,383 BVAL + margin or applicable reference rate, whichever is higher	10,936 BVAL + margin or applicable reference rate, whichever is higher	29,632 BVAL + margin or applicable reference rate, whichever is higher	53,814
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	22,207 SOFR/ applicable reference rate + margin	105,707 SOFR/ applicable reference rate + margin	115,771 SOFR/ applicable reference rate + margin	146,395 SOFR/ applicable reference rate + margin	138,428 SOFR/ applicable reference rate + margin	63,382 SOFR/ applicable reference rate + margin	591,890
	P95,114	P185,221	P233,162	P254,148	P241,220	P273,817	P1,282,682
December 31, 2023	<1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated Interest rate	P98,099 3.284% - 9.635%	P73,303 3.284% - 9.635%	P75,000 3.284% - 9.635%	P118,771 3.3832% - 9.635%	P87,199 3.5483% - 9.635%	P142,861 3.5483% - 9.635%	P595,233
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	1,330 8.331%	1,391 8.331%	1,454 8.331%	1,520 8.331%	9,895 6.55% - 8.331%	9,967 8.331%	25,557
Floating Rate							
Philippine Peso-denominated Interest rate	2,286 BVAL + margin or applicable reference rate, whichever is higher	21,819 BVAL + margin or applicable reference rate, whichever is higher	1,938 BVAL + margin or applicable reference rate, whichever is higher	1,938 BVAL + margin or applicable reference rate, whichever is higher	2,398 BVAL + margin or applicable reference rate, whichever is higher	23,561 BVAL + margin or applicable reference rate, whichever is higher	53,940
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	136,617 SOFR/ applicable reference rate + margin	23,802 SOFR/ applicable reference rate + margin	88,505 SOFR/ applicable reference rate + margin	73,884 SOFR/ applicable reference rate + margin	120,336 SOFR/ applicable reference rate + margin	85,960 SOFR/ applicable reference rate + margin	529,104
	P238,332	P120,315	P166,897	P196,113	P219,828	P262,349	P1,203,834

The sensitivity to a reasonably possible 1% increase in the interest rates, with all other variables held constant, would have decreased the Group's profit before tax (through the impact on floating rate borrowings) by P6,457, P5,830 and P4,916 in 2024, 2023 and 2022, respectively. A 1% decrease in the interest rate would have had the equal but opposite effect. These changes are considered to be reasonably possible given the observation of prevailing market conditions in those periods. There is no impact on the Group's other comprehensive income.

Foreign Currency Risk

The functional currency is the Philippine Peso, which is the denomination of the bulk of the Group's transactions. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity. The Group enters into foreign currency hedges using a combination of non-derivative and derivative instruments such as foreign currency forwards, options or swaps to manage its foreign currency risk exposure.

Short-term currency forward contracts (deliverable and non-deliverable) and options are entered into to manage foreign currency risks arising from importations, revenue and expense transactions, and other foreign currency-denominated obligations. Currency swaps are entered into to manage foreign currency risks relating to long-term foreign currency-denominated borrowings.

Certain derivative contracts are designated as cash flow hedges. The Group applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of the cash flows. The Group assesses whether the derivatives designated in the hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the cumulative dollar-offset and hypothetical derivative method.

The following are the main sources of ineffectiveness in the hedge relationships:

- the effect of the counterparty's and the Group's own credit risk on the fair value of the derivative contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in foreign exchange rates; and
- changes in the timing of the hedged transactions.

Information on the Group's foreign currency-denominated monetary assets and monetary liabilities and their Philippine Peso equivalents is as follows:

	December 31, 2024		December 31, 2023	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Assets				
Cash and cash equivalents	US\$1,619	P93,731	US\$1,720	P95,227
Trade and other receivables	952	55,088	1,322	73,163
Prepaid expenses and other current assets	18	1,046	21	1,165
Noncurrent receivables	37	2,184	33	1,857
	2,626	152,049	3,096	171,412
Liabilities				
Loans payable	720	41,630	243	13,458
Accounts payable and accrued expenses	2,405	139,067	2,497	138,309
Long-term debt (including current maturities)	10,820	625,878	10,018	554,661
Lease liabilities (including current portion)	369	21,417	434	24,066
Other noncurrent liabilities	30	1,775	25	1,447
	14,344	829,767	13,217	731,941
Net foreign currency-denominated monetary liabilities	US\$11,718	P677,718	US\$10,121	P560,529

The Group reported net gain (loss) on foreign exchange amounting to (P20,514), P2,485 and (P21,518) in 2024, 2023 and 2022, respectively, with the translation of its foreign currency-denominated assets and liabilities (Note 32). These mainly resulted from the movements of the Philippine Peso against the US Dollar as shown in the following table:

	US Dollar to Philippine Peso
December 31, 2024	P57.845
December 31, 2023	55.370
December 31, 2022	55.755

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various foreign currency exchange rate scenarios.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to translation of results and financial position of foreign operations):

	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
December 31, 2024				
Cash and cash equivalents	(P1,454)	(P1,307)	P1,454	P1,307
Trade and other receivables	(431)	(898)	431	898
Prepaid expenses and other current assets	(10)	(15)	10	15
Noncurrent receivables	(34)	(28)	34	28
	(1,929)	(2,248)	1,929	2,248
Loans payable	425	612	(425)	(612)
Accounts payable and accrued expenses	1,874	2,387	(1,874)	(2,387)
Long-term debt (including current maturities)	10,786	8,123	(10,786)	(8,123)
Lease liabilities (including current portion)	277	301	(277)	(301)
Other noncurrent liabilities	28	23	(28)	(23)
	13,390	11,446	(13,390)	(11,446)
	P11,461	P9,198	(P11,461)	(P9,198)

	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
December 31, 2023				
Cash and cash equivalents	(P1,238)	(P1,425)	P1,238	P1,425
Trade and other receivables	(429)	(1,076)	429	1,076
Prepaid expenses and other current assets	(10)	(19)	10	19
Noncurrent receivables	(31)	(25)	31	25
	(1,708)	(2,545)	1,708	2,545
Loans payable	-	242	-	(242)
Accounts payable and accrued expenses	1,338	2,054	(1,338)	(2,054)
Long-term debt (including current maturities)	9,977	7,775	(9,977)	(7,775)
Lease liabilities (including current portion)	341	349	(341)	(349)
Other noncurrent liabilities	16	21	(16)	(21)
	11,672	10,441	(11,672)	(10,441)
	P9,964	P7,896	(P9,964)	(P7,896)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

Commodity Price Risk

Commodity price risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in commodity prices.

The Group enters into various commodity derivatives to manage its price risks on strategic commodities. Commodity hedging allows stability in prices, thus offsetting the risk of volatile market fluctuations. Through hedging, prices of commodities are fixed at levels acceptable to the Group, thus protecting raw material cost and preserving margins. For hedging transactions, if prices go down, hedge positions may show marked-to-market losses; however, any loss in the marked-to-market position is offset by the resulting lower physical raw material cost.

The Parent Company enters into commodity derivative transactions on behalf of its subsidiaries to reduce cost by optimizing purchasing synergies within the Group and managing inventory levels of common materials.

Commodity Swaps, Futures and Options. Commodity swaps, futures and options are used to manage the Group's exposures to volatility in prices of certain commodities such as fuel oil, crude oil, coal, aluminum, soybean meal and wheat.

Commodity Forwards. The Group enters into forward purchases of various commodities. The prices of the commodity forwards are fixed either through direct agreement with suppliers or by reference to a relevant commodity price index.

Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; c) to be able to access funding when needed at the least possible cost; and d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary. The Group also uses derivative instruments such as forwards and swaps to manage liquidity.

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

December 31, 2024	Carrying Amount	Contractual Cash Flow	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P293,677	P293,677	P293,677	P -	P -	P -
Trade and other receivables - net	266,981	266,981	266,981	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	2,782	2,782	1,198	275	1,309	-
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	896	896	438	-	-	458
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	8,988	9,239	54	54	821	8,310
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	12,180	15,245	1,345	846	12,731	323
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	8,797	9,000	35	3,669	141	5,155
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	23,822	23,822	18,422	3,578	2	1,820
Financial Liabilities						
Loans payable	293,230	295,002	295,002	-	-	-
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, IRO, ARO and deferred income)	285,456	285,456	285,456	-	-	-
Dividends and distributions payable	5,160	5,160	5,160	-	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	2,017	2,017	1,890	-	127	-
Long-term debt (including current maturities)	1,267,269	1,627,846	178,609	260,245	857,456	331,536
Lease liabilities (including current portion)	42,545	52,752	12,655	8,750	16,299	15,048
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	7,068	7,068	-	2,824	1,738	2,506

December 31, 2023	Carrying Amount	Contractual Cash Flow	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P261,358	P261,358	P261,358	P -	P -	P -
Trade and other receivables - net	263,119	263,119	263,119	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	2,364	2,364	2,063	-	301	-
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	1,401	1,401	1,012	-	-	389
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	7,424	7,738	54	54	1,970	5,660
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	12,158	16,822	1,333	846	2,636	12,007
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	9,181	10,613	843	1,541	2,156	6,073
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	18,519	18,519	14,076	3,111	-	1,332
Financial Liabilities						
Loans payable	214,881	217,073	217,073	-	-	-
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, IRO, ARO, and deferred income)	220,952	220,952	220,952	-	-	-
Dividends and distributions payable	4,605	4,605	4,605	-	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	1,177	1,177	908	-	269	-
Long-term debt (including current maturities)	1,190,584	1,521,481	312,675	181,041	699,563	328,202
Lease liabilities (including current portion)	56,572	69,146	20,878	6,467	22,334	19,467
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	11,023	11,023	-	5,577	3,671	1,775

Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade and other receivables and investment securities. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Trade and Other Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on the credit risk.

The Group obtains collateral or arranges master netting agreements, where appropriate, so that in the event of default, the Group would have a secured claim.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Group ensures that sales on account are made to customers with appropriate credit history. The Group has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

Investment in Debt Instruments

The Group limits its exposure to credit risk by investing only in liquid debt instruments with counterparties that have high credit ratings. The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields.

Credit Quality

In monitoring and controlling credit extended to counterparty, the Group adopts a comprehensive credit rating system based on financial and non-financial assessments of its customers. Financial factors being considered comprise the financial standing of the customer while the non-financial aspects include but are not limited to the assessment of the customer's nature of business, management profile, industry background, payment habit and both present and potential business dealings with the Group.

The credit quality of financial assets is being managed by the Group using internal credit ratings. Credit quality of the financial assets was determined as follows:

High grade includes deposits or placements to reputable banks and companies with good credit standing. High grade financial assets include cash and cash equivalents and derivative assets.

Standard grade pertains to receivables from counterparties with satisfactory financial capability and credit standing based on historical data, current conditions and the Group's view of forward-looking information over the expected lives of the receivables. Standard grade financial assets include trade and other receivables and noncurrent receivables and deposits.

Receivables with high probability of delinquency and default were fully provided with allowance for impairment losses.

Financial information on the Group's maximum exposure to credit risk, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	Note	December 31, 2024	December 31, 2023
Cash and cash equivalents (excluding cash on hand)	4, 7	P287,803	P256,366
Trade and other receivables - net	8	266,981	263,119
Derivative assets	10, 18	2,782	2,364
Investments in debt instruments at FVPL	10, 12	438	1,012
Investments in debt instruments at FVOCI	12	669	668
Investments in debt instruments at amortized cost	4, 10, 12	12,180	12,158
Noncurrent receivables and deposits - net	4, 18	8,797	9,181
Restricted cash	4, 10, 18	23,822	18,519
		P603,472	P563,387

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

	December 31, 2024					
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Financial Assets at FVOCI	Total
	12-Month ECL	Lifetime ECL not Credit Impaired	Lifetime ECL Credit Impaired			
Cash and cash equivalents (excluding cash on hand)	P287,803	P -	P -	P -	P -	P287,803
Trade and other receivables	-	266,981	15,343	-	-	282,324
Derivative assets	-	-	-	1,230	1,552	2,782
Investments in debt instruments at FVPL	-	-	-	438	-	438
Investments in debt instruments at FVOCI	-	-	-	-	669	669
Investments in debt instruments at amortized cost	12,180	-	-	-	-	12,180
Noncurrent receivables and deposits	-	8,797	590	-	-	9,387
Restricted cash	23,822	-	-	-	-	23,822

	December 31, 2023					
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Financial Assets at FVOCI	Total
	12-Month ECL	Lifetime ECL not Credit Impaired	Lifetime ECL Credit Impaired			
Cash and cash equivalents (excluding cash on hand)	P256,366	P -	P -	P -	P -	P256,366
Trade and other receivables	-	263,119	13,120	-	-	276,239
Derivative assets	-	-	-	1,270	1,094	2,364
Investments in debt instruments at FVPL	-	-	-	1,012	-	1,012
Investments in debt instruments at FVOCI	-	-	-	-	668	668
Investments in debt instruments at amortized cost	12,158	-	-	-	-	12,158
Noncurrent receivables and deposits	-	9,181	567	-	-	9,748
Restricted cash	18,519	-	-	-	-	18,519

The aging of receivables is as follows:

December 31, 2024	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	P130,568	P40,453	P9,120	P180,141
Past due:				
1 - 30 days	23,898	2,197	105	26,200
31 - 60 days	5,447	5,572	38	11,057
61 - 90 days	2,309	151	30	2,490
Over 90 days	34,664	26,227	1,545	62,436
	P196,886	P74,600	P10,838	P282,324

December 31, 2023	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	P127,332	P42,108	P8,709	P178,149
Past due:				
1 - 30 days	17,482	8,071	66	25,619
31 - 60 days	5,049	282	14	5,345
61 - 90 days	3,322	1,331	14	4,667
Over 90 days	35,262	24,939	2,258	62,459
	P188,447	P76,731	P11,061	P276,239

Various collaterals for trade receivables such as bank guarantees, time deposits and real estate mortgages are held by the Group for certain credit limits.

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible based on historical payment behavior and analyses of the underlying customer credit ratings. There are no significant changes in their credit quality.

The Group computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period (Note 4). There are no significant changes in the credit quality of the counterparties during the year.

The Group's cash and cash equivalents, derivative assets, investments in debt instruments and restricted cash are placed with reputable entities with high quality external credit ratings.

The Group's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of trade and other receivables and noncurrent receivables and deposits is its carrying amount without considering collaterals or credit enhancements, if any. The Group has no significant concentration of credit risk since the Group deals with a large number of homogenous counterparties.

The Group does not execute any credit guarantee in favor of any counterparty.

Financial and Other Risks Relating to Livestock

The Group is exposed to financial risks arising from the change in cost and supply of feed ingredients and the selling prices of chicken, hogs and related products, all of which are determined by constantly changing market forces such as supply and demand and other factors. The other factors include environmental regulations, weather conditions and livestock diseases for which the Group has little control. The mitigating factors are listed below:

- The Group is subject to risks affecting the food industry, generally, including risks posed by food spoilage and contamination. Specifically, the fresh meat industry is regulated by environmental, health and food safety organizations and regulatory sanctions. The Group has put into place systems to monitor food safety risks throughout all stages of manufacturing and processing to mitigate these risks. Furthermore, representatives from the government regulatory agencies are present at all times during the processing of dressed chicken and hogs in all dressing and meat plants and issue certificates accordingly. The authorities, however, may impose additional regulatory requirements that may require significant capital investment at short notice.
- The Group is subject to risks relating to its ability to maintain animal health status considering that it has no control over neighboring livestock farms. Livestock health problems could adversely impact production and consumer confidence. However, the Group monitors the health of its livestock on a daily basis and proper procedures are put in place.
- The livestock industry is exposed to risk associated with the supply and price of raw materials, mainly grain prices. Grain prices fluctuate depending on the harvest results. The shortage in the supply of grain will result in adverse fluctuation in the price of grain and will ultimately increase the Group's production cost. If necessary, the Group enters into forward contracts to secure the supply of raw materials at a reasonable price.

Other Market Price Risk

The Group's market price risk arises from its investments carried at fair value (financial assets at FVPL and FVOCI). The Group manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

Capital Management

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay off existing debts, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operation and industry.

The Group, except for BankCom which is subject to certain capitalization requirements by the BSP, is not subject to externally imposed capital requirements.

40. Financial Assets and Financial Liabilities

The table below presents a comparison by category of the carrying amounts and fair values of the Group's financial instruments:

	December 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	P293,677	P293,677	P261,358	P261,358
Trade and other receivables - net	266,981	266,981	263,119	263,119
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	2,782	2,782	2,364	2,364
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	896	896	1,401	1,401
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	8,988	8,988	7,424	7,424
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	12,180	12,180	12,158	12,158
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	8,797	8,797	9,181	9,181
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	23,822	23,822	18,519	18,519
Financial Liabilities				
Loans payable	293,230	293,230	214,881	214,881
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, IRO, ARO and deferred income)	285,456	285,456	220,952	220,952
Dividends and distributions payable	5,160	5,160	4,605	4,605
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	2,017	2,017	1,177	1,177
Long-term debt (including current maturities)	1,267,269	1,306,606	1,190,584	1,211,878
Lease liabilities (including current portion)	42,545	42,545	56,572	56,572
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	7,068	7,068	11,023	11,023

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Trade and Other Receivables, Financial Assets at Amortized Cost, Noncurrent Receivables and Deposits and Restricted Cash. The carrying amount of cash and cash equivalents and trade and other receivables approximates fair value primarily due to the relatively short-term maturities of these financial instruments. In the case of financial assets at amortized cost, noncurrent receivables and deposits and restricted cash, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

Derivatives. The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. In the case of freestanding currency and commodity derivatives, the fair values are determined based on quoted prices obtained from their respective active markets. Fair values for stand-alone derivative instruments that are not quoted from an active market and for embedded derivatives are based on valuation models used for similar instruments using both observable and non-observable inputs.

Financial Assets at FVPL and Financial Assets at FVOCI. The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market. For debt instruments with no quoted market prices, a reasonable estimate of their fair values is calculated based on the expected cash flows from the instruments discounted, using the applicable discount rates of comparable instruments quoted in active markets.

Loans Payable, Accounts Payable and Accrued Expenses and Dividends and Distributions Payable. The carrying amount of loans payable, accounts payable and accrued expenses and dividends and distributions payable approximates fair value due to the relatively short-term maturities of these financial instruments.

Long-term Debt, Lease Liabilities and Other Noncurrent Liabilities. The fair value of interest-bearing fixed rate loans is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as at the reporting date. Discount rates used for Philippine Peso-denominated loans range from 4.7% to 7.8% and 5.1% to 6.0% as at December 31, 2024 and 2023, respectively. The discount rates used for foreign currency-denominated loans range from 4.2% to 4.4% and 3.9% to 5.3% as at December 31, 2024 and 2023, respectively. The carrying amounts of floating rate loans with quarterly interest rate repricing approximate their fair values.

Derivative Financial Instruments

The Group's derivative financial instruments according to the type of financial risk being managed and the details of freestanding and embedded derivative financial instruments that are categorized into those accounted for as cash flow hedges and those that are not designated as accounting hedges are discussed below.

The Group enters into various foreign currency, interest rate and commodity derivative contracts to manage its exposure on foreign currency, interest rate and commodity price risks. The portfolio is a mixture of instruments including forwards, swaps and options.

Derivative Instruments Accounted for as Cash Flow Hedges

The Group designated the following derivative financial instruments as cash flow hedges:

December 31, 2024	Maturity			Total
	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	
Foreign currency risk:				
Call spread swaps:				
Notional amount	US\$ -	US\$40	US\$515	US\$555
Average strike rate	-	P51.35 to P55.40	P54.30 to P61.62	
Interest rate risk:				
Interest rate options:				
Notional amount	US\$ -	US\$225	US\$1,050	US\$1,275
Interest rate	-	0.39% to 2.91%	0.50% to 6.25%	

December 31, 2023	Maturity			Total
	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	
Foreign currency risk:				
Call spread swaps:				
Notional amount	US\$190	US\$ -	US\$80	US\$270
Average strike rate	P48.00 to P53.70	-	P51.35 to P59.00	
Foreign currency and interest rate risks:				
Cross currency swap:				
Notional amount	US\$30	US\$ -	US\$ -	US\$30
Average strike rate	P50.635	-	-	
Fixed interest rate	3.60% to 4.01%	-	-	
Interest rate risk:				
Interest rate options:				
Notional amount	US\$ -	US\$ -	US\$525	US\$525
Interest rate	-	-	0.39% to 6.35%	

The following are the amounts relating to hedged items:

December 31, 2024	Change in Fair Value Used for Measuring Hedge Ineffectiveness	Hedging Reserve	Cost of Hedging Reserve
Foreign currency risk:			
US Dollar-denominated borrowings	(P880)	P -	(P752)
Foreign currency and interest rate risks:			
US Dollar-denominated borrowings	(75)	-	-
Interest rate risk:			
US Dollar-denominated borrowings	(516)	380	(309)

December 31, 2023	Change in Fair Value Used for Measuring Hedge Ineffectiveness	Hedging Reserve	Cost of Hedging Reserve
Foreign currency risk:			
US Dollar-denominated borrowings	P4	P -	(P290)
Foreign currency and interest rate risks:			
US Dollar-denominated borrowings	(142)	(23)	20
Interest rate risk:			
US Dollar-denominated borrowings	59	148	(258)

There are no amounts remaining in the hedging reserve from hedging relationships for which hedge accounting is no longer applied.

The following are the amounts related to the designated hedging instruments:

	Notional Amount	Carrying Amount		Line Item in the Consolidated Statement of Financial Position where the Hedging Instrument is Included	Changes in the Fair Value of the Hedging Instrument Recognized in Other Comprehensive Income	Cost of Hedging Recognized in Other Comprehensive Income	Amount Reclassified from Hedging Reserve to the Consolidated Statement of Income	Amount Reclassified from Cost of Hedging Reserve to the Consolidated Statement of Income	Line Item in the Consolidated Statement of Income Affected by the Reclassification
		Assets	Liabilities						
December 31, 2024									
Foreign currency risk: Call spread swaps	US\$555	P1,297	P -	Other noncurrent assets - net	P880	(P892)	(P880)	P276	Interest expense and other financing charges, and Other income (charges) - net
Foreign currency and interest rate risks: Cross currency swap	-	-	-		75	(27)	(44)	-	Interest expense and other financing charges, and Other income (charges) - net
Interest rate risk: Interest rate options	1,275	255	(127)	Other noncurrent assets - net and Other noncurrent liabilities	516	(68)	(207)	-	Interest expense and other financing charges
	Notional Amount	Carrying Amount		Line Item in the Consolidated Statement of Financial Position where the Hedging Instrument is Included	Changes in the Fair Value of the Hedging Instrument Recognized in Other Comprehensive Income	Cost of Hedging Recognized in Other Comprehensive Income	Amount Reclassified from Hedging Reserve to the Consolidated Statement of Income	Amount Reclassified from Cost of Hedging Reserve to the Consolidated Statement of Income	Line Item in the Consolidated Statement of Income Affected by the Reclassification
		Assets	Liabilities						
December 31, 2023									
Foreign currency risk: Call spread swaps	US\$270	P832	P -	Prepaid expenses and other current assets, and Other noncurrent assets - net	(P4)	P10	P4	P197	Interest expense and other financing charges, and Other income - net
Foreign currency and interest rate risks: Cross currency swap	30	137	-	Prepaid expenses and other current assets	142	105	(291)	(9)	Interest expense and other financing charges, and Other income - net
Interest rate risk: Interest rate options	525	125	(269)	Other noncurrent assets - net, and Other noncurrent liabilities	(59)	(202)	(77)	(21)	Interest expense and other financing charges

The hedges were assessed to be effective as the critical terms of the hedged items match the hedging instruments. No ineffectiveness was recognized in the 2024, 2023 and 2022 consolidated statements of income.

The table below provides a reconciliation by risk category of components of equity and analysis of other comprehensive income items, net of tax, resulting from cash flow hedge accounting.

	2024		2023	
	Hedging Reserve	Cost of Hedging Reserve	Hedging Reserve	Cost of Hedging Reserve
Beginning balance	P125	(P528)	P339	(P595)
Changes in fair value:				
Foreign currency risk	880	(892)	(4)	10
Foreign currency and interest rate risks	75	(27)	142	105
Interest rate risk	516	(68)	(59)	(202)
Amount reclassified to profit or loss	(1,131)	276	(364)	167
Tax effect	(85)	178	71	(13)
Ending balance	P380	(P1,061)	P125	(P528)

Derivative Instruments Not Designated as Hedges

The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include freestanding and embedded derivatives found in host contracts, which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the consolidated statements of income. Details are as follows:

Freestanding Derivatives

Freestanding derivatives consist of interest rate, foreign currency and commodity derivatives entered into by the Group.

Interest Rate Swap

The Group has outstanding interest rate swap with notional amount of US\$75 and US\$90 as at December 31, 2024 and 2023, respectively. Under the agreement, the Group receives floating interest rate based on SOFR and pays fixed interest rate up to 2026. The net positive fair value of the swap amounted to P32 and P47 as at December 31, 2024 and 2023, respectively.

Currency Forwards

The Group has outstanding foreign currency forward contracts with aggregate notional amount of US\$1,066 and US\$978 as at December 31, 2024 and 2023, respectively, and with various maturities in 2025 and 2024. The net negative fair value of these currency forwards amounted to P991 and P385 as at December 31, 2024 and 2023, respectively.

Currency Options

The Group has outstanding currency options with aggregate notional amount of US\$50 and US\$200 as at December 31, 2024 and 2023, respectively, and with various maturities in 2025 and 2024. The net negative fair value of these currency options amounted to P5 and P18 as at December 31, 2024 and 2023, respectively.

Commodity Swaps

The Group has outstanding swap agreements covering its fuel oil requirements, with various maturities in 2024 and 2025. Under the agreements, payment is made either by the Group or its counterparty for the difference between the hedged fixed price and the relevant price index.

The outstanding notional quantity of fuel oil was 100.6 million barrels and 51.1 million barrels as at December 31, 2024 and 2023, respectively. The net positive fair value of these swaps amounted to P339 and P738 as at December 31, 2024 and 2023, respectively.

Embedded Derivatives

The Group's embedded derivatives include currency forwards embedded in non-financial contracts.

Embedded Currency Forwards

The total outstanding notional amount of currency forwards embedded in non-financial contracts amounted to US\$170 and US\$145 as at December 31, 2024 and 2023, respectively. These non-financial contracts consist mainly of foreign currency-denominated purchase orders, sales agreements and capital expenditures. The embedded forwards are not clearly and closely related to their respective host contracts. The net negative fair value of these embedded currency forwards amounted to P35 and P20 as at December 31, 2024 and 2023, respectively.

The Group recognized marked-to-market gain (loss) from freestanding and embedded derivatives amounting to P614, (P1,379) and P2,920 in 2024, 2023 and 2022, respectively (Note 32).

Fair Value Changes on Derivatives

The net movements in fair value of all derivative instruments are as follows:

	2024	2023
Balance at beginning of year	P1,187	P792
Net change in fair value of derivatives:		
Designated as accounting hedge	1,751	43
Not designated as accounting hedge	614	(1,379)
	3,552	(544)
Less fair value of settled instruments	2,787	(1,731)
Balance at end of year	P765	P1,187

Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities (Note 3).

The table below analyzes financial instruments carried at fair value by valuation method:

	December 31, 2024			December 31, 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Derivative assets	P -	P2,782	P2,782	P -	P2,364	P2,364
Financial assets at FVPL	438	458	896	1,012	389	1,401
Financial assets at FVOCI	1,635	7,353	8,988	1,407	6,017	7,424
Financial Liabilities						
Derivative liabilities	-	2,017	2,017	-	1,177	1,177

The Group has no financial instruments valued based on Level 3 as at December 31, 2024 and 2023. In 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

41. Events After the Reporting Date

Parent Company

Approval by the Stockholders of the Reclassification of the Common Shares Held in Treasury to Series "2" Preferred Shares Held in Treasury

On March 27, 2025, the stockholders of the Parent Company approved the following: (1) the amendment to Article VII of the Amended Articles of Incorporation of the Parent Company to reclassify the 904,752,537 common shares currently held as treasury shares, into Series "2" Preferred Shares held in treasury; (2) the amendment of the authorized capital stock of the Parent Company from P30,000 with a par value of P5.00 per share or 6,000,000,000 shares divided into 3,790,000,000 common shares and 2,210,000,000 Series "2" Preferred Shares to 2,885,247,463 common shares and 3,114,752,537 Series "2" Preferred Shares; and (3) the issuance of the common and Series "2" Preferred Shares of the Parent Company, subject to such terms and conditions determined by management, with the approval and conformity of the BOD and stockholders.

San Miguel Global Power

Joint Investments with Meralco and Aboitiz Power Corporation (AboitizPower) into the Country's First Integrated LNG-to-Power Facility Projects in Batangas City

On March 1, 2024, Meralco PowerGen Corporation (MGen) and Therma NatGas Power, Inc. (TNGP, a subsidiary of AboitizPower), through their joint venture entity, Chromite Gas Holdings Inc. (CGHI), have entered into binding agreements with San Miguel Global Power and its relevant subsidiaries, for MGen and TNGP to jointly invest for a 67% equity interest in San Miguel Global Power's gas-fired power plants, namely: (i) the brownfield 1,200 MW Ilijan Power Plant owned by SPPC; (ii) the greenfield 1,320 MW BCCPP owned by EERI; and (iii) land owned by IPIEC where the gas-fired power plant and related facilities of EERI as well as the Batangas LNG Terminal are located.

The transaction also involved the joint acquisition by CGHI and San Miguel Global Power of LFC, the owner of the Batangas LNG Terminal, which receives, stores and processes LNG to fuel for SPPC's Ilijan Power Plant and later on for EERI's BCCPP.

The transaction has customary closing conditions and has been issued the requisite regulatory approvals, including the review and approval of the PCC. On May 17, 2024, Top Frontier filed its application for the approval of the transaction with the PCC. On December 23, 2024, the PCC publicly disclosed its approval of the joint acquisition of power facilities and Batangas LNG Terminal by MGen, TNGP and San Miguel Global Power, subject to certain commitments from the parties aimed at ensuring fair competition and promoting transparency in the power industry.

On January 27, 2025, San Miguel Global Power completed the following transactions pursuant to the agreements executed on March 1, 2024, with CGHI:

- Investment by CGHI of 67% equity interests in: (i) SPPC; (ii) EERI; and (iii) IPIEC.
- Acquisition by CGHI and San Miguel Global Power of 67% and 32.98% equity interests, respectively, in LFC.

As a result of the transactions, San Miguel Global Power's equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%. Consequently, the Group derecognized the assets and liabilities of SPPC, EERI and IPIEC and recognized the 33% equity interests at their fair market values and a revaluation gain estimated at P52,706 and P21,724, respectively.

Issuance of Capital Securities

On February 19, 2025, San Miguel Global Power issued US\$100 SPCS (the "Additional Securities") and obtained the approval in-principle from the SGX-ST for the listing and quotation of the Additional Securities.

The Additional Securities shall be consolidated with and shall form a single series with the US\$500 SPCS issued on December 2, 2024. The net proceeds of the Additional Securities shall be applied primarily for the partial purchase, repurchase and/or redemption of the outstanding 7.00% SPCS issued on October 21, 2020 and December 15, 2020.

Petron

Issuance of Series G, Series H and Series I Fixed Rate Peso-denominated Bonds

On March 4, 2025, the BOD of Petron approved the public offer and issuance of up to P25,000 Peso-denominated Retail Bonds with an oversubscription option of up to P7,000, to be taken from the bond shelf registration rendered effective by the SEC and valid until September 2025.

The net proceeds of the issuance of the bonds will be used for repayment of Series D and Series E Bonds due in 2025 and other existing debt, for capital expenditures and for general corporate purposes.

Common Share Buyback Program of up to 620,000,000 Common Shares

On March 4, 2025, the BOD of Petron approved the common share buyback of up to 620,000,000 shares as follows, with terms and conditions to be determined by Management: (a) up to 167,000,000 shares (the "Maximum Volume" or about P400 (the "Maximum Amount") and during a period of up to six months or until the Maximum Volume or the Maximum Amount is exhausted or unless earlier terminated by Management; and (b) repurchase of all of the 459,156,097 common shares held by PCERP via a block sale based on the simple average of the three-day close prior to the execution date.

42. Registration with the Board of Investments (BOI) and Others

a. San Miguel Global Power

- In 2013, MPI and LPI were granted incentives by the BOI on a pioneer status for six years subject to the representations and commitments set forth in the application for registration, the provisions of Omnibus Investments Code of 1987 [Executive Order (EO) No. 226], the rules and regulations of the BOI and the terms and conditions prescribed. On October 5, 2016, BOI granted LPI's request to move the start of its commercial operation and Income Tax Holiday (ITH) reckoning date from February 2016 to September 2017 or when the first kilowatt-hour (kWh) of energy was transmitted after commissioning or testing, or one month from the date of such commissioning or testing, whichever comes earlier as certified by NGCP. Subsequently, on December 21, 2016, BOI granted a similar request of MPI to move the start of its commercial operation and ITH reckoning date from December 2015 to July 2016, or the actual date of commercial operations subject to compliance with the specific terms and conditions, due to delay in the implementation of the project for reasons beyond its control. MPI's request for the further extension of the ITH reckoning date from July 2016 to September 2017 was likewise approved by the BOI on December 5, 2018. The ITH incentives shall only be limited to the conditions given under their respective BOI registrations' specific terms and conditions. The ITH period for Unit 1 and Unit 2 of LPI commenced on May 26, 2017, and expired on May 25, 2023. The ITH incentives of MPI expired on September 26, 2023.
- On September 20, 2016, LETI was registered with the BOI under EO No. 226 as expanding operator of 2 x 150 MW Circulating Fluidized Bed Coal-fired Power Plant (Phase II Limay Greenfield Power Plant) on a non-pioneer status. The BOI categorized LETI as an "Expansion" based on the 2014 to 2016 IPP's Specific Guidelines for "Energy" in relation to LPI's 2 x 150 MW Coal-fired Power Plant (Phase I Limay Greenfield Power Plant). As a registered entity, LETI is entitled to certain incentives that include, among others, an ITH for three years from January 2018 or the date of actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The ITH incentives shall only be limited to the conditions given under the specific terms and conditions of LETI's BOI registrations.

In June 2017, the BOI approved the transfer of ownership and registration of Phase II Limay Greenfield Power Plant from LETI to LPI. On July 13, 2018, the BOI granted the request of LPI to move the start of its commercial operation and ITH reckoning date from January 2018 to March 2018 or actual start of commercial operations, whichever is earlier. The ITH period for Phase II Limay Greenfield Power Plant (Unit 3 and Unit 4) commenced on March 26, 2018, and expired in 2021.

- On October 12, 2012, MPCL received the BOI approval for the application as expanding operator of 600 MW Coal-fired Thermal Power Plant. As a registered entity, MPCL is entitled to ITH for three years from June 2017 or the actual start of commercial operations, whichever is earlier (but not earlier than the date of registration) subject to compliance with the specific terms and conditions set forth in the BOI registration. On May 27, 2014, the BOI approved MPCL's request to move the start of its commercial operation and the reckoning date of the ITH entitlement from June 2017 to December 2018. On June 17, 2015, the BOI subsequently granted MPCL's requests to downgrade the registered capacity from 600 MW to 300 MW.
- On December 21, 2015, MPCL received the BOI approval for the application as new operator of 10 MW BESS Project on a pioneer status. The BESS facility provides 10 MW of interconnected capacity and enhances the reliability of the Luzon grid using the *Advancion* energy storage solution. As a registered entity, MPCL is entitled to incentives that include, among others, an ITH for six years from December 2018 or the date of the actual start of commercial operations, whichever is earlier (but not earlier than the date of registration) subject to compliance with the specific terms and conditions of MPCL's BOI registration. The ITH period for the 10 MW BESS of MPCL commenced on December 1, 2018. On October 1, 2020, MPCL likewise received the BOI approval on the additional 20 MW BESS Phase 2 Project of MPCL.

On February 23, 2021, MPCL received the BOI approval for the applications as the new operator of a 315 MW Super Critical Pulverized Coal Thermal Power Plant Unit 4, and as the new operator of 315 MW Super Critical Pulverized Coal Thermal Power Plant Unit 5. Each registered activity is entitled to a four-year ITH reckoned from the start of commercial operations.

On November 12 and December 26, 2024, MPCL submitted to BOI the request to transfer its registration from EO No. 226 to CREATE Act for Units 4 and 5, and BESS Phase 2 Project, respectively.

- On August 24, 2016, SMGP Kabankalan received the BOI approval for the application as the new operator of the 2 x 20 MW Kabankalan *Advancion* Energy Storage Array on a pioneer status. SMGP Kabankalan, a registered entity, is entitled to incentives that include, among others, an ITH for six years from July 2019 to December 2024 or the date of the actual start of commercial operations, whichever is earlier (but not earlier than the date of registration). On November 27, 2019, SMGP Kabankalan filed a request with the BOI to move the reckoning date of the ITH entitlement from July 2019 to July 2021. Due to the delays brought about by the pandemic, a subsequent request was filed to move the reckoning date to January 2022. On December 17, 2021, the BOI granted the request of SMGP Kabankalan Storage for the movement of the start of commercial operations and ITH reckoning to January 2022. The incentives shall be limited to the specific terms and conditions of SMGP Kabankalan's BOI registration.
- On November 29, 2019, the BOI approved the application of SMGP BESS as the new operator of BESS Component of the Integrated Renewable Power Facility (R-Hub) covering various sites across the Philippines. The BOI has also approved SMGP BESS' subsequent applications covering additional sites. Each registered site was granted certain incentives including ITH, among others. On November 12, 2024, SMGP BESS submitted to BOI the request to transfer its registration from EO No. 226 to CREATE Act.

- On February 23, 2021, EERI received the BOI approval for the applications as the new operator of 850 MW BCCPP Phase 1 and 850 MW BCCPP Phase 2 located in Barangay Dela Paz Proper, Batangas City, Batangas. Each registered activity is entitled to a four-year ITH reckoned from April 2023 and October 2026, for Phase 1 and Phase 2, respectively, or the date of the actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

On December 19, 2023, the BOI approved EERI's request to move the start of commercial operations from April 2023 to August 2024 for Phase 1. The BOI further granted EERI's request to amend the registered capacity from 850 MW to 1,320 MW for Phase 1 and 850 MW to 440 MW for Phase 2.

On December 19, 2024, EERI requested to transfer its registration from EO No. 226 to CREATE Act.

- On November 29, 2022, the BOI approved the application of SMC Global Light and Power Corp. (SGLPC) as a Renewable Energy Developer of Solar Energy Resources located at Lucanin Industrial Estate, Mariveles, Bataan. SGLPC was granted certain incentives including a seven-year ITH reckoned from the start of commercial operation in October 2023, among others. SGLPC requested BOI to move the start of commercial operation due to events that are beyond its control.

Registration with the Authority of the Freeport Area of Bataan (AFAB)

On April 24, 2019, MPGC was registered with the AFAB, subject to annual renewal, as engaged in business of producing and generating electricity, and processing fuels alternative for power generation, among others, at the Freeport Area of Bataan (FAB). MPGC has been granted a renewed certificate of registration with AFAB for the year 2022, issued on December 13, 2021. On October 7, 2022, the AFAB issued an Advisory to FAB registered enterprises on the renewal of registration and issuance of certificate of entitlement to tax incentives stating that the registration issued for the year 2022 will no longer be renewed and shall be valid and in effect as long as the FAB registered enterprise remains in good standing or until revoked or cancelled.

As a FAB registered enterprise, MPGC will operate 4 x 150 MW power plant located in Mariveles, Bataan. AFAB granted MPGC certain incentives that include, among others, an ITH of 4 years for original project effective on the committed date or actual date of start of commercial operations, whichever is earlier. MPGC, however, due to circumstances beyond its control, has requested with AFAB to move the reckoning date of the start of commercial operations and the ITH for each unit. The said request was approved by AFAB on October 11, 2024.

License Granted by the ERC

On August 4, 2008 and August 24, 2016, MPCL and LPI, respectively, were granted a RES License by the ERC pursuant to Section 29 of the EPIRA, which requires all suppliers of electricity to the contestable market to secure a license from the ERC. The term of the RES License is for a period of five years from the time it was granted and renewable thereafter.

On December 13, 2023, the ERC granted the renewal of the RES License of MPCL and LPI for another five years valid from September 30, 2023 until September 29, 2028.

b. SMFB

SMFI

SMFI is registered with the BOI and AFAB for certain feedmill, poultry, meats and ready-to-eat meals projects. In accordance with the provisions of EO No. 226 otherwise known as “The Omnibus Investment Code of 1987” and the RA No. 9728, also known as “The Freeport Area of Bataan Act of 2009”, pursuant to RA No. 11534, the projects are entitled, among others, to fiscal incentives described as follows:

- *New Producer of Animal Feeds (Pellet, Crumble and Mash).* The San Ildefonso, Bulacan Feedmill project (Bulacan Feedmill Project) was registered with the BOI on a non-pioneer status on April 14, 2016 under Certificate of Registration No. 2016-074. The Bulacan Feedmill Project is entitled to ITH for four years from July 2018 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration, extendable under certain conditions, but in no case should the aggregate ITH period exceed eight years.

Notwithstanding the expiration of ITH benefit in 2022, SMFI is still required to continue the submission of annual reports to the BOI until 2027, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- *New Producer of Animal and Aqua Feeds.* The Sta. Cruz, Davao feedmill project (Davao Feedmill Project) was registered with the BOI on a non-pioneer status on April 14, 2016 under Certificate of Registration No. 2016-073. The Davao Feedmill Project is entitled to ITH for four years from July 2018 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration, extendable under certain conditions, but in no case should the aggregate ITH period exceed eight years.

On May 24, 2019, the BOI approved SMFI’s request to move the Davao Feedmill Project’s start of commercial operations and ITH reckoning date to April 2019.

Notwithstanding the expiration of ITH benefit in 2023, SMFI is still required to continue the submission of annual reports to the BOI until 2028, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- *New Producer of Animal Feeds (Pellet, Crumble and Mash).* The Mandaue, Cebu feedmill project (Cebu Feedmill Project) was registered with the BOI on a non-pioneer status on November 10, 2015 under Certificate of Registration No. 2015-251. The Cebu Feedmill Project is entitled to ITH for four years from July 2018 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration, extendable under certain conditions, but in no case should the aggregate ITH period exceed eight years.

On May 24, 2019, the BOI approved SMFI’s request to move the Cebu Feedmill Project’s start of commercial operations and ITH reckoning date to December 2019.

Notwithstanding the expiration of ITH benefit in 2023, SMFI is still required to continue the submission of annual reports to the BOI until 2028, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- SMFI's Bataan feedmill project (Bataan Feedmill Project) was registered with the AFAB as a *Manufacturer of Feeds for Poultry, Livestock and Marine Species* on January 6, 2017 under Certificate of Registration No. 2017-057, valid for a period of one year, renewable annually subject to qualifications as determined by AFAB.

Said AFAB registration of the Bataan Feedmill Project has been renewed accordingly as follows:

Registration Renewal Date	Certificate of Registration No.	Annual Period Covered
March 6, 2018	2018-096	2018
February 14, 2019	2019-079	2019
December 10, 2019	2020-047	2020
December 29, 2020	2021-081	2021
May 30, 2022	2022-111	2022

Under the terms of SMFI's AFAB registration, the Bataan Feedmill Project is entitled to incentives which include, among others, ITH for four years from May 2018 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

- *New Domestic Producer of Animal Feeds (in Pellet, Crumble and Mash)*. The Phividec, Tagoloan, Misamis Oriental feedmill project (CDO Feedmill Project) was registered with the BOI on a pioneer status on May 27, 2020 under Certificate of Registration No. 2020-075. The CDO Feedmill Project is entitled to ITH for four years from June 2020 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration, extendable under certain conditions, but in no case should the aggregate ITH period exceed eight years.

Notwithstanding the expiration of ITH benefit in 2024, SMFI is still required to continue the submission of annual reports to the BOI until 2029, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- *New Domestic Producer of Animal Feeds (in Pellet, Crumble and Mash)*. The Barangay Soyung, Echague, Isabela feedmill project (Echague Feedmill Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on June 5, 2023 under Certificate of Registration No. 2023-100. The Echague Feedmill Project is entitled to ITH for six years from June 5, 2023 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

- *New Domestic Producer of Dressed Whole Chickens, Further Processed/Cut Up Chickens, and Other Chicken Parts (Liver, Gizzard, Fats, and Skins).* The Barangay Darong, Sta. Cruz, Davao del Sur Magnolia Poultry Processing Plant project (MPPP Davao del Sur Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on January 3, 2024 under Certificate of Registration No. 2024-006. The MPPP Davao del Sur Project is entitled to ITH for five years from January 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- *New Domestic Producer of Dressed Whole Chickens, Further Processed/Cut Up Chickens, and Other Chicken Parts (Liver, Gizzard, Fats, and Skins).* The Barangay Ilaya, Palsabangon, Pagbilao, Quezon Magnolia Poultry Processing Plant project (MPPP Pagbilao Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on June 20, 2024 under Certificate of Registration No. 2024-133. The MPPP Pagbilao Project is entitled to ITH for six years from June 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- *New Domestic Producer of Animal Feeds.* The Barangay Pulong Balibaguhan, Mabini, Batangas feedmill project (Mabini Feedmill Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on July 16, 2024 under Certificate of Registration No. 2024-201. The Mabini Feedmill Project is entitled to ITH for six years from July 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

With the current provisions of RA No. 11534, registered investment projects prior to CREATE granted with ITH are entitled to finish their ITH entitlement as scheduled and are given an option to reapply for new tax incentives for the same activity as provided under Section 294 (B) of the same Act.

SMMI

SMMI was registered with the BOI under Registration No. 2016-035 on a non-pioneer status as an Expanding Producer of Wheat Flour and its By-Products (Bran and Pollard) for its flour mill expansion project in Mabini, Batangas on February 16, 2016.

Under the terms of SMMI's BOI registration and subject to certain requirements as provided in EO No. 226, SMMI is entitled to incentives which include, among others, ITH for three years from July 2017 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

On October 25, 2017, the BOI approved SMMI's request to adjust the ITH reckoning date to December 2018 or actual start of commercial operations, whichever is earlier.

On July 25, 2019, the BOI approved SMMI's subsequent request to further adjust the ITH reckoning date to July 2019 or actual start of commercial operations, whichever is earlier. The ITH period of the project commenced on December 1, 2019.

On August 7, 2020, by virtue of Resolution No. 15-19, Series of 2020, the BOI approved SMMI's request for amendment of ITH Base Figure from Peso sales value of P9,582 to sales volume of 388,447 metric tons.

The three-year ITH incentive ended on June 30, 2022.

Notwithstanding the expiration of ITH benefit in 2022, SMMI is still required to continue the submission of annual reports to the BOI for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

PF-Hormel

PF-Hormel was registered with the BOI under Registration No. 2017-033 on a non-pioneer status as an Expanding Producer of Processed Meat (Hotdog) for its project in General Trias, Cavite on January 31, 2017.

Under the terms of PF-Hormel's BOI registration and subject to certain requirements as provided in EO No. 226, PF-Hormel is entitled to incentives which include, among others, ITH for three years from December 2017 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The ITH period of the project commenced on December 1, 2017 until November 2020.

Notwithstanding the expiration of ITH benefit in 2020, PF-Hormel is still required to submit the annual reports to the BOI until 2025, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

Domestic Producer of Canned Meat Products. The Sitio de Fuego, Barangay San Francisco, General Trias, Cavite cannery project (PHC Cannery Project) was registered with the BOI pursuant to CREATE Act on a non-pioneer status on January 3, 2024 under Certificate of Registration No. 2024-005. The PHC Cannery Project is entitled to ITH for six years from January 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

c. Petron

Petron Bataan Refinery

In December 2021, the Petron Bataan Refinery (PBR) renewed its registration with the AFAB as a registered enterprise. The registration shall be valid and in effect as long as the registered enterprise remains in good standing or until revoked or cancelled. As a registered domestic market enterprise engaged in the oil refinery facility as its registered business activity, PBR, under Sec. 311 of RA No. 11534 is granted duty-free importation of merchandise including capital equipment, raw materials, spare parts, and accessories subject to compliance with the conditions specified under the CREATE Act. Meanwhile, pursuant to Section 295(G) of the Tax Code, as amended by the CREATE Act, PBR's crude oil importations are exempt from duties and taxes, while applicable taxes are paid upon the withdrawal of finished products sourced from the crude oil importation.

Petron Solid Fuel-Fired Power Plant

On October 11, 2019, the BOI approved Petron's application under EO No. 226 as a New Operator of its 44.4 MW Solid Fuel-Fired Power Plant. The BOI is extending the following major incentives:

- a. ITH for four years from January 2024 or actual start of commercial operations, whichever is earlier, but availment shall in no case earlier than the date of registration. Income qualified for ITH shall be limited to the income directly attributable to the eligible revenue generated from the net capacity of the registered project; with optional bonus year on specific cases provided that the aggregate ITH availment (regular and bonus year) shall not exceed eight years.
- b. Importation of capital equipment, spare parts and accessories at zero duty under EO No. 85 and its Implementing Rules and Regulations; provided that such capital equipment shall be for the direct and exclusive use of the registered activity.
- c. Importation of consigned equipment for a period of ten years from date of registration subject to posting of the appropriate re-export bond.

The project commenced its commercial operation in January 2023 and Petron availed of the ITH in 2024.

Certificate of entitlement has been timely obtained by Petron to support its ITH incentive.

- d. Packaging

SMYPC

On December 7, 2018, the BOI issued the certificate of registration to SMYPC's Plastic Caps Plant in Laguna as an expanding producer of injection plastic caps on a non-pioneer status under EO No. 226. The registration entitles SMYPC to certain tax and other incentives including but not limited to a three-year ITH starting June 1, 2019 when it started its commercial operations and will expire on May 31, 2022. On May 13, 2022, the BOI approved SMYPC's request for the deferment of its ITH availment for the year 2021. SMYPC is therefore entitled for the remaining ITH entitlement period from January 2022 to May 31, 2023.

On June 19, 2019, the BOI issued the certificate of registration to SMYPC's Plastics Plant in Cebu as a new producer of plastic products such as but not limited to crates and poultry flooring on a non-pioneer status. The registration entitles SMYPC to a four-year ITH starting July 1, 2019 when its commercial operations started and expired on June 30, 2023.

In addition to the ITH, SMYPC is entitled to the following benefits:

- i. Importation of capital equipment, spare parts and accessories at zero duty from the date of effectivity of EO No. 85 and its Implementing Rules and Regulations for a period of three years from the effectivity of the EO or on July 25, 2019 and until July 24, 2022.
- ii. Exemption from taxes and duties on imported spare parts and consumable supplies for export producers with Custom Bonded Manufacturing Warehouse (CBMW) exporting at least 70% of production.

- iii. Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and supplies and semi-manufactured products used in producing its export product and forming part thereof for a period of ten years from start of commercial operations.
- iv. Additional deduction for labor expense for a period of five years from registration an amount equivalent to 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, if the project meets the prescribed ratio of capital equipment to the number of workers set by the Board. This may be availed of for the first five years from the date of registration but not simultaneously with ITH.
- v. Importation of consigned equipment for a period of ten years from the date of registration, subject to posting of re-export bond.
- vi. Employment of foreign nationals.
- vii. Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.
- viii. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from the date of registration.
- ix. Access to CBMW subject to the Customs rules and regulations.

The BOI issued a certificate of registration for SMYPC's Glass Plant in Cavite for its Glass Expansion Project under EO No. 226 was transferred to SMYPC. The registration entitles SMYPC to certain tax and other incentives including but not limited to ITH incentive starting March 1, 2019 and will expire on February 28, 2022. On May 13, 2022, the BOI approved SMYPC's request for the deferment of its ITH availment for the year 2021. SMYPC is therefore entitled for the remaining ITH entitlement period from January 2022 to February 28, 2023.

SYFMC

On December 3, 2019, the BOI issued the certificate of registration to SYFMC's project as a new producer of molds for glass on a pioneer status under EO No. 226. The registration entitles SYFMC to certain tax and other incentives.

The ITH incentive is for a period of six years starting May 1, 2020 when it started its commercial operations. The income qualified for ITH shall be limited to the income directly attributable to the eligible revenue granted from the registered project.

e. Cement

ECC

On July 31, 2017, the BOI approved the application of ECC as an expanding producer of cement (Line 3) in Bulacan on a non-pioneer status. ECC's registration with the BOI entitles it to the following fiscal and nonfiscal incentives available to its registered project, among others:

- i. ITH for income directly attributable to Line 3 for three years from May 2018 or actual start of commercial operations, whichever is earlier.
- ii. Importation of capital equipment, spare parts and accessories at zero duty.

- iii. Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year if the project meets the requirements as stated in the BOI certificate.
- iv. Importation of consigned equipment for a period of ten years from date of registration, subject to posting of re-export bond.
- v. Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and supplies and semi-manufactured products used in producing export product and forming part thereof for a period of ten years from start of commercial operation.
- vi. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.
- vii. Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from the date of registration.
- viii. Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

In April 2022, the ITH incentive for Line 3 expired.

On September 14, 2022, the BOI approved the application of ECC as an expanding producer of cement in under Tier 1, "All Qualified Manufacturing Activities including Agro-Processing" of the 2022 Strategic Investment Priority Plan (SIPP). ECC's registration with the BOI entitled to provide for the following fiscal and nonfiscal incentives:

- ITH for income directly attributable to Finishing Mill 5 for two years from December 2022 or actual start of commercial operations, whichever is earlier.
- After ITH, enhanced deductions for five years.
- Duty exemption on importation of capital equipment, raw materials, spare parts, or accessories for 11 years from date of registration, unless otherwise extended in the SIPP.
- Employment of foreign nationals.
- Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

In December 2024, the ITH incentive for Finish Mill 5 expired.

In 2024 and 2023, ECC availed benefits from ITH amounting to P398 and P327, respectively.

NCC

Lines A and B Cement Plant and Grinding Facility registration entitles NCC to the following benefits:

- i. ITH for four years from January 2023 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

- ii. Importation of capital equipment, spare parts and accessories at zero duty under EO No. 22 and its Implementing Rules and Regulation.
- iii. Additional deduction from taxable income of 50% of wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, if the project meets the requirements as stated in the BOI Certificate.
- iv. Importation of consigned equipment for a period of ten years from the date of registration, subject to posting of re-export bond.
- v. Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and supplies and semi-manufactured products used in producing its export product and forming part thereof for a period of ten years from start of commercial operations.
- vi. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.
- vii. Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from date of registration.
- viii. Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.

NCC requested for the amendment of project timetable, movement of start of commercial operation and ITH Reckoning date and amendment of Line B from fully integrated cement manufacturing line to cement grinding facility.

On January 18, 2024, the BOI approved NCC's request for the amendment of project timetable, including the movement of start of commercial operation and ITH reckoning date and the amendment of Line B from fully integrated cement manufacturing line to cement grinding facility only.

Solid North Mineral Corp. (SNMC)

On March 23, 2018, the BOI approved the application of SNMC as a new producer of good, fine and coarse limestone on a non-pioneer status. SNMC's registration with the BOI entitles it to the following fiscal and nonfiscal incentives available to its registered project, among others:

- i. Four-year ITH incentive, starting April 1, 2019, for activities directly attributable in producing good, fine and coarse limestone.
- ii. Importation of capital equipment, spare parts and accessories at zero duty.
- iii. Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year if the project meets the requirements as stated in the BOI certificate.
- iv. Importation of consigned equipment for a period of ten years from date of registration, subject to posting of re-export bond.
- v. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.

- vi. Additional deduction from taxable income of expenses incurred in the development of necessary and major infrastructure facilities.

On October 5, 2020, the BOI granted the deferment of SNMC's ITH availment for taxable year 2020 due to the adverse effects of the COVID-19 pandemic. SNMC is entitled to its remaining ITH entitlement equivalent to three years and three months or from January 1, 2021 to March 31, 2024.

In 2024 and 2023, ITH incentives availed by SNMC amounted to P16 and P64, respectively.

South Western Cement Corporation (SWCC)

On August 23, 2017, SWCC was registered with the BOI as a new producer of cement on a non-pioneer status but with pioneer incentives (the project being located in a less-developed area) under the heading "All Qualified Manufacturing Activities including Agro-Processing" of the 2017 Investment Priorities Plan under EO No. 226. SWCC's registration with BOI entitles it to the following fiscal and non-fiscal incentives available to its registered project, among others:

- i. ITH for six years from May 2020 or actual start of commercial operations, whichever is earlier but in no case earlier than the date of registration.
- ii. Importation of capital equipment, spare parts and accessories at zero duty under EO No. 22 and its implementing rules and regulations. Only equipment directly needed and exclusively used in its operation shall be entitled to capital equipment incentives.
- iii. Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, if the project meets the prescribed ratio of capital equipment to the number of workers set by the BOI. This may be availed of for the first five years from date of registration but not simultaneously with ITH.
- iv. Importation of consigned equipment for a period of ten years from the date of registration, subject to posting of re-export bond.
- v. Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and suppliers and semi-manufactured products used in producing its export product and forming part thereof for a period of ten years from start of commercial operations.
- vi. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.
- vii. Employment of foreign nationals may be allowed in supervisory, technical or advisory positions for five years from date of registration. The president, general manager and treasurer of foreign-owned registered enterprises or their equivalent shall not subject to the foregoing limitations.
- viii. Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.
- ix. Additional deduction from taxable income equivalent to 100% of expenses incurred in the development of necessary and major infrastructure and facilities.

On August 26, 2020, the BOI approved the request of SWCC for the movement of start of commercial operation and ITH reckoning date of its registered activity from May 2020 to December 2023 due to ongoing processing of permits in the Cebu site.

On September 6, 2022, the BOI approved the request of SWCC for the movement of start of commercial operation from December 2023 to January 2027 and partially granted the request for the movement of ITH reckoning date of December 2023 to December 2025 noting that its operation has been affected by the COVID-19 pandemic for two years. Accordingly, no tax benefits from ITH incentives have been availed of in 2024 and 2023.

Ionic Cementworks Industries Inc. (ICII)

- *New Producer of Cement (Barangay Ilayang Palsabangon, Pagbilao, Quezon)*. ICII was registered with the BOI on a non-pioneer status on April 17, 2018, under Certificate of Registration No. 2018-086. ICII's registration with the BOI entitles it to the following fiscal and non-fiscal incentives available to its registered project, among others:
 - i. ITH
 - ITH for four years from May 2021 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
 - Application for Bonus years, provided that the aggregate availment shall not exceed eight years.
 - ii. Importation of capital equipment, spare parts and accessories at zero duty under EO No.22 and its Implementing Rules and Regulation.
 - iii. Additional deduction from taxable income for a period of five years of 50% of wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, if the project meets the requirements as stated in the BOI Certificate.
 - iv. Importation of consigned equipment for a period of ten years from the date of registration, subject to posting of re-export bond.
 - v. Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from date of registration.
 - vi. Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.
 - vii. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.

- *New Producer of Cement (Malicboy Cement Plant Project, Barangay Kanlurang Malicboy, Pagbilao, Quezon).* ICII was registered with the BOI on a non-pioneer status under Certificate of Registration No. 2021-095 on May 21, 2021. ICII's registration with the BOI entitles it to the following fiscal and non-fiscal incentives available to its registered project, among others:

- i. ITH
 - ITH for four years from January 2026 or actual start of commercial operations of Line 1, whichever is earlier, but in no case earlier than the date of registration.
 - Application for Bonus years, provided that the aggregate availment shall not exceed eight years.
- ii. Importation of capital equipment, spare parts and accessories at zero duty under EO No. 85 and its Implementing Rules and Regulation.
- iii. Additional deduction from taxable income for a period of five years of 50% of wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, if the project meets the requirements as stated in the BOI Certificate.
- iv. Importation of consigned equipment for a period of ten years from the date of registration, subject to posting of re-export bond.
- v. Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from date of registration.
- vi. Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.
- vii. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.

ICII has not started commercial operations as at December 31, 2024. Thus, ICII has not availed yet of any tax incentives.

Armstrong Fly-Ash and Logistics Company, Inc. (AFALCI)

On December 1, 2017, the BOI approved the application of AFALCI as a new producer of Hi Carbon Fly-ash (Ecotherm) and Low Carbon Fly-ash (ProAsh) on a non-pioneer status. AFALCI's registration with the BOI entitled to provide for the following fiscal and nonfiscal incentives:

- i. ITH for income directly attributable to the revenue generated from the registered project Ecotherm and ProAsh for four years from May 2018 or actual start of commercial operations, whichever is earlier.
- ii. Importation of capital equipment, spare parts and accessories at zero duty.
- iii. Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year if the project meets the requirements as stated in the BOI certificate.

- iv. Importation of consigned equipment for a period of ten years from date of registration, subject to posting of re-export bond.
- v. Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and supplies and semi-manufactured products used in producing export products and forming part thereof for a period of ten years from start of commercial operation.
- vi. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.
- vii. Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from the date of registration.
- viii. Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

On May 1, 2018, AFALCI started its commercial operations.

On September 17, 2020, the BOI granted the deferment of AFALCI's ITH availment for taxable year 2020 up to April 2023 due to the adverse effects of the COVID-19 pandemic.

In April 2023, AFALCI's ITH with the BOI as a New Producer of Hi Carbon Fly-ash (Ecotherm) and Low Carbon Fly-ash (Pro-ash) on a non-pioneer status expired.

AFALCI has availed ITH incentive amounting to P10 in 2023.

SCII

SCII is registered with the BOI as a new producer of cement on a non-pioneer status under Certificate of Registration No. 2022-044 on April 8, 2022. In accordance with the provisions of EO No. 226, also known as the Omnibus Investments Code of 1987, SCII is eligible to the grant of several incentives.

SCII's registration with the BOI entitles it to the following fiscal and non-fiscal incentives available to its registered project, among others:

- i. ITH
 - a) ITH for two years from July 2022 for income directly attributable to the eligible revenue generated from the registered project.
 - b) Enhanced deductions for five years, after ITH, as follows:
 - o Additional depreciation allowance of the assets acquired for the entity's production of goods and services (qualified capital expenditure) - additional 10% for buildings; and additional 25% for machinery and equipment;
 - o Additional 50% deduction on the labor expense incurred in the taxable year;
 - o Additional 50% deduction on power expense incurred in the taxable year;
 - o Deduction for reinvestment allowance to manufacturing industry;

- Enhanced NOLCO; and
 - Other types of enhanced deductions that shall be determined relevant and applicable to the registered project under SIPP.
- ii. Importation of capital equipment, raw materials, spare parts and accessories at zero duty.
- iii. Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from date of registration.
- iv. Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.

On November 26, 2022, SCII requested the BOI to defer the start of its ITH availment period from July 1, 2022 to January 1, 2023 due to the delay in its commencement of commercial operations brought about by COVID-19 pandemic and the corresponding implementation of lockdowns and mobility restrictions.

On June 1, 2023, the BOI approved and confirmed the deferment of SCII's ITH. The entitlement period is January 1, 2023 to December 31, 2024. In December 31, 2024, the ITH for the Cement Grinding Plant-Line 1 has expired.

In compliance with the SCII's BOI COR Specific Terms and Conditions no. 7, SCII has incurred P2,239 domestic spending on capital equipment and raw materials in 2024.

f. SMCSLC

SMCSLC

SMCSLC is registered with the BOI under the Omnibus Investments Code of 1987 for the operation of domestic cargo vessels and motor tankers, where SMCSLC is entitled to the following incentives:

- i. *Employment of Foreign Nationals.* This may be allowed in supervisory, technical or advisory positions for five years from the date of registration of the project as indicated above. The president, general manager and treasurer of foreign-owned registered firms or their equivalent shall not be subjected to the foregoing limitations.
- ii. *Additional Deduction for Labor Expense.* For the first five years from registration, SMCSLC shall be allowed an additional deduction from taxable income equivalent to 50% of the wages of additional skilled and unskilled workers in the direct labor force. The incentive shall be granted only if the enterprise meets a prescribed capital to labor ratio and shall not be availed simultaneously with the ITH.
- iii. *Importation of Capital Equipment, Spare Parts and Accessories.* For the operation of motor tankers, SMCSLC may import capital equipment, spare parts and accessories at zero percent duty from the date of registration of the project as indicated above pursuant to EO No. 528 and its implementing rules and regulations.

On November 19, 2024, SMCSLC applied for the cancellation of the BOI registration for its vessels' Kalusugan 2, SL Tanglad, SL Banaba, SL Yakal, Katarungan 2, SL Bignay and Katapatan 2 under the provision of BOI Circular 2014-01 Section 2 par. d, Voluntary surrender of certificate of registration after a period of five years from the last year of ITH availment. BOI approved the cancellation on January 23, 2025.

The incentives with no specific number of years of entitlement as discussed in the foregoing may be enjoyed for a maximum period of ten years from the start of commercial operations and/or date of registration.

SLHBTC

In 2014, SLHBTC's registration with the BOI as an oil terminal for storage and bulk marketing of petroleum products in its Main Office located at Tondo Manila was granted with registration number 2013-068. In 2015, SLHBTC registered its own fuel storage facilities at Limay, Bataan under Registration No. 2015-027. In 2016, its newly built oil terminal located at Tagoloan, Cagayan de Oro was also registered with the BOI under Registration No. 2016-145. With the registration, SLHBTC is entitled to the following incentives under RA No. 8479 from date of registration or date of actual start of commercial operations, whichever is earlier, and upon fulfillment of the terms enumerated below:

- i. *Additional Deduction from Taxable Income.* SLHBTC shall be allowed an additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year if the project meets the prescribed ratio of capital equipment to the number of workers set by the BOI and provided that this incentive shall not be availed of simultaneously with the ITH.
- ii. *Minimum Duty of 3% and VAT on Imported Capital Equipment.* Importation of brand new capital equipment, machinery and accompanying spare parts, shall be entitled to this incentive subject to the following conditions:
 - they are not manufactured domestically in sufficient quantity of comparable quality and at reasonable prices;
 - the equipment is reasonably needed and will be exclusively used in the registered activity; and
 - prior BOI approval is obtained for the importation as endorsed by the DOE.
- iii. *Tax Credit on Domestic Capital Equipment.* This shall be granted on locally fabricated capital equipment equivalent to the difference between the tariff rate and the three percent duty imposed on the imported counterpart.
- iv. *Importation of Consigned Equipment.* SLHBTC is entitled for importation of consigned equipment for a period of five years from the date of registration subject to posting of the appropriate bond, provided that such consigned equipment shall be for the exclusive use of the registered activity.
- v. *Exemption from Taxes and Duties on Imported Spare Parts for Consigned Equipment with Bonded Manufacturing Warehouse.* SLHBTC is entitled to this exemption upon compliance with the following requirements:
 - at least 70% of production is imported;

- such spare parts and supplies are not locally available at reasonable prices, sufficient quantity and comparable quality; and
 - all such spare and supplies shall be used only on bonded manufacturing warehouse on the registered enterprise under such requirements as the Bureau of Customs may impose.
- vi. *Exemption from Real Property Tax on Production Equipment or Machinery.* Equipment and machinery shall refer to those reasonably needed in the operations of the registered enterprise and will be used exclusively in its registered activity. BOI Certification to the appropriate Local Government Unit will be issued stating therein the fact of the applicant's registration with the BOI.
- vii. *Exemption from the Contractor's Tax.* BOI certification to the BIR will be issued stating therein the fact of the applicant's registration with the BOI.
- viii. *Employment of Foreign Nationals.* This may be allowed in supervisory, technical or advisory positions for five years from date of registration. The President, General Manager and Treasurer of foreign-owned registered enterprise or their equivalent shall not be subject to the foregoing limitations.

The incentives with no specific number of years of entitlement above may be enjoyed for a maximum period of ten years from the start of commercial operation and/or date of registration.

No ITH incentive was availed in 2024 and 2023 because entitlements were already expired.

Molave Tanker Corporation (MTC)

MTC is registered with the BOI under the Omnibus Investments Code of 1987 for the operation of domestic cargo vessels and motor tankers where MTC is entitled to the following incentives:

- i. *Employment of Foreign Nationals.* This may be allowed in supervisory, technical or advisory positions for five years from the date of registration of the project as indicated above. The President, General Manager and Treasurer of foreign-owned registered firms or their equivalent shall not be subjected to the foregoing limitations.
- ii. *Importation of Consigned Equipment.* For the operation of cargo vessels, MTC is entitled to importation of consigned equipment for a period of ten years from the date of registration, subject to the posting of re-export bond.
- iii. *Importation of Capital Equipment, Spare Parts and Accessories.* For the operation of motor tankers, MTC may import capital equipment, spare parts and accessories at zero percent duty from the date of registration of the project as indicated above, pursuant to EO No. 528 and its implementing rules and regulations.
- iv. *Additional Deduction for Labor Expense.* For the first five years from registration, MTC shall be allowed an additional deduction from taxable income equivalent to 50% of the wages of additional skilled and unskilled workers in the direct labor force. The incentive shall be granted only if the enterprise meets a prescribed capital to labor ratio and shall not be availed simultaneously with the ITH.

- v. *Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.*

The incentives with no specific number of years of entitlement as discussed in the foregoing may be enjoyed for a maximum period of ten years from the start of commercial operations and/or date of registration.

No ITH incentive was availed in 2024 and 2023 because entitlements were already expired.

Balyena Tanker Corporation (BTC)

BTC is registered with the BOI under the Omnibus Investments Code of 1987, as amended, for the operation of domestic cargo vessels and motor tankers where BTC is entitled to the following incentives:

i. *ITH*

- *New Domestic Shipping Operator (One Cargo Vessel - BTC Mt. Samat, 1,685 GT).* The project was registered on July 30, 2018, where BTC is entitled to ITH for four years until July 29, 2022.
- *New Domestic Shipping Operator (Cargo Vessel BTC - Harina, 872 GT).* The project was registered on November 9, 2018, where BTC is entitled to ITH for four years until November 8, 2022.
- *New Domestic Shipping Operator (Deck Cargo Vessel - BTC Mount Makiling, 1,685 GT).* The project was registered on November 9, 2018, where BTC is entitled to ITH for four years until November 8, 2022. On December 14, 2023, BOI approved BTC's request for deferment of ITH incentive availment period until November 8, 2023 noting that its operation has been affected by COVID-19 pandemic and it has not fully enjoyed the incentives granted.
- *New Domestic Shipping Operator (Cargo Vessel - BTC Soya, 2,426 GT).* The project was registered on July 19, 2019, where BTC is entitled to ITH for four years until July 18, 2023.
- *New Domestic Shipping Operator (Cargo Vessel - BTC Cassava, 2,426 GT).* The project was registered on July 19, 2019, where BTC is entitled to ITH for four years until July 18, 2023.

The 100% ITH incentives shall be limited only to the revenue generated by the registered project.

- ii. *Employment of Foreign Nationals.* This may be allowed in supervisory, technical or advisory positions for five years from the date of registration of the project as indicated above. The President, General Manager and Treasurer of foreign-owned registered firms or their equivalent shall not be subjected to the foregoing limitations.
- iii. *Importation of Consigned Equipment.* For the operation of cargo vessels, BTC is entitled for importation of consigned equipment for a period of ten years from the date of registration, subject to the posting of re-export bond.

- iv. *Importation of Capital Equipment, Spare Parts and Accessories.* For the operation of motor tankers, BTC may import capital equipment, spare parts and accessories at zero percent duty from the date of registration of the project as indicated above pursuant to EO No. 528 and its implementing rules and regulations.
- v. *Additional deduction for labor expense.* For the first five years from registration, BTC shall be allowed an additional deduction from taxable income equivalent to 50% of the wages of additional skilled and unskilled workers in the direct labor force. The incentive shall be granted only if the enterprise meets a prescribed capital to labor ratio and shall not be availed simultaneously with the ITH.
- vi. *Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.*
- vii. *Exemption from wharfage dues and any export tax, duty, impost and fees for a period of ten years from date of registration.*

The incentives with no specific number of years of entitlement as discussed in the foregoing may be enjoyed for a maximum period of ten years from the start of commercial operations and/or date of registration.

No ITH incentive was availed in 2024 because entitlements were already expired. ITH incentives availed in 2023 amounted to P0.4.

Narra Tanker Corporation (NTC)

NTC is registered with the BOI under the Omnibus Investments Code of 1987 for the operation of domestic cargo vessels and motor tankers where NTC is entitled to the following incentives:

- i. *ITH*
 - *New Domestic Shipping Operator (Oil Tanker Vessel/Barge Ship - NTC Haribon, 2,467 GT).* The project was registered on May 15, 2019, where NTC is entitled to ITH for four years from May 2019 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The 100% ITH incentives shall be limited only to the revenue generated by the registered project.
 - *New Domestic Shipping Operator (Oil Tanker Vessel/Barge Ship - NTC Falcon, 2,467 GT).* The project was registered on May 15, 2019, where NTC is entitled to ITH for four years from May 2019 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The 100% ITH incentives shall be limited only to the revenue generated by the registered project.
 - *New Domestic Shipping Operator (Oil Tanker Vessel/Barge Ship - NTC Heron, 2,219 GT).* The project was registered on October 3, 2019, where NTC is entitled to ITH for four years from October 2019 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The 100% ITH incentives shall be limited only to the revenue generated by the registered project.

- *New Domestic Shipping Operator (Oil Tanker Vessel/Barge Ship - NTC Flamingo, 2,219 GT).* The project was registered on October 3, 2019, where NTC is entitled to ITH for four years from October 2019 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The 100% ITH incentives shall be limited only to the revenue generated by the registered project.
- ii. *Employment of Foreign Nationals.* This may be allowed in supervisory, technical or advisory positions for five years from the date of registration of the project as indicated above. The President, General Manager and Treasurer of foreign-owned registered firms or their equivalent shall not be subjected to the foregoing limitations.
- iii. *Importation of Consigned Equipment.* For the operation of cargo vessels, NTC is entitled for importation of consigned equipment for a period of ten years from the date of registration, subject to the posting of re-export bond.
- iv. *Importation of Capital Equipment, Spare Parts and Accessories.* For the operation of motor tankers, NTC may import capital equipment, spare parts and accessories at zero percent duty from the date of registration of the project as indicated above, pursuant to EO No. 528 and its implementing rules and regulations.
- v. *Additional deduction for labor expense.* For the first five years from registration, NTC shall be allowed an additional deduction from taxable income equivalent to 50% of the wages of additional skilled and unskilled workers in the direct labor force. The incentive shall be granted only if the enterprise meets a prescribed capital to labor ratio and shall not be availed simultaneously with the ITH.
- vi. *Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.*

The incentives with no specific number of years of entitlement as discussed in the foregoing may be enjoyed for a maximum period of ten years from the start of commercial operations and/or date of registration.

No incentive was availed in 2024 because entitlements were already expired. ITH incentives availed in 2023 amounted to P28.

Batangas Shipyard Corporation (BtSC)

BtSC is registered with Philippine Economic Zone Authority (PEZA) as an Ecozone Export Enterprise to engage in oil rig construction, shipbuilding, ship repair and conversion, and leasing activity taken over from Seatrium Philippines Marine, Inc. the Batangas Shipyard Special Economic Zone since June 10, 2024. Under its registration, BtSC is entitled to the following incentives:

- i. Income generated from its registered activities is subject to 5% GIT under the provisions of RA No. 11534 until December 31, 2034.
- ii. BtSC is exempted from Expanded Withholding Taxes on payments received from its registered activities until December 31, 2034.
- iii. BtSC is exempted from paying national and local taxes including local business tax, permits, fees and licenses until December 31, 2034.

- iv. BtSC is entitled to duty exemption on importation of capital equipment, raw materials, spare parts and accessories until December 31, 2024 and shall continue to avail of the said incentives thereafter, in accordance with Title IV of this CREATE More Law, the provisions of RA 10863 or Customs Modernization and Tariff Act, as amended, and other applicable laws
- v. BtSC is exempted from wharfage dues on exportation of its registered export products until December 31, 2024.

The availment of the foregoing incentives is subject to all evaluation and processing requirements of PEZA.

SMC Cebu Shipyard Land, Inc (SCSLI)

Effective September 2, 2024, SCSLI is registered with the PEZA as an Ecozone Developer/Operator to develop, administer, manage and operate the Batangas Shipyard Special Economic Zone.

SCSLI is liable to pay 5% final tax on gross taxable income in accordance with RA No. 11534.

43. Other Matters

a. Contingencies

The Group is a party to certain lawsuits or claims (mostly labor related cases) filed by third parties which are either pending decision by the courts or are subject to settlement agreements. The outcome of these lawsuits or claims cannot be presently determined. In the opinion of management and its legal counsel, the eventual liability from these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements of the Group.

▪ **Excess Excise Tax Payments**

Filed by the Parent Company

In 2004, the Parent Company was assessed excise taxes by the BIR on “San Mig Light” which at that time was one of its products. These assessments were contested by the Parent Company but nonetheless made the corresponding payments. Consequently, the Parent Company filed three claims for refund for overpayments of excise taxes with the BIR.

The first and second claims for refund were then elevated to the Court of Tax Appeals (CTA) and went all the way to the Supreme Court which was resolved in favor of the Parent Company. On September 8, 2020, the BIR issued TCC Nos. 121-20-00012 and 121-20-00013 amounting to P782 and P926, respectively in favor of SMC. TCC amounting to P782 were applied in full, while TCC amounting to P569 out of P926 were applied partially to SMC’s tax obligations as at December 31, 2024.

The third claim for refund was consolidated with a claim for refund which was filed by SMB, a company to which, effective October 1, 2007, the Parent Company had spun off its domestic beer business. The claim was also favorably resolved in favor of the Parent Company and SMB. On August 10, 2020, the BIR issued TCC No. 121-20-00010 amounting to P105 in favor of SMC, which was applied in full to the Parent Company’s tax obligations as at December 31, 2021.

Filed by SMB

SMB filed 13 claims for refund for overpayments of excise taxes with the BIR which were then elevated to the CTA by way of petition for review. Five of these claims (i.e., CTA Case Nos. 7973, 8209, 8400, 8591 and 8748) were decided by the Supreme Court in favor of SMB and TCC amounting to P1,430, P1,569 and P761 were received in 2019, 2020 and 2023, respectively. One claim (CTA Case No. 10241) was withdrawn with the issuance of a TCC in the amount of P162 in 2021. The remaining seven claims for refund are still pending before the courts, as follows:

- (a) Claim for refund of overpayments for the period of January 1, 2013 to December 31, 2013 - Third Division docketed as CTA Case No. 8955 (December 19, 2014);
- (b) Claim for refund of overpayments for the period of January 1, 2014 to December 31, 2014 - Third Division docketed as CTA Case No. 9223 (December 22, 2015);
- (c) Claim for refund of overpayments for the period of January 1, 2015 to December 31, 2015 - Second Division docketed as CTA Case No. 9513 (December 28, 2016);
- (d) Claim for refund of overpayments for the period from January 1, 2016 to December 31, 2016 - First Division docketed as CTA Case No. 9743 (December 29, 2017);
- (e) Claim for refund of overpayments for the period from January 1, 2017 to December 31, 2017 - Third Division docketed as CTA Case No. 10000 (December 27, 2018);
- (f) Claim for refund of overpayments for the period from January 1, 2018 to December 31, 2018 - First Division docketed as CTA Case No. 10223 (December 11, 2019); and
- (g) Claim for refund for overpayments for the period of January 23, 2020 to February 9, 2020 - First Division docketed as CTA Case No. 10745 (via electronic mail on January 21, 2022, registered mail on January 24, 2022, and personal filing on February 2, 2022).

CTA Case No. 8955, SMB's claim for refund for P83, was decided against SMB by the CTA Third Division for having purportedly availed of the wrong mode of appeal as SMB should have filed the petition with the RTC rather than through a collateral attack on issuances of the BIR via a judicial claim for refund. SMB, through counsel, filed a Motion for Reconsideration, arguing that the case involves a claim for refund and is at the same time a direct attack on the BIR issuances which imposed excise tax rates which are contradictory to, and violative of, the rates imposed in the Tax Code. With the denial of SMB's Motion for Reconsideration on January 5, 2018, SMB elevated the case to the CTA *En Banc* by way of a Petition for Review. On September 19, 2018, the CTA *En Banc* reversed and set aside the decision of the CTA Third Division and remanded the case to the CTA Third Division for the resolution of the same on the merits (docketed as CTA EB Case No. 1772). A Motion for Reconsideration was filed by the BIR which was subsequently denied by the CTA *En Banc* in a resolution dated January 24, 2019. The BIR sought an extension within which to file a Petition for Review with the Supreme Court which was docketed as G.R. No. 244738. After the BIR filed a Manifestation stating that it will no longer file a Petition for Review on Certiorari, the Supreme Court issued a Resolution dated January 8, 2020 considering the case closed and terminated. The records were remanded to the CTA Third Division and the case is now submitted for the CTA Third Division's decision.

CTA Third Division partially granted SMB's Petition on September 14, 2023. The BIR is ordered to refund or issue a TCC in the reduced amount of P83, representing overpayment of excise taxes on the "San Mig Light" removals for the period from January 1, 2013 to December 31, 2013. The BIR filed a Motion for Reconsideration with CTA Third Division which was denied.

On March 20, 2024, the BIR elevated the case to the CTA *En Banc* by way of Petition for Review dated March 15, 2024 which was docketed as CTA EB No. 2890. On November 26, 2024, the CTA *En Banc* rendered its Decision denying the BIR's Petition for Review in CTA EB No. 2890. On December 11, 2024, the BIR filed a Motion for Reconsideration on the said Decision to which SMB filed an Opposition on January 30, 2025.

CTA Case No. 9223, SMB's claim for refund for P60, was partially decided in favor of SMB by the CTA Third Division in April 2019. From the CTA Third Division, SMB and the BIR filed separate Petitions for Review with the CTA *En Banc*. On February 21, 2022, the CTA *En Banc* rendered a Decision denying the separate Petitions for Review. On March 21, 2022, SMB filed a Petition for Review to the Supreme Court, where it was docketed as G.R. No. 258812. The BIR also elevated the CTA *En Banc*'s Decision to the Supreme Court which was docketed as G.R. No. 261197. In G.R. No. 258812, the Supreme Court issued a Resolution requiring the BIR to comment on SMB's Petition to which the Office of the Solicitor General filed a Comment dated February 19, 2024. In a Resolution dated June 3, 2024, the Supreme Court required SMB and the BIR to file their respective Replies on each other's Comment. SMB filed the required Reply on October 24, 2024 while the BIR filed its Reply on November 5, 2024.

CTA Case No. 9513, SMB's claim for refund for P48, was partially decided in favor of SMB by the CTA Second Division. From the CTA Second Division, SMB and the BIR filed separate Petitions for Review with the CTA *En Banc*. On February 4, 2021, the CTA *En Banc* affirmed the decision of the CTA Second Division. Both parties filed motions for partial reconsideration of the CTA *En Banc*'s Decision. In its October 22, 2021 Resolution, the CTA *En Banc* denied the parties' motion for reconsideration. SMB and the BIR filed separate Petitions for Review on Certiorari with the Supreme Court docketed as G.R. No. 257784 and 259263, respectively. These were consolidated by the Supreme Court, after which the BIR filed its comment to SMB's Petition as directed by the court. On September 11, 2023, SMB received the Supreme Court's Resolution dated March 22, 2023 requiring the former to file its Comment on the BIR's Petition for Review in G.R. No. 259263. SMB filed the required Comment on September 18, 2023.

CTA Case No. 9743, SMB's claim for refund for P30, was partially decided in favor of SMB by the CTA First Division. The Motion for Partial New Trial of SMB and Motion for Reconsideration filed by SMB and the BIR were denied. Both parties filed their respective Petition for Review with the CTA *En Banc*. On February 10, 2022, the CTA *En Banc* rendered a Decision denying the Petitions for Review. The BIR moved for reconsideration while SMB filed a Petition for Review on Certiorari with the Supreme Court which was docketed as G.R. No. 258813. Upon denial by the CTA *En Banc* of the BIR's motion for reconsideration, the BIR also filed a Petition for Review on Certiorari with the Supreme Court which was docketed as G.R. No. 261196 which the Supreme Court denied in a Resolution dated April 19, 2023 for failure to sufficiently show that the CTA committed any reversible error.

In G.R. No. 258813, the Supreme Court issued a Resolution dated October 2, 2023 ordering the BIR to refund or issue a TCC in the amount P3.

The Supreme Court issued an Entry of Judgment stating that its Resolution dated April 19, 2023 in G.R. No. 261196 had become final and executory, and another Entry of Judgment stating that its Resolution dated October 2, 2023 in G.R. No. 258813 had likewise become final and executory.

Following SMB's Motion for Execution, the CTA First Division issued a Writ of Execution dated September 9, 2024 in CTA Case No. 9743 ordering the BIR to refund to SMB the total amount of P30.

CTA Case No. 10000, SMB's claim for refund for P123, was filed on December 27, 2018 and is pending with the CTA Third Division. On September 22, 2021, the CTA Third Division partially granted SMB's Petition for Review and ordered the refund of P123. The BIR filed for a motion for reconsideration which was denied by the CTA Third Division. The BIR filed a Petition for Review with CTA *En Banc* docketed as CTA *En Banc* No. 2625. SMB filed its Comment dated July 25, 2022. On August 2, 2023, the CTA *En Banc* promulgated its Decision in CTA EB No. 2625 affirming the decision of the CTA Third Division in favor of SMB. The BIR moved for reconsideration but the same was denied by the CTA *En Banc* on January 8, 2024. The BIR then filed a Petition for Review on Certiorari with the Supreme Court which was docketed as G.R. No. 271254.

CTA Case No. 10223, SMB's claim for refund for P147, was filed on December 11, 2019 and is pending with the CTA Second Division. In its Resolution dated July 19, 2022, the case was submitted for decision. On July 5, 2023, the CTA Second Division promulgated its Decision which ordered the Commissioner of Internal Revenue (CIR) to refund or to issue a TCC in favor of SMB in the amount of P147 representing erroneously, excessively, and/or illegally collected excise taxes due on the removals of its subject beer products for the period covering January 1, 2018 to December 31, 2018.

On July 25, 2023, the CIR filed a Motion for Reconsideration on the aforesaid Decision, to which SMB filed an Opposition. In a Resolution dated October 9, 2023, the Court denied the Motion for Reconsideration of the CIR.

On December 14, 2023, the CIR appealed the Decision and Resolution of the CTA Second Division to the CTA *En Banc* by way of a Petition for Review, which was docketed as CTA EB No. 2834. On February 28, 2025, the CTA En Banc promulgated its Decision in CTA EB No. 2834 affirming the decision of the CTA Second Division in favor of SMB.

CTA Case No. 10745, SMB's claim for refund for P1,069, was personally filed on February 2, 2022 and is pending with the CTA First Division. The case is a consolidation of two claims, to wit:

- i. P8 under RA No. 10351 - the overpayment arose from the BIR's imposition of excise tax of P27.07 per liter on SMB's beer products for the period January 23, 2020 to February 9, 2020 based on Revenue Memorandum Circular (RMC) No. 90-2012 and RR No. 17-2012. Said BIR issuances are inconsistent with RA No. 10351 which imposes an excise tax of P26.44 per liter under Section 143 of the National Internal Revenue Code (NIRC), as amended by RA No. 10351 beginning January 1, 2020.
- ii. P1,061 under RA No. 11467 - the overpayment arose from the BIR's imposition of excise tax of P35.00 per liter on SMB's beer products, as provided under Section 143 of the NIRC, as amended by RA No. 11467, for the period January 23, 2020 to February 9, 2020. The said imposition was based on RMC No. 65-2020, as amended by RMC No. 113-2020, implementing RA No. 11467 at an earlier date (i.e., January 23, 2020) which is inconsistent with the actual effectivity date of RA No. 11467 (i.e., February 10, 2020).

On November 18, 2024, the CTA First Division rendered a Decision ordering the BIR to refund or issue a TCC in favor of SMB in the amount of P1,069. On December 11, 2024, the BIR filed a Motion for Partial Reconsideration of the said Decision.

Filed by GSMI

GSMI filed two claims for refund for overpayments of excise taxes with the BIR which were then elevated to the CTA by way of petition for review as follows:

- (a) CTA Case Nos. 8953 and 8954: These cases pertain to GSMI's Claims for Refund with the BIR, in the amounts of P582 in Case No. 8953, and P133 in Case No. 8954, or in the total amount of P715, representing payments of excise tax erroneously, excessively, illegally, and/or wrongfully assessed on and collected from GSMI by the BIR on removals of its distilled spirits or finished products for the periods from January 1, 2013 up to May 31, 2013 in Case No. 8953, and from January 8, 2013 up to March 31, 2013 in Case No. 8954.

The aforementioned assessment and collection arose from the imposition and collection of excise taxes on GSMI's finished products processed and produced exclusively from its inventory of ethyl alcohol, notwithstanding that excise taxes had already been previously paid by GSMI on said ethyl alcohol.

After several hearings and presentation of evidence, both parties filed their respective Formal Offers of Evidence.

On July 28, 2020, the CTA Third Division rendered its Decision and denied GSMI's Petition for Review. GSMI received the said Decision on August 24, 2020, for which it timely filed a Motion for Reconsideration on the aforementioned Decision on September 2, 2020, to which the CIR filed its Opposition.

The CTA Third Division issued an Amended Decision dated February 1, 2021 which partially granted GSMI's Motion for Reconsideration and ruled that GSMI is entitled to a partial refund of its erroneously and excessively paid excise taxes in the amount of P320 out of its original claim of P715.

GSMI and CIR subsequently filed Motions for Reconsideration on the aforesaid Amended Decision and Oppositions to each other's Motion for Reconsideration. In a Resolution dated October 28, 2021, the CTA Third Division denied for lack of merit GSMI's Motion for Reconsideration and CIR's Motion for Partial Reconsideration of the Amended Decision.

On January 4, 2022, GSMI elevated to the CTA *En Banc* the Decision dated July 28, 2020, Amended Decision dated February 1, 2021, and Resolution dated October 28, 2021 of the CTA Third Division, by way of a Petition for Review, which was docketed as CTA EB No. 2555.

Earlier, the CIR also filed a Petition for Review with the CTA *En Banc* elevating thereto the Amended Decision dated February 1, 2021 and Resolution dated October 28, 2021 of the CTA Third Division, and the same was docketed as CTA EB No. 2544.

On March 28, 2022, the Court *En Banc* ordered the Parties to file their respective Comments/Oppositions to the Petitions for Review. On April 7, 2022, GSMI filed a Motion for Extension of Time to File Comment on the Petition for Review in CTA EB No. 2544.

On April 21, 2022, GSMI filed its Comment on the Petition for Review. On May 30, 2022, the Court *En Banc* promulgated a Resolution which denied GSMI's Motion for Extension and submitted the Petitions for Review for decision. On June 13, 2022, GSMI filed its Motion for Reconsideration assailing the said Resolution.

On October 4, 2022, the Court *En Banc* promulgated a Resolution which set aside the May 30, 2022 Resolution insofar as the Petitions for Review were submitted for decision. The Resolution likewise directed the CIR to file a Comment to GSMI's Motion for Reconsideration, to which the CIR failed despite due notice.

On January 18, 2023, the CTA *En Banc* granted GSMI's Motion for Extension of Time to File Comment on the Petition for Review in CTA E.B. No. 2544 and admitted GSMI's Comment as part of the records of the case.

In a Decision dated January 18, 2024 received by GSMI on January 23, 2024, the CTA *En Banc* denied both the Petitions for Review of GSMI and the CIR, and affirmed the Amended Decision of the CTA Third Division dated October 28, 2021 awarding GSMI a partial refund of P320 only.

GSMI had 15 days from January 23, 2024, or until February 7, 2024, within which to file a Petition for Review on Certiorari with the Supreme Court. On January 30, 2024, GSMI filed a Motion for Extension of Time to File Petition for Review on Certiorari, praying for an extension of 30 days from February 7, 2024, or until March 8, 2024 within which to file a Petition for Review on Certiorari.

On March 4, 2024, GSMI filed with the Supreme Court a Petition for Review on Certiorari dated March 1, 2024, and the same was docketed as Supreme Court G.R. No. 271363.

- (b) CTA Case No. 11052: This case is a judicial claim for refund of alleged deficiency taxes paid under protest by GSMI in connection with its removals of alcohol products for the period covering January 23, 2020 to February 9, 2020, in the aggregate amount of P66.

On July 22, 2020, GSMI received a Notice of Discrepancy dated July 6, 2020 issued by the BIR (the "Original NOD"), which enjoined GSMI to pay alleged deficiency excise taxes in the amount of P40, inclusive of interests, for the period covering January 27, 2020 to February 9, 2020.

On August 6, 2020, GSMI submitted to the BIR its Letter-Reply to the Original NOD, where it emphasized that it is not liable to pay the alleged deficiency excise tax liability, and thus, requested its cancellation and withdrawal.

On October 13, 2020, GSMI received from the BIR a Letter dated September 18, 2020 with an attached Amended Notice of Discrepancy, which modified the amount of the alleged deficiency excise tax liability to P72, inclusive of interests, for the period covering January 23, 2020 to February 9, 2020.

On October 28, 2020, GSMI submitted to the BIR its Letter-Reply to the Amended NOD, where it reiterated its position that it is not liable for the alleged deficiency excise taxes.

On November 11, 2020, GSMI received from the BIR a Letter dated November 6, 2020 which reiterated the finding of alleged deficiency excise tax under the Amended NOD.

On December 29, 2020, GSMI paid under protest the amount of P66, representing the deficiency excise tax portion under the Amended NOD, through the BIR Electronic Filing and Payment System (eFPS).

On January 8, 2021, GSMI submitted to the BIR a Letter-Reply to the BIR's Letter dated November 6, 2020. GSMI reiterated its position that it is not liable for the alleged deficiency excise tax liability under the Amended NOD and informed the BIR that it paid under protest the amount of P66 through eFPS on December 29, 2020. In the same Letter-Reply, GSMI explained that with respect to the assessed penalties from the alleged late payment of the deficiency excise tax, it would avail the remedies available under Revenue Regulations No. 13-2001, as amended.

On July 16, 2021, GSMI received a copy of Letter of Authority (LOA) No. LOA-121-2021-00000109 dated July 1, 2021 issued by the BIR, authorizing its revenue officers to examine GSMI's books of accounts and other accounting records for all internal revenue taxes except for value-added tax for taxable year 2020.

On August 3, 2021, GSMI filed with the CIR an administrative claim for refund of the erroneously or illegally collected deficiency excise tax for the period covering January 23, 2020 to February 9, 2020, in the amount of P66, which GSMI paid under protest on December 29, 2020.

On March 7, 2022, the BIR issued a letter notifying GSMI on the transmittal of the entire docket to CIR's Legal Service Division for its resolution and issuance of a clarificatory ruling on the administrative claim for refund.

Prior to the expiry of the two-year statutory period to file judicial action for the recovery of erroneously or illegally collected internal revenue taxes, GSMI filed a Petition for Review with the CTA on December 28, 2022 pursuant to Section 204(C) and 229, Tax Code, and Section 3(a), Rule 8, Revised Rules of the Court of Tax Appeals in order to preserve its right to claim by judicial action its claims for refund of its erroneously or illegally collected deficiency excise taxes, in connection with its removals of alcohol products for the period covering January 23, 2020 to February 9, 2020.

The case was docketed as CTA Case No.11052, and was raffled to the CTA's First Division. In a Resolution dated May 29, 2023, the CTA First Division ordered the transfer of the case to the CTA Third Division.

Upon service of Summons to the CIR and the filing of the CIR's Answer dated March 24, 2023, pre-trial conference was held on July 26, 2023. Pursuant to the CTA's Order, the parties filed their Joint Stipulation of Facts and Issues on August 29, 2023. Pre-trial was terminated upon the issuance of the CTA's Pre-Trial Order on September 5, 2023.

GSMI presented its lone witness during the hearing on October 4, 2023. At the same hearing, the CTA ordered GSKI to file its Formal Offer of Evidence within ten days therefrom, or not later than October 13, 2023.

GSMI filed its Formal Offer of Evidence on October 13, 2023. Respondent CIR filed his Comment with Manifestation on GSKI's Formal Offer of Evidence on November 17, 2023. Respondent CIR's counsel manifested that they will no longer present testimonial evidence since there was no report of the investigation on GSKI's refund claim forwarded to their office.

On January 25, 2024, GSKI received the CTA's Resolution dated January 23, 2024, which admitted its Exhibits "P-1" to "P-17" and "P-19" to "P-21", inclusive of sub-markings. Moreover, the CTA's Resolution noted the manifestation of Respondent CIR that he will no longer present evidence, constraining the CTA to direct the parties to submit their respective memorandum within 30 days from receipt of the Resolution.

GSKI filed its Memorandum on 23 February 2024.

- (c) CTA Case No. 9059: This case pertains to GSKI's Claim for Refund with the BIR, in the total amount of P26, representing payments of excise tax erroneously, excessively, illegally, and/or wrongfully assessed on and collected from GSKI by the BIR on removals of its distilled spirits or finished products for the period from June 1, 2013 up to July 31, 2013.

The aforementioned assessment and collection arose from the imposition and collection of excise taxes on GSKI's finished products processed and produced exclusively from its inventory of ethyl alcohol, notwithstanding that excise taxes had already been previously paid by GSKI on the said ethyl alcohol.

After the presentation of its testimonial and documentary evidence, GSKI filed its Formal Offer of Evidence and Supplemental Offer of Evidence, which were all admitted by the CTA. BIR's presentation of evidence was set to January 23, 2019.

In a decision dated February 6, 2020, the CTA denied GSKI's Claim for refund for insufficiency of evidence. On February 20, 2020, GSKI filed a Motion for Reconsideration of the said Decision. However, the Motion for Reconsideration was denied by the CTA on June 9, 2020. On August 28, 2020, GSKI elevated the case to the CTA *En Banc* by way of a Petition for Review.

In a Decision dated November 10, 2021, the CTA *En Banc* denied the Petition for Review filed by GSKI. The Decision dated February 6, 2020 and the Resolution dated June 9, 2020 of the CTA Second Division were affirmed.

On December 10, 2021, GSMI elevated the Decision of the CTA *En Banc* to the Supreme Court by way of a Petition for Review, which was docketed as Supreme Court G.R. No. 25839.

This case is still pending resolution before the Supreme Court as at December 31, 2024.

- Deficiency Tax Liabilities

IBI

On December 27, 2016, IBI received a Formal Letter of Demand for tax year 2012 with a demand for payment of income tax, VAT, withholding tax, documentary stamp tax (DST) and miscellaneous tax deficiencies with administrative penalties. IBI filed a Protest. Due to the inaction of the BIR, IBI filed a Petition for Review with the CTA Third Division and docketed as CTA Case No. 9657.

On March 2, 2020, the CTA First Division promulgated its Decision partially granting IBI's Petition for Review. The assessment for deficiency income tax, VAT, DST and compromise penalty are cancelled and set aside. However, the assessment for deficiency expanded withholding tax is affirmed, and IBI was ordered to pay deficiency expanded withholding tax including interest and surcharges amounting to P5.

On October 29, 2020, the BIR filed a Petition for Review with CTA *En Banc*. On January 25, 2021, IBI filed its Comment to the Petition for Review. On July 21, 2022, the CTA *En Banc* denied the BIR's Petition for Review. Thereafter, the BIR filed for a motion for reconsideration which was also denied by the CTA *En Banc*.

The BIR filed a Petition for Review on Certiorari dated January 9, 2023 with the Supreme Court docketed as G.R. No. 264402.

SMFI

(a) SMFI vs. Office of the City Treasurer, City of Davao

SMFI filed several protests against the assessments issued by the City Treasurer of Davao City imposing permit fees to slaughter against its poultry dressing plants in Sirawan, Toril District and Los Amigos, Tugbok District both located in Davao City.

Following the dismissal of the appeals filed by SMFI with the Davao RTC, the following Petitions for review were filed with the CTA:

- CTA Case AC No. 209, filed on August 23, 2018
- CTA Case AC No. 210, filed on November 12, 2018
- CTA Case AC No. 249, filed on February 26, 2021

It is SMFI's position that Section 367 (a) of the 2005 Revenue Code of the City of Davao (Revenue Code of Davao City) on the imposition of permit fee to slaughter is applicable only to slaughterhouses operated by the City Government of Davao City. SMFI's poultry dressing plants in Sirawan, Toril District and Los Amigos, Tugbok District, being privately owned and operated slaughterhouses, are beyond the coverage of Section 357 (a) of the Revenue Code of Davao City. In addition, given that SMFI is already paying ante and post-mortem fees for the slaughter of poultry products pursuant to Section 367 (d) of the same Revenue Code, the assessment of permit fee to slaughter would constitute double taxation.

In CTA Case AC No. 209, the CTA First Division dismissed SMFI's Petition on May 29, 2020, and denied the Motion for Reconsideration on February 22, 2021. A Petition for Review was filed on May 12, 2021 with the CTA *En Banc* and docketed as CTA Case EB No. 2474. On January 31, 2023, the CTA *En Banc* denied SMFI's Petition. SMFI filed for a Motion for Reconsideration which was likewise denied on August 4, 2023. Following the denial, SMFI elevated and filed a Petition for Review with the Supreme Court on December 27, 2023.

Moreover, the CTA First Division also dismissed on July 3, 2020 the Petition docketed as CTA Case AC No. 210, and on July 28, 2021, SMFI's Motion for Reconsideration was denied. On October 8, 2021, SMFI filed a Petition for Review with the CTA *En Banc* docketed as CTA Case EB No. 2535, which was likewise denied on May 18, 2023. Thus, a Motion for Reconsideration was filed on September 15, 2023, with the same being denied on March 4, 2024.

Lastly, the CTA Special Third Division on October 12, 2022, dismissed the Petition for Review docketed as CTA Case AC No. 249 on the ground of lack of jurisdiction on permit fees as it is not a tax, therefore outside the CTA's jurisdiction. On December 22, 2022, SMFI filed a Motion for Reconsideration but was denied on November 9, 2023.

On April 2, 2024, SMFI Management decided not to pursue the above cases as the poultry dressing plants were already closed, therefore SMFI will no longer have future economic benefit from winning the cases.

- Oil Spill Incident in Guimaras

On August 11, 2006, MT Solar I, a third-party vessel contracted by Petron to transport approximately two million liters of industrial fuel oil, sank 13 nautical miles southwest of Guimaras, an island province in the Western Visayas region of the Philippines. In separate investigations by the Philippine Department of Justice (DOJ) and the Special Board of Marine Inquiry (SBMI), both agencies found the owners of MT Solar I liable. The DOJ found Petron not criminally liable, but the SBMI found Petron to have overloaded the vessel. Petron has appealed the findings of the SBMI to the DOTr and is awaiting its resolution. Petron believes that SBMI can impose administrative penalties on vessel owners and crew, but has no authority to penalize other parties, such as Petron, which are charterers.

Complaints for damages for non-payment of compensation for the clean-up operations during the oil spill were filed with the RTC of Guimaras by a total of 1,063 plaintiffs who allegedly did not receive any payment of their claims for damages arising from the oil spill. The total claims amounted to P292. The cases were pending as at December 31, 2024. In the course of plaintiffs' presentation of evidence, they moved for trial by the commissioner, which was denied by the trial court. The plaintiffs elevated the matter by way of a petition for certiorari to the Court of Appeals in Cebu City. On January 9, 2020, the Court of Appeals issued a Resolution granting plaintiffs' motion for reconsideration of the earlier resolution denying their petition and ordering Petron to file its comment on plaintiffs' petition within 10 days. On February 6, 2020, Petron filed a motion for reconsideration of said Resolution which remains pending as at December 31, 2024. On September 25, 2024, the Court of Appeals denied the motion for reconsideration of another respondent International Oil Pollution Compensation ("IOPC") Funds and directed IOPC to file its comment. The Court of Appeals held in abeyance any further action on the petition pending compliance with the directives of the said resolution. In the meantime, proceedings before the trial court continue. In one of the cases, the plaintiffs have already rested its case and trial dates have been set for the presentation of defendants' evidence. In the other case, plaintiffs are already expected to complete the presentation of their evidence testified so far. As at December 31, 2024 and 2023, the Group has not set up any provision related to this case because while the case is still pending, Petron believes the resolution will be in its favor.

- Lease Agreements with PNOC

On October 20, 2017, Petron filed with the RTC of Mandaluyong City a complaint against the PNOC for the reconveyance of the various landholdings it conveyed to PNOC in 1993 as a result of the government-mandated privatization of Petron.

The subject landholdings consisted of the refinery lots in Limay, Bataan, 23 bulk plant sites and 66 service station lots located in different parts of the country. The Deeds of Conveyance covering the landholdings provide that the transfer of these lots to PNOC was without prejudice to the continued long-term use by Petron of the conveyed lots for its business operation. Thus, PNOC and Petron executed three lease agreements covering the refinery lots, the bulk plants, and the service station sites, all with an initial lease term of 25 years which expired in August 2018, with a provision for automatic renewal for another 25 years. In 2009, Petron, through its realty subsidiary, NVRC, had an early renewal of the lease agreement for the refinery lots with an initial lease term of 30 years, renewable for another 25 years.

The complaint alleged that PNOC committed a fundamental breach of the lease agreements when it refused to honor both the automatic renewal clause in the lease agreements for the bulk plants and the service station sites and the renewed lease agreement for the refinery lots on the alleged ground that all such lease agreements were grossly disadvantageous to PNOC, a government-owned-and-controlled corporation.

On December 11, 2017, the trial court granted Petron's prayer for a writ of preliminary injunction, enjoining PNOC from committing any act aimed at ousting Petron from possession of the subject properties until the case is decided.

The court-mandated mediation in 2018 and the judicial dispute resolution proceedings before the court in 2019 were likewise terminated, after the parties failed to agree to a settlement. Petron filed a motion for summary judgment on May 17, 2019. In a resolution dated November 13, 2019, the trial court granted Petron's motion for summary judgment and ordered: (i) the rescission of the Deeds of Conveyance dated 1993 relating to Petron's conveyance of such leased premises to PNOC pursuant to a property dividend declaration in 1993; (ii) the reconveyance by PNOC to Petron of all such properties; and (iii) the payment by Petron to PNOC of the amount of P143, with legal interest from 1993, representing the book value of the litigated properties at the time of the property dividend declaration. PNOC filed a motion for reconsideration. Petron also filed a motion for partial reconsideration seeking a modification of the judgment to include an order directing PNOC to return to Petron all lease payments the latter had paid to PNOC since 1993.

Following the trial court's denial of their separate motions for reconsideration, both PNOC and Petron filed their respective notices of appeal with the trial court. In a decision dated December 13, 2021, the Court of Appeals dismissed both appeals of Petron and PNOC and affirmed the resolution of the trial court as described above. In a resolution promulgated on October 6, 2022, the Court of Appeals denied the respective motions for reconsideration of Petron and PNOC. The PNOC filed a Petition for Review on Certiorari with the Supreme Court in December 2022 which the Supreme Court denied on July 25, 2023 on the ground that PNOC failed to sufficiently show that the Court of Appeals committed any reversible error in the challenged decision and resolution as to warrant the Supreme Court's exercise of its discretionary appellate jurisdiction.

In a resolution dated November 25, 2024, the Supreme Court denied with finality the motion for reconsideration and the motion to refer to the Supreme Court *En Banc* that the PNOC filed in December 2023. The November 2024 resolution also ordered the immediate issuance of the entry of judgment and declared that no further pleadings or motions shall be entertained.

On January 21, 2025, PNOC filed a second motion for reconsideration. A second motion for reconsideration is generally prohibited under the Internal Rules of the Supreme Court. As at March 4, 2025, Petron has not received any notice from the Supreme Court on its action on PNOC's second motion for reconsideration.

Given the finality of the Supreme Courts's ruling, Petron recognized in its books the reversal of the conveyance of the land declared as property dividends in 1993 at P143 equivalent to the net book value of the land at the time of dividend declaration and instead recognized a liability for cash dividends to PNOC of the same amount plus legal interest of P267 computed from 1993 to 2024. The landholdings were recognized as part of "Property, plant and equipment" and "Investment property" amounting to P110 and P33, respectively (Notes 13 and 15). Correspondingly, all accruals related to the lease contracts with PNOC on the subject landholdings of the rescinded deeds of conveyance, namely, lease liabilities amounting to P3,629 (Note 19), ARO amounting to P2,600 (Note 22) for the cost of land restoration and remediation at the end of lease term, and the corresponding right-of-use assets amounting to P2,720 (Note 14) recognized previously were reversed which resulted in the recognition of gain on lease termination of P3,509 (Note 32).

- Generation Payments to PSALM

SPPC and PSALM are parties to the Ilijan IPPA Agreement covering the appointment of SPPC as the IPP Administrator of the Ilijan Power Plant.

SPPC and PSALM have an ongoing dispute arising from differing interpretations of certain provisions related to generation payments under the Ilijan IPPA Agreement. As a result of such dispute, the parties have arrived at different computations regarding the subject payments. In a letter dated August 6, 2015, PSALM has demanded payment of the difference between the generation payments calculated based on its interpretation and the amount which has already been paid by SPPC, plus interest, covering the period December 26, 2012 to April 25, 2015.

On August 12, 2015, SPPC initiated a dispute resolution process with PSALM as provided under the terms of the Ilijan IPPA Agreement, while continuing to maintain that it has fully paid all of its obligations to PSALM. Notwithstanding the bona fide dispute, PSALM issued a notice terminating the Ilijan IPPA Agreement on September 4, 2015. On the same day, PSALM also called on the performance bond posted by SPPC pursuant to the Ilijan IPPA Agreement.

On September 8, 2015, SPPC filed a Complaint with the RTC of Mandaluyong City requesting the RTC that its interpretation of the relevant provisions of the Ilijan IPPA Agreement be upheld and asked that a 72-hour Temporary Restraining Order (TRO) be issued against PSALM for illegally terminating the Ilijan IPPA Agreement and drawing on the performance bond of SPPC. On even date, the RTC issued a 72-hour TRO which prohibited PSALM from treating SPPC as being in Administrator Default and from performing other acts that would change the status quo ante between the parties before PSALM issued the termination notice and drew on the performance bond of SPPC. The TRO was extended for until September 28, 2015.

On September 28, 2015, the RTC issued an order granting a Preliminary Injunction enjoining PSALM from proceeding with the termination of the Ilijan IPPA Agreement while the main case is pending. PSALM sought for reconsideration of the said order but was later on denied by the RTC. PSALM filed with the Court of Appeals a Petition for Review on Certiorari assailing the RTC's order of denial. The Court of Appeals ruled in favor of SPPC and affirmed the RTC's issuance of a writ of preliminary injunction against PSALM prohibiting it from terminating the Ilijan IPPA Agreement while the main case in the lower court is pending and named Meralco as intervenor (the "2017 Court of Appeals Decision").

PSALM filed a Motion for Reconsideration of the 2017 Court of Appeals Decision but it was denied by the Court of Appeals in its resolution dated July 12, 2018 (the "2018 Court of Appeals Resolution").

On September 19, 2018, PSALM filed a Petition for Certiorari with urgent prayer for the issuance of a TRO and/or Writ of Preliminary Injunction before the Supreme Court praying for the reversal and nullification of the 2017 Court of Appeals Decision and the 2018 Court of Appeals Resolution but was denied by the Supreme Court in its resolution dated March 4, 2019 (the "March 4, 2019 Supreme Court Resolution"). PSALM filed a Motion for Reconsideration thereof and was denied by the Supreme Court in a resolution dated August 5, 2019 which became final and executory on the same date.

After years of resolving other related issues, pre-trial proceeded on November 19, 2021 and the parties filed the Joint Stipulation of Facts on April 6, 2022.

On August 30, 2024, SPPC filed its Formal Offer of Evidence. On September 12, 2024, in compliance with a directive from the court, SPPC submitted additional hard copies of its exhibits. The court admitted SPPC's documentary evidence through an Order dated October 11, 2024.

On November 22, 2024, PSALM filed its Formal Offer of Evidence. In an Order dated December 19, 2024, the trial court admitted PSALM's exhibits and directed the parties to submit their respective closing Memoranda. SPPC filed its Memorandum on February 3, 2025.

Although the proceedings before the RTC remain pending, the Ilijan Power Plant was turned over by PSALM to SPPC pursuant to the IPPA Agreement and the Deed of Sale executed between PSALM and SPPC on June 3, 2022.

▪ Intellectual Property Rights

- i. G.R. No. 196372: This case pertains to GSMI's application for the registration of the trademark "GINEBRA" under Class 33 covering gin with the Intellectual Property Office of the Philippines (IPOPHL). The IPOPHL rejected GSMI's application on the ground that "GINEBRA" is a Spanish word for gin and is a generic term incapable of appropriation.

When the Court of Appeals affirmed the IPOPHL's ruling, GSMI filed a Petition for Review on Certiorari (the Petition) with the Supreme Court. The Supreme Court denied GSMI's Petition. GSMI moved for a reconsideration thereof and likewise filed a Motion to Refer its Motion for Reconsideration to the Supreme Court *En Banc*. The Supreme Court denied GSMI's Motion for Reconsideration with finality, as well as GSMI's Motion to Refer to its Motion for Reconsideration to the Supreme Court *En Banc*.

Subsequently, GSMI filed a Manifestation with Motion for Relief from Judgment (the "Manifestation") and invoked the case of "*League of Cities vs. Commission of Elections*" (G.R. Nos. 176951, 177499 and 178056) to invite the Supreme Court *En Banc* to re-examine the case. The Office of the Solicitor General filed its Comment Opposition to the Manifestation.

On June 26, 2018, the Supreme Court *En Banc* issued a Resolution which resolves to: (a) Accept the subject case which was referred to it by the Third Division in the latter's resolution dated August 7, 2017; (b) Treat as a Second Motion for Reconsideration (of the resolution dated June 22, 2011) GSMI's Manifestation with Motion for Relief from Judgment dated November 28, 2011; (c) Reinstate the Petition; and (d) Require the respondents to Comment on the Petition within a non-extendible period of ten days from notice thereof.

Respondents, through the Office of the Solicitor General, filed their Comment dated July 31, 2018 while GSMI filed its Reply with Leave on August 20, 2018.

On January 4, 2019, the Supreme Court Third Division issued a Resolution ordering the consolidation of the previously consolidated cases (G.R. Nos. 216104, 210224 and 219632) with the *En Banc* case (G.R. No. 196372), stating that "considering that all these cases involve identical parties and raise interrelated issues which ultimately stemmed from the registration of trademark of Tanduay Distillers, Inc. (TDI) and GSMI before the IPOPHL.

On February 3, 2020, GSMI filed a Manifestation with the Supreme Court Third Division, informing the Court that on January 27, 2020, it received a copy of a Decision dated December 27, 2019 rendered by the IPOPHL Director General in the consolidated appealed cases involving GSMI's Oppositions to TDI's applications for the registration of the marks "Ginebra Lime & Device," "Ginebra Orange & Device," "Ginebra Especial & Device" and "Ginebra Pomelo & Device", for use on gin products. In the joint Decision, the IPOPHL Director General ruled in favor of GSMI and held that despite being generic or descriptive, the term "GINEBRA" had already attained a secondary meaning in relation to the gin products of GSMI. The Manifestation was filed to inform the Supreme Court Third Division of the status of cases in IPOPHL which involve GSMI's claim over "GINEBRA".

In a Resolution dated March 10, 2020, the Supreme Court *En Banc* resolved to transfer the consolidated cases from the Third Division to the *En Banc*, where this case which has the lowest docket number, i.e. G.R. No. 196372, was originally assigned, hence, all four cases are now consolidated and pending before the Supreme Court *En Banc*. Furthermore, the Supreme Court *En Banc* also noted GSMI's Manifestation dated February 3, 2020 on the IPO Director General's Decision dated December 27, 2019.

On August 9, 2022, the Supreme Court *En Banc* promulgated a Decision in the four consolidated Petitions. For G.R. No. 196372, GSMI's Petition for Review was granted. The Director of the Bureau of Trademarks was directed to reinstate GSMI's trademark application for "GINEBRA", cause its publication and give it due course.

On April 17, 2023, GSMI received a copy of TDI's Motion for Reconsideration of the Decision dated August 9, 2022. On August 29, 2023, the Supreme Court *En Banc* issued a Resolution which denied with finality the Motion for Reconsideration filed by TDI in the consolidated Petitions.

- ii. G.R. Nos. 210224 and 219632: These cases pertain to GSMI's Complaint for Unfair Competition, Trademark Infringement and Damages against TDI filed with the RTC, arising from TDI's distribution and sale of its gin product bearing the trademark "Ginebra Kapitan" and use of a bottle design, which general appearance was nearly identical and confusingly similar to GSMI's product. The RTC dismissed GSMI's complaint.

When GSMI elevated the case to the Court of Appeals, due to technicalities, two cases were lodged in the Court of Appeals: 1.) Petition for Review (CA-G.R. SP No. 127255), and 2.) Appeal (CA-G.R. SP No. 100332).

Acting on GSMI's Petition for Review, the Court of Appeals reversed, set aside the RTC's Decision, and ruled that "GINEBRA" is associated by the consuming public with GSMI. Giving probative value to the surveys submitted by GSMI, the Court of Appeals ruled that TDI's use of "GINEBRA" in "Ginebra Kapitan" produces a likelihood of confusion between GSMI's "Ginebra San Miguel" gin product and TDI's "Ginebra Kapitan" gin product. The Court of Appeals likewise ruled that "TDI knew fully well that GSMI has been using the mark/word 'GINEBRA' in its gin products and that GSMI's 'Ginebra San Miguel' has already obtained, over the years, a considerable number of loyal customers who associate the mark 'GINEBRA' with GSMI.

On the other hand, upon GSMI's Appeal, the Court of Appeals also set aside the RTC's Decision and ruled that "GINEBRA" is not a generic term, there being no evidence to show that an ordinary person in the Philippines would know that "GINEBRA" is a Spanish word for "gin". According to the Court of Appeals, because of GSMI's use of the term in the Philippines since the 1800s, the term "GINEBRA" now exclusively refers to GSMI's gin products and to GSMI as a manufacturer. The Court of Appeals added that "the mere use of the word 'GINEBRA' in 'Ginebra Kapitan' is sufficient to incite an average person, even a gin-drinker, to associate it with GSMI's gin product", and that TDI "has designed its bottle and label to somehow make a colorable similarity with the bottle and label of Ginebra S. Miguel".

TDI filed separate Petitions for Review on Certiorari with the Supreme Court, docketed as G.R. Nos. 210224 and 219632, which were eventually consolidated by the Supreme Court on April 18, 2016.

On October 26, 2016, GSMI filed its Comment on TDI's Petition for Review on Certiorari.

On December 17, 2018, the Supreme Court consolidated this case with Ginebra San Miguel Inc. vs. Court of Appeals, Director General of the Intellectual Property Office, and Director of the Bureau of Trademarks (G.R. No. 196372).

On February 3, 2020, GSMI filed a Manifestation with the Supreme Court Third Division, informing the Court that on January 27, 2020, it received a copy of a Decision dated December 27, 2019 rendered by the IPOPHL Director General in the consolidated appealed cases involving GSMI's Oppositions to TDI's applications for the registration of the marks "Ginebra Lime & Device," "Ginebra Orange & Device," "Ginebra Especial & Device" and "Ginebra Pomelo & Device", for use on gin products. In the joint Decision, the IPOPHL Director General ruled in favor of GSMI and held that despite being generic or descriptive, the term "GINEBRA" had already attained a secondary meaning in relation to the gin products of GSMI. The Manifestation was filed to inform the Supreme Court Third Division of the status of cases in IPOPHL which involve GSMI's claim over "GINEBRA".

In a Resolution dated March 10, 2020, the Supreme Court *En Banc* resolved to transfer the consolidated cases from the Third Division to the *En Banc*. Furthermore, the Supreme Court *En Banc* also noted GSMI's Manifestation.

On August 9, 2022, the Supreme Court *En Banc* promulgated a Decision in the four consolidated Petitions. For G.R. Nos. 210224 and 219632, TDI's Petitions for Review were denied, with modification, such that TDI shall pay GSMI temperate damages of P0.3 and attorney's fees of P0.2; other awards of damages against TDI are deleted.

On April 17, 2023, GSMI received a copy of TDI's Motion for Reconsideration of the Decision dated August 9, 2022. On August 29, 2023, the Supreme Court *En Banc* issued a Resolution which denied with finality the Motion for Reconsideration filed by TDI in the consolidated Petitions.

- iii. G.R. No. 216104: This case pertains to TDI's application for the registration of the trademark "GINEBRA KAPITAN" for Class 33 covering gin with the IPOPHL.

GSMI opposed TDI's application, alleging that it would be damaged by the registration of "GINEBRA KAPITAN" because the term "GINEBRA" has acquired secondary meaning and is now exclusively associated with GSMI's gin products. GSMI argued that the registration of "GINEBRA KAPITAN" for use in TDI's gin products will confuse the public and cause damage to GSMI. TDI countered that "GINEBRA" is generic and incapable of exclusive appropriation, and that "GINEBRA KAPITAN" is not identical or confusingly similar to GSMI's mark. GSMI's mark.

The IPOPHL ruled in favor of TDI and held that: (a) "GINEBRA" is generic for "gin"; (b) GSMI's products are too well known for the purchasing public to be deceived by a new product like "GINEBRA KAPITAN"; and (c) TDI's use of "GINEBRA" would supposedly stimulate market competition.

On July 23, 2014, the Court of Appeals reversed and set aside the IPOPHL's ruling and disapproved the registration of "GINEBRA KAPITAN". The Court of Appeals ruled that "GINEBRA" could not be considered as a generic word in the Philippines considering that, to the Filipino gin-drinking public, it does not relate to a class of liquor/alcohol but rather has come to refer specifically and exclusively to the gin products of GSMI.

TDI filed a Petition for Review on Certiorari with the Supreme Court, which was subsequently consolidated with the case of "*Tanduay Distillers, Inc. vs. Ginebra San Miguel Inc.*", docketed as G.R. No. 210224 on August 5, 2015.

On October 26, 2016, GSMI filed its Comment on TDI's Petition for Review on Certiorari.

On December 17, 2018, the Supreme Court consolidated this case with *Ginebra San Miguel Inc. vs. Court of Appeals, Director General of the Intellectual Property Office, and Director of the Bureau of Trademarks* (G.R. No. 196372).

On February 3, 2020, GSMI filed a Manifestation with the Supreme Court Third Division, informing the Court that on January 27, 2020, it received a copy of a Decision dated December 27, 2019 rendered by the IPOPHL Director General in the consolidated appealed cases involving GSMI's Oppositions to TDI's applications for the registration of the marks "Ginebra Lime & Device," "Ginebra Orange & Device," "Ginebra Especial & Device" and "Ginebra Pomelo & Device", for use on gin products. In the joint Decision, the IPOPHL Director General ruled in favor of GSMI and held that despite being generic or descriptive, the term "GINEBRA" had already attained a secondary meaning in relation to the gin products of GSMI. The Manifestation was filed to inform the Supreme Court Third Division of the status of cases in IPOPHL which involve GSMI's claim over "GINEBRA".

In a Resolution dated March 10, 2020, the Supreme Court *En Banc* resolved to transfer the consolidated cases from the Third Division to the *En Banc*. Furthermore, the Supreme Court *En Banc* also noted GSMI's Manifestation dated February 3, 2020 on the IPOPHL Director General's Decision dated December 27, 2019.

On August 9, 2022, the Supreme Court *En Banc* promulgated a Decision in the four consolidated Petitions. For, G.R. No. 216104, TDI's Petition for Review for the rejection of TDI's trademark application for "GINEBRA KAPITAN" was denied.

On April 17, 2023, GSMI received a copy of TDI's Motion for Reconsideration of the Decision dated 9 August 2022. On August 29, 2023, the Supreme Court *En Banc* issued a Resolution which denied with finality the Motion for Reconsideration filed by TDI in the consolidated Petitions.

- Imported Industrial Fuel Oil

SLHBTC has an on-going case with the CTA against the Commissioner of Customs (the Commissioner). On January 16, 2016, a Warrant of Seizure and Detention was issued against the 44,000 metric tons of fuel imported by SLHBTC with approximate value of P751. The Commissioner alleged that SLHBTC discharged fuel directly from the vessel carrying SLHBTC's imported fuel to another vessel via loop loading without paying duties and taxes and therefore, violating the Customs Modernization Tariff Act and other customs regulations. On January 20, 2017, the District Collector of Customs issued a decision forfeiting the fuel in favor of the government.

Subsequently on March 23, 2017, SLHBTC filed with the CTA a petition seeking the lifting and termination of the Warrant of Seizure and Detention and the reversal of the decision issued by the District Collector of Customs.

On April 19, 2017, SLHBTC filed with the CTA a Motion for Special Order to release the 44,000 metric tons of fuel, which was granted on January 28, 2018 subject to the posting of a surety bond amounting to P123 or one and one-half times of the assessed amount of P82 representing VAT. SLHBTC posted the surety bond and the 44,000 metric tons of fuel were released.

On December 1, 2021, the customs officer representing the District Collector of Customs was cross-examined by the SLHBTC legal counsel. He admitted that he did not examine the imported documents prior to recommending the issuance of a Writ of Seizure and Detention.

On February 24, 2022, the CTA decided to lift and terminate the Warrant of Seizure and Detention issued by the Commissioner and reversed the decision issued by the District Collector of Customs in January 2017 to forfeit the fuel in favor of the government. Moreover, the order granted by the CTA in January 2018 to release the 44,000 metric tons of fuel is now permanent and the surety bond of P123 shall be released and discharged to SLHBTC upon finality of judgment.

On October 5, 2022, the Commissioner filed a Petition for Review with the CTA *En Banc*. After technical issues were clarified, SLHBTC filed its comment on January 30, 2023. There has been no action from the CTA since then. As at March 11, 2024, the Commissioner has not appealed the decision of the CTA.

On April 16, 2024, the Commissioner filed a Motion for Reconsideration that seeks to reverse the CTA *En Banc*'s decision on denying the Commissioner's petition for review last October 2022. Subsequently, on October 15, 2024, CTA *En Banc* released its Notice for Resolution, denying the Commissioner's Motion for Reconsideration last April 16, 2024 due to lack of merit.

On January 23, 2025, the SLHBTC's legal counsel received a copy of the Petition for Certiorari under Rule 45 of the Rules of Court, filed by the Commissioner before the Supreme Court. In this petition, the Commissioner now seeks to annul the CTA *En Banc*'s decision dated March 8, 2024 and Resolution October 15, 2024. SLHBTC's legal counsel have yet to receive an order to comment, or any other action from the Supreme Court since the filing of the Commissioner's petition.

SLHBTC and its legal counsel assessed that it has a meritorious case and the final outcome will not have a material adverse effect on the SLHBTC's business financial condition and results of operations.

- Criminal Cases

SPPC

On September 29, 2015, SPPC filed a criminal complaint for estafa and for violation of Section 3(e) of RA No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act, before the DOJ, against certain officers of PSALM, in connection with the termination of SPPC's Ilijan IPPA Agreement, which was made by PSALM with manifest partiality and evident bad faith. Further, it was alleged that PSALM fraudulently misrepresented its entitlement to draw on the performance bond posted by SPPC, resulting in actual injury to SPPC in the amount of US\$60. On June 13, 2017, the DOJ endorsed the complete records of the complaint to the Office of the Ombudsman for appropriate action.

On a related matter, on November 14, 2018, SPPC filed with the Office of the Ombudsman-Field Investigation Office, an administrative complaint against an executive officer of PSALM and several unidentified persons for violation of the Ombudsman Act and the Revised Administrative Code, in the performance of their functions as public officers.

In a Resolution dated March 10, 2021, which was approved by the Ombudsman on February 15, 2022, the Graft Investigation and Prosecution Officer ("GIPO") dismissed the criminal complaint against the Respondents. In a Decision of the same date, approved by the Ombudsman also on February 15, 2022, the GIPO also dismissed the administrative complaint against the Respondents.

On March 21, 2022, SPPC filed a Motion for Reconsideration of the resolution dismissing the criminal complaint. In an Order dated May 25, 2022, the Office of the Ombudsman denied SPPC's Motion for Reconsideration. SPPC has decided not to question the dismissal of the criminal complaint.

SPI

On October 21, 2015, SPI filed a criminal complaint for Plunder and violation of Section 3(e) and 3(f) of RA No. 3019, before the DOJ against a certain officer of PSALM, and certain officers of TPEC and TSC, relating to the illegal grant of the so-called "excess capacity" of the Sual Power Plant in favor of TPEC which enabled it to receive a certain amount at the expense of the Government and SPI.

In a Resolution dated July 29, 2016, the DOJ found probable cause to file an Information against the respondents for Plunder and violation of Section 3(e) and 3(f) of RA No. 3019 (the "July 29, 2016 DOJ Resolution"). The DOJ further resolved to forward the entire records of the case to the Office of the Ombudsman for their proper action. Respondents have respectively appealed said DOJ's Resolution of July 29, 2016 DOJ Resolution, through the filing of a Petition for Review with the Secretary of Justice.

On October 25, 2017, the DOJ issued a Resolution partially granting the Petition for Review by reversing the July 29, 2016 DOJ Resolution insofar as the conduct of the preliminary investigation. On November 17, 2017, SPI filed a motion for partial reconsideration of said October 25, 2017 DOJ Resolution dated October 25, 2017.

While the said Motion for Partial Reconsideration is pending, SPI and the Respondents filed before the DOJ a Joint Motion to Dismiss dated June 6, 2022 praying for the dismissal of the criminal complaint filed by SPI.

In a Resolution promulgated on May 5, 2023, the DOJ affirmed its Resolution dated October 25, 2017. The DOJ held that considering SPI's desistance, SPI's Motion for Partial Reconsideration of the DOJ's Resolution of October 25, 2017 was considered dismissed and/or withdrawn.

- Civil Case

On June 17, 2016, SPI filed with the RTC Pasig a civil complaint for consignment against PSALM arising from PSALM's refusal to accept SPI's remittances corresponding to the proceeds of the sale on the WESM for electricity generated from capacity in excess of the 1,000 MW of the Sual Power Plant ("Sale of the Excess Capacity"). With the filing of the complaint, SPI also consigned with the RTC Pasig, the amount corresponding to the proceeds of the Sale of the Excess Capacity for the billing periods December 26, 2015 to April 25, 2016.

PSALM filed an Answer dated August 17, 2016 stating that it has no right to, and is not the owner of, the proceeds of the sale on the WESM of electricity generated from the capacity in excess of 1,000 MW of the Sual Plant and that the consignment should belong to TPEC as it is rightfully entitled to the 200 MW and to the payments which SPI made consequent therewith.

On October 3, 2016, SPI filed an Omnibus Motion to Admit Supplemental Complaint and to Allow Future Consignment without Tender (the "Omnibus Motion"). Together with this Omnibus Motion, SPI consigned with the RTC Pasig an additional amount corresponding to the proceeds of the Sale of the Excess Capacity for the billing periods from April 26, 2016 to July 25, 2016. After this, SPI continuously consigned additional proceeds of Sale of the Excess Capacity for succeeding billing periods.

On May 22, 2018, the RTC Pasig issued an order dismissing the complaint for consignment filed by SPI on the ground that the court has no jurisdiction over the subject matter of the complaint and finding that the ERC has the technical competence to determine the proper interpretation of "contracted capacity", the fairness of the settlement formula and the legality of the memorandum of agreement.

On July 4, 2018, SPI filed its Motion for Reconsideration to the May 22, 2018 order which dismissed the consignment case.

After the case was later re-raffled to RTC Branch 268, in an Order dated September 30, 2021, the RTC Branch 268: (a) granted SPI's Motion for Reconsideration of the Order of May 22, 2018, which dismissed the case for lack of jurisdiction; (b) granted SPI's Omnibus Motion to Admit Supplemental Complaint and Allow Future Consignations without Tender; and (c) reinstated the Complaint (the "September 30, 2021 Order").

On October 5, 2022, SPI and PSALM filed an Omnibus Motion to Dismiss and Release Deposited Monies, whereby PSALM, consistent with its representation and acknowledgment in its Answer that the consigned amounts rightfully belong to TPEC, agreed to the release of the said amounts to TPEC and SPI, relying on PSALM's representation and acknowledgment, did not object to the release of the consigned amounts to TPEC.

On October 10, 2022, the RTC issued an Order granting the Omnibus Motion and authorized TPEC's named representative in the Omnibus Motion to withdraw the consigned amounts.

Further related thereto, on December 1, 2016, SPI received a copy of a Complaint filed by TPEC and TSC with the ERC against SPI and PSALM in relation to the Excess Capacity issues, which issues have already been raised in the abovementioned cases. SPI filed a Motion to Dismiss and Motion to Suspend Proceeding of the instant case.

On June 6, 2022, SPI, TPEC and TSC filed a Joint Motion to Dismiss the ERC complaint. SPI received the Order from the ERC on June 22, 2022, asking the parties to submit a copy of the settlement agreement within 5 days from receipt of such order. TPEC, TSC and SPI filed with the ERC a Compliance and Submission attaching the settlement agreement on June 28, 2022. As at December 31, 2024, the case is still pending as the ERC has not issued any resolution granting the Joint Motion to Dismiss filed by the parties.

The total amount consigned with the RTC Pasig amounting to P491 was released to TPEC on December 20, 2022.

- TRO Issued to Meralco

On December 5, 2013, Meralco wrote the ERC requesting for clearance and authority: (i) to collect a generation charge of P7.90 per kWh in its December 2013 billings to its customers for its generation cost for the month of November 2013; and (ii) to defer to February 2014 the recovery of the remaining P3,000, representing a portion of the generation costs for the November 2013 supply month which was not passed on to customers in December 2013, subject to the inclusion of the appropriate carrying charge. In response thereto, the ERC, in its letter dated December 9, 2013, granted Meralco the authority to implement a staggered collection of its generation cost for the power supplied in November 2013. The ERC, however, did not approve Meralco's request to recover the carrying costs and directed it to file a formal application for this instead.

As a result, Meralco was constrained to fix its generation rate to its October 2013 level of P5.67 per kWh. The TRO originally had a period of 60 days.

On January 8, 2014, Meralco filed its Consolidated Comment/Opposition with Counter-Petition (the “Counter-Petition”) which prayed, among others, for the inclusion of SPI, SPPC, SRHI, MPCL and several generators as respondents to the case. On January 10, 2014, the Supreme Court issued an order treating the Counter-Petition as in the nature of a third party and granting the prayer to include SPI, SPPC, SRHI and MPCL as respondents in the Petition.

On February 18, 2014, the Supreme Court extended the TRO issued on December 23, 2013 for another 60 days or until April 22, 2014 and granted additional TROs enjoining the PEMC and the generators from demanding and collecting the deferred amounts. In a Resolution dated April 22, 2014, the Supreme Court extended indefinitely the effectivity of the TROs issued on December 23, 2013 and February 18, 2014.

In the Petition filed by special interest groups, the Supreme Court was made aware of the order of the ERC dated March 3, 2014 (the “March 3, 2014 ERC Order”) (as defined and discussed under “*ERC Order Voiding WESM Prices*”), in which the ERC declared void the WESM prices during the November and December 2013 supply months and imposed regulated prices in their stead. The March 3, 2014 ERC Order likewise directed PEMC to: (a) calculate these “regulated prices” based on a formula identified by the ERC as representative of 2013 market prices under normalized conditions; and (b) to collect the same from the WESM participants involved.

A decision was promulgated by the Supreme Court *En Banc* on August 3, 2021 (the “Supreme Court Decision”), affirming the December 9, 2013 ERC Order, which approved the staggered imposition by Meralco of its generation rate for November 2013 from its consumers and declared as null and void the March 3, 2014 ERC Order. SPI, SPPC, and SRHI however received a copy of the Supreme Court Decision through their counsel only on July 5, 2022, while MPCL received the same on July 6, 2022.

On July 26, 2022, the special interest groups sought reconsideration of the Supreme Court Decision by filing separate Motions for Reconsideration where they prayed that the Supreme Court Petition be granted. The ERC likewise filed a Motion for Partial Reconsideration of the Supreme Court Decision and sought the reinstatement of the March 3, 2014 ERC Order, among others.

These motions were denied with finality by the Supreme Court *En Banc*, in its resolution dated October 11, 2022, which also directed the entry of judgment of the Supreme Court Decision be made immediately. On January 4, 2023, the external counsel of SPPC, SPI and SRHI received a copy of the Entry of Judgement from the Supreme Court *En Banc* dated October 11, 2022, while the external counsel of MPCL received a copy of the same on January 5, 2023.

With this, the relevant subsidiaries namely, SPPC, MPCL and SPI are pursuing the implementation of the Supreme Court Decision as at December 31, 2024. SPPC, MPCL and SPI have aggregate outstanding receivables from Meralco estimated at P1,276 included under “Trade and other receivables” account in the condensed consolidated statements of financial position as at December 31, 2024.

- ERC Order Voiding WESM Prices

Relative to the above-cited Petition, on December 27, 2013, the DOE, ERC and PEMC, acting as a tripartite committee, issued a joint resolution setting a reduced price cap on the WESM of P32.00 per kWh. The price was set to be effective for 90 days until a new cap is decided upon.

On March 3, 2014, the ERC, in the exercise of its police power, issued an order in Miscellaneous Case No. 2014-021, declaring the November and December 2013 Luzon WESM prices void, imposed the application of regulated prices and mandated PEMC, the operator of the WESM, to calculate and issue adjustment bills using recalculated prices (the “March 3, 2014 ERC Order”).

Subsequent orders were issued by the ERC setting the period for compliance of the March 3, 2014 ERC Order (collectively, together with the March 3, 2014 Order, the “2014 ERC Orders”). Based on these orders, SPI and SRHI recognized a reduction in the sale of power while MPCL, SMELC and SPPC recognized a reduction in its power purchases. Consequently, a payable and receivable were also recognized for the portion of over-collection or over-payment, the settlement of which have been covered by a 24-month Special Payment Arrangement with PEMC which was already completed on May 25, 2016.

SPI, SPPC, SRHI and MPCL filed various pleadings requesting ERC for the reconsideration of the March 3, 2014 ERC Order. Other generators also requested the Supreme Court to stop the implementation of the March 3, 2014 ERC Order. The ERC denied the motions for reconsideration filed by the generators.

On June 26, 2014, SPI, SPPC and SRHI, while on December 12, 2014, MPCL appealed the said ERC denial before the Court of Appeals through their respective Petitions for Review.

After consolidating the cases, the Court of Appeals, in its decision dated November 7, 2017 (the “November 7, 2017 Decision”), granted the Petition for Review filed by SPI, SPPC, SRHI and MPCL, declared the 2014 ERC Orders null and void and accordingly reinstated and declared as valid the WESM prices for Luzon for the supply months of November to December 2013.

Motions for Reconsideration of the November 7, 2017 Decision and several other motions which were filed by various intervenors, were denied by the Court of Appeals through its Omnibus Resolution dated March 29, 2019. The intervenors filed Petitions for Review on Certiorari before the SC, which were also denied by the Supreme Court through its resolutions dated September 11, 2019 and October 1, 2019. Entries of judgment have been issued by the Supreme Court certifying that the resolutions denying the Petitions for Review on Certiorari filed by various intervenors against SPI, SPPC, SRHI and MPCL, among others, have become final and executory.

The ERC and Meralco also filed separate Petitions for Review appealing the November 7, 2017 Decision and Omnibus Resolution dated March 29, 2019 of the Court of Appeals, which nullified and set aside the 2014 ERC Orders, declaring the WESM prices for November and December 2013 void.

In a Resolution dated November 4, 2020, the Supreme Court directed the consolidation of the separate petitions filed by the ERC and Meralco considering that said cases involve the same parties, raise the same issues, and assail the same decision and resolution, and the transfer of the petition filed by Meralco to the Third Division of the Supreme Court handling the petition by the ERC.

The ERC filed its Consolidated Reply to the comments on its petition dated November 18, 2020.

The Supreme Court has not yet promulgated a decision as at December 31, 2024. However, on August 3, 2021, a decision was rendered by the Supreme Court *En Banc* in a separate case (as discussed under “*TRO Issued to Meralco*”) declaring the March 3, 2014 ERC Order as null and void, which is the subject of the aforementioned Petition. Considering that this decision of the Supreme Court *En Banc* covers the March 3, 2014 ERC Order, the difference between the actual Luzon WESM prices and the regulated prices (based on the March 3, 2014 ERC Order) for WESM sales and purchases by SPI, SPPC, SRHI, SMELC and MPCL amounting to up to P2,322 will have to be settled with the IEMOP, the current operator of the WESM, in favor of the relevant SMGP subsidiaries.

b. EPIRA

The EPIRA sets forth the following: (i) Section 49 created PSALM to take ownership and manage the orderly sale, disposition and privatization of all existing NPC generation assets, liabilities, IPP contracts, real estate and all other disposable assets; (ii) Section 31(c) requires the transfer of the management and control of at least 70% of the total energy output of power plants under contract with NPC to the IPP Administrators as one of the conditions for retail competition and open access; and (iii) Pursuant to Section 51(c), PSALM has the power to take title to and possession of the IPP contracts and to appoint, after a competitive, transparent and public bidding, qualified independent entities who shall act as the IPP Administrators in accordance with the EPIRA. In accordance with the bidding procedures and supplemented bid bulletins thereto to appoint an IPP Administrator relative to the capacity of the IPP contracts, PSALM has conducted a competitive, transparent and open public bidding process following which San Miguel Global Power was selected winning bidder of the IPPA Agreements (Note 34).

The EPIRA requires generation and DU companies to undergo public offering within five years from the effective date and provides cross ownership restrictions between transmission and generation companies. If the holding company of generation and DU companies is already listed on the PSE, the generation company or the DU need not comply with the requirement since such listing of the holding company is deemed already as compliance with the EPIRA.

A DU is allowed to source from an associated company engaged in generation up to 50% of its demand except for contracts entered into prior to the effective date of the EPIRA. Generation companies are restricted from owning more than 30% of the installed generating capacity of a grid and/or 25% of the national installed generating capacity. The Group is in compliance with the restrictions as at December 31, 2024 and 2023.

c. *Claims for Price Adjustments on the Meralco PSAs*

On October 22, 2019, SPI and SPPC each filed before the ERC a Joint Application with Meralco for the approval of their respective PSA with Meralco with prayer for provisional authority (the “Application”). The PSA of SPPC covers the supply of 670 MW baseload capacity to Meralco (“SPPC PSA”) while the PSA of SPI covers the supply of 330 MW baseload capacity to Meralco (“SPI PSA”) both for a period of ten years (collectively, the “PSAs”). The PSAs were awarded by Meralco to each of SPPC and SPI after they emerged as the winning bidders in the competitive selection process conducted by Meralco in September 2019.

On March 16, 2020, the ERC released Orders both dated December 10, 2019, granting provisional authority to implement the SPPC PSA and SPI PSA.

On May 11, 2022, SPPC and SPI each filed a Joint Motion for Price Adjustment with Meralco (the “Joint Motion”) seeking approval from the ERC to temporarily increase the contract price under the SPPC PSA and SPI PSA for a period of six months, to recover incremental fuel costs covering January to May 2022 billing periods arising from a Change in Circumstances (as defined in the PSAs) to be collected over a period of six months.

On September 29, 2022, the ERC denied the foregoing Joint Motions filed by each of SPPC and SPI with Meralco requesting for the proposed price adjustments (the “September 29, 2022 ERC Orders”).

SPPC Court of Appeals Petition

On November 10, 2022, SPPC filed with the Court of Appeals a Petition for Certiorari under Rule 65 with Application for the Issuance of a TRO and/or Writ of Preliminary Injunction to annul, reverse and set aside the September 29, 2022 ERC Order for SPPC (the “SPPC Court of Appeals Petition”).

In a Resolution dated November 23, 2022, the 14th Division of the Court of Appeals granted SPPC’s application for a 60-day TRO, conditioned upon the posting of a bond in the amount of P50,000 (the “TRO Bond”). The Court of Appeals later issued a TRO on December 2, 2022, after posting by SPPC of the TRO Bond, and the writ of preliminary injunction for the SPPC CA Petition on February 23, 2023.

On July 10, 2023, SPPC received the Court of Appeals’ Joint Decision dated June 27, 2023 (the “June 27, 2023, Court of Appeals Decision”) which granted the consolidated petitions of SPPC and SPI. The Court of Appeals: (i) annulled and set aside the September 29, 2022 ERC Orders for having been issued with grave abuse of discretion; (ii) granted the Joint Motions for Price Adjustment with Provisional Authority and/or Interim Relief without prejudice to any further requests for price adjustments for June 2022 onwards (for SPPC, from June 2022 to January 25, 2023 [date of writ of preliminary injunction] and for SPI, from June 2022 to the date of the finality of the Joint Decision); and (iii) made permanent the writ of preliminary injunction issued in favor of SPPC. On January 16, 2024, SPPC received, through its external counsel, a copy of the Resolution issued by the Court of Appeals dated December 28, 2023, denying the separate Motions for Reconsideration filed by National Association of Electricity Consumers for Reforms (NASECORE) and the ERC.

The June 27, 2023 Court of Appeals Decision was later on confirmed by the Supreme Court in a Resolution dated April 3, 2024 which denied the ERC's Petition for Review on Certiorari "for failure of petitioner [ERC] to sufficiently show that the Court of Appeals committed any reversible error in the challenged joint decision and resolution as to warrant the exercise of this Court's discretionary appellate jurisdiction." ERC's Motion for Reconsideration of the Supreme Court Resolution was also denied with finality in another Supreme Court Resolution dated July 10, 2024, and received on August 30, 2024. An Entry of Judgment has already been issued for this case.

Pursuant thereto, SPPC filed on October 10, 2024 its Motion for Issuance of Writ of Execution with the ERC to enforce the June 27, 2023 Court of Appeals Decision. The motion is pending with the ERC to date. On February 6, 2025, SPPC filed a Motion to Resolve (re: Motion for Issuance of Writ of Execution) with the ERC. On March 11, 2025, SPPC also filed with the Court of Appeals separate Motions to Direct the Court of Origin to Issue Writ of Execution to compel the ERC to issue writs of execution on the June 27, 2023 Court of Appeals Decision.

Related thereto, pursuant to the June 27, 2023 Court of Appeals Decision, SPPC issued a Notice of Change in Circumstances (CIC) on August 18, 2023, informing Meralco of its request for price adjustments for the period May 26, 2022 to December 6, 2022 and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under the SPPC PSA, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco acknowledged SPPC's right to the adjustment in the Contract Price as a result of the CIC under the SPPC PSA and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPPC filed a Motion for Price Adjustment with the ERC, for its CIC claim for the period May 26, 2022 to December 6, 2022 pursuant to the SPPC PSA, with its claims anchored on essentially the same legal bases established or ruled on by the Court of Appeals in its Joint Decision and confirmed by the Supreme Court with finality. The motion remains pending to date with the ERC.

On January 15, 2025, SPPC and San Miguel Global Power executed an agreement wherein SPPC assigned in favor of San Miguel Global Power all of its rights of action under the above claims for price adjustments from Meralco, in contemplation of the imminent dilution of San Miguel Global Power's equity interest in SPPC from 100% to 33%.

SPI Court of Appeals Petition

On November 10, 2022, SPI also filed with the Court of Appeals a Petition for Certiorari under Rule 65 with Application for the Issuance of a TRO and/or Writ of Preliminary Injunction to annul, reverse and set aside the September 29, 2022 ERC Order for SPI (the "SPI Court of Appeals Petition"). This was raffled to the 17th Division of the Court of Appeals which was subsequently transferred to its 16th Division.

On November 24, 2022, SPI filed an Urgent Motion for Consolidation of the instant Petition with the SPPC Court of Appeals Petition pending before the 13th Division.

On July 10, 2023, SPI received the Court of Appeals Joint Decision dated June 27, 2023 (the “June 27, 2023 Court of Appeals Decision”) which granted the consolidated petitions of SPPC and SPI. The Court of Appeals: (i) annulled and set aside the September 29, 2022 ERC Orders for having been issued with grave abuse of discretion; (ii) granted the Joint Motions for Price Adjustment with Provisional Authority and/or Interim Relief in ERC Case Nos. 2019-081 and 2019-083, without prejudice to any further requests for price adjustments for June 2022 onwards (for SPPC, from June 2022 to January 25, 2023 [date of writ of preliminary injunction] and for SPI, from June 2022 to the date of the finality of the Joint Decision); and (iii) denied SPI’s Motion for Partial Reconsideration of the January 13, 2023 Court of Appeals Resolution and its application for the issuance of a writ of preliminary injunction for being moot and academic. On January 16, 2024, SPI received, through its external counsel, a copy of the Resolution issued by the Court of Appeals dated December 28, 2023, denying the separate Motions for Reconsideration filed by NASECORE and the ERC.

The June 27, 2023 Court of Appeals Decision was later on confirmed by the Supreme Court in a Resolution dated April 3, 2024, and received on May 21, 2024, which denied the ERC’s Petition for Review on Certiorari “for failure of petitioner [ERC] to sufficiently show that the Court of Appeals committed any reversible error in the challenged joint decision and resolution as to warrant the exercise of this Court’s discretionary appellate jurisdiction.” ERC’s Motion for Reconsideration of the SC Resolution was denied with finality in an SC Resolution dated July 10, 2024, and received on August 30, 2024. An Entry of Judgment has already been issued for this case.

Pursuant thereto, SPI filed on October 10, 2024 its Motion for Issuance of Writ of Execution with the ERC to enforce the June 27, 2023 Court of Appeals Decision. The motion is pending with the ERC. On March 11, 2025, SPI also filed with the Court of Appeals separate Motions to Direct the Court of Origin to Issue Writ of Execution to compel the ERC to issue writs of execution on the June 27, 2023 Court of Appeals Decision.

Related thereto, pursuant to the June 27, 2023 Court of Appeals Decision, SPI issued a Notice of Change in Circumstances on August 18, 2023, informing Meralco of its request for price adjustments for the period June 2022 to July 2023, and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under the PSA, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco acknowledged SPI’s right to the adjustment in the Contract Price as a result of the CIC under the SPI PSA, and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPI filed a Motion for Price Adjustment with the ERC, for its CIC claim for the period June 2022 to July 2023 pursuant to SPI PSA with its claims anchored on essentially the same legal bases established or ruled on by the CA in its Joint Decision and confirmed by the Supreme Court with finality. The motion remains pending to date with the ERC.

d. Joint Agreement with Citicore Renewable Energy Corporation (CREC) for the Group's Solar Projects

On June 28, 2024, San Miguel Global Power through its subsidiary, SGLPC, signed an agreement with CREC for a 153.5 MW peak solar power plant to be constructed in Barangay Lucanin, Mariveles, Province of Bataan, that is expected to be completed next year. The solar power plant shall be located in a property with an area of approximately 158 hectares owned by an affiliate. Upon commencement of operations, all capacity to be generated by the solar power plant shall be supplied to the Group or any of its affiliates under long-term energy supply contracts.

e. Investment Agreement

The Parent Company entered into an Investment Agreement with Cerulean Infrastructure Investments Limited subject to terms and conditions defined in the Investment Agreement.

f. Commitments

The outstanding purchase commitments of the Group amounted to P245,288 and P248,484 as at December 31, 2024 and 2023, respectively.

These consist mainly of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business and will be funded by available cash, short-term loans and long-term debt.

g. Foreign Exchange Rates

The foreign exchange rates used in translating the US Dollar accounts of foreign subsidiaries, associates and joint ventures to Philippine Peso were closing rates of P57.845 and P55.370 in 2024 and 2023, respectively, for consolidated statements of financial position accounts; and average rates of P57.279, P55.632 and P54.502 in 2024, 2023 and 2022, respectively, for income and expense accounts.

h. Certain accounts in prior years have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported financial performance for any period.

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	-	0	0	0	2	7	7		
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COMPANY NAME

S	A	N		M	I	G	U	E	L		C	O	R	P	O	R	A	T	I	O	N		A	N	D				
S	U	B	S	I	D	I	A	R	I	E	S																		

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

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M	a	n	d	a	l	u	y	o	n	g		C	i	t	y														

Form Type

A A F S

Department requiring the report

--

Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's email Address

N/A

Company's Telephone Number/s

8632-3000

Mobile Number

N/A

No. of Stockholders

33,452

Annual Meeting (Month / Day)

Second Tuesday 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

Ms. Bella O. Navarra

Email Address

N/A

Telephone Number/s

8632-3000

Mobile Number

N/A

CONTACT PERSON's ADDRESS

No. 40 San Miguel Avenue, 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 of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

Agreed-Upon Procedures Report on the Use of Proceeds from the Issuance of Series 2-L, 2-N and 2-O Preferred Shares (the "Offering")

The Board of Directors and Stockholders
SAN MIGUEL CORPORATION
No. 40 San Miguel Avenue
Mandaluyong City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting San Miguel Corporation (the "Company") in complying with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor's report on the accuracy of the information being represented by the Company relating to the use of proceeds from the Offering as of and for the period ended December 31, 2024.

Responsibilities of the Engaging Party and the Responsible Party

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024

and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in the Code of Ethics for Professional Accountants in the Philippines.

Our firm applies Philippine Standard on Quality Control (PSQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company, on the use of proceeds from the Offering.

The results of agreed-upon procedures performed are summarized as follows:

1. We have obtained and checked the mathematical accuracy of the Company's Report for the period ended December 31, 2024. No exceptions were noted.
2. We have compared the list of all the disbursement in the Progress Report with the schedule of planned use of proceeds from the Offering as indicated in the Final Offer Supplement dated November 8, 2023 (the "Offer Supplement") and agreed amounts to the related supporting documents such as proof of bank transfer, billing invoices or statements, and official receipts. No exceptions were noted.

As presented by the Company and based on the above procedures, the table below lists the details and amounts of disbursements of the proceeds from the Offering for the period ended December 31, 2024:

Purpose	Disbursements		Difference (In Millions)
	Allocations per Offer Supplement (In Millions)	Amounts per Progress Report (In Millions)	
Underwriting and selling fees, filing fees, taxes, legal and professional fees and other expenses	P379	P379	P -
Repayment of Philippine Peso-dominated short-term loans	16,530	16,530	-
Repayment of the Series H Bonds	9,866	9,866	-
Repayment of the Series B Bonds	7,294	7,294	-
Total	P34,069	P34,069	P -



The table below shows the amount of disbursement per Progress Report and the actual disbursements showing the balance of proceeds as at and for the period ended December 31, 2024:

Purpose	Amount of Disbursement Per Progress Report (In Millions)	Actual Disbursements (In Millions)	Difference (In Millions)
Underwriting and selling fees, filing fees, taxes, legal and professional fees and other expenses	P310	P310	P -
Repayment of Philippine Peso-dominated short-term loans	16,530	16,530	-
Repayment of the Series H Bonds	9,866	9,866	-
Repayment of the Series B Bonds	7,294	7,294	-
Total	P34,000	P34,000	P -

3. The net proceeds from the Offering amounting to P49,621 million were to be adjusted as and when fees of the Offering are disbursed.
4. We have obtained written management representation and confirmed that there were no reallocations made on the Company's planned use of proceeds from the Offering or any changes in the work program as disclosed in the Offer Supplement.

R.G. MANABAT & CO.

DARWIN P. VIROCEL
Partner

April 15, 2025
Makati City, Metro Manila

San Miguel Corporation
Proceeds of the Issuance of Series "2", in Subseries "L",
Subseries "N" and Subseries "O" Preferred Shares
December 31, 2024
(Amounts in Millions)

i. Gross and Net Proceeds as Disclosed in the Final Offer Supplement ^a			
Gross proceeds			P50,000
Estimated fees, commissions and expenses relating to the issue:			
Underwriting fees	P275		
PSE filing fee (inclusive of VAT)	56		
Taxes	25		
Philippine SEC filing and legal research fee	13		
Estimated legal and other professional fees	6		
Estimated other expenses	4		379
Net proceeds			P49,621
ii. Actual Gross and Net Proceeds ^b			
Gross proceeds			P34,000
Underwriting fees	P218		
PSE filing fee (inclusive of VAT)	56		
Taxes	17		
Philippine SEC filing and legal research fee	13		
Legal and other professional fees	5		
Other expenses	1		310*
Net proceeds/balance of the proceeds			P33,690
iii. Each Expenditure Item Where the Proceeds were Used			
Repayment of Philippine Peso-denominated short-term loans	P16,530		
Repayment of the Series H Bonds	9,866		
Repayment of the Series B Bonds	7,294		P33,690
iv. Balance of the Proceeds as of End of Reporting Period			P -

a. The Gross and Net Proceeds as Disclosed in the Final Offer Supplement is based on (i) 400,000,000 Series "2" Preferred Shares with an (ii) oversubscription option of 266,666,700 Series "2" Preferred Shares at P75.00 per share amounting to P50,000 million.

b. The Actual Gross and Net Proceeds is based on (i) 400,000,000 Series "2" Preferred Shares with an (ii) oversubscription option of 53,333,400 Series "2" Preferred Shares at P75.00 per share amounting to P34,000 million.

* Expenses of the Offering include: (i) payment of filing fees with the SEC and PSE; (ii) underwriting and selling fees of PCCI; (iii) documentary stamp taxes; (iv) legal counsel's fees; and (iv) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses).



R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

Agreed-Up Upon Procedures Report on the Use of Proceeds from the Issuance of the Fixed-Rate Bonds Series “O” and Series “P” (the “Offering”)

The Board of Directors and Stockholders
SAN MIGUEL CORPORATION
No. 40 San Miguel Avenue
Mandaluyong City

Purpose of this Agreed-Up Upon Procedures Report

Our report is solely for the purpose of assisting San Miguel Corporation (the “Company”) in complying with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor's report on the accuracy of the information being represented by the Company relating to the use of proceeds from the Offering as of and for the period ended December 31, 2024.

Responsibilities of the Engaging Party and the Responsible Party

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Up Upon Procedures Engagements*. An agreed-upon procedures engagement involves performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024

and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in the Code of Ethics for Professional Accountants in the Philippines.

Our firm applies Philippine Standard on Quality Control (PSQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company, on the use of proceeds from the Offering.

The results of agreed-upon procedures performed are summarized as follows:

1. We have obtained and checked the mathematical accuracy of the Company's Report for the period ended December 31, 2024. No exceptions were noted.
2. We have compared the list of all the disbursement in the Progress Report with the schedule of planned use of proceeds from the Offering as indicated in the Final Offer Supplement dated June 13, 2024 (the "Offer Supplement") and agreed amounts to the related supporting documents such as proof of bank transfer, billing invoices or statements, and official receipts. No exceptions were noted.

As presented by the Company and based on the above procedures, the table below lists the details and amounts of disbursements of the proceeds from the Offering for the period ended December 31, 2024:

Purpose	Disbursements		Difference (In Millions)
	Allocations per Offer Supplement (In Millions)	Amounts per Progress Report (In Millions)	
Underwriting and selling fees, filing fees, taxes, legal and professional fees and other expenses	P251	P251	P -
Redemption of Series "I" Fixed-Rate Bonds	11,240	11,240	-
Additional investment in the Manila International Airport	1,589	1,589	-
Total	P13,080	P13,080	P -

The table below shows the amount of disbursement per Progress Report and the actual disbursements showing the balance of proceeds as at and for the period ended December 31, 2024:

Purpose	Amount of Disbursement Per Progress Report (In Millions)	Actual Disbursements (In Millions)	Difference (In Millions)
Underwriting and selling fees, filing fees, taxes, legal and professional fees and other expenses	P268	P268	P -
Redemption of Series "I" Fixed-Rate Bonds	11,240	11,240	-
Additional investment in the Manila International Airport	1,589	1,589	-
Total	P13,097	P13,097	P -

3. The net proceeds from the Offering amounting to P19,749 million were to be adjusted as and when fees of the Offering are disbursed.
4. We have obtained written management representation and confirmed that there were no reallocations made on the Company's planned use of proceeds from the Offering or any changes in the work program as disclosed in the Offer Supplement.

R.G. MANABAT & CO.



DARWIN P. VIROCEL
Partner

April 15, 2025
Makati City, Metro Manila

San Miguel Corporation
Proceeds of the Offering of Series "O" and Series "P" Fixed-Rate Bonds
December 31, 2024
(Amounts in Millions)

i. Gross and Net Proceeds as Disclosed in the Final Prospectus			
Gross proceeds			P20,000
Estimated fees, commissions and expenses			
Relating to the issue:			
Taxes to be paid by the Company	P150		
Underwriting fees	80		
Philippine SEC filing and legal research fee	5		
Estimated legal and other professional fees	6		
Estimated other expenses	10	251	
Net proceeds			P19,749
ii. Actual Gross and Net Proceeds			
Gross proceeds			P20,000
Expenses related to the Offering			268*
Net proceeds			P19,732
iii. Each Expenditure Item Where the Proceeds were Used			
Partial redemption of Series "I" Fixed-Rate Bonds			P11,240
Additional investment in the Manila International Airport			1,589
Total expenditure where the proceeds were used			P12,829
iv. Balance of the Proceeds as of End of Reporting Period			P6,903

** Expenses of the Offering include: (i) payment of filing fees with the SEC; (ii) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses); (iii) issue management, underwriting and selling agent fees; (iv) payment of documentary stamp taxes; (v) listing application, listing and maintenance fees with the PDEx; (iv) additional miscellaneous fees; and (vii) registry fees with PDTC.*

APPENDIX “C”

SAN MIGUEL CORPORATION
2024
PRINCIPAL PROPERTIES

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
FOOD AND BEVERAGE BUSINESS							
1	SAN MIGUEL BREWERY INC.						
	A. DOMESTIC						
	Production Facilities						
	Polo Brewery	Marulas, Valenzuela City, Metro Manila	Owned	Good			
	San Fernando Brewery	Brgy. Quebiawan, McArthur Highway, San Fernando, Pampanga	Owned	Good			
	Sta. Rosa Brewery	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
	Bacolod Brewery	Brgy. Granada, Sta. Fe, Bacolod City, Negros Occidental	Owned	Good			
	Mandaue Brewery	National Highway, Brgy. Tipolo, Mandaue City	Owned	Good			
	Davao Brewery	Brgy. Darong, Sta. Cruz, Davao del Sur	Owned	Good			
	Cagayan de Oro Brewery	Sta. Ana, Tagoloan, Misamis Oriental	Building & Facilities- Owned; Land-Rented	Good	1,230,428.97	March 25, 2028	The lease may be renewed for a period of 25 years upon such terms and conditions mutually agreed upon by the parties
	Sales/Area Offices and Warehouses						
	San Fernando Region Office	SMC Complex, Brgy. Quebiawan, McArthur Highway, San Fernando, Pampanga	Owned	Good			
	Carmen Sales Office	Carmen East, Rosales, Pangasinan	Owned	Good			
	Dagupan Sales Office	Caranglaan Dist., Dagupan City, Pangasinan	Owned	Good			
	Baguio Sales Office	Naguilian Road, San Carlos Heights, Brgy. Irisan, Baguio City, Benguet	Owned	Good			
	Carlatan Sales Office	Pennsylvania Ave., Brgy. Madayegdeg, San Fernando, La Union	Owned	Good			
	Cauayan Sales Office	Brgy. San. Fermin, Cauayan, Isabela	Owned	Good			
	Santiago Sales Office	National Road, Brgy. Mabini, Santiago City, Isabela	Owned	Good			
	Region Office (Angeles Sales Office)	San Andres St., San Angelo Subdivision, Sto. Domingo, Angeles City, Pampanga	Owned	Good			
	Region Office	Brgy. 22, San Guillermo, San Nicolas, Ilocos Norte	Owned	Good			
	Central North Luzon Area	Brgy. Tablac, Candon City, Ilocos Sur	Owned	Good			
	Central North Luzon Area	Maharlika Highway, Brgy. Sta Maria, Lal-lo, Cagayan	Owned	Good			
	Guiguinto Sales Office	Cagayan Valley Rd., Brgy. Sta. Cruz, Guiguinto, Bulacan	Owned	Good			
	San Isidro Sales Office	Gapan-Olongapo Rd., Poblacion San Isidro, Nueva Ecija	Owned	Good			
	Caloocan Sales Office	A. Cruz cor S. Asistio St., Brgy. 95, East Grace Park, Caloocan City	Owned	Good			
	Tondo Sales Office	Honorio Lopez Blvd cor Gamban St., Balut, Tondo, Manila	Owned	Good			
	Cubao Sales Office	Brgy. Mangga, Cubao, Quezon City	Owned	Good			
	Portion of Tondo Sales Office	portion of Tondo S.O. - Buendia cor. Guidote St., Tondo Manila	Owned	Good			
	Novaliches Sales Office	Novaliches S.O. - Quirino Highway, Brgy. Kaligayahan, Novaliches, Quezon City, Metro Manila	Owned	Good			
	Pureza Sales Office	489 Pureza St. corner Lardizabal St., Barangay 425, 489 Pureza, Sta. Mesa, Manila	Owned	Good			
	Sta. Ana Sales Office	M. Carreon St., Brgy. 864, Sta. Ana District, Manila	Owned	Good			
	Taytay Sales Office	Manila East Rd., Brgy. Dolores, Taytay, Rizal	Owned	Good			
	Sucat Sales Office	Dr. A. Santos Ave., Bgy. San Dionisio, Parañaque City	Owned	Good			
	Parañaque Sales Office	No. 100 Bernabe Subd., Brgy. San Dionisio, Sucat, Parañaque City, Metro Manila	Owned	Good			
	Canlubang Sales Office	Silangan Exit, Canlubang, Calamba City, Laguna	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Lucena Sales Office	Maharlika Highway, Brgy. Isabang, Lucena City, Quezon	Owned	Good			
	Gumaca Sales Office	Maharlika Highway, Brgy. Villa Bota, Gumaca, Quezon	Owned	Good			
	Naga Sales Office	Maharlika Highway, Brgy. Concepcion Grande Pequeña, Naga City, Camarines Sur	Owned	Good			
	Puerto Princesa Sales Office	Brgy. Mandaragat, Puerto Princesa City, Palawan	Owned	Good			
	San Jose Sales Office	Aurora Quezon and Calderron St., Brgy. Labangan, San Jose, Occidental Mindoro	Owned	Good			
	Batangas Sales Office	National Rd., Brgy. Balagtas, Batangas City, Batangas	Owned	Good			
	South Luzon Area	Ayala Highway, Brgy. Balintawak, Lipa City, Batangas	Owned	Good			
	Bacolod Region Office (Bacolod Sales Office)	Brgy. Granada, Sta. Fe, Bacolod City, Negros Occidental	Owned	Good			
	Iloilo Sales Office	Muelle Loney St., Brgy. Legaspi, Iloilo City	Owned	Good			
	Himamaylan Sales Office	National Hi-way, Brgy. 4, Himamaylan City, Negros Occidental	Owned	Good			
	Negros	Flores St., Brgy. Sum-Ag, Bacolod City, Negros Occidental	Owned	Good			
	Numancia Sales Office	Brgy., Camansi Norte, Numancia, Aklan	Owned	Good			
	Roxas Sales Office	Brgy. Libas, Roxas City, Capiz	Owned	Good			
	IGBR Region Office	Meliza St. Brgy. Zamora, Iloilo City	Owned	Good			
	CV North & South Region Offices	National Highway, Brgy. Tipolo, Mandaue City	Owned	Good			
	Region Office	Brgy. Darong Sta. Cruz, Davao del Sur	Owned	Good			
	Davao Sales Office	National Highway, Bgy. Ulas, Talomo, Davao City	Owned	Good			
	Region Office	National Highway, Brgy. Magugpo, Tagum City	Owned	Good			
	Mindanao	Sergio Osmeña, Brgy. Poblacion, Koronadal City	Owned	Good			
	Region Office	National Highway, Brgy. Lagao, Gen. Santos City	Owned	Good			
	Opol Sales Office	National Highway, Brgy. Luyong Bonbon, Opol, Misamis Oriental	Owned	Good			
	Zamboanga Sales Office	R.T. Lim Blvd., Baliwasan, Zamboanga City	Owned	Good			
	Mindanao	Brgy. Bongtod, Tandag City, Surigao del Sur	Owned	Good			
	Mindanao	J.P. Rizal Ave., Poblacion, Digos City	Owned	Good			
	Butuan Sales Office	R. Calo St., Fort Poyohan, Butuan City	Owned	Good			
	Cabanatuan Sales Office	Cabanatuan S.O. - Emilio Vergara Blvd., Brgy. Sumacab Este Cabanatuan City, Nueva Ecija	Land & Building-Rented	Good	300,000.00	August 31, 2029	Renewable upon mutual agreement of both parties.
	Warehouse	Barangay Sta. Rita, Guiguinto, Bulacan	Warehouse Parking space - rented	Good	439,958.46	May 31, 2027	Renewable upon mutual agreement of both parties
	Valenzuela Sales Office	Valenzuela S.O. - Bldg. 23 Plastic City Cpd., #8 T. Santiago St., Brgy. Canumay, Valenzuela City, Metro Manila	Land, Warehouse and Open Space-Rented	Good	461,317.15	April 30, 2025	Renewable upon mutual agreement of both parties
	Warehouse (Balintawak Sales Office)	Kaingin Rd., Brgy. Apolonio Samson, Balintawak, Quezon City	Warehouse, covered space and open space - Rented	Good	780,995.00	September 30, 2025	Renewable upon mutual agreement of both parties
	Warehouse	Kaingin Rd., Brgy. Apolonio Samson, Balintawak, Quezon City	Warehouse-Rented	Good	252,510.00	November 30, 2025	Renewable upon mutual agreement of both parties
	Warehouse	685 Tandang Sora Ave., Quezon City	Warehouse-Rented	Good	177,857.14	May 31, 2025	The Contract is subject to renewal or extension under such terms and conditions as may be mutually agreed upon between the parties in writing.
	Pasig Sales Office	Pasig S.O. - Mercedes Ave., Pasig City, Metro Manila	Land & Warehouse-Rented	Good	1,464,433.70	December 31, 2024	Renewable upon mutual agreement of both parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Masbate Sales Office	Bgy. Pinamaruhan, Mobo, Masbate	Land, Warehouse and Open Space-Rented	Good	204,899.63	March 31, 2026	Renewable upon mutual agreement of both parties
	Legazpi Sales Office	Legazpi S.O. - Tahao Street, Bgy. Gogon, Legaspi City, Bicol	Warehouse, Office & Open Space-Rented	Good	487,600.00	December 31, 2024	Renewable upon mutual agreement of both parties
	Dasmariñas Sales Office	Dasmarinas S.O. - Brgy. Langkaan II, Governors Drive, Dasmariñas, Cavite	Warehouse-Rented	Good	526,246.88	January 31, 2025	Renewable upon mutual agreement of both parties
	Imus Sales Office	Warehouse No. 5, 7 and 8, The Warehouse Malagasang II-C, City of Imus, Cavite	Warehouse-Rented	Good	793,990.20	April 30, 2026	Renewable upon mutual agreement of both parties
	Bulan Sales Office	Bulan S.O. -Sitio Pawa, Brgy. Lajong, Bulan, Sorsogon	Warehouse-Rented	Good	125,812.50	October 31, 2025	Renewable upon mutual agreement of both parties
	Pila Sales Office	Pila S.O. - Brgy. Bulilan Norte, National Highway, Pila, Laguna	Warehouse-Rented	Good	267,857.14	September 30, 2025	Renewable upon mutual agreement of both parties
	Dumaguete Region Office	Dumaguete Region Office - Brgy. Pulang Tubig, Dumaguete City	Land & Land Improvement-Rented	Good	77,510.16	December 31, 2024	Renewable at the option of the lessee
	Dumaguete Sales Office	West Rovira Road, Pulantubig, Dumaguete City	Warehouse-Rented	Good	219,260.75	December 31, 2025	Renewable upon mutual agreement of both parties
	Iloilo Sales Office	Brgy. Pagduque, Dumangas, Iloilo	Warehouse-Rented	Good	396,241.27	June 15, 2026	Renewable upon mutual agreement of both parties
	Catbalogan Sales Office	Brgy. Mercedes, Diversion Road, Catbalogan City, Samar	Warehouse & Open Space-Rented	Good	96,600.00	November 30, 2031	Renewable upon mutual agreement of both parties
	Catbalogan Sales Office	Brgy. Mercedes, Diversion Road, Catbalogan City, Samar	Warehouse, Office Space & Open Space-Rented	Good	196,350.00	November 30, 2031	Renewable upon mutual agreement of both parties
	Tagbilaran Sales Office	Tagbilaran S.O. - Tomas Cloma Ave., Taloto District, Tagbilaran City, Bohol	Warehouse-Rented	Good	160,714.29	October 31, 2026	Renewable upon mutual agreement of both parties
	Tacloban Sales Office/Region Office	Fatima Village, Tacloban City, Leyte	Portion of Land-Rented/Portion of Land-Owned	Good	280,447.36	May 31, 2027	Renewable upon mutual agreement of both parties
	Butuan Sales Office	Montilla Boulevard, Villa Kananga, Butuan City	Warehouse Facilities and Office-Rented	Good	468,750.00	September 30, 2026	Renewable upon mutual agreement of both parties
	Region Office	Brgy. Aguada, Ozamiz City	Building-Rented	Good	127,145.53	August 31, 2032	Renewable upon mutual agreement of both parties
	Liloy Sales Office	Liloy S.O. - Baybay, Liloy, Zamboanga del Norte	Warehouse-Rented	Good	75,892.86	September 30, 2026	Renewable upon mutual agreement of both parties
	Dipolog Sales Office	Dipolog S.O. - Sta. Filomena, Dipolog City	Warehouse-Rented	Good	50,892.86	September 30, 2025	Renewable upon mutual agreement of both parties
	Terminal						
	Bataan Malt Terminal (land, building, machineries & equipment, furnitures & fixtures)	Mariveles, Bataan	Building & Facilities-Owned; Land-Rented	Good	655,179.77	June 30, 2025	Renewable upon mutual agreement of both parties
	Investment Properties	Brgy. Estefania, Bacolod City (9 lots)	Owned	Good			
		No. 31 Rosario St., Brgy. Granada, Bacolod City	Owned	Good			
		Brgy. Penabatan, Pulilan, Bulacan	Owned	Good			
		L26 B11, Brgy. Sto.Domingo, Sta.Rosa, Laguna	Owned	Good			
		Jaro, Iloilo (2 lots)	Owned	Good			
		Barrio of Tinajeros, Malabon City (2 lots)	Owned	Good			
		Bo. of San Jose and Poblacion Cabanatuan City (3 lots)	Owned	Good			
		Barrio of Mallorca,San Leonardo.Nueva Ecija (2 lots)	Owned	Good			
		Poblacion,San Leonardo.Nueva Ecija	Owned	Good			
		Lot 5009 Imus Estate,Imus Cavite	Owned	Good			
		Imus Friar,Imus, Prov. of Cavite (2 lots)	Owned	Good			
		Lot 5159 Poblacion, Imus Prov. Of Cavite	Owned	Good			
		Barrio of San Rafael & San Roque (2 lots)	Owned	Good			
		Bo. Of Pob. 2nd Municipality of Tarlac (2 lots)	Owned	Good			
		71-B-3-B-4 Barrio Suizo Municipality of Tarlac	Owned	Good			
		Bgy. Paringao, Municipality of Bauang, La Union	Owned	Good			

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		Bo. Mabilao, San Fabian, Pangasinan (5 lots)	Owned	Good			
		Brgy. Gabut Norte, Badoc, Ilocos Norte	Owned	Good			
		Pozorrubio, Pangasinan	Owned	Good			
	Head Office						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
	B. INTERNATIONAL						
	Breweries						
	San Miguel Beer (Thailand) Ltd.	89 Moo2, Tiwanon Rd., Baan Mai, Muang , Pathumtani 12000, Thailand	Owned	Good			
	PT Delta Jakarta Tbk	Jalan Inspeksi Tarum Barat Desa Setia Dharma Tambun Bekasi Timur 17510, Indonesia	Building Owned. Land under Land Use Rights	Good			
	San Miguel Brewery Hong Kong Limited	22 Wang Lee Street, Yuen Long Industrial Estate, Yuen Long, New Territories, Hong Kong	Building-Owned; Land-Rented	Good	HKD 220,800.00	2047	No renewal options
	San Miguel (Guangdong) Brewery Co.,Ltd	San Miguel Road 1#, Longjiang Town, Shunde District, Guangdong Province, China	Owned	Good			
	San Miguel (Baoding) Brewery Co. Ltd.	Shengli Street, Tianwei West Road, Baoding City, Hebei Province, China	Owned	Good			
	San Miguel Brewery Vietnam Ltd.	Quoc Lo 1 , Suoi Hiep , Dien Khanh , Khanh Hoa	Owned	Good			
	Sales/Area Offices and Warehouses						
	San Miguel (China) Investment Co. Ltd.	1-7A, 1-9C, 1-7C Parkview Tower Chaoyang District Beijing 100027, China	Owned	Good			
	San Miguel Brewery Hong Kong Limited	9 th Floor, Citimark Building , No.28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, NT, Hong Kong	Land-Rented	Good	HKD 39,290.00	2047	No renewal options
	San Miguel Brewery Hong Kong Limited	San Miguel Industrial Building, No. 9-11 Shing Wan Road, Tai Wai, Shatin, NT, Hongkong	Land-Rented	Good	HKD 165,528.00	2047	No renewal options
	San Miguel (Guangdong) Brewery Co.,Ltd						
	San Miguel (Guangdong) Brewery Co.,Ltd	San Miguel Road 1#, Longjiang Town, Shunde District, Guangdong Province, China	Owned	Good			
	Guangzhou Admin Office	Room 1801, No.19 South East Road, Yuexiu District, Guangzhou,	Office Space-Rented	Good	RMB11,571.00	June 25, 2025	Renewable upon mutual agreement of both parties
	Shenzhen Sales Office	Room 319, 3rd Floor, Liangji Zhihui Building, No. 184 Qingquan Road, Longhua Street, Longhua District, Shenzhen	Office Space-Rented	Good	RMB 5,180.00	October 31, 2025	At the end of contract, in the same condition, we have the priority right of renewal, lease and rent will be discussed by both parties
	Apartment	Room 2801, Floor 2, Building 9, Poly Liangxi Garden, No. 36, Qingfeng West Road, Nanhai District, Foshan City, Guangdong Province, China	Apartment-Rented	Good	RMB 12,000.00	June 30, 2025	At the end of contract, in the same condition, we have the priority right of renewal, lease and rent will be discussed by both parties
	Apartment	Room 2201, Block 3, Zone 1, No. 26 Kerun Road, Chancheng District, Foshan City, Guangdong Province, China	Apartment - Rented	Good	RMB 6,000.00	November 30, 2025	At the end of contract, in the same condition, we have the priority right of renewal, lease and rent will be discussed by both parties
	San Remo Taiwan (SRT)						
	Taipei Office	3F-3, No.167, Fusing N. Rd., Taipei, Taiwan (ROC)	Office Space-Rented	Good	NTD143,800	April 15, 2025	At the end of contract , lease and rent will be discussed by both parties
	Taichung Office	No.159, Shuwang Rd., Dali Dist., Taichung City 412, Taiwan (R.O.C.)	Office Space-Rented	Good	NTD 39,000	December 31, 2025	At the end of contract , lease and rent will be discussed by both parties
	Kaohsiung Office	No.305-6, Renlin Rd., Renwu Dist., Kaohsiung City 814, Taiwan (R.O.C.)	Office Space-Rented	Good	NTD76,000	April 30, 2025	At the end of contract , lease and rent will be discussed by both parties
	San Miguel China Investment Company Limited	Rooms 1213 and 1218, 12F, No. 1 Building, No. 12 Nongzhanguan South Road, Chaoyang District, Beijing China 100026	Office Space-Rented	Good	RMB 13,654.00	September 30, 2026	Renewable upon mutual agreement of both parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	San Miguel Baoding Brewery Company Limited						
	San Miguel Baoding Brewery Company Limited	Shengli Street, Tianwei West Road, Baoding City ,Hebei Province, China	Land-Rented	Good	Entire rent paid at the start of lease term	June 01, 2046	Renewable upon mutual agreement of both parties
	San Miguel Baoding Brewery Company Limited	1-1-2601, Zhengyulvgu, Chaoyang North Street, Baoding City , Hebei Province, China	Office Space-Rented	Good	RMB 3,406.17	March 06, 2025	Renewable upon mutual agreement of both parties
	San Miguel Marketing Thailand Limited						
	North sales office	North Office 86-86/1 Sridonchai Rd., Tambon Chang Khlan, Amphur Muang Chiang Mai, Chiang Mai	Office Space-Rented	Good	THB 16,000.00	December 31, 2024	Renewable upon mutual agreement of both parties
	South sales office (Phuket)	14/4 Moo 4 , Tambon Wichit Amphor Muang, Phuket	Office Space-Rented	Good	THB 23,157.9	December 31, 2024	Renewable upon mutual agreement of both parties
	South sales office (Samui)	44/38 Moo 1 Tambon Maenam,Amphur Koh Samui Suratthani	Office Space-Rented	Good	THB 21,052.63	December 31, 2024	Renewable upon mutual agreement of both parties
	Northeast sales office	44/50 Moo 3 Chataphadung Rd, Thumbon Naimuang, Amphur Muang Khonkean	Office Space-Rented	Good	THB 11,578.95	December 31, 2024	Renewable upon mutual agreement of both parties
	Pattaya sales office	263/91 Moo 12 Tambon Nongprue Banglamung Chonburi	Office Space-Rented	Good	THB 25,263.16	December 31, 2024	Renewable upon mutual agreement of both parties
	San Miguel Brewery Vietnam Limited						
	San Miguel Brewery Vietnam Ltd.	Quoc Lo 1A, Suoi Hiep , Dien Khanh, Khanh Hoa	Land-Rented	Good	VND 44,185,733.00	November 12, 2044	Renewable upon mutual agreement of both parties
	Ho Chi Minh Sales Office	180 Nguyen Van Troi Street, Ward 8, Phu Nhuan Dist, HCM City	Leased	Good	USD 8,774.70	March 31, 2025	Renewable upon mutual agreement of both parties
	Da Nang Sales Office	180 2/9 Street, Da Nang City, Vietnam	Leased	Good	VND 28,000,000	October 05, 2026	Renewable upon mutual agreement of both parties
	Nha Trang Sales Office	Lot 33 TT2, K98 Tran Nhat Duat extended area, Phuoc Hoa Ward, Nha Trang City	Leased	Good	VND 26,000,000	March 31, 2026	Renewable upon mutual agreement of both parties
	Vung Tau Sale Office	80 Huyen Trang Cong Chua Ward 8, Vung Tau	Leased	Good	VND 7,700,000	June 30, 2025	Renewable upon mutual agreement of both parties
	Ho Chi Minh Warehouse	2 Truong Son Highway, Hamlet 2, Hiep Binh Phuoc Ward, Thu Duc City, Ho Chi Minh City	Leased	Fair	USD 1,280.00 + VND 4,000,000	May 09, 2025	Renewable upon mutual agreement of both parties
	Da Nang Warehouse	3rd Floor, 184 Tran Phu, Phuoc Ninh Ward, Hai Chau District, Danang	Leased	Fair	VND 8,500,000.00	April 24, 2025	Renewable upon mutual agreement of both parties
	Apartment	1/18 Nguyen Van Mai, Ward 4, Tan Binh District, HCMC Lease Location: Apartment Room No. 403 (4th floor)	Leased	Good	VND 15,500,000	August 18, 2025	Renewable upon mutual agreement of both parties
	Apartment	Apartment Rental K.17-08 (6 floor) of Kingston Residen	Leased	Good	VND 22,222,222	May 31, 2025	Renewable upon mutual agreement of both parties
	Apartment	Room 1670-Muong Thanh	Leased	Good	VND 8,000,000	April 01, 2025	Renewable upon mutual agreement of both parties
2	GINEBRA SAN MIGUEL INC.						
	A. HEAD OFFICE						
	GSMI Office Space	3rd and 6th Floors SMPC Bldg., St. Francis Ave., Ortigas Centre, Mandaluyong City	Owned	Good			
	GSMI Office Space	5th Floor SMPC Bldg., St Francis Ave., Ortigas Center, Mandaluyong City	Rented	Good	1,190,903.99	August 31, 2025	Renewable upon mutual agreement of both parties
	B. NORTH LUZON						
	Plants						
	GSMI Sta. Barbara Plant (Land and Facilities)	Tebag West, Sta. Barbara, Pangasinan	Owned	Good			
	EPSBPI Cauayan Plant (Land and Facilities)	San Fermin, Cauayan, Isabela	Owned	Good			
	Warehouse/Sales Office						
	EPSBPI Cauayan Warehouse	Prenza Highway San Fermin 3305 City of Cauayan Isabela Philippines	Owned	Good			
	GSMI Cauayan Sales Office	327 Prenza Highway, San Fermin, Cauayan Isabela	Owned	Good			
	EPSBPI Cauayan Warehouse	327 Prenza Highway, San Fermin, Cauayan Isabela	Owned	Good			
	GSMI Pua Warehouse 1	Don Jose Canciller St., Cauayan City, Isabela	Rented	Good	193,868.00	December 31, 2024	Renewable upon mutual agreement of both parties
	GSMI La Union Sales Office - Bauang	R-Hub Bldg. Disso-or 2501 Bauang La Union Philippines	Rented	Good	36,000.00	October 31, 2026	Renewable upon mutual agreement of both parties

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GSMI San Fernando Sales Office	#162 Baiti 2000 City of San Fernando Pampanga	Rented	Good	475,000.00	December 31, 2024	Renewable upon mutual agreement of both parties
GSMI Lunec Warehouse 1	Brgy. Lunec, Malasiqui, Pangasinan	Rented	Good	49,500.00	December 31, 2024	Renewable upon mutual agreement of both parties
GSMI New Marich Warehouse	Argonza St. San Fermin, Cauayan City, Isabela	Rented	Good	80,000.00	January 15, 2025	Short-term lease only
Depot						
GSMI Alcohol Depots #1 and #2	Brgy. Namonitan, Sto. Tomas (Damortis), La Union	Owned	Good			
Land						
GSMI Lingayen Property	Libsong East, Lingayen, Pangasinan	Owned	Good			
GSMI Olongapo Property	Sta. Rita, Olongapo City, Zambales	Owned	Good			
GSMI Minien West Sta. Barbara Property	Minien West, Sta. Barbara, Pangasinan	Owned	Good			
GMSI Maticmatic Sta. Barbara Property	Maticmatic, Sta. Barbara, Pangasinan	Owned	Good			
EPSBPI San Fermin Cauyan Isabela	San Fermin, Cauyan, Isabela	Owned	Good			
EPSBPI San Fermin Cauyan Isabela	San Fermin, Cauyan, Isabela	Owned	Good			
C. GMA						
Land						
GSMI Pandacan Sales Office_Land	631 Tomas Claudio St. Zone 93 Barangay 865 1011 Pandacan NCR, City of Manila, First District Philippines	Owned	Good			
Warehouse/Sales Office						
GSMI Pandacan Sales Office Facilities	631 Tomas Claudio St. Zone 93 Barangay 865 1011 Pandacan NCR, City of Manila, First District Philippines	Owned	Good			
GSMI Sucat Parañaque Sales Office	#8380 Dr. A. Santos Avenue, BF Homes, Parañaque City	Owned	Good			
GSMI Maybunga Pasig City Sales Office	403 F. Legaspi St. Maybunga 1607 City of Pasig NCR, Second District Philippines	Rented	Good	334,860.35	July 31, 2027	Renewable upon mutual agreement of both parties
D. SOUTH LUZON						
Plants						
EPSBPI Ligao Plant (Land and Facilities)	Km 503, Hacienda Mitra, Paulog, Ligao City, Albay	Owned	Good			
GSMI Cabuyao Plant (Land and Facilities)	Silangan Industrial Estate, Brgy. Pittland, Terelay Phase, Cabuyao, Laguna	Owned	Good			
Warehouse/Sales Office						
GSMI Ligao Sales Office	Km. 503, Hacienda Mitra, Brgy. Paulog, Ligao City, Albay 4504	Owned	Good			
EPSBPI Ligao Warehouse Extension	Km. 503, Hacienda Mitra, Brgy. Paulog, Ligao City, Albay 4504	Owned	Good			
GSMI Lucena Sales Office	Sales Office Building National Rd. Gulang-Gulang 4301 Lucena City (Capital) Quezon Philippines	Owned	Good			
GSMI Lucena Warehouse and Storage Facility (Land and Facilities)	Bgy. Gulang-gulang, Lucena City, Quezon	Owned	Good			
GSMI Cabuyao Warehouse	Telerey Phase Canlubang Industrial Estate Pittland 4025 City of Cabuyao Laguna Philippines	Owned	Good			
EPSBPI Ligao Warehouse	Hacienda Mitra Paulog 4504 City of Ligao Albay Philippines	Owned	Good			
Depot						
GSMI Cotta Depot	Francisco Ferdinand St., Teacher's Village, Bgy. Cotta, Lucena City	Owned	Good			
GSMI Tabangao Depot (Land and Tanks)	Bgy. Tabangao, Aplaya, Batangas City	Owned	Good			
GSMI Bauan Depot	San Pedro 4201 Bauan Batangas	Owned	Good			
Land						
GSMI Bauan Batagas	San Pedro 4201 Bauan Batangas Philippines	Owned	Good			
E. VISAYAS						
Plants						
GSMI Mandaue Plant (Land and Facilities)	Subangdaku, Mandaue City, Cebu	Owned	Good			
DBI Alcohol Distillery (Land and Facilities)	Km 13.5, Brgy. Taloc, Bago City, Negros Occidental	Owned	Good			
DBI Deepwell Sites (Land and Facilities)	Brgy. Taloc, Bago City, Negros Occidental	Owned	Good			

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Warehouse/Sales Office						
GSMI Bago City Sales Office	Km 13.5, Brgy. Taloc, Bago City, Negros Occidental	Owned	Good			
Distileria Bago, Inc. (Aged Alcohol Warehousing and Management)	Brgy. Taloc, Bago City, Negros Occidental	Owned	Good			
GSMI Tacloban Sales Office	Purok 1 Brgy. 91 Maharlika Highway, Abucay Tacloban City	Rented	Good	37,321.43	October 31, 2026	Renewable upon mutual agreement of both parties
GSMI Iloilo Sales Office	Arrowgo Warehouse, Tacas, Jaro, Iloilo City	Rented	Good	121,640.00	October 31, 2026	Renewable upon mutual agreement of both parties
GSMI Nothern Samar Sales Office	Sitio Cabicalan Londres Allen, Northern Samar	Rented	Good	50,000.00	August 31, 2026	Renewable upon mutual agreement of both parties
GSMI Escalante City Sales Office	Purok Makiangyon Alimango 6124 City of Escalante Negros Occidental Philippines	Rented	Good	40,000.00	March 15, 2026	Renewable upon mutual agreement of both parties
GSMI Mandaue City Warehouse	Mandaue Port, J. Cenniza St., Looc Mandaue City, Cebu	Owned	Good			
Depot						
GSMI Ouano Alcohol Depot (Tank)	Ouano, Mandaue City	Owned	Good			
Land						
DBI Relocation Site	Brgy. Calumangan, Bago City, Negros Occidental	Owned	Good			
DBI (160sq.m new acquisition)	Brgy. Taloc, Bago City, Negros Occidental	Owned	Good			
GSMI Bago Plant (Land)	Brgy. Calumangan, Bago City, Negros Occidental	Owned	Good			
GSMI Looc Land (Depot)	Mandaue Port, J. Cenniza St., Looc Mandaue City	Owned	Good			
F. MINDANAO						
Warehouse/Sales Office						
GSMI Davao Warehouse and Sales Office	Brgy. Talomo, Ulas, Davao City	Owned	Good			
GSMI Pagadian Sales Office	Highway Rizal Ave. Purok Nangka, Tuburan District. Pagadian City, Zamboanga del Sur	Rented	Good	25,000.00	August 31, 2027	Renewable upon mutual agreement of both parties
GSMI Cagayan de Oro Sales Office	Limac Warehouse Diversion Road Bulua Zone 8 9000 Cagayan De Oro City	Rented	Good	120,912.00	April 30, 2026	Renewable upon mutual agreement of both parties
GSMI Polomolok Sales Office	Door 10 BTY and Sons Dev. Corp Glamang 9504 Polomolok South Cotabato	Rented	Good	105,000.00 (September 01, 2024 to August 31, 2027) 115,500.00 (September 01, 2027 to August 31, 2029)	August 31, 2029	Renewable upon mutual agreement of both parties
3 FOOD GROUP						
Admin Office/Sales Office						
Iloilo Office - Agro Industrial Cluster	Melliza St., Iloilo City	Owned	Good			
Davao Region Office - Agro Industrial Cluster	2F, MPPP DavSur 2, Sitio Rambutan, Brgy. Darong, Sta.Cruz, Davao del Sur	Owned	Good			
NMIN Region Office (SMFI - AIC)	SMFI B-MEG Plant Mis.Or.2 Zone 4 Brgy Gracia Tagoloan Mis.Or.	Owned	Good			
Sta. Rosa Poultry Office (SMFI - Feeds, SMFI - AIC)	Sta. Rosa Complex, Bo. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
Admin Office and Feedmill/Processing Plant/Product Development Laboratory/Warehouse						
Cavite Admin Office, Magnolia Processing Plant & Depots - Magnolia Inc. (Magnolia)	Governor's Drive, Bo. De Fuego, Gen. Trias, Cavite	Owned	Good			
Depok Office and Poultry Processing Plant - PT San Miguel Purefoods Indonesia	Jl. Raya Bogor Km. 37 Sukamaju, Cilodong, Depok, Indonesia	Owned	Good			
Tarlac Office, Feedmill and Warehouse - Feeds	Luisita Industrial Park, San Miguel,Tarlac City	Owned	Good			
Bataan Feedmills and Warehouse - Feeds	Mindanao Avenue, Corner 10th Ave. BEZ, Mariveles, Bataan City	Owned	Good			
Pasig Office and Product Development Laboratory - SMFI-Corporate	SMFG Cmpd., Legaspi cor. Eagle St., Ugong, Pasig City	Owned	Good			
Bacolod Warehouse - San Miguel Mills Inc.	Reclamation Area, Barangay Poblacion, Bacolod City	Owned	Good			
Isabela Feedmill and Warehouse - Feeds	Bo. Soyung, Echague, Isabela City	Owned	Good			
Bulacan Feedmill and Warehouse (San Ildefonso) - Feeds	Brgy. Malipampang San Ildefonso, Bulacan	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Pangasinan Feedmill, Office and Laboratory - SMFI - Feeds	Brgy. Bued, Binalonan, Pangasinan City	Owned	Good			
	Admin Office & Magnolia Poultry Processing Plant - SMFI - Poultry	SMC Complex, Quebiawan, San Fernando, Pampanga	Owned	Good			
	Marikina Processed Meats Plant (used as warehouse) - Purefoods-Hormel	JP Rizal St., Bo. San Roque, Marikina City	Owned	Good			
	Camarines Sur Office - SMFI - AIC; Office, Quality Assurance Office, Magnolia Poultry Processing Plant, Cold Storage and Holding Room - SMFI - Poultry; Cold Storage - SMFI - Meats	Sta. Rita Industrial Estate, Sagurong, Pili, Camarines Sur	Owned	Good			
	Isabela Sales Office & BMEG Isabela Plant - SMFI - Poultry	Soyung, Echague, Isabela	Owned	Good			
	General Santos Office and Vetmed Hub - SMFI - Poultry	Puttingbato, Calumpang, Gen. Santos City	Owned	Good			
	Farm/Hatchery						
	Isabela Cattle Farm - Meats	3305 San Luis, Cauayan, Isabela City	Owned	Good			
	Calamba Hatchery - Poultry	Brgy Licheria, Calamba City	Owned	Good			
	Bataan Farm - Poultry	Brgy. General Lim, Orion, Bataan City	Owned	Good			
	Bukidnon Hatchery - Poultry	Kapitan Bayong, Impasug-ong, Bukidnon City	Owned	Good			
	Laguna Cattle Farm & R&D - SMFI - Meats; Office - SMFI - AIC	Brgy. Mabacan, Calauan, Laguna	Owned	Good			
	Camarines Sur Magnolia Poultry Hatchery - SMFI - Poultry; SMFI - AIC	Brgy. San Juan, Baao, Camarines Sur	Owned	Good			
	Magnolia Poultry Farm Davao Del Sur - SMFI - Poultry	Brgy Hagonoy Crossing, Hagonoy, Davao Del Sur	Owned	Good			
	Flourmill/Feedmill and Warehouse						
	Iloilo Feedmill - Feeds	Brgy. Gua-an, Leganes, Iloilo	Owned	Good			
	Mabini Flourmill - San Miguel Mills, Inc.	Brgy. Bulacan, Mabini, Batangas City	Owned	Good			
	Tabangao Flourmill - San Miguel Mills, Inc.	Brgy. Tabangao, Batangas City	Owned	Good			
	Bukidnon Feedmill - Feeds	Impalutao, Impasug-ong, Bukidnon City	Owned	Good			
	Davao Feedmill and Warehouse- Feeds	Sitio Landing, Brgy. Darong , Sta. Cruz, Davao Del Sur	Owned	Good			
	Pavia Iloilo Feedmill - SMFI - Feeds	Brgy. Mali-ao Pavia, Iloilo	Owned	Good			
	Ormoc Feedmill - SMFI - Feeds	Brgy. Macabug, Ormoc City	Owned	Good			
	Misamis Oriental Feedmill and Warehouse - SMFI - Feeds	Brgy Gracia, Sitio Kivulda, Phividec, Tagoloan, Misamis Oriental	Owned	Good			
	Mandaue Feedmill - SMFI - Feeds	JL Ceniza St., Brgy Looc, Mandaue City	Owned	Good			
	General Santos Feedmill - SMFI - Feeds	San Miguel Purefoods Compound, Rivera St., Calumpang, General Santos City	Owned	Good			
	Grain Terminal						
	Mabini Bulk Grain Handling Terminal - San Miguel Mills, Inc. (GBGTC)	Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas City	Owned	Good			
	Land						
	Pasig Land (Parking Lot) - Golden Avenue Corp. (GAC)	San Miguel Ave., Corner Tektite Road, Pasig City	Owned	Good			
	Bulacan Land - SMFI Feeds	Malipampang, San Ildefonso, Bulacan	Owned	Good			
	Bacolod Land - SMMI	Reclamation Area, Barangay Poblacion, Bacolod City	Owned	Good			
	Isabela Land - Feeds	Bo. Soyung, Echague, Isabela City	Owned	Good			
	Iloilo Land - Feeds	Brgy. Gua-an, Leganes, Iloilo	Owned	Good			
	Davao Land - SMFI - Feeds	Darong, Sta. Cruz, Davao	Owned	Good			
	Catbalogan Property (Land & Building) - SMFI - SMIS	Brgy. 048 Payao, Catbalogan City, Samar	Owned	Good			
	Cavite Land 1 (Magnolia)	Lot 1-E of Subdivision Plan (LRA), PSD-417836, Brgy. San Francisco, General Trias, Cavite	Owned	Good			
	Cavite Land 2 (Magnolia)	Lot 2 of the Consol.-Subd. Plan (LRA) PCS-32472, Barangay of De Fuego General Trias, Cavite	Owned	Good			
	Cavite Land 3 (Magnolia)	Lot 3, (LRA) PCS-32472, LRC Rec. No. 5964 Barangay of De Fuego, General Trias, Cavite	Owned	Good			

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Processing Plant						
Binh Duong Processing Plant - San Miguel Purefoods (VN) Co., Ltd.	An Tay, Ben Cat, Binh Duong, Vietnam	Owned	Good			
Cavite Processed Meat Plant - Purefoods Hormel Company, Inc.	Bo. De Fuego, Brgy. San Francisco, Gen. Trias, Cavite	Owned	Good			
Davao Processing Plant 2- SMFI - Poultry	Sitio Rambutan, Brgy. Darong, Sta.Cruz, Davao del Sur	Owned	Good			
Cavite Fresh Meat Processing Plant - Meats	Governor's Drive Bo. Langkaan 1, Dasmariñas Cavite City	Owned	Good			
Laguna Ice Cream Plant - Golden Food Management Inc. (GFMI)	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
San Fernando Processing Plant - SMFI - Feeds	SMC Complex, Quebiawan, San Fernando, Pampanga	Owned	Good			
Magnolia Poultry Processing Plant Pagbilao - SMFI - Poultry	Pagbilao, Quezon	Owned	Good			
MPPP Leyte - SMFI - Poultry	Brgy. Antipolo, Albura, Leyte	Owned	Good			
Processing Plant and Cold Storage						
Mandaue Poultry Processing Plant and Cold Storage - Poultry	Riverside, Canduman, Mandaue City	Owned	Good			
Sta. Rosa Cold Storage - SMFI - Poultry	LNPI Compound Sta. Rosa Industrial Complex, Pulong Sta. Cruz, City of Sta. Rosa, Laguna	Owned	Good			
Warehouse						
Sta. Rosa Warehouse - SMFI - SMIS	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa City, Laguna	Owned	Good			
Admin Office						
Ho Chi Minh Office - SMPFVN	6F Mekong Tower, 235-241 Ward 13, Tan Binh, Ho Chi Minh City, Vietnam	Rented	Good	VND 38,646,597.17/ PHP 90,560	July 31, 2025	Renewable every five years
Zamboanga Office - Agro Industrial Cluster	Don Alfonso Marquez Subd., MCLL Highway Tetuan Zamboanga City	Rented	Good	31,408.46	December 31, 2025	Renewable every three years
Bukidnon Office - Agro Industrial Cluster	Propia St., Malaybalay, Bukidnon	Rented	Good	147,321.43	January 31, 2025	Renewable every two years
Dumaguete Office - Agro Industrial Cluster	Unit 1-C, JC Building, Ipil Road, Brgy. Daro, Dumaguete City	Rented	Good	40,202.87	October 30, 2027	Renewable every three years
Bacolod Office - Agro Industrial Cluster	NFCC Cybercentre Complex, Lacson Cr. Hernaez St., Bacolod City	Rented	Good	334,530.00	December 31, 2025	One year (under tacit renewal until new rate is approved by Negros Sanguniang Panlalawigan)
C5 Pasig Office - SMFB, SMFI, PHC, Magnolia, Coffee, SMMI	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			
Tacloban Office - Agro Industrial Cluster	Unit 12, 2nd Floor Bldg. B, Metrobank Center, Juan Luna St., Brgy. Poblacion, Palo, Leyte	Rented	Good	59,588.98	October 21, 2028	Renewable every five years
Central Luzon Office - Agro Industrial Cluster	SMPFC Region Office, SMC Complex, Quebiawan, San Fernando, Pampanga	Owned	Good			
PD Laboratory	Legaspi cor Eagle St Brgy Ugong, Pasig City	Owned	Good			
Admin Office and Cold Storage/Processing Plant/Warehouse						
Butuan Office and Cold Storage - SMFI - AIC and SMFI - Poultry	Km 9 Tag-ibo Butuan City	Rented	Good	11,127.16 (Office) 449,450 (Processing Plant) 228,920 (Cold Storage) 220,530 (Holding Room)	December 31, 2025 (Office - AIC) December 31, 2025 (Cold Storage - Poultry)	Negotiations for the renewal shall commence six months before expiry date. The decision to renew or not to renew should be made by the parties within a period not exceeding three months from date of expiry
Misamis Occidental Office and Cold Storage - SMFI - AIC and SMFI - Poultry	Mailen, Clarin, Misamis Occidental	Rented	Good	133,090 (Cold Storage) 250,027 (Holding room) 14,946.00 (Office)	December 31, 2025	-Renewable every three years (Office) -Six months before expiry date. The decision to renew or not to renew should be made by the parties within a period not exceeding three months from date of expiry (Cold Storage & Holding Room)
Cebu Office, Labatory & Cold Storage - SMFI - Poultry	Brgy. Pangdan, Naga City, Cebu	Rented	Good	39,200.00 (Office and Labatory) 3,837,745.7 (Cold Storage & Warehouse)	January 31, 2025	Renewable every three years

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Mandaue Admin Office, Warehouse and Cold Storage - SMFI - Poultry	Lot 2459-B1&B2 Batiller Street, Barangay Umapad, Mandaue City	Rented	Good	654,740.00	Continuing unless terminated and agreed by both parties	Under renewal process
	JM1 Farm - SMFI - Meats	Brgy. Kalasungay, Malaybalay City	Rented	Good	650,000.00	August 31, 2025	Renewable every three years
	Cold Storage						
	Misamis Oriental Dressing Plant (Processing, Cold Storage, Holding Room)- Poultry	Mohon Tagoloan Misamis Oriental	Rented	Good	422,620.00	September 30, 2025	The Lessee maybe pre-terminate the Contract without cause by giving 60 days prior written notice to the Lessor
	Misamis Oriental Cold Storage - Meats	Sta. Ana, Tagoloan, Misamis Oriental	Rented	Good	118,552.00	September 30, 2025	Renewed upon the expiry of its contract term for the like period(s) under the same terms and conditions, except as may be otherwise agreed by the parties in writing
	Palawan Cold Storage - Poultry	Abara Road, Brgy. San Pedro, Puerto Princesa City, Palawan	Rented	Good	388,080.00	December 31, 2024	Renewable every year
	Cold Storage and Blast Freezing Facility/Holding Room/Laboratory/Warehouse/Processing Plant/Mixes Storage/Office						
	Bulacan Cold Storage and Holding Room - Poultry	#95 Landicho St., Brgy. Balasing, Sta. Maria, Bulacan	Rented	Good	182,249 (Cold Storage) 186,015 (Holding room)	May 31, 2025	Renewable every three years
	Pampanga Cold Storage & Selling Station-SMFI - Meats & Mixes Storage - Poultry	888 Quezon Rd, Brgy. San Isidro, San Simon, Pampanga	Rented	Good	1,967,612.59 (Cold Storage) 51,785.71 (Selling Station) 30,140 (Mixes Storage)	December 31, 2024 (Cold and Mixes Storage) June 30, 2024 (Selling Station)	Renewable upon mutual agreement of both parties
	Bulacan Cold Storage, Holding Room and Laboratory & Liquidator's Office- SMFI - Poultry	Brgy. Caysio, Sta. Maria, Bulacan	Rented	Good	2,851,878 (Cold Storage) 1,402,838 (Holding Room) 56,952 (Laboratory) 9,750 (Office)	February 28, 2025	Renewable every three years
	La Union Cold Storage, Holding Room and Laboratory - Poultry	Brgy. Rabon, Rosario, La Union 2506	Rented	Good	2,200,767 (Cold Storage & Holding Room) 72,081.00 (Laboratory)	September 30, 2026	Renewable every three years
	Pampanga Cold Storage, Holding Room and Labatory - SMFI - Poultry	Brgy. San Isidro, San Simon, Pampanga	Rented	Good	731,185 (Cold Storage) 317,853.00 (Holding Room) 49,090.00 (Labatory)	July 08, 2025	Renewable every three years
	Tarlac Cold Storage, Holding Room and Laboratory - Poultry	Brgy. San Nicolas Balas, Concepcion, Tarlac 2316	Rented	Good	1,810,069.00 (Cold Storage) 1,211,826.00 (Holding Room) 37,882.07 (Laboratory)	December 31, 2024	Renewable every three years
	Bataan Cold Storage and Holding Room - Poultry	Brgy. Tumalo, Hermosa, Bataan	Rented	Good	2,898,065(Cold Storage) 1,335,372 (Holding Room) 28,764.14 (Labatory)	December 31, 2024	Renewable every three years
	Nueva Ecija Cold Storage, Holding Room and Labatory- SMFI - Poultry	Km104, Brgy Tabuating, San Leonardo, Nueva Ecija	Rented	Good	693,070 (Cold Storage) 914,660.00 (Holding Room) 28,570.00 (Labatory)	March 08, 2027	Renewable every three years
	Iloilo Cold Storage and Processing Plant - Poultry	Barangay Tungay, Sta. Barbara, Iloilo	Rented	Good	902,691.69 (Cold storage) 474,483.96 (Processing plant)	December 31, 2026	Renewable every three years
	Negros Occidental Processing Plant and Cold Storage & Laboratory - Poultry	Hda Binunga, Brgy Guinhalaran, Silay City, Negros Occidental	Rented	Good	395,541.76 (Processing Plant) 1,804,330 (Cold Storage)	December 31, 2027	Renewable upon mutual agreement of both parties
	El Salvador Processing Plant; Cold Storage; Holding Room - SMFI Poultry	Upper Linabo, Brgy. Cogon, El Salvador City	Rented	Good	2,121,510 (Cold Storage) 453,490 (Holding room)	March 3, 2026	Six months before expiry date. The decision to renew or not to renew should be made by the parties within a period not exceeding three months from date of expiry

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Depot						
Iloilo Depot - Magnolia	3M Dragon, Leganes St., Brgy Lupa Santa Barbara Iloilo	Rented	Good	1,925,280.00	December 31, 2024	Renewable every year
Consolacion Cebu Depot - Magnolia	Cebu-North Road, Tayud, Consolacion, Cebu	Rented	Good	3,129,995.82	December 31, 2024	Renewable every year
Cagayan de Oro Depot - Magnolia	Brgy. Cugman, Cagayan de Oro City	Rented	Good	3,215,241.51	December 31, 2024	Renewable every year
Bacolod Depot - Magnolia	Magsasay Cor Araneta Sts., Brgy. Singcang, Bacolod City	Rented	Good	1,665,833.20	December 31, 2024	Renewable every year
Davao Depot - Magnolia	San Miguel Brewery Sales Office, Ulas Davao City	Rented	Good	87,746,089.33	December 31, 2025	Renewable every year
Foreshore						
Mabini Bulk Grain Handling Terminal Foreshore - GBGTC	Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas	Rented	Good	373,949.14	February 28, 2025	Lease may be renewed for another 25 years at the option of the DENR
Mabini Foreshore - San Miguel Mills, Inc.	Brgy. Bulacan, Mabini, Batangas	Rented	Good	49,089.06	Continuing unless terminated and agreed by both parties	Lease may be renewed for another 25 years at the option of the DENR; Under renewal process
Land						
Mabini Bulk Grain Handling Terminal (Land only) - GBGTC	Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas	Owned	Good			
Pangasinan Feedmill (Land only) - SMFI - Feeds	Brgy. Bued, Binalonan, Pangasinan	Owned	Good			
Mabini New Flourmill (Land Only) - SMMI	Brgy. Bulacan, Mabini, Batangas	Owned	Good			
Bataan Farm (Land only) - SMFI - Poultry	Brgy. General Lim, Orion, Bataan	Owned	Good			
Bataan Feedmill (Land only) - SMFI - Feeds	Mindanao Avenue, Corner 10th Ave. BEZ, Mariveles, Bataan	Rented	Good	1,459,250 (Plant 1) 867,642 (Plant 2) 962,064 (Extension warehouse)	December 31, 2054 - Plant 1 March 31, 2041 - Plant 2 & Extension Warehouse	Renewable upon mutual agreement of both parties
Cebu Land - San Miguel Mills, Inc.	P. Rodriguez Street & Dad Cleland Road, Poblacion, Lapu-Lapu, Cebu	Rented	Good	Jan-June : 4,042,478.91 July-Dec : 4,244,602.85	May 31, 2031	Renewable upon mutual written agreement of the parties
Pasig Office (Land Only) - San Miguel Foods, Inc. - Corporate	SMFG Cmpd., Legaspi cor. Eagle St., Ugong, Pasig	Owned	Good			
Laguna Ice Cream Plant (Land Only) - GFMI	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
Ready-to-Eat Plant (Land Only) - Great Food Solutions	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
Bulacan Feedmill (Land Only) - SMFI - Feeds	Brgy. Malipampang San Ildefonso, Bulacan	Owned	Good			
Davao Land - SMFI - Feeds	Sitio Landing, Brgy. Darong, Sta. Cruz, Davao Del Sur	Owned	Good			
Farm/Hatchery						
Bataan Hatchery Farm (Land only)- SMFI - Poultry	Brgy. General Lim, Orion, Bataan	Owned	Good			
Processing Plant						
Puerto Princesa Dressing Plant - Poultry	Brgy Tagburos, Puerto Princesa	Rented	Good	22,400.00	December 31, 2024	Renewable every two years
Lucena Processing Plant - Poultry	Brgy. Bocohan, Lucena	Rented	Good	1,534,600.00	December 31, 2025	Renewable every year
Isabela Processing Plant and Laboratory - SMFI - Poultry	Garit Sur, Echague Isabela	Rented	Good	3,541,247(Processing Plant); 40,765.17(Laboratory)	March 15, 2027	Renewable every three years
Rizal Processing Plant - Poultry	#1 Sitio Kapatagan, Brgy. Pinugay, Baras, Rizal	Rented	Good	327,431.86	December 31, 2025	Renewable every year
Batangas Processing Plant - Poultry	Brgy Aya, San Jose, Batangas	Rented	Good	3,314,850.00	December 31, 2024	Renewable upon mutual agreement of both parties
South Cotabato Processing Plant - Meats	Purok 3, Brgy. Glamang, Polomolok, South Cotabato	Rented	Good	208,272.87	August 31, 2025	Renewable upon mutual agreement of both parties
Tacloban Processing Plant - Poultry	Brgy. 69 Anibong, Tacloban City	Rented	Good	132,000.00	December 31, 2025	Renewable upon mutual agreement of both parties
Sales Office						
Iloilo Office - San Miguel Integrated Sales	Orbe St., Brgy. Baybay Norte, Miag-ao, Iloilo	Rented	Good	8,928.57	June 30, 2028	Renewable upon mutual agreement of both parties
Sales Office and Cold Storage/Laboratory/Warehouse						
Commissary Warehouse/Storage - SMMI, Purefoods-Hormel	Sta Rosa Industrial Complex, Pulong Sta Cruz, Sta. Rosa Laguna	Owned	Good			

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Warehouse						
LSL Multi-Serve-Managed Warehouses - SMFI - Feeds	Bay 6 Everland Agri Corp., Km. 12, Sasa, Davao City; Km. 11, Sasa, Davao	Rented	Good	529,750.00	December 31, 2025	Renewal every year
SMCSL-Managed Warehouses - SMFI - Feeds	Manila; Bataan; Batangas; Camarines Sur; Cebu; Iloilo; Bacolod; Cagayan de Oro; Ozamiz; Bukidnon; General Santos; Zamboanga; Davao	Rented	Good	40,190,860.58	December 31, 2026	Renewable every three years
D Meter-Managed Warehouses - SMFI - Feeds	Cristo Rey Capas, Tarlac 2315; 15 Victoria Hills St. Bungad, Project 7, Quezon City, Metro Manila	Rented	Good	600,976.83	December 31, 2024	Renewable upon mutual agreement of both parties
Tarlac Warehouse - SMFI - Feeds	Mabini, Moncada, Tarlac	Rented	Good	547,870.00	December 31, 2024	Renewable every year
Camarines Sur Warehouse - SMFI - Feeds	Santiago, Pili, Camarines Sur	Rented	Good	273,240.00	December 31, 2024	Renewable every year
Pangasinan Warehouse - SMFI - Feeds	Brgy. Barraca, Villasis, Pangasinan	Rented	Good	711,110.40	December 31, 2024	Renewable every year
Pangasinan Warehouse - SMFI - Feeds	Urdaneta, Pangasinan	Rented	Good	1,487,024.00	December 31, 2024	Renewable every year
Camarines Sur Warehouse - SMFI - Feeds	Brgy. San Jose & Sagurong, Pili, Camarines Sur	Rented	Good	617,971.20	December 31, 2024	Renewable every year
Parañaque Warehouse - SMFI - AIC, SMFI - SMIS and SMFI - Great Food Solutions (GFS)	Pacific Coast Plaza Building, 1st Villamor Street, Parañaque	Rented	Good	59,423.29 (AIC) 156,017.75 (SMIS) 24,433.47 (GFS)	December 31, 2024	Mutually be agreed upon between the parties.
Tarlac Warehouse - SMFI - Feeds	Brgy. Estrada Capas, Tarlac	Rented	Good	895,000.00	December 31, 2024	Renewable every year
Laguna Warehouse - SMFI - Poultry	Denson Warehouse, Brgy. Parian, Calamba, Laguna	Rented	Good	290,936.58	July 31, 2025	Renewable every year
Isabela Warehouse - SMFI - Feeds	Bo. Soyung, Echague, Isabela	Rented	Good	1,176,238.00	March 15, 2025	Renewable upon mutual agreement of both parties
Isabela Warehouse (Lucky J3 and J88)- SMFI - Feeds	Brgy. Victoria, Alicia, Isabela	Rented	Good	1,540,000.00	March 15, 2025	Renewable upon mutual agreement of both parties
Paranaque Warehouse - SMMI	8380 Dr. A. Santos Avenue, Barangay BF Homes, Parañaque City	Owned	Good			
Samar Warehouse-SMMI	Catbalogan Samar	Owned	Good			
Bulacan Warehouse - SMFI - Feeds	Cagayan Valley Rd, Brgy. Matimbubong, San Ildefonso, Bulacan	Rented	Good	700,000.00	December 31, 2024	Renewable upon mutual agreement of both parties
Batangas Warehouse - SMFI - Feeds	Brgy. Balibaguhan, Mabini Batangas	Owned	Good			
Bacolod Warehouse - SMFI - Feeds	Lot 1 Bredco Port, Brgy. Poblacion, Bacolod City	Owned	Good			
SMILSI ULAS Warehouse - SMFI - Poultry	San Miguel Brewery Regional Sales Office, Mac Arthur Highway, Ulas, Talomo, Davao City.	Owned	Good			
Davao Warehouse - SMFI - Feeds	Km. 15 National Highway Ilang, Davao City	Rented	Good	892,875.20	December 31, 2025	Renewable every year
SMCSL-Managed Warehouses - SMFI - AIC	Pasacao & Pili Camarines Sur	Rented	Good	1,352,628.00	December 31, 2025	Renewable every year
4 OTHERS- SAN MIGUEL FOOD AND BEVERAGE INC.						
Admin Office						
Pasig Office - San Miguel Food and Beverage, Inc. (SMFB)	17F, 18F, 21F, 22F, 23F JMT Corporate Condominium Building, ADB Avenue, Ortigas Center, Pasig City	Owned	Good			
Land						
Mabini Land - SMFB	Brgy. Bulacan, Mabini, Batangas City	Owned	Good			
Bukidnon	Capitan Bayong, Impasugong	Owned	Good			
Davao	Barrio Talomo, City of Davao	Owned	Good			
Zamboanga	Barangay Boalan, City of Zamboanga	Owned	Good			
Zamboanga	Brgy. Boalan, Mercedes, City of Zamboanga	Owned	Good			
South Cotabato	Burgos St, Pob. Surallah, South Cotabato	Owned	Good			
Misamis Oriental	Manticao, Misamis Oriental	Owned	Good			
Misamis Oriental	Bo. Carmen Cagayan De Oro, Misamis Oriental	Owned	Good			
Lanao Del Norte	Bgy Tacub, Kauswagan, Lanao Del Norte	Owned	Good			
Iligan	Bo. San Isidro, Iligan City	Owned	Good			
Camiguin	Malingin, Mainit, Catarman, Camiguin	Owned	Good			
Taytay Rizal	Barrio of Moson Taytay, Rizal	Owned	Good			
Quezon City	36 St. James St. Kingsport Subd., Novaliches, Quezon City	Owned	Good			
B. RENTED						
Admin Office						
Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
C5 Pasig Office	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
PACKAGING BUSINESS							
	A. DOMESTIC						
1	SAN MIGUEL YAMAMURA PACKAGING CORPORATION						
	SMYPC Main Office, SMYPC Trading and SMYPC Contract Packaging						
	Building / Office Space	San Miguel Properties Centre, Saint Francis St., Mandaluyong City	Owned	Good			
	SMYPC Rightpak Plant, SMYPC Canlubang PET & Caps Plant, SMYPC MCLP Canlubang Plant and SMYPC Leasing Operations						
	Land	Canlubang Industrial Estate, Canlubang, Laguna	Owned	Good			
	Land - under 150-3300	CBPP, SMC Complex, Mandaue City	Owned	Good			
	SMYPC Cebu Beverage Packaging Plant, SMYPC Cebu Glass Plant and SMYPC MCLP Mandaue Plant						
	Land	SMC Mandaue Complex, Hi-way, Tipolo, Mandaue City, Cebu	Owned	Good			
	SMYPC MCLP Mandaue						
	Warehouse - SMC	SMC Mandaue Complex, Hi-way, Tipolo, Mandaue City, Cebu	Owned	Good			
	Warehouse - Brewery	SMC Mandaue Complex, Hi-way, Tipolo, Mandaue City, Cebu	Owned	Good			
	SMYPC Cebu Beverage Packaging Plant & SMYPC Cebu Glass Plant						
	Warehouse	SMC Wharf, Tipolo, Mandaue City, Cebu	Owned	Good			
	SMYPC Cebu Glass Plant						
	Warehouse	Quano Wharf, Mandaue City	Owned	Good			
	Warehouse	GSK, Jagobiao, Mandaue City	Rented	Good	2,615,080.00	April 30, 2026	Renewable for a period in accordance with the mutual written agreement of both parties
	Warehouse	LDGP, Tayud, Consolacion	Rented	Good	453,065.00	October 14, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	Warehouse	Bassett Land, Tayud, Consolacion	Rented	Good	172,630.66	April 25, 2025	Renewed until April 25, 2025
	Warehouse	CBPP, SMC Complex, Mandaue City	Owned	Good			
	SMYPC San Fernando Bev. Packaging Plant						
	Land and Warehouse	Brgy. Maimpis, City of San Fernando, Pampanga (Gate 2, SMC PET Plant)	Owned	Good			
	Warehouse SMDCI	Brgy. Maimpis, City of San Fernando, Pampanga (Gate 2, SMC PET Plant)	Owned	Good			
	SMYPC Pet Recycling Plant and SMYPC MCLP San Fernando Plant						
	Land	SMC San Fernando Complex, Quebiauan, San Fernando City	Owned	Good			
	SMYPC Manila Glass Plant						
	Land	Muelle dela Industria St., Binondo, Manila City	Owned	Good			
	Warehouse	San Fernando Brewery, San Fernando, Pampanga	Owned	Good			
	Warehouses 1, 2 & 3	No. 35 Calle Malusak, San Pablo, Malolos City, Bulacan	Rented	Good	881,684.70	June 30, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	Warehouse Extension 2	Mabalas Brgy Calulut San Fernando Pampanga	Rented	Good	507,500.00	April 30, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	Warehouse Extension 3	Mabalas Brgy Calulut San Fernando Pampanga	Rented	Good	261,000.00	April 30, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	SMYPC Glass Business Office						
	Land	Barrio Halayhay, Tanza, Cavite	Owned	Good			
	SMYPC Manila Plastics Plant						
	GTU Warehouse	2068 B Candido St. Mapulang Lupa, Valenzuela City	Rented	Good	1,252,650.24	May 31, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	Bocau Warehouse (Ecostorage)	#276 Boontown Industrial Park Brgy. Tambobong, Bocaue , Bulacan	Rented	Good	525,000.00	September 30, 2025	Renewable for a period in accordance with the mutual written agreement of both parties -Renewed: Oct. 2024 to Sept. 2025
	MCLP Warehouse	MCLP warehouse ,Canlubang Laguna	Owned	Good			
	SMYPC MPP Cebu Operations						
	Inhouse MCO Warehouse	SMC Mandaue Complex, Hi-way, Tipolo, Mandaue City, Cebu	Owned	Good			
	SMCSL Warehouse	SMC Wharf, Tipolo, Mandaue City, Cebu	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Warehouse Rental of Bassette Land	Sitio Bangkerohan, Tayud, Consolacion	Rented	Good	620,978.40	December 31, 2025	Renewable for a period in accordance with the mutual written agreement of both parties -With renewal of contract for BPG Processing Jan 01, 2025 to Dec 31, 2025
	SMYPC SMY Glass Plant						
	Land	Km 27, Aguinaldo Highway, Imus, Cavite	Owned	Good			
	Land & Warehouse	Canlubang Industrial Estate, Canlubang, Laguna	Owned	Good			
	Warehouse San Simon	Quezon Road, San Simon, Pampanga	Rented	Good	606,100.00	March 31, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	Warehouse	Tagoloan, Misamis Oriental	Owned	Good			
	Springfield Warehouses	Sitio Pantay, Brgy. Maguyam, Silang Cavite	Rented	Good	1,827,990.0	June 04, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	STMI Warehouse	Km 52 Bo Lawa, Calamba Laguna	Rented	Good	2,255,040.00	April 15, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	Tagoloan Warehouse	Tagoloan Misamis Oriental	Owned	Good			
2	SMC YAMAMURA FUSO MOLDS CORPORATION	Governor Dr., Bo. De Fuego, Bgy. San Francisco, Gen. Trias, Cavite	Owned	Good			
3	MINDANAO CORRUGATED FIBREBOARD, INC.						
	Land	Km 12 Sasa, Davao City	Owned	Good			
4	CAN ASIA, INC.						
	Land	Bgy. San Francisco de Malabon, Gen. Trias, Cavite	Owned	Good			
	B. INTERNATIONAL						
5	SAN MIGUEL YAMAMURA PACKAGING INTERNATIONAL LTD. AND SAN MIGUEL YAMAMURA GLASS (VIETNAM) LTD.	9/F Citimark Building, 28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, N.T. Hongkong, PRC	Owned	Good			
6	ZHAOQING SAN MIGUEL YAMAMURA GLASS COMPANY LTD.						
	Plant	12 North Avenue, Housha St., Zhaoqing City Guangdong Province, PRC	Land Use Rights	Good			
	Warehouse	Duanzhou Science and Technology Industrial Area, Zhaoqing City	Rented	Good	533,652.26	January 31, 2026	Negotiation by both parties
	Warehouse	Duanzhou district Taihe Road Junfu Industrial Park third building four, Zhaoqing City	Rented	Good	719,278.26	September 30, 2025	Negotiation by both parties
	Storage yard	Duanzhou District Guangmao line road bridge bottom east, Zhaoqing City	Rented	Good	223,114.67	March 31, 2027	Negotiation by both parties
7	FOSHAN SAN MIGUEL YAMAMURA PACKAGING COMPANY LTD.	3 Dongdi Road, Junan Township, Guangdong Province, PRC	Land Use Rights	Good			
8	SAN MIGUEL YAMAMURA HAIPHONG GLASS COMPANY LTD.	17-A Ngo Quyen St., Ngo Quyen District, Haiphong City, Vietnam	Land Use Rights	Good			
9	SAN MIGUEL YAMAMURA PHU THO PACKAGING COMPANY LTD.	1 Le Van Khuong Street, Hiep Thanh Ward, District 12, Ho Chi Minh City, Vietnam	Land Use Rights	Good			
10	SAN MIGUEL YAMAMURA PLASTICS FILMS SDN. BHD.	No. 172, Jalan Usaha 5, lots 83, 84, 85, 75, 76 Ayer Keroh Industrial Estate, 75450 Melaka, Malaysia	Owned	Good			
11	SAN MIGUEL YAMAMURA PACKAGING AND PRINTING SDN. BHD. AND PACKAGING RESEARCH CENTRE SDN.	Lot 5078 and 5079, Jalan Jenjarum 28/39, Seksyen 28, 40400 Shah Alam, Selangor Darul Ehsan, Malaysia	Owned	Good			
12	SAN MIGUEL YAMAMURA WOVEN PRODUCTS SDN. BHD.						
	Office Space	Lot 9 and 10, Jalan Usuha 4, Ayer Keroh Industrial Estate, 75450 Melaka, Malaysia Lot 4305, Jalan Usaha 8, Ayer Keroh Industrial Estate, 75450 Melaka, Malaysia	Owned	Good			
	Plant	Lot 75, Jalan Usaha 5, Ayer Keroh Industrial Estate, 75450 Melaka	Rented	Good	MYR 22,932.00	December 31, 2024	The tenancy will automatically renew every two years for five consecutive terms subject to early termination.

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Warehouse	Lot 4320, Jalan Usaha 6, Ayer Keroh Industrial Estate, 75450 Melaka, Malaysia	Rented	Good	MYR 7,000.00	March 30, 2025	In the event that the tenant is desirous of extending the period of tenancy herein created, the landlord shall upon receipt of a written request from the tenant made not less than one month before expiration of the term hereby created, at the expense of the tenant, grant to the tenant a tenancy of the premises for a further term of one year from the expiration of the term (the "Renewal Term").
	Warehouse	83, Jalan Usaha 6, Kawasan Perindustrian Air Keroh, 75450 Melaka, Malaysia	Rented	Good	MYR 9,500.00	February 28, 2025	In the event that the tenant is desirous of extending the period of tenancy herein created, the landlord shall upon receipt of a written request from the tenant made not less than one month before expiration of the term hereby created, at the expense of the tenant, grant to the tenant a tenancy of the premises for a further term of one year from the expiration of the term (the "Renewal Term").
13	INSA ALLIANCE SDN. BHD.						
	Office Space	Plo 64 & Plo 65, Jln Kejuteraan 4, Kaw. Perindustrian, Jln Genuang, 85000 Segamat, Johor.	Owned	Burnt in fire			
	Plant	Plo 64 & Plo 65, Jln Kejuteraan 4, Kaw. Perindustrian, Jln Genuang, 85000 Segamat, Johor.	Owned	Burnt in fire			
	Warehouse	Plo 136, Jln Kejuteraan 4, Kaw. Perindustrian, Jln Genuang, 85000 Segamat, Johor.	Owned	Good			
	Plant	PT 3197, Jalan TP 3, Taman Perindustrian Bukit Rambai Fasa 6, 75260 Melaka.	Rented	Good	MYR 35,000.00	March 31, 2026	Renewable upon mutual agreement of both parties
14	SAN MIGUEL YAMAMURA AUSTRALASIA						
	Office	1 Culverston Road, Minto NSW, Australia	Rented	Good	AUD 167,742.27	July 31, 2027	Renewable upon mutual agreement of both parties
	Production	21 Huntsmore Road, Minto NSW, Australia (Unit 1)	Rented	Good	AUD 28,735.00	July 31, 2027	Renewable upon mutual agreement of both parties
	SMYC PTY LTD						
	Plant	21 Huntsmore Road, Minto NSW, Australia (Unit 2)	Rented	Good	AUD 32,578.71	July 31, 2027	Renewable upon mutual agreement of both parties
	Warehouse	21 Huntsmore Road, Minto NSW, Australia (Unit 3)	Rented	Good	AUD 33,842.39	July 31, 2030	Renewable upon mutual agreement of both parties
	Warehouse	117-121 Lewis Rd, Knoxfield, Victoria	Rented	Good	AUD 100,962.80	September 07, 2031	Renewable upon mutual agreement of both parties
	Warehouse	Warehouse 5, Acacia Link Industrial Estate, 25 Industrial Crescent, Willawong, Queensland	Rented	Good	AUD 44,148.95	October 31, 2027	Renewable upon mutual agreement of both parties
	Warehouse	30-32 Rosberg Rd, Wingfield, South Australia	Rented	Good	AUD 50,892.83	June 18, 2027	Renewable upon mutual agreement of both parties
	Warehouse	52 McDowell Street Welshpool, Western Australia	Rented	Good	AUD 46,666.67	September 30, 2029	Renewable upon mutual agreement of both parties
	Warehouse	22 Kinta Drive, Beresfield, Newcastle	Rented	Good	AUD 8,249.16	November 30, 2026	Renewable upon mutual agreement of both parties
	Warehouse	10-12 Linear Court, Derwent Park, Tasmania	Rented	Good	AUD 15,897.93	November 16, 2025	Renewable upon mutual agreement of both parties
	SMYBB PTY LTD						
	Plant	114-118 Talinga Road, Cheltenham, Victoria	Rented	Good	AUD 86,511.57	January 01, 2028	Renewable upon mutual agreement of both parties
	Plant	160 May Terrace Ottoway, South Australia	Rented	Good	AUD 53,801.56	October 17, 2026	Renewable upon mutual agreement of both parties
	Plant	160 May Terrace Ottoway, South Australia	Rented	Good	AUD 27,205.88	November 01, 2026	Renewable upon mutual agreement of both parties
	Plant	Lionels Vineyard, Payne Road Jindong, Western Australia (Margaret River)	Rented	Good	AUD 35,019.59	July 01, 2029	Renewable upon mutual agreement of both parties
	Plant/Office	Lot 147, Sturt Highway, Nuriootpa, South Australia	Rented	Good	AUD 46,284.52	February 01, 2031	Renewable upon mutual agreement of both parties
	Plant/Office	463-469 Cowra Avenue, Mildura, Victoria	Rented	Good	AUD 25,401.25	July 31, 2027	Renewable upon mutual agreement of both parties
	Plant/Office	487-501 Cowra Avenue, Mildura, Victoria	Owned	Good			
	Plant/Office	503-513 Cowra Avenue, Mildura, Victoria	Rented	Good	AUD 30,930.28	May 16, 2025	Renewable upon mutual agreement of both parties
	Plant	Port Adelaide Distribution Centre 25-91 Bedford Road Gillam SA	Rented	Good	AUD 27,748.85	July 06, 2025	Renewable upon mutual agreement of both parties
	SMYJ Pty Ltd						
	Plant	Warehouse 02, 95 South Gippsland Highway, Dandenong, South Victoria	Rented	Good	AUD 94,989	April 27, 2029	Renewable upon mutual agreement of both parties
	SMYV PTY LTD						
	Plant/Office	34-38 Aldershot Road, Lonsdale South Australia	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
15	COSPAK LIMITED	27 Ross Reid Place, East Tamaki, Auckland, New Zealand	Rented	Good	NZD 146,730.65	July 31, 2026	Renewable upon mutual agreement of both parties
16	FOSHAN NANHAI COSPAK PACKAGING COMPANY LIMITED	Beijia Team of Niande Village Committee, Nanfeng Road, Leping Town, Sanshui District, Foshan City, Guangdong Province, PRC	Rented	Good	¥ 60,262	October 31, 2026	Renewable upon mutual agreement of both parties
FUEL AND OIL BUSINESS							
1	PETRON CORPORATION						
	Refinery and Powerplant						
	Petron Bataan Refinery	Petron Bataan Refinery, Limay, Bataan	Owned	Good			
	Power Plant (Units 1, 2, 3, 4, 5 and 6)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Polypropylene Plant	PNOC-AFC Petrochemicals Estate Barangay Batangas Dos Mariveles, Bataan	Owned	Good			
	Metro Manila and Manufacturing						
	Terminal (Navotas)	PFDA CMPD., Navotas, M.M.	Rented Except Building & Facilities	Good	1,450,558.33	Aug 26, 2039	Renewable upon mutual agreement of both parties
	Terminal (Rosario)	Gen. Trias, Rosario, Cavite	Owned	Good			
	Terminal (Pandacan)	Jesus St., Pandacan, Manila	Owned	Good			
	Terminal (SLHBTC)	Tondo, Manila	Owned	Good			
	Lube Oil Manufacturing Plant	Block 12 and Pipeline Row, Harbour Centre, North Harbor, Tondo, Manila.	Owned	Good			
	Lube Oil Manufacturing Plant	Block 13, Harbour Centre, North Harbor, Tondo, Manila	Owned	Good			
	Airport Installations	Laoag Airport Installation, Laoag Airport, Brgy. Araniw, Laoag City	Rented Except Building & Facilities	Good	3,180.00	October 31, 2029	Renewable upon mutual agreement of both parties
	Airport Installations	NAIA Airport Installation (Petron) & JOCASP, JOCASP Compound, NAIA Complex, Pasay City	Rented Except Building & Facilities	Good	833,133.46	December 31, 2035	Renewable at the option of the lessee
	Luzon Operations						
	Terminal (Palawan)	Brgy. Masipag, Puerto Princesa City	Rented Except Building & Facilities	Good	182,325.94	November 30, 2028	Renewable at the option of the lessee
	Terminal (Palawan)	Parola, Brgy. Maunlad, Puerto Princesa City, Palawan	Owned	Good			
	Sales Office (Pasacao)	Sitio Camangui, Brgy. Santa Rosa del Sur, Pasacao, Camarines Sur	Rented Except Building & Facilities	Good	Jan - 489,675.38 Jun - 514,159.14	May 31, 2027	Renewable upon mutual agreement of both parties
	Terminal (Poro)	Poro Pt., San Fernando, La Union	Owned	Good			
	Terminal (Poro)	Poro Pt., San Fernando, La Union	Owned	Good			
	Sales Office (Calapan)	Sixteen Enterprises Compound, Brgy. Masipit, Calapan City, Oriental Mindoro	Rented	Good	Jan - 26,741.14 Jul - 28,078.19	June 30, 2027	Renewable upon mutual agreement of both parties
	Sales Office (San Jose)	Purok Tagumpay 2, Brgy. Caminawit, San Jose, Occidental Mindoro	Rented	Good	17,000.00	April 30, 2026	Renewable upon mutual agreement of both parties
	Sales Office (Masbate)	Masbate	Rented except Building & Facilities	Good	4,759.53	December 31, 2026	Renewable upon mutual agreement of both parties.
	Terminal (Batangas)	Bo. Mainaga, Mabini, Batangas	Owned	Good			
	Terminal (Bataan)	Limay, Bataan	Owned	Good			
	Sales Office (Odiongan)	Brgy. Pootoy, Odiongan, Romblon	Rented	Good	67,175.33	December 31, 2051	Renewable at the option of the lessee
	Terminal (SL PanAsia)	Limay, Bataan	Owned	Good			
	Terminal (SL PanAsia)	Limay, Bataan	Rented Except Building & Facilities	Good	43,836.00	December 31, 2024	Renewable upon mutual agreement of both parties
	Airport Installations	Puerto Princesa Airport, Palawan	Rented Except Building & Facilities	Good	80,762.50	September 30, 2025	Renewable upon mutual agreement of both parties

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Visayas Operations						
Depot (Amlan)	Tandayag, Amlan, Negros Oriental	Rented Except Building & Facilities	Good	57,594.16	November 30, 2033	Renewable at the option of the lessee
Terminal (Bacolod)	Bo. San Patricio, Bacolod City, Negros Occidental	Owned	Good			
Terminal (Bacolod)	Bo. San Patricio, Bacolod City, Negros Occidental	Owned	Good			
Depot (Siquijor Mini BP)	Candanay Sur, Siquijor	Rented Except Building & Facilities	Good	180,912.91	March 31, 2035	
Terminal (Iloilo)	Brgy. Mansaya, Lapuz, Iloilo City	Owned	Good			
Terminal (Iloilo)	Brgy. Mansaya, Lapuz, Iloilo City	Rented Except Building & Facilities	Good	4,200,000 (thruput-based)	April 04, 2039	Effective for 20 years
Terminal (Iloilo)	Brgy. Mansaya, Lapuz, Iloilo City	Owned	Good			
Depot (Isabel)	LIDE, Isabel, Leyte	Rented Except Building & Facilities	Good	740,740.67	February 28, 2025	Renewable upon mutual agreement of both parties
Terminal (Mactan)	MEPZ, Lapu- lapu City	Rented Except Building & Facilities	Good	780,000.00	September 30, 2045	Continuing unless terminated by both parties
Terminal (Mactan)	MEPZ, Lapu- lapu City	Rented Except Building & Facilities	Good	11,570.88	September 30, 2043	Continuing unless terminated by both parties
Terminal (Mactan)	MEPZ, Lapu- lapu City	Rented Except Building & Facilities	Good	104,000.00	December 31, 2024	Continuing unless terminated by both parties
Terminal (Ormoc)	Bo. Linao, Ormoc City, Leyte	Owned	Good			
Terminal (Ormoc)	Bo. Linao, Ormoc City, Leyte	Rented Except Building & Facilities	Good	5,000.00	May 31, 2025	Renewable upon mutual agreement of both parties
Terminal (Roxas)	Sitio Pook, Brgy. Culasi, Roxas, City	Owned	Good			
Terminal (Tacloban)	Brgy 69 Rawis Anibong, Tacloban City	Owned	Good			
Terminal (Tacloban)	Brgy 69 Rawis Anibong, Tacloban City	Rented Except Building & Facilities	Good	434,109.38	January 02, 2039	Renewable upon mutual agreement of both parties
Depot (Tagbilaran)	Graham Ave., Tagbilaran, Bohol	Owned	Good			
Terminal (Mandaue)	Looc, Mandaue City, Cebu	Owned	Good			
Terminal (Mandaue)	Looc, Mandaue City, Cebu	Owned	Good			
Airport Installations	Iloilo Airport, Cabatuan, Iloilo City	Rented Except Building & Facilities	Good	68,502.00	April 30, 2028	
Mindanao Operations						
Terminal (Davao)	Km. 9, Bo. Pampanga, Davao City	Owned	Good			
Terminal (Bawing)	Purok Cabu, Bawing, General Santos City	Owned	Good			
Terminal (Iligan)	Bo. Tomas Cabili, Iligan City, Lanao del Norte	Owned	Good			
Terminal (Jimenez)	Jimenez, Misamis Occidental	Rented Except Building & Facilities	Good	243,101.25	March 02, 2035	Renewable upon mutual agreement of both parties
Terminal (Jimenez)	Jimenez, Misamis Occidental	Rented Except Building & Facilities	Good	246,139.94	December 16, 2029	Renewable upon mutual agreement of both parties
Terminal (Nasipit)	Talisay, Nasipit, Agusan del Norte	Owned	Good			
Terminal (Nasipit)	Talisay, Nasipit, Agusan del Norte	Rented	Good	92,400.00	December 31, 2024	Renewable upon mutual agreement of both parties. Yearly renewal.
Terminal (Nasipit)	Talisay, Nasipit, Agusan del Norte	Rented	Good	7,310.00	July 31, 2029	Renewable at option of the lessee
Terminal (SL Phividec)	SL Phividec, Mindanao	Owned	Good			
Terminal (Tagoloan)	Tagoloan, Misamis Oriental PNOC- 13,836 sq m	Owned	Good			
Terminal (Tagoloan)	Tagoloan, Misamis Oriental - 13,499 sq m.	Owned	Good			
Terminal (Tagoloan)	Tagoloan, Misamis Oriental PHIVIDEC/NVRC (FLA)- 19,965 sq m.	Rented Except Building & Facilities	Good	187,161.22	February 9, 2034	Renewable at the option of the lessee
Terminal (Zamboanga)	Bgy. Campo Islam, Lower Calarian, Zamboanga City	Owned	Good			
Airport Installations	Laguindingan, Misamis Oriental CAAP- 4000 sq m.	Rented Except Building & Facilities	Good	224,210.00	March 30, 2025	Renewable upon mutual agreement of both parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Airport Installations	Davao Airport	Rented Except Building & Facilities	Good	36,792.00	December 31, 2024	Renewable upon mutual agreement of both parties
	Airport Installations	Zamboanga International Airport	Rented Except Building & Facilities	Good	94,684.80	November 30, 2029	Renewable at the option of the lessee
	Gasul Operations						
	Depot (LPG Operation)	Lakandula Drive, brgy. Bonot, Legaspi City	Owned	Good			
	Depot (Gasul - San Fernando)	Brgy Dela Paz Norte, San Fernando, Pampanga	Owned	Good			
	Refilling Plant (San Pablo)	San Pablo	Owned	Good			
	Terminal (Gasul – Pasig)	100 E. Rodriguez Jr. Avenue (C-5 Road) Brgy. Ugong, Pasig City, Metro Manila	Owned	Good			
2	PETRON MALAYSIA REFINING & MARKETING BHD						
	Refinery						
	Port Dickson Refinery	Lot 1222, 1593-1595, 1757, 1803, 1805, 1836, 1838, 1926-1930, 2645-2647, 12111-12112, 30151-30156 Mukim Port Dickson, Negeri Sembilan	Owned	Good			
	Lumut LPP plant	Lot 15636, Lumut Port Industrial Park, Mukim Lumut, Jalan Kampung Acheh, Sitiawan, Perak.	Owned	Good			
	Terminals and Depots						
	Port Dickson Terminal	Batu 1.5, Jalan Pantai, 71009 Port Dickson, Negeri Sembilan	Owned	Good			
	Bagan Luar Terminal	Lot 95-125, Lot 2327-2338 Section 4 Butterworth, Seberang Perai Utara, Penang	Owned	Good			
	KLIA Aviation Depot	Forward Fuel Base, Jalan FFB Kuala Lumpur International Airport (KLIA) 64000 Sepang Selangor Darul Ehsan, Malaysia	Rented	Good	MYR 8,976.00	Continuing unless terminated and agreed by both parties	Contract automatically renewed on yearly basis unless terminated in accordance with the termination provision in the agreement
	KVDT- MPP (Tie-in facilities for MPP/KVDT)	GM 1397 Lot 194 Mukim and Daerah Port Dickson Negeri Sembilan	Rented Except Building & Facilities	Good	MYR 8,100.00	June 30, 2026	Renewable upon mutual agreement of both parties
3	PETRON FUEL INTERNATIONAL SDN BHD						
	Kuantan Terminal	Lot 1863, Mukim Sungai Karang, Tanjung Gelang, Kuantan Port, 26100 Kuantan. PAHANG	Rented	Good	Terminal 1 MYR 20,895.61 Terminal 2 MYR 19,693.79	Terminal 1 December 2027 Terminal 2 December 2027	Current rate is RM13.27 per square meter per year from January 1, 2022 until December 31, 2025 and shall be increased by 10% on January 1, 2026 and after every three years thereafter.
	Pasir Gudang Terminal	Jalan Cecair Satu, Kawasan Perdagangan Bebas, Lembaga Pelabuhan Johor, 81700 Pasir Gudang, Johor.	Rented	Good	MYR 5,976.43 (Monthly Rental for 11.95 Acres land)	June 2051	An option for renewal for a period of 30 years. Note: Revision of assessment fee effective 2017 by Johor Port after approval by MPPG.
	Westport JV	Terminal Bersama Sdn Bhd, Jeti Petrokimia, Pelabuhan Barat, 49290 Pulau Indah, Selangor	Rented	Good	MYR 126,487.35	August 01, 2070	Renewable upon expiry of lease term
4	PETRON OIL (M) SDN BHD						
	Tawau Terminal	Jalan Tg Batu Laut, 91000 Tawau, Sabah	Rented Except Building & Facilities	Good	MYR .125 (Yearly Rental - MYR 1.50)	October 2902	No option stated in the agreement
	Sandakan Terminal	Jalan Kampung Karamunting, Sandakan, Sabah	Rented Except Building & Facilities	Good	MYR 778,000.00 (Total Rental)	December 31, 2078	Revised lease offered to start from January 1, 2019 for a period of 60 years. The lease has been fully paid in 2021.
	Sepangar Bay Terminal	P.O. Box 10558, Kota Kinabalu 88806, Sabah	Rented Except Building & Facilities	Good	MYR 25,333.33 (Yearly Rental - MYR 304,000.00)	July 2031	An option for renewal for a period of 15 years.

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
ENERGY BUSINESS							
1	SUAL POWER INC.						
	1200 MW Sual Coal-Fired Thermal Power Plant	Brgy. Pangascasan, Sual, Pangasinan	Owned	Good			
	Land (where the 1200 MW Sual Coal-Fired Power Plant and related facilities are situated)	Brgy. Pangascasan, Sual, Pangasinan	Rented	Good	Initial Tranche - 277,048,301 Final Payment prior to March 2025 - 6,462,841,411	October 25, 2049	Renewable for another 25 years or the remaining corporate life of the Lessor if its original corporate life is extended, whichever is shorter, upon mutual written agreement of both parties. With assignable option to purchase upon issuance by the Lessor of an Option Existence Notice.
2	SAN ROQUE HYDROPOWER INC.						
	345 MW San Roque Multi-Purpose Hydroelectric Power Plant	Brgy. San Roque, San Manuel, Pangasinan	IPPA with PSALM	Good			
3	SOUTH PREMIERE POWER CORP.						
	1200 MW Ilijan Natural Gas Combined Cycle Power Plant	Brgy. Ilijan, Batangas City, Batangas	Owned	Good			
	Land (where the 1200 MW Ilijan Natural Gas Combined Cycle Power Plant and related facilities are situated)	Brgy. Ilijan, Batangas City, Batangas	Owned	Good			
	Natural Gas Receiving Facility (NGRF) and the land where it is situated	Brgy. Ilijan, Batangas City, Batangas	Rented ^(a)	Good	\$11,483,761.89 (one time payment)	April 4, 2047	Renewable for another 25 years or the remaining corporate life of the Lessor if its original corporate life is extended, whichever is shorter, upon mutual written agreement of both parties. With assignable option to purchase upon issuance by the Lessor of an Option Existence Notice.
4	LIMAY POWER INC. ^(b)						
	Phase I - 2 X 150 MW Coal-Fired Power Plant (Units 1 and 2)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Phase II - 2 X 150 MW Coal-Fired Power Plant (Units 3 and 4)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land - Site 1 (where a portion of the Phase I power plant and related facilities are situated)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land - Site 2 (where a portion of the Phase II power plant and related facilities are situated)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land (Ash Dump Facility)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Offshore/Foreshore land	Brgy. Lamao, Limay, Bataan	Rented	Good	2,034,084.17	December 2042	Renewable for another 25 years at the option of the Lessor
	Land - Site 3 (where a portion of the Phase II power plant and related facilities are situated)	Brgy. Lamao, Limay, Bataan	Rented	Good	512,248.44	March 2042	Renewable for another 25 years to be agreed by both parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
5	MALITA POWER INC. ^(c)						
	2 X 150 MW Coal-Fired Power Plant (Units 1 and 2)	Brgy. Culaman, Malita, Davao Occidental	Owned	Good			
	5 X 1.6 MW Diesel Generator Set	Brgy. Sangali, Zamboanga, Philippines	Owned	Good			
	1 X TM2500 60HZ Mobile Gas Turbine Generator	Brgy. Sangali, Zamboanga, Philippines	Owned	Ongoing construction			
	Land (where Units 1 and 2 power plant and related facilities are situated)	Brgy. Culaman, Malita, Davao Occidental	Owned	Good			
	Offshore/Foreshore land	Brgy. Culaman, Malita, Davao Occidental	Rented	Good	55,300.51	February 2043	Renewable for another 25 years at the option of the Lessor
	Offshore/Foreshore land	Brgy. Culaman, Malita, Davao Occidental	Rented	Good	558,354.47	February 2043	Renewable for another 25 years at the option of the Lessor
	Offshore/Foreshore Land	Brgy. Culaman, Malita, Davao Occidental	Rented	Good	387,903.40	February 2048	Renewable for another 25 years at the option of the Lessor
	Offshore/Foreshore Land	Brgy. Culaman, Malita, Davao Occidental	Rented	Good	570,000.00	May 2048	Renewable for another 25 years at the option of the Lessor
	Offshore/Foreshore Land	Brgy. Culaman, Malita, Davao Occidental	Rented	Good	754,780.02	May 2048	Renewable for another 25 years at the option of the Lessor
6	GRAND PLANTERS INTERNATIONAL INC.						
	Land - Site 1 (where a portion of the LPI Phase I and II power plants and related facilities are situated) ^(b)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land - Site 1 (where the 50 MW Lamao battery energy storage system [BESS] facility of SMGP BESS Power Inc. is situated) ^(e)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land - Site 2	Brgy. Alangan, Limay, Bataan	Owned	Good			
	Land	Brgy. Biaan, Mariveles, Bataan	Owned	Good			
	Land	No. 169 E. Delos Santos Avenue, Mandaluyong City	Rented	Good	892,857.14	March 22, 2036	Renewable
	Land	Brgy. Batangas II, Mariveles, Bataan	Owned	Good			
	Land	Brgy. Alion, Mariveles, Bataan	Owned	Good			
7	MASINLOC POWER CO. LTD. ^(d)						
	344 MW coal-fired power plant (Unit 1)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
	344 MW coal-fired power plant (Unit 2)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
	335 MW coal-fired power plant (Unit 3)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
	350 MW coal-fired power plant (Unit 4)	Brgy. Bani, Masinloc, Zambales	Owned	Ongoing construction			
	350 MW coal-fired power plant (Unit 5)	Brgy. Bani, Masinloc, Zambales	Owned	Ongoing construction			
	10 MW battery energy storage project (Phase 1)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
	20 MW battery energy storage system (Phase 2)	Brgy. Bani, Masinloc, Zambales	Owned	Substantially complete			
	Land (where Units 3, 4, 5 power plants and related facilities are situated)	Brgy. Bani, Masinloc, Zambales	Rented	Good	Lease with PSALM - US\$3,966.43	April 2028	With assignable option to purchase
8	ALPHA WATER REALTY SERVICES CORPORATION ^(d)						
	Land (where Units 1, 2, 3, 4 and 5 power plant and related facilities, and the 10 MW and 20 MW Battery Energy Storage Systems (BESS) projects of MPCL are situated)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
	Land (where the transmission line of Units 4 and 5 of MPCL is situated)	Brgy. Bani, Masinloc, Zambales	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
9	SMGP KABANKALAN POWER CO. LTD.						
	Land (where the 20 MW and 10MW BESS are situated)	Brgy. Binicuil, Kabankalan, Negros Occidental	Owned	Good			
	20 MW BESS (Phase 1)	Brgy. Binicuil, Kabankalan, Negros Occidental	Owned	Good			
	10 MW BESS (Phase 2)	Brgy. Binicuil, Kabankalan, Negros Occidental	Owned	Substantially complete			
10	MARIVELES POWER GENERATION CORPORATION ^(a)						
	Units 1, 2 and 3 Coal-Fired Power Plant	Sitio Lusong, Brgy. Bataan, Mariveles, Bataan	Owned	Good			
	Unit 4 Coal-Fired Power Plant	Sitio Lusong, Brgy. Bataan, Mariveles, Bataan	Owned	Ongoing construction			
	Land (where the 4 x 150 MW coal-fired power plant project is situated)	Sitio Lusong, Brgy. Bataan, Mariveles, Bataan	Owned	Good			
	Land (where the transmission network project is situated)	Sitio Lusong, Brgy. Bataan, Mariveles, Bataan	Owned	Good			
	Land (for transmission line)	Brgy. Malaya and Maligaya, Mariveles Bataan	Rented	Good	33,528,000 (one time payment)	October 31, 2046	Renewable upon mutual agreement by both parties
	Land (for transmission line)	Brgy. Bataan, Mariveles, Bataan	Owned	Good			
11	TOPGEN ENERGY DEVELOPMENT INC.						
	Land (where the 10 MW Tagum BESS project of SMGP BESS is situated) ^(b)	Brgy. Magdum Tagum City, Davao del Norte	Owned	Good			
	Land	Barrio Centro Occidental, Polangui, Albay	Owned	Good			
	Land	Brgy. Penafrancia, Daraga, Albay	Owned	Good			
	Land	Sta. Maria, Davao del Sur	Owned	Good			
	Land	Culaman, Malita, Davao del Sur	Owned	Good			
	Land	Lais, Malita, Davao del Sur	Owned	Good			
	Land	Lais, Malita, Davao Occidental	Owned	Good			
	Land	Sulop, Davao del Sur	Owned	Good			
12	SMGP BESS POWER INC. ^(b)						
	Land and 20 MW Malita BESS	Brgy. Culaman, Malita, Davao Occidental	Owned	Good			
	Land and 50 MW Lamac BESS	Brgy. Lamac, Limay, Bataan	Owned	Good			
	Land and 40 MW Bataan Combined Cycle Power Plant BESS	Brgy. Luz, Limay, Bataan	Land - Rented; BESS - Owned	Land - Good; BESS - Good	215,804.45	April 15, 2045	Renewable upon mutual agreement by both parties
	Land and 20 MW Jasaan BESS	Jasaan, Misamis Oriental	Land - Rented; BESS - Owned	Land - Good; BESS - Good	300,000.00	April 15, 2045	Renewable upon mutual agreement by both parties
	Land and 20 MW Toledo BESS	Calong-calong and Talevera, Toledo City, Cebu	Land - Rented; BESS - Owned	Land - Good; BESS - Good	110,000.00	April 15, 2045	Renewable upon mutual agreement by both parties
	Land and 20 MW Villanueva BESS	Brgys. Sta. Ana, Tagaloan and San Maritin , Villanueva, Phividec Industrial Estate of Misamis Oriental - Special Economic Zone (PIEMO-SEZ)	Land - Rented; BESS - Owned	Land - Good; BESS - Substantially complete	342,368.34	June 04, 2045	Renewable upon mutual agreement by both parties
	Land and 20 MW Tabango BESS	Brgy. Tugas, Tabango, Leyte	Land - Rented; BESS - Owned	Land - Good; BESS - Ongoing Construction	4,326.85	March 01, 2036	Renewable upon mutual agreement by both parties
	Land - for the underground facility interconnecting the 20MW Tabango BESS to NGCP transmission lines	Barrio Tabango, San Isidro, Leyte	Rented	Good	95,250.23	September 26, 2032	Renewable upon mutual agreement by both parties
	Land and 50 MW Mexico BESS	Brgy. San Jose Matulid, Mexico, Pampanga	Owned	Land - Good; BESS - Ongoing Construction			
	Land and 20 MW Mexico-2 BESS	Brgy. San Jose Matulid, Mexico, Pampanga	Land - Rented; BESS - Owned	Land - Good; BESS - Ongoing Construction	372,023.81	June 03, 2036	Renewable upon mutual agreement by both parties
	Land and 20 MW Maco BESS	Brgys. Dumlan and Concepcion, Maco, Compostela Valley, Davao del Norte	Owned	Land - Good; BESS - Good			
	Land and 40 MW Gamu BESS	Brgy. Lenzon, Gamu, Isabela	Owned	Land - Good; BESS - Substantially complete			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Land and 40 MW Magapit BESS	Brgy. Magapit, Lal-lo, Cagayan	Owned	Land - Good; BESS - Substantially complete			
	Land and 20 MW Ubay BESS	Brgy. Imelda, Ubay, Bohol	Owned	Good			
	Land and 50 MW San Manuel BESS	Brgy. Sto. Domingo, San Manuel, Pangasinan	Owned	Land - Good; BESS - Good			
	Land and 50 MW Concepcion BESS	Brgy. Sta. Rosa, Concepcion, Tarlac	Owned	Land - Good; BESS - Substantially complete			
	Land and 40 MW Ormoc BESS	Brgy. Dolores, Ormoc City, Leyte	Owned	Land - Good; BESS - Substantially complete			
	Land and 50 MW Lumban BESS	Brgy. Halang & Lewin, Lumban, Laguna	Owned	Land - Good; BESS - Ongoing Construction			
	Land and 10 MW Tagum BESS	Brgy. Magdum Tagum City, Davao del Norte	Owned	Land - Good; BESS - Ongoing Construction			
	Land and 80 MW Mariveles BESS	Mariveles, Bataan	Owned	Land - Good; BESS - Ongoing Construction			
13	EXCELLENT ENERGY RESOURCES INC. (EERI)						
	Batangas Combined Cycle Power Plant (BCCPP)	Barangay Ilijan and Dela Paz, Batangas	Owned	Ongoing Construction			
	Land (to be used as water source for BCCPP)	Barangay Dela Paz, Batangas	Owned	Good			
14	SAN MIGUEL GLOBAL POWER HOLDINGS CORP.						
	C5 Office Space	100 E. Rodriguez Jr. Avenue (C-5 Road) Brgy. Ugong, Pasig City, Metro Manila	Owned	Good			
15	MULTI-VENTURES INVESTMENT HOLDINGS, INC.						
	Land	Ternate, Naic and Maragondon, Cavite	Owned	Good			
16	SMC GLOBAL LIGHT AND POWER CORP.						
	Land (for planned Solar Power Project)	Barangay San Luis, Cauayan City, Isabela	Owned	Good			
	Land (for planned Solar Power Project)	Barangay Lucanin, Mariveles, Bataan	Owned	Good			
17	ILIJAN PRIMELINE INDUSTRIAL ESTATE CORP.						
	Land (a portion of which are used (i) for the BCCPP and related facilities of EERI and (ii) for the Liquefied Natural Gas Terminal of a third party)	Barangays Ilijan and Dela Paz, Batangas	Owned	Good			
18	SMC POWERGEN INC.						
	Land (where the 20 MW Ubay BESS facility of SMGP BESS is situated) ^(f)	Brgy. Imelda, Ubay, Bohol	Owned	Good			
19	BLUE EAGLE STAR, CORP.						
	Land	Maragondon and Ternate, Cavite	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
INFRASTRUCTURE BUSINESS							
1	SAN MIGUEL HOLDINGS CORP.						
	Office Space	Wing A and B - 11/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
	Office Space	20/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
	Office Space - 83 sq meters	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
	Office Space	4th Floor San Miguel Properties Center St. Francis Street Mandaluyong City	Owned	Good			
	Office Space - 635.75 sq meters	Unit C and D - 23rd Floor of the JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City	Owned	Good			
	Office Space	19th floor San Miguel Properties Centre St. Francis St. Ortigas Center Mandaluyong City	Owned	Good			
	Office Space	Unit A - 18th Floor of the JMT Corporate Condominium, ADB Avenue, Ortigas Center Pasig City	Owned	Good			
2	SMC NAIAX Corporation						
	Office Space	11/F San Miguel Properties Centre, St. Francis Street, Mandaluyong City	Owned	Good			
	Office Space	Unit C 18th Floor of the JMT Corporate Condominium, ADB Avenue, Ortigas Center	Owned	Good			
	Parking	(B-4) JMT Corporate Condominium, ADB Avenue, Ortigas Center	Owned	Good			
3	TERRAMINO HOLDINGS, INC AND ASSETVALUES HOLDING COMPANY, INC.						
	Office Space	11F and 20/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
4	UNIVERSAL LRT CORPORATION (BVI) LIMITED						
	Office Space	11/F San Miguel Properties Centre, St. Francis Street, Mandaluyong City	Owned	Good			
5	TRANS AIRE DEVELOPMENT HOLDINGS, CORP.						
	Office Space	Wing B 2/F 40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
6	SMC TPLEX HOLDINGS COMPANY, INC.						
	Land	Emilio Vergara Highway Corner Mabini Street Extension, Sta. Arcadia, Cabanatuan, Nueva Ecija	Owned	Good			
	Land	Maharlika Highway, Malipampang, San Ildefonso, Bulacan	Owned	Good			
7	SMC TPLEX CORPORATION						
	Office space (Old)	Unit 06 UG Pioneer Highlands Condo Tower 2, Pioneer corner Madison Streets, Mandaluyong City	Owned	Good			
	Office space	11th Floor San Miguel Properties Center St. Francis Street Mandaluyong City	Owned	Good			
	Office space	The JMT Bldg, ADB Ave. Ortigas Center, Pasig City	Owned	Good			
	Parking	The JMT Bldg, ADB Ave. Ortigas Center, Pasig City	Owned	Good			
	DPWH Office & Lodging	Narang-Ay Apartment, San Nicolas, Villasis, Pangasinan	Rented	Good	18,947.37	December 31, 2025	Subject to renewal or extension as mutually agreed between the parties
	DPWH Office & Lodging - Section1&2	Arnel M. Flores Poblacion 1, Gerona Tarlac	Rented	Good	5,500.00	December 31, 2025	Subject to renewal or extension as mutually agreed between the parties
8	OPTIMAL INFRASTRUCTURE DEVELOPMENT, INC.						
	Land	Manila Harbour Centre, Brgy. 128 Zone 10 (Isla de Balut/Vitas), Tondo, Manila City	Owned	Good			
9	WISELINK INVESTMENT HOLDINGS, INC.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
10	ATLANTIC AURUM INVESTMENTS B.V.						
	Office Space	Museumlaan 2, 3581 HK, Utrecht, The Netherlands	Owned by the Service Provider	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
11	STAGE 3 CONNECTOR TOLLWAYS HOLDINGS CORPORATION						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
12	SMC SKYWAY STAGE 3 CORPORATION						
	Office Space	Unit D - 18th Floor of the JMT Corporate Condominium ADB Avenue, Ortigas Center Pasig City	Owned	Good			
	Office Space	11/F San Miguel Properties Centre, 7 St. Francis Street, Mandaluyong City	Owned	Good			
	Office Space	23rd Floor One Magnificent Mile-CITRA Building, San Miguel Avenue, Ortigas Center 1605 Pasig City	Owned	Good			
13	SMC SKYWAY CORPORATION						
	Office Space	21st to 24th Floors One Magnificent Mile-CITRA Building, San Miguel Avenue, Ortigas Center 1605 Pasig City	Owned	Good			
	Office Space	3/F Toll Operations Building, Doña Soledad Avenue, Brgy. Don Bosco, Parañaque City	Owned	Good			
	Office Space	11/F San Miguel Properties Centre, #7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			
14	SKYWAY O&M CORPORATION						
	Office Space	1st ,2nd & 3rd Floors TOB Doña Soledad Avenue, Bicutan, Paranaque City	Owned	Good			
15	ALLOY MANILA TOLL EXPRESSWAYS INC.						
	Office Space	GF Operations and Control Center, Km.44 South Luzon Expressway, Sitio Latian, Brgy. Mapagong, Calamba City, Laguna	Owned by ROP (South Luzon Tollway Corporation Concession Rights)	Good			
	Land	Km.44 Sitio Latian, Brgy. Mapagong, Calamba City, Laguna	Owned	Good			
16	JETHANDLER ASIA SERVICES, INC.						
	Office Space	Caticlan, Malay, Aklan	Rented	Good	67,611.86	August 31, 2027	Renewable upon mutual agreement in writing by the parties through their duly authorized representatives
	Lot Rental	Caticlan, Malay, Aklan	Rented	Good	45,439.49	July 12, 2025	No renewal options
	Lot Rental	Caticlan, Malay, Aklan	Rented	Good	97,484.21	July 12, 2026	Renewable for another period of two years upon mutual agreement of the parties
	PNP and OTS Office	Caticlan, Malay, Aklan	Rented	Good	18,947.37	December 31, 2025	Subject to renewal or extension upon expiration at the option of the lessee and on such terms and conditions as may mutually be agreed upon between the parties.
	PNP-SOU Staffhouse	Caticlan, Malay, Aklan	Rented	Good	12,631.58	December 31, 2025	Subject to renewal or extension upon expiration at the option of the lessee and on such terms and conditions as may mutually be agreed upon between the parties
	PNP-AVSEC Barracks	Caticlan, Malay, Aklan	Rented	Good	10,526.32	December 31, 2025	Subject to renewal or extension upon expiration at the option of the lessee and on such terms and conditions as may mutually be agreed upon between the parties
	TABON Staffhouse	Caticlan, Malay, Aklan	Rented	Good	35,087.72	February 7, 2026	No renewal options
17	MANILA TOLL EXPRESSWAY SYSTEMS, INC.						
	Office Space	GF Operations and Control Center, Km.44 South Luzon Expressway, Sitio Latian, Brgy. Mapagong, Calamba City, Laguna	Owned by ROP (South Luzon Tollway Corporation Concession Rights)	Good			
18	SMC INFRAVENTURES INC.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
19	SMC SLEX INC.						
	Land	Lot 3122-C, Sitio Latian, Brgy. Mapagong, Calamba, Laguna	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Office Space	11F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
20	SMC SKYWAY STAGE 4 CORPORATION						
	Office Space	Unit B 18th Floor of the JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City	Owned	Good			
	Office Space	11/F San Miguel Properties Centre, 7 St. Francis Street, Mandaluyong City	Owned	Good			
21	CYPRESS TREE CAPITAL INVESTMENTS, INC.						
	Office Space	7th Floor Electra House Condominium, 115- 117 Esteban St., Legaspi Village, Makati City	Rented	Good	51,959.82	December 31, 2024	No renewal options
22	STAR INFRASTRUCTURE DEVELOPMENT CORPORATION						
	Land	Brgy. Lapu Lapu, Ibaan, Batangas	Owned	Good			
	Office Space	23F JMT Corporate Condominium, ADB Ave., Ortigas Center, Pasig City	Owned	Good			
23	STAR TOLLWAY CORPORATION						
	Office Space	Brgy. Tambo, Lipa City, Batangas	Owned by ROP (Star Infrastructure Development Corporation Concession Rights)	Good			
24	ULCOM COMPANY, INC.						
	Office Space	11/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
25	SMC MASS RAIL TRANSIT 7, INC.						
	Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
	Office Space	GF, 2F, 4F and Meeting Rooms G, H, I and J of 808 Bldg, Meralco Avenue Cor Gen Lim Street, Brgy. San Antonio, Pasig City	Owned	Good			
	Office Space	4th Floor Kayumanggi Center, Commonwealth cor. Luzon Avenue, Quezon City	Rented	Good	226,957.50	November 30, 2025	Renewal and extension upon expiration of contract may be mutually agreed upon between parties.
	Condo Unit for Project Director	Dover Hill Condominium, Mabini Cor Ortega and Pilar St., Addition Hills, San Juan City	Rented	Good	130,075.00	February 11, 2025	The Parties may agree in writing to renew and extend the lease period within 90 days from expiration of the lease period
	Office Space	22nd Floor of OMM Citra Building, No 39 San Miguel Avenue, Ortigas Center, Pasig City	Owned	Good			
	Office Space	7th Floor #100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			
	Parking Space	No. 17B Gen. Atienza Street, San Antonio Village, Brgy San Antonio, Pasig City	Owned	Good			
26	AEROFUEL STORAGE MANAGEMENT INC.						
	Office Space	11/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
27	ARGONBAY CONSTRUCTION COMPANY, INC.						
	Office Space	5th Floor, 808 Building, Meralco Avenue, Brgy Antonio Pasig City	Owned	Good			
28	INTELLIGENT E- PROCESSES TECHNOLOGIES CORP.						
	Office Space	23F San Miguel Properties Centre, 7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Office Space	KM 44 South Luzon, Brgy. Mapagong, Sitio Latian, Calamba, Laguna	Owned	Good			
29	LUZON CLEAN WATER DEVELOPMENT CORPORATION						
	Office Space	BBW Administration Bldg. Don Manuel F. Reyes Ave. PH 1, Gate 1, Pleasant Hills Subd., Brgy. San Manuel City of SJDM, Bulacan 3023	Owned	Good			
30	PASIG RIVER EXPRESSWAY CORPORATION						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
31	TPLEX OPERATIONS AND MAINTENANCE CORP						
	Office Space	Brgy. San Pascual Tarlac City	Owned	Good			
	Office Space	Brgy Baculong, Victoria, Tarlac	Owned	Good			
	Office Space	Brgy Palakipak, Rosales, Pangasinan	Owned	Good			
	Office Space	Gerona, Tarlac	Owned	Good			
	Office Space	Urdaneta, Pangasinan	Owned	Good			
	Office Space	Rosario, La Union	Owned	Good			
32	SINCERE LUMBER CO., INC.						
	Office Space	11/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
	Land	1500 Quirino Ave., Paco, Manila City, Metro Manila	Owned	Good			
33	SAN MIGUEL AEROCITY INC						
	Office Space	3rd Floor, 808 Building, Meralco Avenue, Brgy Antonio Pasig City	Owned	Good			
	Parking Space	21 Gen Atienza St., Brgy San Antonio Pasig City	Owned	Good			
34	SMC Central Access Link Expressway Corp.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
35	SMC Marilao Access Link Expressway Corp.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
36	SMC Northern Access Link Expressway Corp.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
37	SMC Southern Access Link Expressway Corp.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
38	SOUTH LUZON TOLL ROAD-5 EXPRESSWAY INC						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
39	SMC TOLLWAYS CORPORATION						
	Office Space	11F San Miguel Properties Centre, 7 St. Francis St., Ortigas Center, Mandaluyong City	Owned	Good			
40	SMC SLEX Holdings, Inc.						
	Office Space	11F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
41	ASSETVALUES HOLDING COMPANY INC						
	Office Space	11F and 20/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
42	SMC AEROTROPOLIS INC						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
43	PHILIPPINE INTERNATIONAL AIRPORT INC.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
44	SMC AVIATION CITY INC.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
45	TOLL ROAD OPERATION AND MAINTENANCE VENTURE CORPORATION						
	Office Space	11/F San Miguel Properties Centre, #7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			
46	SMC CBEX INC						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
47	SMC NBEX INC						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
48	AEROCITY CEMENT INC.						
	Office Space	11/F San Miguel Properties Centre, #7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			
49	DURACEMENT INC.						
	Office Space	11/F San Miguel Properties Centre, #7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			
50	SMC PLEX INC.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
51	SMC BULACAN WATER SERVICES CORPORATION						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
52	BULACAN WATER COMPANY, INC.						
	Office Space	9001, Deretcho St., Bagumbayan, Bulacan, Bulacan	Rented	Good	58,564.00	December 31, 2024	Not for extension
	Office Space	Unit 23 DTMI Complex, 202 Daan Estacion, San Jose, Bulacan, Bulacan	Rented	Good	43,000.00	April 30, 2027	Started renting May 1, 2024, contract still for finalization. Transferred Jan 1, 2025
53	OBANDO WATER COMPANY, INC.						
	Office Space	OEG Plaza Paliwas, Obando, Bulacan	Rented	Good	67,923.91	December 31, 2025	Subject to renewal or extension as mutually agreed between the parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
CEMENT BUSINESS							
1	SAN MIGUEL EQUITY INVESTMENTS INC. AND SUBSIDIARIES						
	San Miguel Equity Investments Inc.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
2	IONIC CEMENTWORKS INDUSTRIES INC.						
	Land	Pagbilao, Quezon	Owned	Good			
3	SOUTHSTRONG CEMENT INDUSTRIES CORP.						
	Land	Leganes, Iloilo	Owned	Good			
	Land	Tayasan, Negros Oriental	Owned	Good			
4	PRIMERO CEMENTO INDUSTRIES CORP.						
	Land	Agno, Pangasinan	Owned	Good			
5	SOUTHERN CONCRETE INDUSTRIES INC.						
	Land	Darong, Sta. Cruz, Davao del Sur	Owned	Good			
	Land	Darong, Sta. Cruz, Davao del Sur	Owned	Good			
	Cement Grinding Plant	Darong, Sta. Cruz, Davao del Sur	Owned	Good			
6	E-NOVATE HOLDINGS, INC.						
	Land	Cagnog and Trinidad, Surigao City	Owned	Good			
7	NORTHERN CEMENT CORPORATION						
	Head Office Space	3rd Flr 155 Edsa Building, 155 Edsa Brgy Wack Wack Mandaluyong	Owned	Good			
	Cement Plant	Brgy. Labayug, Sison Pangasinan	Owned	Good			
	Cement Plant	Brgy. Labayug, Sison Pangasinan	Owned	On-going Construction			
	Land	Brgy. Inoman, Pozorrubio, Pangasinan	Owned	Good			
	Land	Brgy. Labayug, Inmalog - Sison Pangasinan	Owned	Good			
	Land	Brgy. Bila And Paldit - Sison, Pangasinan	Owned	Good			
	Land	Brgy. Amagbagan, Sison, Pangasinan	Owned	Good			
	Land	Brgy. Bobonan, Inoman, Sugcong - Pozorrubio, Pangasinan	Owned	Good			
	Land	Brgy. Lunec, Malasiqui, Pangasinan	Owned	Good			
	Land	Brgy. Asin, Malasiqui, Pangasinan	Owned	Good			
	Land	Brgy. La Paz, Villasis And Mangan Dampay - Malasiqui, Pangasinan	Owned	Good			
	Land	Brgy. Mangan Dampay, Taloyan, Bacudao - Malasiqui, Pangasinan	Owned	Good			
	Land	Brgy. Ansagan, Tuba, Benguet	Owned	Good			
	Land	Brgy. Tubod And Namonitan - Sto Tomas, La Union	Owned	Good			
	Land	Brgy. Namonitan And Casantaan - Sto Tomas, La Union	Owned	Good			
	Land	Brgy. Guset sur, Sto. Domingo - San Manuel Pangasinan	Owned	Good			
	Land	Brgy. Paldit, Sison, Pangasinan	Rented	Good	80,405.74	December 31, 2025	Renewable subject to conditions
	Land	Brgy Olympia, Makati City	Rented	Good	35,740.34	December 31, 2024	Renewable subject to conditions
8	EAGLE CEMENT CORPORATION						
	Head Office Space	2F Smits Bldg. 155 EDSA, Brgy. Wack-Wack, Mandaluyong City	Owned	Good			
	Cement Plant	Brgy. Akle, San Ildefonso, Bulacan	Owned	Good			
	Cement Grinding Plant	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land	Brgy. Akle, San Ildefonso, Bulacan	Owned	Good			
	Land	Brgy. Bohol na Mangga, San Ildefonso, Bulacan	Owned	Good			
	Land	Brgy. Alagao, San Ildefonso, Bulacan	Owned	Good			
	Land	Brgy. Talbak, DRT, Bulacan	Owned	Good			
	Land	Brgy. Kalawakan, DRT, Bulacan	Owned	Good			
	Land	Brgy. Biak-na-Bato, San Miguel, Bulacan	Owned	Good			
	Land	Brgy. Mabalasbalas, San Rafael, Bulacan	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Land	Brgy. Gabihan, San Ildefonso, Bulacan	Owned	Good			
	Land	Brgy. Caingin, San Rafael, Bulacan	Owned	Good			
	Land	Brgy. Caigsing, Ginatilan, Cebu	Owned	Good			
	Land	Brgy. Campisong, Ginatilan, Cebu	Owned	Good			
	Land	Brgy. Guiwanon, Ginatilan, Cebu	Owned	Good			
	Land	Brgy. Looc, Ginatilan, Cebu	Owned	Good			
	Land	Brgy. Malatbo, Ginatilan, Cebu	Owned	Good			
	Land	Brgy. Poblacion, Ginatilan, Cebu	Owned	Good			
	Land	Brgy. Sapang Putol, San Ildefonso, Bulacan	Owned	Good			
	Land	Brgy. Umpucan, San Ildefonso, Bulacan	Owned	Good			
	Land	Brgy. Sibul, San Miguel, Bulacan	Owned	Good			
	Land	Mabalacat, Pampanga	Owned	Good			
	Land	Harvard Street, Wack Wack Village Subdivision, Brgy Wack Wack, Mandaluyong City	Owned	Good			
	Land	(EDSA), Wack Wack Subdivision, Brgy Wack Wack, Mandaluyong City	Owned	Good			
	Warehouse Space	Malasique, Pangasinan	Rented	Good	160,230.00	September 14, 2026	Renewable subject to conditions
	Warehouse Space & Driveway	Paranaque City	Owned	Good			
	Parking Space	Paranaque City	Owned	Good			
	Warehouse Space	Ibaan, Batangas	Rented	Good	274,428.00	December 31, 2028	Renewable subject to conditions
	Parking Space	Ibaan, Batangas	Rented	Good	267,857.14	December 31, 2028	Renewable subject to conditions
	Warehouse Space	Imus, Cavite	Rented	Good	239,285.71	April 30, 2025	Renewable subject to conditions

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
OTHERS							
1	SAN MIGUEL CORPORATION						
	Iligan Coconut Oil Mill	Sta.Filomena, Iligan City	Owned	Good			
	Land and Warehouse	A. Del Rosario Ave., Brgy. Tipolo, Mandaue City	Owned	Good			
	Land	Banilad, Mandaue - Petron Station	Owned	Good			
	Land	Alfonso, Cavite - Management Training Center	Owned	Good			
	Office Space	Meralco Ave., Pasig City - 808 Building	Owned	Good			
	Warehouse Only	Northbay Blvd., Navotas, Metro Manila	Owned	Good			
	Land	San Fernando, Pampanga	Owned	Good			
	Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
	Land	San Rafael, Tarlac	Owned	Good			
	Land	Tagaytay - Petron Station	Owned	Good			
	Land	Tunasan - Petron Station	Owned	Good			
	Land	Looc Ouano, Mandaue City	Owned	Good			
	Warehouse Only	SMC Complex, Quebiawan, San Fernando, Pampanga	Owned	Good			
2	REAL ESTATE BUSINESS						
	San Miguel Properties, Inc.						
	Bel Aldea Subdivision	Brgy. San Francisco, Gen. Trias, Cavite	Owned	Good			
	Maravilla Subdivision	Brgy. San Francisco, Gen. Trias, Cavite	Owned	Good			
	Asian Leaf Subdivision	Brgy. San Francisco, Gen. Trias, Cavite	Owned	Good			
	Office Spaces	San Miguel Properties Centre, Mandaluyong City	Owned	Good			
	Office Building	155 Edsa (SMITS), Ortigas Center, Mandaluyong City	Owned	Good			
	Land	620 Lee St., Mandaluyong City	Owned	Good			
	Land	San Isidro Road corner Unnamed Road Lot, Brgy. Tatalon, Cabuyao, Laguna	Owned	Good			
	Land and Building	808 Bldg. Meralco Avenue corner General Lim St., Brgy. San Antonio, Pasig City	Owned	Good			
	Land	Along Commerce Avenue Corner Asean Drive and Jakarta Lane, Filinvest Corporate City, Brgy. Alabang, Muntinlupa City	Owned	Good			
	Land	Brgy. Canlubang and Majada, Calamba City, Laguna	Owned	Good			
	Land	Barrio de Fuego, Gen. Trias, Cavite	Owned	Good			
	Land	Barrio Sinaliw Munti, Alfonso, Cavite	Owned	Good			
	Land	Brgys. of Mabatac, Sinaliw and Kaytitinga, Sitios of Amuyong and Haulian, Alfonso, Cavite	Owned	Good			
	Land	Brgys. Lourdes and Santiago, Lubao, Pampanga	Owned	Good			
	Land	Cagay Road, Brgy. Asid, Masbate City	Owned	Good			
	Land	Brgy. Tagabuli, Sta. Cruz, Davao del Sur	Owned	Good			
	Land	Sitio Landing, Brgy. Darong, Sta. Cruz, Davao del Sur	Owned	Good			
	Land	Brgy. Bato, Sta. Cruz, Davao del Sur	Owned	Good			
	Land	Brgy. Yapak, Boracay Island, Malay, Aklan	Owned	Good			
	Land	327 Brgy. Prenz-San Fermin, Cauayan City, Isabela	Owned	Good			
	Land	471 F. Ortigas St., Brgy. Hagdang Bato Libis, Mandaluyong City	Owned	Good			
	Land/Building/Improvements	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
	Land and Building	Dr. A Santos Ave. (Sucat Road), Parañaque City	Owned	Good			
	Land	Brgy. Boot, Tanuan, Batangas	Owned	Good			
	Land	Brgy. Glamang (Silway), Polomolok, South Cotabato	Owned	Good			
	Land	Maragondon / Mabacao - Magallanes Road, Brgy. Mabato, Maragondon, Cavite	Owned	Good			

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	Land	Acacia St., Brgy. Hagdang Bato, Mandaluyong City	Owned	Good			
	Land	Sixto Avenue, Maybunga, Pasig City	Owned	Good			
	Land	National Road, Brgy. Bunawan, Davao City	Owned	Good			
	Land and Building	Crestview Heights Subd., San Roque, Antipolo, Rizal	Owned	Good			
	Land	618 Lee St. Brgy. Addition Hills, Mandaluyong City	Owned	Good			
	Land	Brgy. Bucal Calamba, Laguna	Owned	Good			
	Land	Brgy. Tawala, Panglao, Bohol	Owned	Good			
	Land and Building	635 Lee St. Addition Hills Mandaluyong City	Owned	Good			
	Land and Building	Brgy. Sasa, Davao City	Owned	Good			
	Land	Brgy. De Fuego, Brgy. San Francisco General Trias,	Owned	Good			
	Land and Building	Lot1-D Brgy. Parian, Calamba City, Laguna	Owned	Good			
	Land	Bowen Island -Bugsuk, Balabac, Palawan	Owned	Good			
	Land and Building	Brgy. Nibaliw West, San Fabian, Pangasinan	Owned	Good			
	Land	Naic, Cavite	Owned	Good			
	Land	Ternate, Cavite	Owned	Good			
	Bright Ventures Realty, Inc.						
	Land	A. Marcos cor M.H. del Pilar and A. Mabini Sts., Addition Hills, San Juan City	Owned	Good			
	Land / Dover Hill	No. 168 Pilar Corner P. Zamora Sts., Brgy. Addition Hills, San Juan City	Owned	Good			
	Brillar Realty and Development Corp.						
	Land	Limbones Island, Brgy. Papaya, Nasugbu, Batangas	Owned	Good			
	Dimanyan Wakes Holdings, Inc.						
	Land	Bo. Bulalacao, Bulalacao Island, Coron, Palawan	Owned	Good			
	Busuanga Bay Holdings Inc.						
	Land	Bo. Bulalacao, Bulalacao Island, Coron, Palawan	Owned	Good			
	Bulalacao Property Holdings, Inc.						
	Land	Bo. Bulalacao, Bulalacao Island, Coron, Palawan	Owned	Good			
	Calamian Prime Holdings, Inc.						
	Land	Bo. Bulalacao, Bulalacao Island, Coron, Palawan	Owned	Good			
	Palawan White Sands Holdings Corp.						
	Land	Bo. Bulalacao, Bulalacao Island, Coron, Palawan	Owned	Good			
	Coron Islands Holdings, Inc.						
	Land	Bo. Bulalacao, Bulalacao Island, Coron, Palawan	Owned	Good			
	SMC Originals, Inc.						
	Land	Antonio Amaiz Avenue corner Estacion St., Brgy. Pio del Pilar, Makati City	Owned	Good			
	Silang Resources, Inc.						
	Land	Brgys. San Vicente, San Miguel, Biluso And Lucsuhin, Silang, Cavite	Owned	Good			
	Tanauan Resources, Inc.						
	Land	No. 34 McKinley Road, Brgy. Forbes Park (North Side), Makati City	Owned	Good			
	SMPI Makati Flagship Realty Corp.						
	Land and Building	117 Legaspi and Gallardo Sts., Legaspi Village, Makati City	Owned	Good			
	Carnell Realty, Inc.						
	Land	621 Lee St., Mandaluyong City	Owned	Good			
	Grandioso Realty Corporation						
	Land	National Road, Brgy. Tambler, General Santos City	Owned	Good			
	Sta. Cruz Resource Management, Inc.						
	Land and Building	54 and 50 Hydra St., Bel Air 3, Makati City	Owned	Good			
	Maison 17 Properties, Inc.						
	Land	116 Legaspi and Gallardo Sts., Legaspi Village, Makati City	Owned	Good			

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Integrated Geosolutions, Inc.						
Land	Bo.Diezmo, Cabuyao, Laguna	Owned	Good			
Tierra Castellanas Development Inc.						
Land	Brgy. Bungoy, Dolores, Quezon	Owned	Good			
Excel Unified Land Resources Corp.						
Wedge Woods Subdivision	Silang, Cavite	Owned	Good			
512 Acacia Holdings, Inc.						
Land	512 Acacia Ave., Ayala Alabang Village Phase II-A, Brgy. Alabang, Muntinlupa City	Owned	Good			
La Belle Plume Realty Inc						
Land	Western Visayas	Owned	Good			
La Verduras Realty Corp.						
Land	No. 38 Gen. Delgado Street, San Antonio Village, Pasig City	Owned	Good			
First Monte Sierra Realty Corporation						
Land	Brgy. San Antonio, Basco, Batanes	Owned	Good			
Lanes and Bi-Ways Realty Corp.						
Land	403 Columbia St., East Greenhills, Mandaluyong City	Owned	Good			
Land	#2 Columbia St. N.East Greenhills, San Juan	Owned	Good			
Premiata Realty, Inc.						
Land	52 Mercedes cor 61 Aries, Bel Air 3, Makati City	Owned	Good			
Picanto de Alta Realty Corp.						
Land	1331 J.P. Laurel St. Brgy. 643 Zone 066, San Miguel District, Manila	Owned	Good			
Kingsborough Realty, Inc.						
Land	37 Gen. Delgado St., San Antonio Village, Pasig City	Owned	Good			
E- Fare Investment Holdings Inc.						
Land	Mariveles, Bataan	Owned	Good			
Zobel Polo Club Inc.						
Land	Lipa, Batangas	Owned	Good			
Apice Solare Resources Corp.						
Land	National Road, Barangay Igmaya-an, District 1, Don Salvador Benedicto, Negros Occidental	Owned	Good			
Roca Pesada Realty Corp.						
Land	118 Esteban Abada St. Varsity Hills, Quezon City	Owned	Good			
Uno Clarity Investment Holdings Inc.						
Land and Building	Buruanga, Aklan	Owned	Good			
Zee2 Resources Inc.						
Land	82 Cambridge Circle, North Forbes Park, Makati City	Owned	Good			
Quicksilver Development Corp.						
Land	50 McKinley Road North Forbes Park Makati City	Owned	Good			
Max Harvest Holdings Inc.						
Land	Brgy. Anyatam San Ildefonso Bulacan	Owned	Good			
High Garden Land Resources Inc.						
Land	82 EDSA Brgy Wack-Wack, Mandaluyong City	Owned	Good			
One Wilson Cayenne Holdings, Inc.						
Land	708-A & B J.R Yulo St. Mandaluyong City	Owned	Good			
Land	6-C East St. Addition Hills Mandaluyong City	Owned	Good			
Auburnite Holdings Inc.						
Land	Bungahan, Biñan, Laguna	Owned	Good			
Land	Mamplasan, Biñan, Laguna	Owned	Good			
Bricktree Properties Inc.						
Land	Bancalaan, Palawan	Owned	Good			
Agricultural Investors, Inc						
Land	Bugsuk, Palawan	Owned	Good			

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	Unexplored Land Developers, Inc						
	Land	Bugsuk Palawan	Owned	Good			
	Ocean-side Maritime Enterprises, Inc						
	Land	Bugsuk Palawan	Owned	Good			
	Labayug Air Terminals Incorporated						
	Land	Bugsuk Palawan	Owned	Good			
	Pura Electric Co. Inc						
	Land	Bugsuk Palawan	Owned	Good			
	Punong Bayang Housing Development Corporation						
	Land	Bugsuk Palawan	Owned	Good			
	Habagat Realty Development Incorporated						
	Land	Bugsuk Palawan	Owned	Good			
	Spade One Resorts Corporation						
	Land	Bugsuk Palawan	Owned	Good			
	Ondarre Holdings Corp.						
	Land	Mandaluyong City	Owned	Good			
	Soracil Prime Inc.						
	Land	Mandaluyong City	Owned	Good			
	Casa Sabroso Holdings Inc.						
	Land / Dover Hill	Mabini corners Ortega & Pilar St. San Juan City	Owned	Good			
3	PACIFIC CENTRAL PROPERTIES, INC.						
	Land	Limay, Combined Power Plant, Limay, Bataan	Owned	Good			
	Land	Dauin, Negros Oriental	Owned	Good			
	Land	Outlook Drive, Baguio City	Owned	Good			
4	SMC SHIPPING AND LIGHTERAGE CORPORATION AND SUBSIDIARIES						
	SMC Shipping and Lighterage Corporation						
	Land	Maribojoc-Cortes National Road Junction, Barrio Salvador, Cortes, Bohol	Owned	Good			
	Land and Building	Dr. A. Santos Avenue corner Unnamed Road, Brgy. San Antonio, Parañaque City	Owned	Good			
	Land	Mariveles Bataan Lot #1 and #2, Barrio of Lucanin, Mariveles, Bataan	Owned	Good			
	Land	Mariveles Bataan Lot #3, Barrio of Agnipa and Cabcaban, Mariveles, Bataan	Owned	Good			
	Land	National Road, Brgy. San Pedro, Bauan and Brgy. San Juan, Mabini, Batangas	Owned	Good			
	Building (Admin Buildings, Warehouses D, C, R, S, I, N, Q, L, M, Terminals, Parking Shed, Loading Bay)	Ouano Wharf, Looc, Manduae City	Owned	Good			
	Building (KCSLI)	Dad Cleland Avenue, Looc, Lapu Lapu City	Owned	Good			
	Land and Building	Brgy. Loboc, Lapaz, Iloilo	Owned	Good			
	Land	Yard 2, Engineering Island, Baseco Compound, Port Area, Manila City	Rented	Good	5,305,626.90	January 02, 2037	Renewable upon mutual agreement of the parties
	Land	Block 22 Manila Harbor Center, Tondo, Manila City	Rented	Good	2,114,996.59	July 14, 2025	Renewable upon mutual agreement of the parties
	Land	San Pedro, Bauan, Batangas	Rented	Good	487,094.47	December 06, 2042	SMCSL can exercise an option to purchase the reclaimed lot during the life of the lease period should the municipality decide to sell the property
	Land	Brgy. Tubod, Municipality of Sto. Tomas, La Union	Rented	Good	200,000.00	August 31, 2027	Renewable upon mutual agreement of the parties
	Land	Putting Buhangin hi-way, Orion (TCT #s 226614, 2015000040, 2015000041)	Rented	Good	289,891.80	June 30, 2034	Renewable upon mutual agreement of the parties
	Land	Bo. of Gua-an, Municipality of Leganes, Province of Iloilo	Owned	Good			
	Land	Ouano Wharf, Looc, Manduae City	Owned	Good			
	Land	Road Lot 3 Brgy. 128 Zone 010, Tondo, Manila	Owned	Good			
	Land	Santa Elena, Orion, Bataan	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Land, Land Improvement (e.g. Pier), Building, and Machineries	Namonitan, Santo Tomas, La Union	Owned	Good			
	Warehouse	Limay, Bataan	Owned	Good			
	Coal Warehouse	Namonitan, Santo Tomas, La Union	Owned	Good			
	Land	Baluarte, Tagoloan Misamis Oriental	Owned	Good			
	Land	Lot 1118 & 1119 Puting Buhangin Orion Bataan	Owned	Good			
	Warehouse	Mactan, Cebu	Owned	Good			
	Warehouse	Loboc, Iloilo	Owned	Good			
	Warehouse	Tagoloan, Misamis Oriental	Owned	Good			
	Pier	Iloilo	Owned	Good			
	Pier	Mandaue, Cebu	Owned	Good			
	Warehouse (1, 2, 3, & 4)	Mabini, Bauan, Batangas	Owned	Good			
	Blk 12 (Lot 1) and Blk 14 (Lot 1-15)	Harbor, Manila	Owned	Good			
	Warehouses 1,11,12 & 12A 4,700sqm in total	Zone 3, Upper Agusan, Cagayan de Oro City	Rented	Good	658,260.00	March 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse (3&5)	Bicol Oil Mill Cmpd. Balogo, Pasacao, Camarines Sur	Rented	Good	337,500.00	March 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse rental for Feedmill Plant	CDO	Owned	Good			
	Warehouse rental for Feedmill Plant	Iloilo	Owned	Good			
	Foreshore Area	Looc, Lapu Lapu City	Rented	Good	10,835.33	October 03, 2025	Renewable after one year or upon mutual agreement of the parties
	Foreshore Area	Looc, Lapu Lapu City	Rented	Good	1,398.79	October 03, 2025	Renewable after one year or upon mutual agreement of the parties
	Foreshore Area	Looc, Lapu Lapu City	Rented	Good	27,994.66	January 24, 2025	Renewable after one year or upon mutual agreement of the parties
	Foreshore Area	Looc, Lapu Lapu City	Rented	Good	1,763.17	October 03, 2025	Renewable after one year or upon mutual agreement of the parties
	Foreshore Area	Looc, Lapu Lapu City	Rented	Good	5,246.54	February 15, 2025	Renewable after one year or upon mutual agreement of the parties
	Warehouse	218 Don Jose Canciller Avenue, Cauayan City	Rented	Good	64,260.00	July 15, 2025	Renewable upon mutual agreement of the parties
	Warehouse	Leganes, Iloilo (5A & 6A)	Rented	Good	2,106,046.06	June 30, 2025	Renewable upon mutual agreement of the parties
	Warehouse (GMC3)	Taboc, Brgy. San Jose, Pili Cam Sur	Rented	Good	202,500.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse 1&2 (Cosay)	National Highway, Santiago, Pili, Camarines Sur	Rented	Good	221,785.71	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse 5-7	Sitio Pantay, Baranggay Maguyam, Silang, Cavite	Rented	Good	559,020.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse 8	Sitio Pantay, Baranggay Maguyam, Silang, Cavite	Rented	Good	186,340.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse 13-15	Sitio Pantay, Baranggay Maguyam, Silang, Cavite	Rented	Good	900,900.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Bldg 2 Doors 5-7	PLDC Diversion Road, Naga City, Camarines Sur	Rented	Good	321,428.57	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse 1-3	Sitio Tawagan, Tayud, Consolacion, Cebu	Rented	Good	480,000.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse PKS-F	Sitio Tawagan, Tayud, Consolacion, Cebu	Rented	Good	209,760.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse 1&2	Tabok, Mandaue City, Cebu	Rented	Good	396,480.00	December 31, 2024	Renewable upon mutual agreement of the parties
	Warehouse 3	Sta. Elena, Orion Bataan	Rented	Good	1,555,200.00	December 31, 2026	Renewable upon mutual agreement of the parties
	Condo	15J Pearl of the Orient Ermita, Manila	Rented	Good	19,000.00	May 19, 2025	Renewable upon mutual agreement of the parties
	Condo	33J Pearl of the Orient Ermita, Manila	Rented	Good	18,000.00	April 07, 2025	Renewable upon mutual agreement of the parties
	Condo	3615 Admiral Baysuites, Malate, Manila	Rented	Good	23,500.00	October 02, 2025	Renewable upon mutual agreement of the parties
	Condo	709 Burgundy Place Condominium, Loyola Heights, QC	Rented	Good	22,864.28	July 31, 2025	Renewable upon mutual agreement of the parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Condo	Unit 2201 Grand Riviera Suites Roxas Boulevard, Corner Padre Faura St., Ermita, Manila	Rented	Good	25,000.00	June 15, 2025	Renewable upon mutual agreement of the parties
	Warehouse (B1-B3)	Parang, Batangas	Rented	Good	618,000.00	June 30, 2025	Renewable upon mutual agreement of the parties
	Office Space	2nd Floor, Unit G, Blk 9 Lot 4-6 Manila Harbour Center, Fernando St. Cor. Francisco St. Zone 10 Barangay 128, Tondo Manila	Rented	Good	24,421.26	September 01, 2025	Renewable upon mutual agreement of the parties
	Office Space	2nd Floor, Unit F, Blk 9 Lot 4-6 Manila Harbour Center, Fernando St. Cor. Francisco St. Zone 10 Barangay 128, Tondo Manila	Rented	Good	24,421.26	May 01, 2025	Renewable upon mutual agreement of the parties
	Office Space	5th Floor, Unit B, Blk 9 Lot 4-6 Manila Harbour Center, Fernando St. Cor. Francisco St. Zone 10 Barangay 128, Tondo Manila	Rented	Good	51,838.45	March 02, 2025	Renewable upon mutual agreement of the parties
	Office Space	3rd Floor, Blk 9 Lot 4-6 Manila Harbour Center, Fernando St. Cor. Francisco St. Zone 10 Barangay 128, Tondo Manila	Rented	Good	388,350.77	February 15, 2025	Renewable upon mutual agreement of the parties
	Office Space	4th Floor, Blk 9 Lot 4-6 Manila Harbour Center, Fernando St. Cor. Francisco St. Zone 10 Barangay 128, Tondo Manila	Rented	Good	388,350.77	January 17, 2025	Renewable upon mutual agreement of the parties
	Staffhouse	Poblacion Norte, Sta. Barbara, Pangasinan	Rented	Good	8,500.00	April 14, 2025	Renewable upon mutual agreement of the parties
	Staffhouse	Maharlika Hi-way, Brgy. Paulog, Ligao City, Albay	Rented	Good	6,000.00	August 19, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 1. Unit 1207, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	18,000.00	July 15, 2025	Renewable upon mutual agreement of the parties
	Condo	Unit 2, No. 681, Beaterio Street corner Magallanes Street, Intramuros, Manila	Rented	Good	25,000.00	June 15, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 5. Unit 1415, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	19,000.00	April 30, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 10. Unit 233, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	17,000.00	March 31, 2025	Renewable upon mutual agreement of the parties
	Condo	4F-414, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	15,000.00	March 15, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 10. Unit 1056, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	18,000.00	May 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse (2,3,4,9,12)	MCT Complex, Tagoloan, Misamis Oriental	Rented	Good	2,922,500.00	March 31, 2025	Renewable upon mutual agreement of the parties
	Land	Manila North Harbor Centre (5,645.70)	Rented	Good	300,000.00	December 31, 2037	Renewable upon mutual agreement of the parties
	Studio Type Room	Emerald Street, Dona Salud, Sasa, Davao City	Rented	Good	3,500.00	August 26, 2025	Renewable upon mutual agreement of the parties
	Boarding House	Phase 3, Santan St. Gran Plains Subd., Jaro, Iloilo City	Rented	Good	7,000.00	May 16, 2025	Renewable upon mutual agreement of the parties
	Office space	Brgy. San Pedro, Bauan, Batangas	Owned	Good			
	Condo	Bldg 1. Unit 763, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	13,000.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 3. Unit 558, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	17,000.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 4. Unit 620, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	17,000.00	July 15, 2025	Renewable upon mutual agreement of the parties
	Studio Type Room	Zone 1, Brgy. San Jose, Pili, Camarines Sur	Rented	Good	2,000.00	July 15, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 4. Unit 456, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	17,000.00	September 22, 2025	Renewable upon mutual agreement of the parties
	Warehouse 1,3 & 4	Labak, Batangas	Rented	Good	531,000.00	December 31, 2024	Renewable upon mutual agreement of the parties
	Warehouse ORMOC	Cogon, Ormoc	Rented	Good	236,250.00	August 15, 2025	Renewable upon mutual agreement of the parties
	Warehouse (Bldg. 1-8)	Ibaan, Batangas	Rented	Good	1,169,260.00	June 30, 2025	Renewable upon mutual agreement of the parties
	Warehouse (Whse-1)	Tayud, Consolacion, Cebu	Rented	Good	262,946.43	December 31, 2025	Renewable upon mutual agreement of the parties
	SMC Shipping and Lighterage Corporation and SL Mariveles Drydocking and Shipyard Corporation						
	Building (Warehouses, Admin Building, Slipway, Seawall, Guardhouse)	Luzon Avenue, Baseco Compound, Mariveles, Bataan	Owned	Good			
	Land	Baseco Compound Luzon Avenue Mariveles, Bataan	Rented	Good	730,747.07	December 31, 2025	Renewable upon mutual agreement of the parties
	Landrights and improvements	Barangay San Miguel, Municipality of Bauan, Province of Batangas.	Owned	Good			
	Land	Mariveles, Bataan	Rented	Good	2,956,503.96	September 30, 2030	Renewable upon mutual agreement of the parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	SMC Shipping and Lighterage Corporation and Baseco Shipyard Corporation						
	Building (Warehouses, Admin Building, Improvements, Container Yard, Access Roads, Guardhouse, Truckscale, Equipments)	Yard 2, Engineering Island, Baseco Compound, Port Area, Manila City	Owned	Good			
	Land	Yard 2, Engineering Island, Baseco Compound, Port Area Manila	Rented	Good	2,523,293.73	December 31, 2025	Renewable upon mutual agreement of the parties
	SL Harbour Bulk Terminal Corporation						
	Land	Blk14 Lots 1-5 Manila Harbour Centre, Brgy. 128, Zone 10, Tondo District, Manila City	Owned	Good			
	Land	Blk15 Lots 8-9 Brgy. 128 Zone 010, Tondo, Manila	Owned	Good			
	Land	Blk4 Lot 10 Road Lot 3, Brgy. 128 Zone 010, Tondo, Manila	Owned	Good			
	Land	Manila Harbour Center Lot 3 fronting Blk 14 (BERTHING 5)	Rented	Good	620,905.26	May 14, 2025	Renewable upon mutual agreement of the parties
	Land	Manila Harbour Center Lot 3 fronting Blk 15 (BERTHING 4)	Rented	Good	470,210.53	May 14, 2025	Renewable upon mutual agreement of the parties
	Foreshore and Offshore Areas	Gracia, Tagoloan, Misamis Oriental (41,682 sqm)	Rented	Good	33,524.36	March 07, 2029	May be renewed for 25 years upon terms and conditions mutually agreed upon by the parties
	Foreshore and Offshore Areas	Gracia, Tagoloan, Misamis Oriental (50,152 sqm)	Rented	Good	284,416.71	March 07, 2029	May be renewed for 25 years upon terms and conditions mutually agreed upon by the parties
	Foreshore and Offshore Areas, and Port Facility	Gracia, Tagoloan, Misamis Oriental (121,396 sqm)	Rented	Good	297,144.87	August 03, 2025	Renewable upon mutual agreement of the parties
	Building (Admin Buildings, Terminals, Parking Shed, Loading Bay, Mini Laboratory, Storage Areas)	Manila Harbour Centre, Brgy. 128, Zone 10, Tondo, Manila City	Owned	Good			
	Land Improvements (Walkways, Driveway, Ground Improvements, Access Roads, Catwalks, Perimeter Fence, Etc.)	Manila Harbour Centre, Brgy. 128, Zone 10, Tondo, Manila City	Owned	Good			
	Buildings (Admin Building, Bulk Office, Mini Laboratory, etc.)	Limay, Bataan	Owned	Good			
	Buildings (Admin Building, Mini Laboratory, etc.)	Tagoloan, Misamis Oriental	Owned	Good			
	Land	Blk12 Rd 10 Cor Rd 21 New Harbour Center, Brgy. 128 Zone 010, Tondo, Manila	Owned	Good			
	Land	Blk14 Lot 5 Rd Lot 3 Cor Rd Lot 9 New Harbour Center, Brgy. 128 Zone 010, Tondo, Manila	Owned	Good			
	Land	Barrio Kitang, Limay, Bataan (228,616 sqm)	Rented	Good	585,814.96	December 31, 2024	Renewable on a year to year basis for as long as the original lease agreement is in effect and under such terms and conditions based on the mutual consent and agreement of both parties
	Land	Block 15, Lots 1-7, Manila Harbour Centre, Tondo, Manila	Rented	Good	3,206,685.37	January 26, 2026	Renewable upon mutual agreement of the parties
	Leasehold Improvements (Driveway, Pier, Perimeter Fence, etc.)	Limay, Bataan	Owned	Good			
	Leasehold Improvements (Driveway, Pier, Perimeter Fence, etc.)	Tagoloan, Misamis Oriental	Owned	Good			
	Machinery and Equipment (Fuel Tanks)	Bataan Combined Cycle Power Plant, Barangay Luz, Kitang 2, Limay, Bataan	Rented	Good	5,466,151.47	December 31, 2024	Renewable upon mutual agreement of the parties
	Machinery and Equipment (Fuel Tanks, Water Tanks, Tank Truck Loading Racks, etc.)	Manila Harbour Centre, Brgy. 128, Zone 10, Tondo, Manila City	Owned	Good			
	Machinery and Equipment (Fuel Tanks, Water Tanks, Tank Truck Loading Racks, etc.)	Limay, Bataan	Owned	Good			
	Machinery and Equipment (Fuel Tanks, Water Tanks, Tank Truck Loading Racks, etc.)	Tagoloan, Misamis Oriental	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Land	386,755 sqm land in Manila Harbour Center	Rented	Good	206,480.71	April 30, 2025	Renewable upon mutual agreement of the parties
	Land	The lease agreement pertains to lease of land in Manila Harbor Blk 4 lot 11.	Owned	Good			
	Land	Road Lot 3 fronting lot 10 and 11 of block 4, Manila Harbour Centre, Tondo, Manila City	Rented	Good	334,844.21	May 14, 2025	Renewable upon mutual agreement of the parties
	MG8 Terminal Inc.						
	Land	Road Lot 19 (New Harbor Center) Brgy. 128 Zone 010, Tondo, Manila	Owned	Good			
	Land	Lucanin, Mariveles, Bataan	Owned	Good			
	Land	Mabini, Batangas	Owned	Good			
	Land	Lot 10181, CAD-584, C-24 San Pedro, Bauan Cadastre	Owned	Good			
	Land	Lot 10184-A, of the sub. Plan, Psd-04-148187 being a portion of Lot - 10184 Cad 584, Bauan Cadastre	Owned	Good			
	Land	Lot 14038-B of the sub. Plan Psd-04-195256 being portion of Lot 14038 Cad 584, Bauan Cad., LRC Rec. No.	Owned	Good			
	Land	Lot 10156 Cad-584 San Pedro, Bauan, Batangas TCT 05-0034-00532	Owned	Good			
	Land and pier and port facilities		Owned	Good			
	SMC Shipyard Cebu Land Inc.						
	Land and Building	Dad Cleland Ave., Looc, Lapu Lapu City	Owned	Good			
	La Union Shipyard and Marine Service Corporation						
	Buildings	Tubod Sto. Tomas La Union	Owned	Good			
	Leasehold Improvemens/Shipyard	Tubod Sto. Tomas La Union	Owned	Good			
	Batangas Shipyard Corporation						
	Various Land	San Miguel, Bauan, Batangas	Owned	Good			
	Various Land Improvements (Pier and Dolphin, Graving Dock, Quay Walls)	San Miguel, Bauan, Batangas	Owned	Good			
	Various Building and Improvements (Sheds, Panel Line Workshop, Outfitting Workshop, Admin Building)	San Miguel, Bauan, Batangas	Owned	Good			
	Elite Marine Construction Corporation						
	Land	Barangay Putting Buhangin, Orion, Bataan	Rented	Good	30,000.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Land	Lot 1071, Barangay Putting Buhangin, Orion, Bataan	Rented	Good	44,555.00	September 01, 2025	Renewable upon mutual agreement of the parties
	Condo	125 Bernadette Street, 8th Avenue, Grace Park, Caloocan City	Rented	Good	15,789.47	August 07, 2025	Renewable upon mutual agreement of the parties
	Office space	5th floor, Unit J Kynsna Bldg, Blk 9 Lot 4-6 Manila Harbour Centre Fernando St Cor. Francisco Siero St Barangay 128 Zone 10 Dist 1 1012 Tondo I / II NCR, City of Manila, First District Philippines	Rented	Good	30,660.53	April 01, 2025	Renewable upon mutual agreement of the parties
	Office space	3rd floor, Kynsna Bldg, Blk 9 Lot 4-6 Manila Harbour Centre Fernando St Cor. Francisco Siero St Barangay 128 Zone 10 Dist 1 1012 Tondo I / II NCR, City of Manila, First District Philippines	Owned	Good			
	Staffhouse	Umbuyan, Brgy. Perez, Bulakan, Bulacan	Rented	Good	30,000.00	August 20, 2025	Renewable upon mutual agreement of the parties
	Office space	5th floor, Unit I Kynsna Bldg, Blk 9 Lot 4-6 Manila Harbour Centre Fernando St Cor. Francisco Siero St Barangay 128 Zone 10 Dist 1 1012 Tondo I / II NCR, City of Manila, First District Philippines	Rented	Good	56,917.94	February 01, 2025	Renewable upon mutual agreement of the parties
	Cupertino Realty Corporation						
	Land 1	PPA Bypass Road, Barangay Loboc, La Paz, City of Ilo-Ilo	Owned	Good			
	Land 2	Barangay Loboc, La Paz, City of Ilo-Ilo	Owned	Good			
	Building 1	Barangay Loboc, La Paz, City of Ilo-Ilo	Owned	Good			
	Building 2	Barangay Loboc, La Paz, City of Ilo-Ilo	Owned	Good			
	88 Philippine Spun Poles Corporation						

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Building (Warehouse1, Warehouse Expansion, Water Reservoir, Mixing Building, Mixing Control Room, Laboratory Facility)	1 Provincial Highway Santa Elena Oriuon Bataan	Owned	Good			
	Leasehold Improvements (Permanent Connection, Road Network Development, Storm Drainage)	1 Provincial Highway Santa Elena Oriuon Bataan	Owned	Good			
5	SM BULK WATER CO., INC.						
	Land	Bobulusan, Guinobatan, Albay	Owned	Good			
	Land	Brgy. Batang, Ligao City	Owned	Good			
	Land	Tabuyoc, Apalit, Pampanga	Owned	Good			
6	SMC STOCK TRANSFER SERVICE CORPORATION						
	Office Space	Units 1505, Robinsons Equitable Tower, ADB Avenue, corner Poveda, Pasig City	Owned	Good			
	Office Space	Units 1506-1507, Robinsons Equitable Tower, ADB Avenue, corner Poveda, Pasig City	Owned	Good			
	Parking Space	Parking Slots 31-33, Robinsons Equitable Tower, ADB Avenue, corner Poveda, Pasig City	Owned	Good			
7	SAN MIGUEL PAPER PACKAGING CORPORATION						
		8380 Dr. A Santos Avenue, Sucat, Parañaque City	Owned	Good			
8	SAN MIGUEL INTEGRATED LOGISTICS SERVICES INC.						
	Land	Lucanin Industrial Estate Mariveles Bataan.	Owned	Good			
	Land	Brgy Quebiawan, San Fernando Pampanga	Owned	Good			
	Office	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			
	Land	Brgy Darong Municipality of Sta. Cruz Davao Del Sur	Owned	Good			
	Land	Purok 5, Brgy Rawis Legazpi City	Owned	Good			
	Land	A. Mabini Street San Juan City	Owned	Good			
	Land	Fe Martinez St. Brgy Anghit Daet Camarines Norte	Owned	Good			
9	SAN MIGUEL INTEGRATED MERCHANDISING SERVICES INC.						
	Office	6th Floor, Unit C&D, JMT Corporate Condominium, ADB Avenue, Mandaluyong City	Rented	Good	459,559.43	March 31, 2025	Renewable upon mutual agreement of the parties
	Office	6th Floor, Unit A&B, JMT Corporate Condominium, ADB Avenue, Mandaluyong City	Rented	Good	340,998.43	April 30, 2026	Renewable upon mutual agreement of the parties
	Office	G/F, IT Benedicto College, A.S. Fortuna Street, Bakilid, Mandaue City	Rented	Good	62,370.00	January 31, 2025	New contract upon expiration of the previous
	Office	Lot 1 C. Ramon Diaz St., Villa Corazon del Rosario, Naga City, Camarines Sur	Rented	Good	11,590.00	March 28, 2025	New contract upon expiration of the previous
	Office	Kingspire Business Centre, KM. 71, Mc Arthur Hiway, Brgy. San Isidro, San Fernando City, Pampanga	Rented	Good	30,911.21	July 31, 2025	New contract upon expiration of the previous
	Office	Room 304, 2nd Floor, G & J E Bldg., Cor. Hernaez Locsin Sts., Brgy. 38, Bacolod City, 6100	Rented	Good	7,500.00	February 14, 2025	New contract upon expiration of the previous
	Office	127B, Sorongon Drive, Brgy. Danao, Iloilo City	Rented	Good	12,053.57	November 30, 2025	New contract upon expiration of the previous
	Office	2nd Floor, 1st Door, Realmark Commercial Hub Mons. #430 Hayes St., Pinikitan, Cagayan De Oro City	Rented	Good	10,000.00	October 15, 2025	New contract upon expiration of the previous
10	SMC MULTI-SERVICES INC.						
	Office	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
11	SMC REPAIRS & MAINTENANCE INC.						
	Office	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			
12	SMC INTEGRATED FARM SPECIALISTS INC.						
	Office	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			

^(a) In January 2024, SPPC has fully paid the land purchase price net of unused rentals to PSALM.

All owned properties are free of liens and encumbrances, except for the following:

- ^(b) The Power Plant, including all related facilities therein, and the leasehold rights for the leased land are mortgaged in favor of the lenders to secure the loan obligation of LPI;
- ^(c) The Power Plant, including all related facilities therein, and the leasehold rights for the leased land are mortgaged in favor of the lenders to secure the loan obligation of MPI; and
- ^(d) The Power Plant, including all related facilities therein, and the land are mortgaged in favor of the lenders to secure the loan obligation of MPCL.
- ^(e) The Power Plant, including all related facilities therein, and the leasehold rights for the leased land are mortgaged in favor of the lenders to secure the loan obligation of MPGC.
- ^(f) The BESS, including all related facilities therein, and the leasehold rights for the leased land are mortgaged in favor of the lenders to secure the loan obligation of SMGP BESS.

APPENDIX “D”

SAN MIGUEL CORPORATION LIST OF PERMITS AND LICENSES OF MATERIAL SUBSIDIARIES

SAN MIGUEL CORPORATION

NAME OF PERMIT / LICENSE	ISSUING AGENCY	ISSUE DATE	VALIDITY PERIOD	EXPIRY DATE
Certificate of Incorporation	SEC	August 21, 2013	No Expiry	No Expiry
Certificate of Registration	BIR	September 6, 1990	No Expiry	No Expiry
Business Permit	LGU	January 17, 2025	1 year	December 31, 2025
Certificate of Registration	Bureau of Customs	January 28, 2025	1 year	January 28, 2026

SEA REFINERY CORPORATION

NAME OF PERMIT / LICENSE	ISSUING AGENCY	ISSUE DATE	VALIDITY PERIOD	EXPIRY DATE
Amended Articles of Incorporation	SEC	December 8, 2008	No Expiry	No Expiry
Certificate of Registration	BIR	December 09, 2008	No Expiry	No Expiry
Mayor's Permit	LGU	January 22, 2025	1 year	December 31, 2025

SAN MIGUEL FOOD AND BEVERAGE, INC.
Material Permits and Licenses

Name of Permit / License	Issuing Agency	Issue Date	Validity Period	Expiry Date	Remarks
Certificate of Incorporation	Securities and Exchange Commission	31-Oct-56	Perpetual		
Certificate of Registration	Bureau of Internal Revenue	03-Oct-97	Perpetual		
Barangay Business Clearance	Brgy. Wack Wack	14-Mar-25	1 year	31-Dec-25	UPDATED
Sanitary Permit to Operate	Mandaluyong	N/A			
Environmental Permit to Operate	N/A				
Mayor's Permit	Mandaluyong BPLD	28-Jan-25	1 year	31-Dec-25	UPDATED
Certificate of Conformance	N/A				
Community Tax Certificate	Mandaluyong City Treasurer's Office	22-Jan-25	1 year	31-Dec-25	UPDATED
Fire Safety Inspection Certificate	DILG Bureau of Fire Protection	13-Mar-25	1 year	13-Mar-26	UPDATED

NORTH LUZON

Name of Facility/ Plant	Address	Name of Permit / License	Issuing Agency	Issue Date	Validity Period	Expiry Date
Magnolia Poultry Farm Orion Bataan	General Lim, Orion, Bataan	Environmental Compliance Certificate/ ECC	DENR-EMB	May 15, 2019	NA	NA
		Permit to Operate Air Pollution Sources and Control Installation/ PAPSC	DENR-EMB	Oct 1, 2020	5 yrs	Oct 1, 2025
		Waste-Water Discharge Permit	DENR-EMB	Jan 7, 2025	1 yr	Jan 7, 2026
		Hazardous Waste Generator ID	DENR-EMB	Jun 20, 2022	NA	NA
		PCO Accreditation and Deputy PCO Accreditation	DENR-EMB	Jul 10, 2025	3 yrs	Jul 10, 2028
		PCO Accreditation and Deputy PCO Accreditation (WF SUFICIENCIA)	DENR-EMB	Jul 10, 2025	3 yrs	Jul 10, 2028
		Training Certificate of Managing Head	DENR-EMB	Nov 9, 2021	NA	NA
		Certificate of Electrical Inspection	DOLE	Feb 19, 2025	1 yr	Feb 18, 2026
		Permit To Operate Internal Combustion Engine (4 Units)	DOLE	Feb 19, 2025	1 yr	Feb 18, 2026
		Dole Rule 1020 - New Establishment Registration	DOLE	Mar 12, 2024	NA	NA
		Annual Labor Inspection Notice of Result	DOLE	May 16, 2025	1 yr	- May 16, 2026
		Business Permit	LGU	Jan 21, 2025	1 yr	Dec 31, 2025
		Barangay Clearance	LGU	Jan 21, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 21, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate	LGU-BFP	May 17, 2025	1 yr	May 17, 2026
		Compliance of Environmental Certificate	LGU-ENRO	Jan 21, 2025	1 yr	Dec 31, 2025
		PTO (Provincial Veterinarian)	LGU-VET	Jan 21, 2025	1 yr	Jan 20, 2026
		Water Extraction Permit	NWRB	Jan 18, 2007	NA	NA
Magnolia Poultry	General Lim, Orion, Bataan	Business Permit	LGU	Jan 21, 2025	1 yr	Dec 31, 2025

Hatchery Orion Bataan		Certificate of Zoning Clearance	LGU	May 31, 2022	NA	NA
		Sanitary Permit	LGU	Jan 21, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate	LGU	May 8, 2024	1 yr	May 7, 2025 <i>Ongoing renewal</i>
		PTO - Pressure Vessel	DOLE	November 26, 2024	1 yr	November 25, 2025
		Environmental Compliance Certificate (ECC)*	DENR	May 15, 2019	NA	NA
		Wastewater Discharge Permit	DENR	Jul 04, 2025	1 yr	Jul 04, 2026
		Permit to Operate Air Pollution Source and Control Installations	DENR	Aug 27, 2024	5yrs	Jun 27, 2029
B-MEG Pangasinan Plant	KM 188, Bued, Binalonan, Pangasinan	Environmental Compliance Certificate/ Certificate of Non-Coverage*	DENR	Aug 17, 2004	NA	NA
		Permit to Operate Air Pollution Sources and Control Installation)	DENR	Feb 01, 2021	5 yrs	Feb 01, 2026
		Waste-Water Discharge Permit	DENR	Aug 15, 2022	5 yrs	Aug 15, 2027
		Hazardous Waste Generator Registration Certificate*	DENR	Oct 13, 2016	NA	NA
		PCO Accreditation and Deputy PCO Accreditation	DENR	Jan 13, 2022	3yrs	Jan 13, 2025 <i>Waiting for release of accreditation</i>
		Training Certificate of Managing Head*	DENR	Apr 21, 2015	NA	NA
		Business Permit	LGU Permits	Jan 19, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU Permits	Jan 11, 2024	2 yrs	Dec 31, 2025
		Fire Safety Inspection Certificate (BFP)	LGU Permits	Nov 22, 2023	1 yr	Nov 22, 2024 <i>Waiting resolution of FDAS issues</i>
		License to Handle Controlled Precursors and Essential	PDEA	Aug 09, 2024	1 yr	Aug 09, 2025 <i>Waiting for certificate</i>
		Dole Rule 1020 - New Establishment Registration*	DOLE	Aug 19, 2019	NA	NA
		PTO - Pressure Vessel	DOLE	Aug 15, 2025	1 yr	Aug 15, 2026
		PTO – Boiler	DOLE	Aug 15, 2025	1 yr	Aug 15, 2026

		PTO – Elevator	DOLE	Nov 22, 2024	1 yr	Nov 22, 2025
		PTO - Electrical	DOLE	Jun 27, 2024	1 yr	Jun 27, 2025 <i>Waiting for CA for payment of renewal fee</i>
		License of Safety Practitioner of Safety Engineer	DOLE	May 15, 2019	NA	NA
		Certificate of Feed Establishment Certificate/ License to Operate	BAI	Nov 22, 2024	1 yr	Dec 31, 2025
		Certificate of Feed Product Registration	BAI	Jan 01, 2025	1 yr	Dec 31, 2025
		Water Extraction Permit ****	NWRB	Jan 01, 2014	NA	NA
		Occupancy Permit*	OBO	Sep 18, 1997	NA	NA
B-MEG Echague Plant / B-MEG Plant – Isabela 2	Bario Soyung, Echague Isabela	License to Handle Controlled Precursors and Essential Chemicals (CPECS)	PDEA	Nov 08, 2024	1 yr	November 08, 2025
		Controlled Chemicals Purchaser's License	PNP	May 23, 2025	1 yr	May 23, 2026
		BAI Laboratory Accreditation	BAI	Jun 30, 2025	1 yr	Jun 30, 2026
		Environmental Compliance Certificate/ Certificate of Non-Coverage*	DENR	May 02, 2018	NA	NA
		Permit to Operate Air Pollution Sources and Control Installation)	DENR	Mar 3, 2024	5 yrs	Feb 2, 2029
		Wastewater Discharge Permit	DENR	Jun 13, 2024	1 yr	Jun 13, 2025 <i>Ongoing renewal</i>
		Hazardous Waste Generator	DENR	Jul 21, 2025	NA	NA
		PCO Accreditation and Deputy PCO	DENR	<i>Waiting for accreditation release</i>		
		Training Certificate of Managing Head*	DENR	<i>New manager for training on August 26, 2025</i>		
		Business Permit	LGU Permits	Jan 27, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 18, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate (BFP)	LGU Permits	Feb 11, 2025	1 yr	Feb 13, 2026
		Dole Rule 1020 - New Establishment Registration*	DOLE	Sep 10, 2015	NA	NA
		PTO - Pressure Vessel	DOLE	Jan 15, 2025	1 yr	Jan 15, 2026

		PTO – Boiler	DOLE	Jan 15, 2025	1 yr	Jan 15, 2026
		PTO – Elevator	DOLE	Jan 15, 2025	1 yr	Jan 15, 2026
		PTO – Electrical	DOLE	Jan 15, 2025	1 yr	Jan 15, 2026
		Certificate of Feed Establishment Certificate / License to Operate	BAI	Sep 22, 2003		May 13, 2029
		Certificate of Feed Product Registration	BAI	Feb 19, 2025	1 yr	Dec 13, 2025
		Water Extraction Permit*,***	NWRB	Mar 15, 2024	NA	NA
		Coal End-Users Registration****	DOE	Apr 29, 2022	10 yrs	Apr 29, 2032
		Occupancy Permit*	OBO	Oct 14, 2022	NA	NA
B-MEG Plant Bulacan	Brgy. Malipampang, San Ildefonso, Bulacan	Environmental Compliance Certificate/ Certificate of Non-Coverage*	DENR	Sept 10, 2024	NA	NA
		Permit to Operate Air Pollution Sources and Control Installation)	DENR	Mar 18, 2025	1 yr	Mar 18, 2026
		Wastewater Discharge Permit	DENR	Apr 02, 2025	1 yr	Apr 02, 2026
		Hazardous Waste Generator Registration Certificate*	DENR	Jul 21, 2020	NA	NA
		PCO Accreditation and Deputy PCO Accreditation	DENR	Sep 21, 2023	3 yrs	Sept 21, 2026
		Training Certificate of Managing Head*	DENR	Jun 18, 2023	NA	NA
		Business Permit	LGU Permits	Jan 20, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU Permits	Mar 19, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate (BFP)	LGU Permits	Jun 5, 2025	1 yr	Jun 9, 2026
		Dole Rule 1020 - New Establishment Registration*	DOLE	Mar 07, 2019	NA	NA
		PTO - Pressure Vessel	DOLE	May 07, 2025	1 yr	May 07, 2026
		PTO - Boiler	DOLE	Sept 26, 2024	1 yr	Sept 26, 2025
		PTO - Elevator	DOLE	Sept 26, 2024	1 yr	Sept 26, 2025
		PTO - Electrical	DOLE	May 07, 2025	1 yr	May 07, 2026
		Certificate of Feed Establishment Certificate / License to Operate	BAI	Dec 20, 2024	1 yr	Dec 31, 2025
		Certificate of Feed Product Registration	BAI	Feb 21, 2025	1 yr	Dec 31, 2025
		License to Handle Controlled Precursors and Essential Chemicals (CPECS)	PDEA	Aug 08, 2025	1 yr	June 24, 2026

Bulacan Premix Plant		Coal End-Users Registration****	DOE	Sept 27, 2019	NA	NA
		Occupancy Permit*	OBO	Dec 13, 2018	NA	NA
		BAI Laboratory	BAI	Jan 20, 2025	1 yr	Jan 20, 2026
		LTO as Feed Manufacturer	BAI	Oct. 31, 2024	1 yr	Dec. 31, 2025
		PTO - Elevator	DOLE	June 09, 2025	1 yr	June 03, 2026
		Occupancy Permit*	LGU Permits	April 23, 2025	NA	NA
B-MEG Tarlac Plant	Luisita Industrial Park, San Miguel Tarlac City	Environmental Compliance Certificate / Certificate of Non-Coverage*	DENR	Sep 13, 2021	NA	NA
		Permit to Operate Air Pollution Sources and Control	DENR	Jan 24, 2025	5 yrs	Sept 24, 2029
		Wastewater Discharge Permit	DENR	Feb 5, 2025	1 yr	Feb 4, 2026
		Hazardous Waste Generator	DENR	May 17, 2022	NA	NA
		PCO Accreditation and Deputy PCO Accreditation	DENR	Jun 28, 2024	3 yrs	Jun 28, 2027
		Training Certificate of Managing	DENR	Apr 21, 2015	NA	NA
		Business Permit	LGU	Feb 26, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Feb 26, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate	LGU	May 20, 2024	1 yr	Apr 15, 2025 <i>Waiting for certificate within August</i>
		Dole Rule 1020 - New Establishment Registration*	DOLE	Sep 25, 2014	NA	NA
		PTO - Pressure Vessel	DOLE	Apr 03, 2025	1 yr	Mar 24, 2026
		PTO – Boiler	DOLE	Apr 03, 2025	1 yr	Mar 24, 2026
		PTO - Elevator	DOLE	Apr 03, 2025	1 yr	Mar 24, 2026
		PTO - Electrical	DOLE	Apr 03, 2025	1 yr	Mar 24, 2026
		License of Safety Practitioner of Safety Engineer*	DOLE	Aug 09, 2023	3 yrs	Aug 09, 2026
		Certificate of Feed Establishment Certificate/ License to Operate	BAI	Feb 02, 2025	NA	NA
		Certificate of Feed Product Registration	BAI	Feb 02, 2025	1 yr	Dec 31, 2025
		Controlled Chemicals Purchaser's License	PNP	Dec 6, 2024	1 yr	Nov 24, 2025
		License to Handle Controlled Precursors and Essential Chemicals (CPECS)	PDEA	Jun 25, 2024	1 yr	Jul 24, 2025

		BAI Laboratory Accreditation	BAI	Oct 01, 2024	1 yr	Oct 01, 2025
San Fernando Drying Facility	SMC Complex, Brgy. Quebiawan, San Fernando, Pampanga	Environmental Compliance Certificate/ Certificate of Non-Coverage*	DENR	<i>To be incorporated in the ECC of SMB San Fernando</i>		
		Permit to Operate Air Pollution Sources and Control Installation)	DENR	Jan 12, 2021	5 yrs	Jan 06, 2026
		Hazardous Waste Generator Registration Certificate*	DENR	Jun 05, 2012	NA	NA
		PCO Accreditation and Deputy PCO Accreditation	DENR	<i>To be incorporated in the ECC of SMB San Fernando</i>		
		Training Certificate of Managing Head*	DENR	<i>To be incorporated in the ECC of SMB San Fernando</i>		
		Business Permit	LGU	Jan 22, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 20, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate (BFP)	LGU	Apr 22, 2025	1 yr	Nov 12, 2025
		Dole Rule 1020 - New Establishment Registration*	DOLE	Jan 24, 2020	NA	NA
B-MEG Bataan Plant 1	Mindanao Ave., Cor. 10th Ave. AFAB, Mariveles, Bataan	Environmental Compliance Certificate	DENR	Jun 21, 2004	NA	NA
		Permit to Operate Air Pollution Sources and Control Installation)	DENR	Aug 1, 2025	5 yrs	Aug 1, 2030
		Hazardous Waste Generator Registration Certificate*	DENR	Mar 23, 2023	NA	NA
		PCO Accreditation and Deputy PCO Accreditation	DENR	Jan 12, 2023	3 yrs	Jan 12, 2026
		Training Certificate of Managing	DENR	Mar 6, 2024	NA	NA
		Business Permit	LGU	Jan. 16, 2025	1 yr	Dec. 31, 2025
		Sanitary Permit	LGU	Jan. 16, 2025	1 yr	Dec. 31, 2025
		Fire Safety Inspection Certificate	LGU	Jan 18, 2024	1 yr	Nov. 6, 2025
		Fire Safety Clearance – For Flammable Storage	LGU	Mar 25, 2024	1 yr	Nov. 6, 2025

		Dole Rule 1020 - New	DOLE	Feb. 18, 2019	NA	NA
		PTO - Pressure Vessel	DOLE	Feb. 25, 2025	1 yr	Feb. 24, 2026
		PTO – Steam Boiler	DOLE	Feb. 25, 2025	1 yr	Feb. 24, 2026
		PTO – Power Piping	DOLE	Feb. 25, 2025	1 yr	Feb. 24, 2026
		PTO – Crane, Hoist and the like	DOLE	Feb. 25, 2025	1 yr	Feb. 24, 2026
		PTO – Internal Combustion Engine	DOLE	Feb. 25, 2025	1 yr	Feb. 24, 2026
		Certificate of Electrical Inspection	DOLE	Feb. 25, 2025	1 yr	Feb. 24, 2026
		Certificate of Feed Establishment	BAI	Dec 20, 2024	1 yr	Dec. 31, 2025
		Certificate of Feed Product Registration	BAI	Feb. 3, 2025	1 yr	Dec. 31, 2025
		Controlled Chemicals Purchaser's License	PNP	Mar 13, 2025	1 yr	Feb. 13, 2026
		BAI Laboratory Accreditation	BAI	Jul 10, 2025	1 yr	Jul 10, 2026
		License to Handle Controlled Precursors	PDEA	Apr 25, 2025	1 yr	Feb. 19, 2026
		Occupancy Permit*	OBO	Apr 26, 2004	50 yrs	Apr 26, 2054
B-MEG Bataan Plant 2	Mindanao Ave., Cor. 10th Ave. AFAB, Mariveles, Bataan	Environmental Compliance Certificate/ Certificate of Non-Coverage*	DENR	Feb 9, 2023	NA	NA
		Permit to Operate Air Pollution Sources and Control Installation)	DENR	Apr 4, 2022	5 yrs	Apr 4, 2027
		Hazardous Waste Generator	DOLE	Feb 3, 2023	NA	NA
		PCO Accreditation and Deputy PCO	DENR	Jul 3, 2025	3 yrs	Jul 3, 2028
		Training Certificate of Managing	DENR	Mar 6, 2024	NA	NA
		Business Permit	AFAB	May 30, 2022	NA	NA
		Sanitary Permit	AFAB	Jan 17, 2025	1 yr	Dec. 31, 2025
		Fire Safety Inspection Certificate (BFP)	AFAB	Jan 16, 2025	1 yr	Dec. 31, 2025
		Fire Safety Clearance	AFAB	Jan 16, 2025	1 yr	Dec. 31, 2025
		Dole Rule 1020 - New Establishment Registration*	DOLE	Feb 18, 2019	NA	NA
		PTO - Pressure Vessel	DOLE	Feb 25, 2025	1 yr	Feb 24, 2026
		PTO – Boiler	DOLE	Feb 25, 2025	1 yr	Feb 24, 2026
		PTO – Elevator	DOLE	Feb 25, 2025	1 yr	Feb 24, 2026
		PTO- Internal Combustion Engine	DOLE	Feb 25, 2025	1 yr	Feb 24, 2026
		PTO- Electric Hoist	DOLE	Feb 25, 2025	1 yr	Feb 24, 2026
		PTO – Power Piping Steam	DOLE	Feb 25, 2025	1 yr	Feb 24, 2026

		PTO – Electrical	AFAB	July 2025	1 yr	July 2026
		PTO - Mechanical	AFAB	July 2025	1 yr	July 2026
		Certificate of Feed Establishment Certificate/ License to	BAI	Dec. 20, 2024	1 yr	Dec. 31, 2025
		Certificate of Feed Product Registration	BAI	Feb. 3, 2025	1 yr	Dec. 31, 2025
		BAI Laboratory Accreditation	BAI	July 10, 2025	1 yr	July 10, 2026
		Controlled Chemicals Purchaser's License	PNP	Mar 13, 2026	1 yr	Feb. 13, 2026
		License to Handle Controlled Precursors and Essential Chemicals (CPECS)	PDEA	Apr 25, 2025	1 yr	Feb. 19, 2026
		Coal End-Users	DOE	Sep 27, 2019	10 yrs	Sep 26, 2029
		Occupancy Permit*	OBO	Mar 4, 2019	NA	NA
Animal Health and Pet Care (AHPC)	#100 E. Rodriguez Jr. Avenue (C5 Road), Brgy. Ugong, Pasig City, Metro Manila	Veterinary Drug & Product Distributor / Importer	BAI	<i>BAI stopped issuance of VDAP LTO last Aug 2024</i>		<i>BAI stopped issuance of VDAP LTO last Aug 2024</i>
		Veterinary Drug & Product Distributor / Wholesaler	BAI	Feb 27, 2024	2 yrs	Mar 28, 2026
		Veterinary Drug & Product Trader	BAI	<i>BAI stopped issuance of VDAP LTO last Aug 2024</i>		<i>BAI stopped issuance of VDAP LTO Aug 2024</i>
		LTO Feed as Importer	BAI	Oct 18, 2024	1 yr	Dec 31, 2025
		LTO Feed as Commercial Mixed Feeds Manufacturer	BAI	Nov 22, 2024	1 yr	Dec 31, 2025
		LTO Feed as Trader	BAI	Jan 09, 2025	1 yr	Dec 31, 2025
		LTO Feed as Exporter	BAI	Oct 18, 2024	1 yr	Dec 31, 2025
		Drug Distributor / Importer / Wholesaler	FDA Phils	May 21, 2024	3 yrs	Jul 31, 2027
		Drug Trader	FDA Phils	May 21, 2024	3 yrs	Aug 05, 2027
		FDA Household/Urban Hazardous Substances Distributor	FDA Phils	<i>FDA issued an advisory no. 2024-1660 Extending LTO validity until further notice</i>	3 yrs	Mar 9, 2024
		FDA Household/Urban Hazardous Substances Trader	FDA Phils	<i>FDA issued an advisory no. 2024-1660 Extending LTO validity until further notice</i>	3 yrs	May 07, 2024

SOUTH LUZON REGION

Name of Facility/ Plant	Address	Name of Permit/ License	Issuing Agency	Issue Date	Validity Period	Expiry Date
Magnolia Poultry Hatchery – Calamba, Laguna	Chipeco Ave. Brgy. Lecheria, Calamba, Laguna	Business Permit	LGU	Jan 31, 2025	1 yr	Jan 31, 2026
		Sanitary Permit	LGU	Jan 31, 2025	1 yr	Jan 31, 2026
		Barangay Business Permit	LGU	Jan 31, 2025	1 yr	Jan 31, 2026
		Fire Safety Inspection Certificate (BFP)	LGU	Feb 1, 2024	1 yr	Feb 1, 2025 <i>Renewal on process</i>
		Permit to Operate Air Pollution Sources and Control Installation	DENR	Dec 20, 2024	5 yrs	Dec 20, 2029
		Certificate of Non-Coverage*	DENR	Feb 14, 1997	NA	NA
		Water Permit***	NWRB	Feb 8, 1999	NA	NA
		Discharge Permit	LLDA	May 21, 2025	1 yr	May 15, 2026
Magnolia Poultry Hatchery – Camarines Sur	Brgy. San Juan, Baao, Camarines Sur	Business Permit	LGU	Jan 22, 2025	1 yr	Dec 31, 2026
		Certificate of Zoning Clearance	LGU	Jan 22, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 22, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate	LGU	Nov 21, 2024	1 yr	Nov 1, 2025
		PTO – Internal Combustion Engine	DOLE	Jan 31, 2025	1 yr	Jan 31, 2026
		PTO - Pressure Vessel	DOLE	Jan 31, 2025	1 yr	Jan 31, 2026
		PTO - Steam Boiler	DOLE	Jan 31, 2025	1 yr	Jan 31, 2026
		Environmental Compliance Certificate (ECC)*	DENR	Dec 5, 2017	NA	NA
		Wastewater Discharge Permit	DENR	Aug 2, 2024	1 yr	Aug 2, 2025 <i>Renewal on process</i>
		Permit to Operate Air Pollution Source and Control Installations	DENR	Jan 31, 2022	5 yrs	Jan 31, 2027
B-Meg Plant Batangas	Brgy. Pulong Balibaguhan , Mabini, Batangas	Environmental Compliance Certificate (ECC)*	DENR	Feb 26, 2019	NA	NA
		Permit to Operate Air Pollution Sources and Control Installation)	DENR	Oct 27, 2024	5yrs	Oct 27, 2029
		Permit to Operate Air Pollution Sources and Control Installation)	DENR	Apr 21, 2024	5yrs	Apr 21, 2029
		Permit to Operate Air Pollution Sources and Control Installation)	DENR	Jul 17, 2024	5yrs	Jul 17, 2029
		PCO Accreditation and Deputy PCO Accreditation	DENR	Jun 10, 2025	3yrs	Jun 10, 2028
		Training Certificate of Managing	DENR	Feb 21, 2022	NA	NA
		Business Permit	LGU	Jan 20, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 20, 2025	1 yr	Dec 31, 2025

		Fire Safety Inspection Certificate (BFP)	LGU Permits	Aug 13, 2025	1 yr	Aug 13, 2026
		Dole Rule 1020 - New Establishment Registration*	DOLE	May 27, 2024	NA	NA
		Certificate of Feed Establishment Certificate/ License to Operate	BAI	Dec 4, 2024	1 yr	Dec 31, 2025
		Certificate of Feed Product Registration	BAI	Feb 10, 2025	1 yr	Dec 31, 2025
		Coal End-Users	DOE	Dec 12, 2023	10yrs	Dec 12, 2033
		Occupancy Permit*	OBO	May 16, 2024	NA	NA
B-Meg Plant Batangas Laboratory	Brgy. Pulong Balibaguhan , Mabini, Batangas	Certificate of Authority to Operate	PRC Board of Chemistry	<i>awaiting issuance of certificate</i>	3 yrs	
		License to Handle Controlled Precursors and Essential Chemicals (CPECS)	PDEA	<i>On-going Processing of license</i>	1 yr	
		Certificate of Recognition	BAI	Apr 15, 2025	1 yr	Apr 15, 2026
		Controlled Chemicals Purchaser's License	PNP	May 8, 2025	1 yr	May 8, 2026
Magnolia Poultry Processing Plant - Camarines Sur	Sta. Rita Agro-Industrial Park, San Jose, Pili, Camarines Sur	Environmental Compliance Certificate (ECC)*	DENR	May 16, 2022	NA	NA
		Certificate of Non-Coverage*	DENR	Jun 2, 2022	NA	NA
		Permit to Operate Air Pollution Source and Control Installations	DENR	Mar 14, 2025	5yrs	Mar 14, 2030
		Permit to Operate Air Pollution Source and Control Installations	DENR	May 8, 2025	5yrs	May 8, 2030
		Wastewater Discharge Permit	DENR	Jul 31, 2025	1 yr	Jul 31, 2026
		Business Permit	LGU	Jan 17, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 15, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate (BFP)	LGU	Mar 14, 2025	1 yr	Mar 14, 2026
		DOLE Rule 1020	DOLE	Jun 9, 2022	NA	NA
		PTO - Pressure Vessel	DOLE	Nov 6, 2024	1 yr	Nov 6, 2025
		PTO - Steam Boiler	DOLE	Nov 6, 2024	1 yr	Nov 6, 2025
		PTO - Internal Combustion Engine	DOLE	Nov 6, 2024	1 yr	Nov 6, 2025
		PTO - Power Piping Line	DOLE	Nov 6, 2024	1 yr	Nov 6, 2025
		PTO - Electrical	DOLE	Nov 6, 2024	1 yr	Nov 6, 2025
		PTO - Crane/Hoisting Equipment	DOLE	Nov 6, 2024	1 yr	Nov 6, 2025
		License to Operate - Food Manufacturer	FDA	Sep 13, 2024	5yrs	Sep 7, 2029
Magnolia Poultry Processing	Brgy. Ilayang Palsabangon	Environmental Compliance Certificate (ECC)*	DENR	Feb 26, 2019	NA	NA

Plant - Quezon	, Pagbilao, Quezon	Certificate of Non-Coverage*	DENR	NA	NA	NA
		Permit to Operate-Boiler	DENR	Nov 6, 2024	1 yr	Oct 28, 2025
		Permit to Operate - Genset	DENR	Mar 4, 2025	5yr	Mar 4, 2029
		Wastewater Discharge Permit- ongoing renewal	DENR	Aug 5, 2024	1 yr	Aug 5, 2025
		Business Permit	LGU	Feb 28, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 18, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate (BFP)-Boiler	BFP	Mar 3, 2025	1 yr	Mar 3, 2026
		PTO - Pressure Vessel	DOLE	Nov 6, 2024	1 yr	Oct 28, 2025
		PTO - Steam Boiler	DOLE	Nov 6, 2024	1 yr	Oct 28, 2025
		PTO - Internal Combustion Engine	DOLE	Nov 6, 2024	1 yr	Oct 28, 2025
		PTO - Power Piping Line	DOLE	<i>Waiting for DOLE advise to pick-up certificate</i>		
		PTO - Electrical	DOLE	<i>On-going application c/o contractor</i>		
		License to Operate - Food Manufacturer	FDA	Jan. 5, 2023	2yrs	Dec. 5, 2025
		License to Operate	NMIS	Mar 31, 2025	3yrs	Apr 1, 2028
		Coal End-User Registration Certificate	DOE	Jul 14, 2023	10yrs	Jul 14, 2033
		DOLE Rule 1020- New Establishment Registration	DOLE	Aug. 7, 2024	NA	NA
Padre Garcia 2 Feeds Laboratory	Brgy. San Felipe, Padre Garcia, Batangas	Certificate of Authority to Operate	PRC Board of Chemistry	Jun 13, 2023	3 years	Jun 12, 2026
		License to Handle Controlled Precursors and Essential Chemicals (CPECS)	PDEA	Apr 24, 2025	1 yr	May 20, 2026
		Certificate of Recognition	BAI	Jun 30, 2025	1 yr	Jun 30, 2026
		Controlled Chemicals Purchaser's License	PNP	Jul 11, 2025	1 yr	Jul 4, 2026
SLFI Camarines Sur Feeds Laboratory	B-Meg Bicol SLFI Plant, Diversion Road, Anayan, Pili, Camarines Sur	Certificate of Recognition	BAI	Mar 20, 2025	1 yr	Mar 20, 2026
		Certificate of Authority to Operate	PRC Board of Chemistry	Jul 2, 2025	3 yrs	Sep 7, 2028
		License to Handle Controlled Precursors and Essential Chemicals (CPECS)	PDEA	Jul 16, 2025	1 yr	Sep 2, 2026
		Controlled Chemicals Purchaser's License	PNP	Jan 24, 2025	1 yr	Dec 1, 2025
R&D Facility Calauan	SMC Compound Don Andres Soriano Ave. Bo.	Business Permit	LGU	Apr 12, 2024	1 yr	Dec 31, 2024 <i>Waiting for certificate</i>
		Certificate of Annual Inspection	LGU	May 24, 2023	1 yr	May 24, 2024 <i>Waiting for certificate</i>

	Balayhangin Calauan Laguna	Fire Safety Inspection Certificate (BFP)	LGU	May 29, 2023	1 yr	May 23, 2024 <i>Waiting for certificate</i>
		Sanitary Permit	LGU	May 19, 2024	1 yr	Dec 31, 2024 <i>Waiting for certificate</i>
Sta. Rosa Hub	LNPI Compound, Barangay Pulong Santa Cruz, Santa Rosa City	Environmental Compliance Certificate	DENR	Jun 14, 2019	NA	NA
		PTO - Generator Sets	DENR	Aug 4, 2023	5yrs	Aug 4, 2028
		Business Permit	LGU	Feb 7, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Apr 30, 2025	1 yr	Dec 31, 2025
		Dole Rule 1020 - New Establishment Registration*	DOLE	Nov 7, 2024	NA	NA
		Laguna Lake Development Authority (LLDA) Clearance*	LLDA	Aug 15, 2019	NA	NA
		License to Operate	NMIS	Oct 13, 2023	2yrs	Oct 14, 2025
		City Environmental Clearance	CENRO	Feb 7, 2025	1 yr	Dec 31, 2025
		Wastewater Discharge Permit	LLDA	Mar 6, 2025	1 yr	Mar 18, 2026

VISAYAS REGION

Name of Facility/ Plant	Address	Name of Permit / License	Issuing Agency	Issue Date	Validity Period	Expiry Date
B-MEG Mandaue Plant	Brgy. Looc, Ouano, Mandau e City, Cebu	Environmental Compliance Certificate/ Certificate of Non- Coverage*	DENR	Mar 2, 2015	NA	NA
		Permit to Operate Air Pollution	DENR	Feb 11, 2021	5 yrs	Feb 11, 2026
		Hazardous Waste Generator	DENR	Oct 22, 2020	NA	NA
		PCO Accreditation and Deputy PCO	DENR	Jun 25, 2025	3 yrs	Jun 25, 2028
		Training Certificate of Managing	DENR	Nov 15, 2019	NA	NA
		Wastewater Discharge Permit	DENR	Jul 2, 2025	1 yr	Jul 1, 2026
		Business Permit	LGU	Apr 30, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Dec 3, 2024	1 yr	Dec 3, 2025
		Fire Safety Inspection Certificate	LGU	Oct 31, 2024	1 yr	Oct 30, 2025
		DOLE Rule 1020 - New Establishment	DOLE	Oct 23, 2020	NA	NA
		PTO – Boiler	DOLE	Jul 22, 2024	1 yr	Jul 18, 2025 <i>For Payment. Waiting for Finance to release Check</i>
		Certificate of Feed Establishment Certificate/	BAI	Dec 17, 2024	1 yr	Dec 31, 2025

		License to Operate				
		Certificate of Feed Product Registration	BAI	Feb 24, 2025	1 yr	Dec 31, 2025
		PDEA P4 and P6 License	PDEA	Nov 20, 2024	1 yr	Nov 09, 2025
		Purchaser's License of Controlled Chemicals	PNP	Apr 29, 2025	1 yr	May 29, 2026
		Certificate of Recognition	BAI	Nov 29, 2024	1 yr	Nov 29, 2025
		Certificate of Authority to Operate	PRC Board of Chemistry	Aug 20, 2023	3 yrs	Aug 20, 2025
		BOI Certificate of Project Registration*, **	DTI	May 11, 2025	NA	NA
		Coal End-Users Registration****	DOE	Oct 5, 2020	10 yrs	Oct 5, 2030
B-MEG Ormoc Plant	Kahayag, Brgy Macabug, Ormoc City	Environmental Compliance Certificate/ Certificate of Non-Coverage*	DENR	Oct 5, 2021	NA	NA
		Permit to Operate Air Pollution	DENR	Jul 4, 2025	1 yr	Jul 4, 2030
		Wastewater Discharge Permit	DENR	July 22, 2024	1 yr	Jul 22, 2025 <i>On-going application for zero discharge</i>
		Training Certificate of Managing Head*	DENR	<i>New plant manager will undergo training</i>		
		Business Permit	LGU	Jan 21, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Feb 17, 2025	1 yr	Feb 17, 2026
		Fire Safety Inspection Certificate (BFP)	LGU	Feb 17, 2025	1 yr	Feb 17, 2026
		Dole Rule 1020 – New Establishment Registration*	DOLE	Feb 19, 2025	1 yr	Dec 31, 2025
		PTO - Pressure Vessel	DOLE	Jul 4, 2024	1 yr	Jul 4, 2025 <i>On-going renewal; completing reqts</i>
		PTO – Boiler	DOLE	Jul 4, 2024	1 yr	Jul 4, 2025 <i>On-going renewal; completing reqts</i>
		PTO – Electrical	DOLE	Jul 4, 2024	1 yr	Jul 4, 2025 <i>On-going renewal; completing reqts</i>
		Certificate of Feed Establishment Certificate/ License to Operate	BAI	Feb 4, 2025	1 yr	Dec 31, 2025
		Certificate of Feed Product Registration	BAI	Feb 27, 2025	1 yr	Dec 31, 2025
		Water Extraction Permit*, ***	NWRB	<i>Ongoing application</i>		
		License to Handle Controlled Precursors and Essential Chemicals	PDEA	Aug 21, 2024	1 yr	Aug 24, 2025

		Occupancy Permit*	OBO	Jun 14, 2018	NA	NA
		PDEA P6 License	PDEA	Feb 5, 2025	1 yr	Feb 13, 2026
		Certificate of Authority to Operate	PRC Board of Chemistry	Jun 13, 2023	NA	NA
BMP ILOILO 2 (B-MEG Pavia Plant)	Hi-Way, Brgy. Mali-ao, Pavia, Iloilo	Environmental Compliance Certificate/ Certificate of Non-Coverage*	DENR	Oct 14, 2010	NA	NA
		Permit to Operate Air Pollution Sources and Control Installation)	DENR	Nov 21, 2022	5 yrs	Mar 21, 2026
		Wastewater Discharge Permit	DENR	Aug 30, 2023	1 yr	Feb 28, 2025 <i>On-going renewal</i>
		Hazardous Waste Generator Registration Certificate*	DENR	Jul 11, 2023	NA	NA
		PCO Accreditation and Deputy PCO Accreditation	DENR	Sep 18, 2024	3 yrs	Sep 18, 2027
		Training Certificate of Managing Head*	DENR	Jun 15, 2022	NA	NA
		Business Permit	LGU	Jan 20, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 20, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate (BFP)	LGU	Jan 22, 2025	1 yr	Feb 22, 2026
		Dole Rule 1020 - New Establishment Registration*	DOLE	Jun 5, 2023	NA	NA
		PTO - Pressure Vessel	DOLE	Jun 18, 2025	1 yr	Jun 18, 2026
		PTO - Boiler	DOLE	Jun 18, 2025	1 yr	Jun 18, 2026
		PTO - Elevator	DOLE	Jun 18, 2025	1 yr	Jun 18, 2026
		PTO - Electrical	DOLE	Jun 18, 2025	1 yr	Jun 18, 2026
		License of Safety Practitioner of Safety Engineer	DOLE	Jan 26, 2023	3 yrs	Jan 24, 2026
		Certificate of Feed Establishment Certificate/ License to Operate	BAI	Dec 20, 2024	1 yr	Dec 31, 2025
		Certificate of Feed Product Registration	BAI	Feb 15, 2025	1 yr	Dec 31, 2025
		License to Handle Controlled Precursors and Essential Chemicals (CPECS)	PDEA	Apr 14, 2025	1 yr	Apr 19, 2026
		Occupancy Permit*	OBO	Dec 19, 1994	NA	NA
BMP ILOILO 1 / B-MEG Leganes Plant	Brgy. Gua-an, Leganes, Iloilo	Environmental Compliance Certificate/ Certificate of Non-Coverage*	DENR	May 18, 2025	NA	NA
		Permit to Operate Air Pollution Sources and Control Installation)	DENR	Jan 08, 2025	3 yrs	Mar 08, 2028

		Wastewater Discharge Permit	DENR	Aug 14, 2025	1 yr	Apr 04, 2026
		Hazardous Waste Generator Registration Certificate*	DENR	Aug 20, 2020	NA	NA
		PCO Accreditation and Deputy PCO Accreditation	DENR	Nov 20, 2024	1 yr	Nov 20, 2025
		Training Certificate of Managing Head*	DENR	Jun 15, 2022	NA	NA
		Business Permit	LGU	Jan 17, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 18, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate	LGU	Jan 27, 2025	1 yr	Jan 27, 2026
		Dole Rule 1020 - New Establishment Registration*	DOLE	Feb 26, 2019	NA	NA
		PTO - Pressure Vessel	DOLE	Feb 12, 2025	1 yr	Feb 12, 2026
		PTO - Boiler	DOLE	Feb 12, 2025	1 yr	Feb 12, 2026
		PTO – Elevator/Hoist	DOLE	Feb 12, 2025	1 yr	Feb 12, 2026
		PTO - Electrical	DOLE	Sep 25, 2024	1 yr	Sep 25, 2025
		Certificate of Feed Establishment Certificate/ License to Operate (Commercial)	BAI	Jan 13, 2025	1 yr	Dec 31, 2025
		Certificate of Feed Establishment Certificate/ License to Operate (Intra)	BAI	Jan 13, 2025	1 yr	Dec 31, 2025
		Certificate of Feed Product Registration	BAI	Feb 12, 2025	1 yr	Dec 31, 2025
		License to Handle Controlled Precursors and Essential Chemicals (CPECS)	PDEA	Sep 24, 2024	1 yr	Aug 13, 2025
		Occupancy Permit*	OBO	Aug 31, 2017	NA	NA
BMP ILOILO 1 - Iloilo Leganes Feed Laboratory	B-Meg Leganes Plant Coastal Road, Brgy. Gua- an, Leganes , Iloilo	PDEA P6 License	PDEA	Sep 24, 2024	1 yr	Aug 13, 2025
BMP ILOILO 2 Iloilo -Pavia Feed Laboratory	Hi-Way, Brgy. Mali-ao, Pavia, Iloilo	PDEA P6 License	PDEA	Apr 14, 2025	1 yr	Apr 14, 2026
Magnolia Poultry Processing Plant - Cebu	Riverside, Canduman, Mandau e City	Environmental Compliance Certificate (ECC)*	DENR	Oct 23, 2006	NA	NA
		Certificate of Non-Coverage*	DENR	NA	NA	NA
		Permit to Operate-Boiler	DENR	Jun 22, 2022	5 yrs	Jun 22, 2027
		Permit to Operate - Genset	DENR	Feb 23, 2024	3 yrs	Jun 23, 2027
		Wastewater Discharge	DENR	Oct 4, 2024	1 yr	Oct 4, 2025

		Permit				
		Business Permit	LGU	Jan 28, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	May 7, 2025	1 yr	May 7, 2026
		Fire Safety Inspection Certificate (BFP)-Boiler	BFP	Nov 5, 2025	1 yr	Nov 5, 2025
		PTO - Pressure Vessel (Certification of Operation)	OBO	Oct 30, 2024	1 yr	Oct 30, 2025
		PTO - Steam Boiler (Certification of Operation)	OBO	Oct 30, 2024	1 yr	Oct 30, 2025
		PTO - Internal Combustion Engine	OBO	Ongoing application		Ongoing application
		License to Operate	NMIS	Aug 31, 2023	3 yrs	Jul 20, 2022
		DOLE Rule 1020- New Establishment Registration	DOLE	Oct 30, 2019	NA	NA
Magnolia Poultry Processing Plant - Leyte	Brgy. Antipolo , Albuera, Leyte	Environmental Compliance Certificate (ECC)*	DENR	Apr 18, 2024	NA	NA
		Certificate of Non-Coverage*	DENR	NA	NA	NA
		Permit to Operate-Boiler	DENR	Aug 01, 2024	3 yrs	Aug 01, 2027
		Permit to Operate - Genset	DENR	Aug 01, 2024	3 yrs	Aug 01, 2027
		Wastewater Discharge Permit	DENR	Aug 29, 2024	6 mos	Feb 28, 2025 (with 2 endorsements from DENR-EMB Region Office VIII to PAB for the issuance of Discharge Permit)
		Business Permit	LGU	Jan 22, 2024	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 16, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate (BFP)-Boiler	BFP	Mar 04, 2025	1 yr	Mar 4, 2026
		PTO - Pressure Vessel	DOLE	Ongoing application		Ongoing application
		PTO - Steam Boiler	DOLE	Jul 05, 2024	1 yr	Jul 05, 2025 (Ongoing renewal)
		PTO - Internal Combustion Engine	DOLE	Jul 05, 2024	1 yr	Jul 05, 2025 (Ongoing renewal)
		PTO - Power Piping Line	DOLE	Jul 05, 2024	1 yr	Jul 05, 2025 (Ongoing renewal)
		PTO - Electrical	DOLE	Jul 05, 2024	1 yr	Jul 05, 2025 (Ongoing renewal)
		PTO - Crane/Hoisting Equipment	DOLE	Jul 05, 2024	1 yr	Jul 05, 2025 (Ongoing renewal)
		License to Operate	NMIS	Nov 22, 2024	1 yr	Dec 19, 2025
		DOLE Rule 1020- New Establishment Registration	DOLE	Jan 07, 2025	NA	NA

MINDANAO REGION

Name of Facility/	Address	Name of Permit / License	Issuing Agency	Issue Date	Validity Period	Expiry Date
MPF DavSur	Hagonoy, Davao del Sur	License to Operate	BAI	Aug 08, 2024	3 yrs	Aug 08, 2027
		Business Permit	LGU	Jan 27, 2025	1 yr	Dec 31, 2025
		Certificate of Registration	DOLE	Oct 03, 2023	NA	NA
		Environmental Compliance Certificate	DENR	Jun 21, 2022	NA	NA
		Fire Safety Inspection Certificate for Business Permit	BFP	Jan 23, 2025	1 yr	Jan 23, 2026
		Certificate of Annual Inspection	LGU	Jan 22, 2025	1 yr	Jan 22, 2026
		Sanitary Permit	LGU	Jan 23, 2025	1 yr	Dec 31, 2025
		Solid Waste Management Permit	LGU	Jan 22, 2025	1 yr	Dec 31, 2025
		Hazardous Waste Generator Registration	DENR	Mar 8, 2024	N/A	N/A
		Permit to Operate – Module 1	DENR	May 30, 2024	5 yrs	May 30, 2029
		Permit to Operate – Module 2	DENR	Jun 10, 2024	5 yrs	Jun 10, 2029
		Permit to Operate – Module 3 to 7 Generator	DENR	May 23, 2024	5 yrs	May 23, 2029
		Permit to Operate – Generator Set Fuel	DENR	May 23, 2024	5 yrs	May 23, 2029
		Permit to Operate – Burners of Module 1 to 7	DENR	Aug 21, 2024	5 yrs	Aug 21, 2029
		Discharge Permit	DENR	Oct 15, 2024	5 yrs	Oct 15, 2029
Magnolia Poultry Processing Plant – DavSur	Sitio Rambutan, Brgy. Darong, Sta. Cruz, Davao del Sur	Environmental Compliance Certificate	DENR	Jan 20, 2025	11 mos	Dec 31, 2025
		NMIS LTO -Dressing (AAA)	NMIS	May 14, 2025	6 mos	Nov 14, 2025
		NMIS LTO -Dressing (AA)	NMIS	May 10, 2024	3 yrs	May 29, 2027
		NMIS LTO -Warehouse	NMIS	May 10, 2024	2 yrs	May 06, 2026
		Business Permit	LGU	Feb 25, 2025	10 mos	Dec 31, 2025
		Sanitary Permit	LGU	Jan 21, 2025	11 mos	Dec 31, 2025
		Fire Safety Inspection Certificate (BFP)	LGU	April 18, 2024	1 yr	April 18, 2025 <i>September 30, 2025 approved undertaking</i>

		PTO - Pressure Vessel	DOLE	June 13, 2024	1 yr	June 13, 2025 <i>PTO Renewal- For Payment</i>
		PTO – Boiler	DOLE	June 13, 2024	1 yr	June 13, 2025 <i>PTO Renewal- For Payment</i>
		Occupancy Permit*	OBO	July 18, 2022	NA	NA
B-MEG Plant Misamis Oriental	Gracia, Tagoloan, Misamis Oriental	Environmental Compliance Certificate/ Certificate of Non Coverage*	DENR	Nov 19, 2021	NA	NA
		Permit to Operate Air Pollution Sources and Control Installation	DENR	Apr 25, 2025	1 yr	Apr 25, 2026
		Hazardous Waste Generator Registration Certificate*	DENR	Apr 29, 2021	NA	NA
		PCO Accreditation and Deputy PCO Accreditation	DENR	May 5, 2025	3 yrs	May 5, 2028
		Training Certificate of Managing Head*	DENR	Mar 29, 2019	NA	NA
		Business Permit	LGU	Jan 23, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 23, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate	LGU BFP	Jun 10, 2024	1 yr	June 10, 2025 <i>Already paid Scheduled inspection in on 08/14/2025</i>
		Dole Rule 1020 - New Establishment Registration*	DOLE	Jun 26, 2019	NA	NA
		PTO - Pressure Vessel	DOLE	May 2, 2024	1 yr	May 2, 2025 <i>Already inspected and paid the renewal. Waiting for the issuance of certificate</i>
		PTO - Boiler	DOLE	May 2, 2024	1 yr	May 2, 2025 <i>Already inspected and paid the renewal. Waiting for the issuance of certificate</i>
		PTO - Elevator	DOLE	May 2, 2024	1 yr	May 2, 2025 <i>Already inspected and paid the renewal. Waiting for the issuance of certificate</i>

		PTO - Electrical	DOLE	May 2, 2024	1 yr	May 2, 2025 <i>Already inspected and paid the renewal. Waiting for the issuance of certificate</i>
		PTO – Power Piping	DOLE	May 2, 2024	1 yr	May 2, 2025 <i>Already inspected and paid the renewal. Waiting for the issuance of certificate</i>
		License of Safety Practitioner of Safety Engineer*	DOLE	Aug 15, 2023	3yrs	Aug 15, 2026
		PTO – Internal Combustion Engine	DOLE	May 2, 2024	1 yr	May 2, 2025 <i>Already inspected and paid the renewal. Waiting for the issuance of certificate</i>
		Certificate of Feed Establishment Certificate/ License to	BAI	Nov 12, 2024	1 yr	Dec 31, 2025
		Certificate of Feed Product	BAI	Jan 1, 2025	1 yr	Dec 31, 2025
		BOI Certificate of Project Registration***	DTI	May 20, 2020	10 yrs	May 20, 2030
		Certificate of Authority to Operate	PRC Board of Chemistry	Aug 30, 2022	3 yrs	Aug 30, 2025
		License to Handle Controlled Precursors and Essential Chemicals (CPECS)	PDEA	Aug 20, 2024	1 yr	Sep 18, 2025
		Certificate of Recognition as BAI Accredited Laboratory	BAI	June 10, 2024	1 yr	June 10, 2025 <i>Waiting for lab audit</i>
		Controlled Chemicals Purchaser's License	PNP	May 23, 2025	1 yr	Mar 6, 2026
		Coal End-Users Registration****	DOE	Oct 1, 2019	10 yrs	Oct 1, 2029
B-MEG Plant DavSur	Sitio Landing, Brgy. Darong, Sta. Cruz, Davao del Sur	Environmental Compliance Certificate/ Certificate of Non	DENR	Dec 8, 2014	NA	NA
		Permit to Operate Air Pollution Sources and Control	DENR	May 21, 2025	5 yrs	May 21, 2030
		Hazardous Waste Generator Registration Certificate*	DENR	Apr 5, 2021	NA	NA

		PCO Accreditation and Deputy PCO Accreditation	DENR	Jun 23, 2023	3 yrs	Jun 23, 2026
		Training Certificate of Managing Head*	DENR	Nov 15, 2019	NA	NA
		Business Permit	LGU	Feb 13, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 20, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate	LGU BFP	Nov 13, 2024	1 yr	Nov 13, 2025
		Dole Rule 1020 - New Establishment Registration*	DOLE	Feb 28, 2020	NA	NA
		PTO - Pressure Vessel	DOLE	May 23, 2024	1 yr	May 23, 2025 <i>Ongoing renewal</i>
		PTO - Boiler	DOLE	May 23, 2024	1 yr	May 23, 2025 <i>Ongoing renewal</i>
		PTO - Elevator	DOLE	May 23, 2024	1 yr	May 23, 2025 <i>Ongoing renewal</i>
		PTO - Electrical	DOLE	May 23, 2024	1 yr	May 23, 2025 <i>Ongoing renewal</i>
		PTO – Power Piping	DOLE	May 23, 2024	1 yr	May 23, 2025 <i>Ongoing renewal</i>
		PTO – Internal Combustion Engine	DOLE	NA	NA	NA
		Certificate of Feed Establishment Certificate/ License to Operate	BAI	Dec 19, 2024	1 yr	Dec 31, 2025
		Certificate of Feed Product	BAI	Feb 17, 2025	1 yr	Dec 31, 2025
		BOI Certificate of Project Registration***	DTI	April 16, 2016	NA	NA
		Certificate of Authority to Operate	PRC Board of Chemistry	Jul 17, 2024	3yr	Jul 17, 2027
		License to Handle Controlled Precursors and Essential Chemicals (CPECS)	PDEA	Sep 13, 2024	1 yr	Oct 1, 2025
		Certificate of Recognition as BAI Accredited Laboratory	BAI	Oct 1, 2024	1 yr	Oct 1, 2025

		Controlled Chemicals Purchaser's License	PNP	Feb 24, 2025	1 yr	Nov 20, 2025
		Coal End-Users Registration****	DOE	Dec 29, 2021	10 yrs	Dec 29, 2031
B-MEG Plant Bukidnon	Impalutao, Impasugong, Bukidnon	Environmental Compliance Certificate/ Certificate of Non	DENR – EMB	May 11, 2021	NA	NA
		Permit to Operate Air Pollution Sources and Control	DENR – EMB	Apr 30, 2021	5yrs	Apr 30, 2026
		Hazardous Waste Generator Registration Certificate*	DENR – EMB	Feb 23, 2024	NA	NA
		PCO Accreditation and Deputy PCO Accreditation	DENR – EMB	May 25, 2023	3yr	May 25, 2026
		Training Certificate of Managing Head*	DENR	Jan 16, 2023	NA	NA
		Business Permit	LGU	Jan 25, 2025	1 yr	Dec 31, 2025
		Sanitary Permit	LGU	Jan 25, 2025	1 yr	Dec 31, 2025
		Fire Safety Inspection Certificate	BFP	Jun 3, 2024	1 yr	Jun 3, 2025 for inspection – Aug 2025
		Dole Rule 1020 - New Establishment Registration*	DOLE	Jul 1, 2019	NA	NA
		PTO - Pressure Vessel	DOLE	Feb 5, 2025	1 yr	Feb 5, 2026
		PTO - Boiler	DOLE	Feb 5, 2025	1 yr	Feb 5, 2026
		PTO – Elevator (Not applicable, no elevator in the plant)	DOLE	NA	NA	NA
		PTO - Electrical	DOLE	Feb 5, 2025	1 yr	Feb 5, 2026
		Certificate of Annual Inspection	OBO	Feb 5, 2025	1 yr	Feb 5, 2026
		LTO as Non Commercial Manufacturer	BAI	Dec 19, 2024	1 yr	Dec 31, 2025
		Certificate of Authority to Operate	PRC Board of Chemistry	May 3, 2023	3 yrs	May 2, 2026
		License to Handle Controlled Precursors and Essential Chemicals	PDEA	Sep. 19, 2024	1 yr	Sep. 18, 2025
		Certificate of Recognition as BAI Accredited Laboratory	BAI	Jun. 6, 2024	1 yr	Jun. 5, 2025 Already inspected, awaiting certificate
		Controlled Chemicals Purchaser's License	PNP	Mar. 7, 2025	1 yr	Mar. 6, 2026

SAN MIGUEL FOODS INC - RTE BUSINESS
Material Permits and Licenses

	Name of Permit / License	Permit / License Reference No.	Issuing Agency	Department Responsible	Issued date	Expiry Date	Validity	Remarks
1	Community Tax Certificate	00542833	LGU – Pasig City	Finance	Jan 9, 2025	Dec 31, 2025	1 year	Current
2	Barangay Business Clearance	BP#9390 S-91530	LGU - Sta.Rosa	Finance	Jan 16, 2025	Dec 31, 2025	1 year	Current
3	Business Permit	9390-25	LGU - Sta.Rosa	Finance	Jan 16, 2025	Dec 31, 2025	1 year	Current
4	Sanitary Permit	25-5538	LGU - Sta.Rosa	Finance	May 15, 2025	Dec 31, 2025	1 year	Current
5	Water Potability Certificate	CN: 25-066	LGU - Sta.Rosa	QA	July 2, 2025	Dec 31, 2025	6 months	Current
6	FDA LTO as Manufacturer (RTE)	LTO-3000004008304	FDA	QA		Jan 21, 2027	5 years	Current
7	FDA LTO as Trader (C5 Office)	LTO-3000005101903	FDA	QA		Mar 16, 2026	5 years	Current
8	FDA LTO as Food Importer (C5 office)	LTO-3000007517153	FDA	QA		Mar 17, 2026	5 years	Current
9	FDA LTO as Importer / Distributor (C5 office)	LTO-3000007523790	FDA	QA		May 17, 2026	5 years	Current
10	NMIS LTO and GOP Certification as Cold Storage	NMIS-CSW-0690-AA	NMIS	QA	March 26, 2024	April 01, 2026	2 years	Current
11	NMIS Meat Importer	MIP-519-22	NMIS	QA	January 27, 2025	Jan 17, 2028	3 years	Current
12	Fire Safety Inspection Certificate	RO4A-621800	LGU - Sta.Rosa	Engg	Feb 15, 2023	Feb 15, 2024	1 year	For compliance to smoke management requirements
13	Certificate of Annual Inspection	2401-00029	LGU- Sta.Rosa	Engg	Jan 25, 2024	Jan 25, 2025	1 year	Inspection completed, need to provide FSIC before release the certificate
14	Environmental Compliance Certificate	ECC-OL-R4A-2016-0416	DENR - EMB	Engg	December 24, 2016	N/A	One Time	Current

15	Hazardous Waste Generator ID	OL-GR-R4A-34-052903	DENR - EMB	Engg	November 24, 2023	N/A	One Time	Current
16	Permit to Operate - Gen Set (Air Pollution Source and Control Installation)	PTO-OL-R4A-2024-02436-R	DENR - EMB	Engg	March 15, 2024	December 15, 2028	4 years and 9 months	Current
17	LLDA Clearance Permit	PC-20b-017-00077	LLDA	Engg	April 03, 2017	N/A	One Time	Current
18	LLDA Discharge Permit	DP(R)-20b-2023-06968	LLDA	Engg	March 18, 2025	March 18, 2026	1 years	Current
19	Permit to Operate - Power Piping Line	PVDL-IVA-138-2020	DOLE - LAGUNA	Engg	April 11, 2024	April 10, 2025	1 year	PTO renewal application submitted thru DOLE website on July 8, 2025 ; for DOLE inspection
20	Permit to Operate - Power Piping Line	PVDL-IVA-139-2020	DOLE - LAGUNA	Engg	April 11, 2024	April 10, 2025	1 year	PTO renewal application submitted thru DOLE website on July 8, 2025 ; for DOLE inspection
21	Permit to Operate - Pressure Vessel	PVDL-IVA-510-2019	DOLE - LAGUNA	Engg	September 18, 2024	September 17, 2025	1 year	Current
22	Permit to Operate - Pressure Vessel	PVDL-IVA-369-2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
23	Permit to Operate - Pressure Vessel	PVDL-IVA-370-2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
24	Permit to Operate - Pressure Vessel	PVDL-IVA-371-2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
25	Permit to Operate - Pressure Vessel	PVDL-IVA-372-2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
26	Permit to Operate - Pressure Vessel	PVDL-IVA-630-2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
27	Permit to Operate - Pressure Vessel	PVDL-IVA-631-2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current

28	Permit to Operate - Pressure Vessel	PVDL-IVA-632- 2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
29	Permit to Operate - Pressure Vessel	PVDL-IVA-633- 2019	DOLE - LAGUNA	Engg	April 11, 2024	April 10, 2025	1 year	PTO renewal application submitted thru DOLE website on July 8, 2025 ; for DOLE inspection
30	Permit to Operate - Pressure Vessel	PVDL-IVA-634- 2019	DOLE - LAGUNA	Engg	April 11, 2024	April 10, 2025	1 year	PTO renewal application submitted thru DOLE website on July 8, 2025 ; for DOLE inspection
31	Permit to Operate - Pressure Vessel	PVDL-IVA-635- 2019	DOLE - LAGUNA	Engg	April 11, 2024	April 10, 2025	1 year	PTO renewal application submitted thru DOLE website on July 8, 2025 ; for DOLE inspection
32	Permit to Operate - Pressure Vessel	PVDL-IVA-636- 2019	DOLE - LAGUNA	Engg	April 11, 2024	April 10, 2025	1 year	Inspected by DOLE July 31; Awaiting for release of PTO Certificate
33	Permit to Operate - Pressure Vessel	PVDL-IVA-637- 2019	DOLE - LAGUNA	Engg	April 11, 2024	April 10, 2025	1 year	PTO renewal application submitted thru DOLE website on July 8, 2025 ; for DOLE inspection
34	Permit to Operate - Pressure Vessel	PVDL-IVA-638- 2019	DOLE - LAGUNA	Engg	April 11, 2024	April 10, 2025	1 year	PTO renewal application submitted thru DOLE website on July 8, 2025 ; for DOLE inspection

35	Permit to Operate - Pressure Vessel	PVDL-IVA-639- 2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
36	Permit to Operate - Pressure Vessel	PVDL-IVA-640- 2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
37	Permit to Operate - Pressure Vessel	PVDL-IVA-641- 2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
38	Permit to Operate - Pressure Vessel	PVDL-IVA-642- 2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
39	Permit to Operate - Pressure Vessel	PVDL-IVA-643- 2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
40	Permit to Operate - Pressure Vessel	PVDL-IVA-644- 2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
41	Permit to Operate - Pressure Vessel	PVDL-IVA-647- 2019	DOLE - LAGUNA	Engg	May 07, 2025	May 06, 2026	1 year	Current
42	Permit to Operate - Pressure Vessel	PVDL-IVA-248- 2024	DOLE - LAGUNA	Engg	April 11, 2024	April 10, 2025	1 year	Inspected by DOLE July 31; Awaiting for release of PTO Certificate
43	Permit to Operate - Pressure Vessel	PVDL-IVA-249- 2024	DOLE - LAGUNA	Engg	April 11, 2024	April 10, 2025	1 year	Inspected by DOLE July 31; Awaiting for release of PTO Certificate
44	Certificate of Product Registration	Total: 92 / 92 SKUs						Current

POWER BUSINESS

LIST OF PERMITS

I. SAN MIGUEL GLOBAL POWER HOLDINGS CORP. *(formerly known as SM Global Power Holdings Corp.)*

Name of Permit / License	Issuing Agency	Issue Date	Expiry Date
Certificate of Incorporation	SEC	23-Jan-08	N/A
Amended Articles of Incorporation	SEC	15-Oct-10	N/A
Amended Articles of Incorporation	SEC	22-Mar-23	N/A
Amended By-Laws	SEC	22-Mar-23	N/A
Amended Articles of Incorporation	SEC	16-May-25	N/A
Certificate of Registration	BIR	24-Jan-08	N/A
Business Permit (Pasig)	LGU	11-Feb-25	31-Dec-25
Certificate of Registration as Employer	SSS	01-Sep-11	N/A
Clearance Certificate	PAGIBIG	04-Apr-18	N/A

II. LIMAY POWER INC. (formerly known as SMC Consolidated Power Corporation)

Name of Permit / License	Issuing Agency	Issue Date	Expiry Date
Certificate of Incorporation	SEC	19-Aug-11	N/A
Amended Articles of Incorporation	SEC	07-Feb-23	N/A
Amended By-Laws	SEC	07-Jan-23	N/A
Provisional Authority to Operate -Extension	ERC	23-May25	22-May-26
Certificate of Registration – Phase 1	BOI	20-Sep-13	N/A
Certificate of Registration – Phase 2	BOI	20-Sep-16	N/A
Foreshore Lease Contract - 465k sqm	DENR	13-Dec-17	12-Dec-42
Environmental Compliance Certificate (ECC) Power Plant	DENR EMB	17-Sep-13	N/A
ECC Power Plant Amendment	DENR EMB	17-Sep-13	N/A
		04-May-16 (Amended)	N/A
		04-Sep-23 (Amended)	N/A
ECC Ash Storage Facility	DENR-EMB	05-Feb-16	N/A
		02-Aug-23 (Amended)	N/A
Discharge Permit – Cooling Phase 1	DENR EMB	30-Sep-24	30-Sep-25
Discharge Permit – Cooling Phase 2	DENR EMB	22-Aug-24	22-Aug-25 (Renewal in Progress)
Discharge Permit – Industrial Phase 1	DENR EMB	02-Oct-24	04-Oct-25
Discharge Permit – Industrial Phase 2	DENR EMB	20-Dec-24	20-Dec-25
Hazardous Wastes Generator ID	DENR EMB	12-Sep-20	N/A
Hazardous Wastes Generator ID (Ash Storage Facility)	DENR EMB	18-Jan-22	N/A
ECC Substation & Transmission Line Project	DENR-EMB	07-Aug-15	N/A
Permit to Operate PP1	DENR-EMB	15-Mar-22	15-Mar-27
Permit to Operate PP2	DENR-EMB	15-Mar-22	15-Mar-27
Permit to Operate Ash Storage Facility	DENR-EMB	15-Mar-21	15-Mar-26
Transmission Service Agreement	NGCP	02-Jun-25	25-May-35
Metering Service Agreement (with pending renewal)	NGCP	02-Jun-25	25-May-35
Connection Agreement (with pending renewal)	NGCP	02-Jun-25	25-May-35
Water Permit for Deepwell 1, 2, 3	NWRB	28-Feb-18	N/A
Water Permit for Seawater - Phase 1	NWRB	25-Aug-17	N/A

Water Permit for Seawater – Phase 2	NWRB	21-Jun-22	N/A
DOLE Certificate of Registration (Rule 1020)	DOLE	09-Mar-23	N/A
Business Permit 2024 (Limay)	LGU	17-Feb-25	31-Dec-25
Barangay Business Clearance (Lamao)	LGU	17-Feb-2025	31-Dec-25
Sanitary Permit (Limay)	LGU	18-Feb-25	31-Dec-25
Mayor's Permit (Mandaluyong)	LGU	27-March-25	31-Dec-25
Certificate of Non-Overlap	NCIP	27-Aug-15	N/A
Certificate of Non-Overlap Phase 2	NCIP	14-Dec-17	N/A
Certificate of Registration	BIR	28-Sept-11	N/A
Certificate of Registration	BOC	15-Apr-25	15-Apr-26
Certificate of Registration as Employer	SSS	06-Aug-24	N/A
Certificate of Employer's Registration	PAGIBIG	04-Sep-24	N/A
Certificate of Registration	DOLE	09-March-23	N/A
Fire Safety Inspection Certificate	BFP	05-Nov-24	02-Nov-25

III. MASINLOC POWER CO. LTD.

SEC Articles of Partnership	SEC	25-Jun-07	N/A
Amended Articles of Partnership	SEC	13-Nov-23	N/A
Amended Articles of Partnership	SEC	06-Nov-24	N/A
Provisional Authority to Operate Unit 1, 2, 3 and Emergency Diesel Engine Gen Unit	ERC	19-Feb-25	18-Feb-26
Certificate of Registration for Unit 1 & 2	BOI	03-Mar-08	N/A
Certificate of Registration for Unit 3	BOI	12-Oct-12	N/A
Certificate of Registration for Unit 4	BOI	23-Feb-21	N/A
Certificate of Registration for Unit 5	BOI	23-Feb-21	N/A
Certificate of Registration for BESS I	BOI	15-Jan-16	N/A
Certificate of Registration for BESS II	BOI	01-Oct-20	N/A
Special Use Agreement in Protected Areas (SAPA) Original	DENR	23-Mar-10	22-Mar-35
Amended SAPA	DENR	13-May-14	22-Mar-35
Permit to Operate Unit 1&2	DENR	03-Dec-24	03-Jan-26
Permit to Operate Unit 3	DENR	15-Nov- 24	15-Mar-27
Power Plant Environmental Compliance Certificate	DENR-EMB	13-Apr-21	N/A
BESS Original Environmental Compliance Certificate	DENR-EMB	05-Oct-15	N/A
BESS ECC Amendment	DENR-EMB	07-Oct-19	N/A
Wastewater Discharge Permit Cooling Water Unit 1 &2	DENR-EMB	Application no. DP-R03-24-00135 (OPMS)	Renewal in progress
Wastewater Discharge Permit (Wastewater Treatment) (Facility) Unit 1&2	DENR-EMB	13-Dec-24	13-Dec-25
Transmission Service Agreement	NGCP	26-Oct-16	25-Oct-26
Metering Service Agreement	NGCP	26-Oct-16	25-Oct-26
Connection Agreement	NGCP	26-Oct-16	25-Oct-26

Water Permit	NWRB	25-Aug-17	N/A
Water Permit (Deepwell) 16070	NWRB	14-Apr-98	N/A
Water Permit (Deepwell) 16071	NWRB	14-Apr-98	N/A
Water Permit (Lauis River) 16087	NWRB	10-Feb-98	N/A
Water Permit (Oyon Bay)	NWRB	25-May-09	N/A
Business Permit	LGU	23-Jan-25	31-Dec-25
Certificate of Registration	BIR	25-Jun-07	N/A
Certificate of Registration OSH	DOLE	04-Sep-09	N/A
Certificate of Registration	BOC	07-May-25	07-May-26

IV. MALITA POWER INC. (formerly known as San Miguel Consolidated Power Corporation)

Name of Permit / License	Issuing Agency	Issue Date	Expiry Date
Certificate of Incorporation	SEC	26-Aug-11	N/A
Amended Articles of Incorporation	SEC	09-Mar-23	N/A
Certificate of Registration	BOI	24-Jun-13	N/A
Certificate of Non-Overlap	NCIP	17-Oct-16	N/A
Foreshore Lease Contract (20,000 sqm)	DENR	3-Oct-18	02-Oct-43
Foreshore Lease Contract (40,000 sqm)	DENR	5-May-23	5-May-48
Miscellaneous Lease Contract (48,779 sqm)	DENR	3-Oct-18	02-Oct-43
Miscellaneous Lease Contract (18,784 sqm)	DENR	8-Feb-23	8-Feb-48
Miscellaneous Lease Contract (41,025 sqm)	DENR	5-May-23	5-May-48
Permit to Operate Air Pollution Control Device	DENR	12-Jul-25	12-Oct-29
Environmental Compliance Certificate	DENR-EMB	17-Jun-13	N/A
Business Permit (Malita)	LGU	27-Jan-25	31-Dec-25
Mayor's Permit (Malita)	LGU	16-Jan-25	31-Dec-25
Certificate of Employer's Registration	PAGIBIG	1-Apr-16	N/A
Certificate of Registration	BIR	29-Sept-11	N/A
Certificate of Registration	BOC	26-May-25	26-May-26
Employer Registration	SSS	01-Feb-16	N/A
Discharge Permit	DENR EMB	22-Jun-24 – Wastewater	22-Jun-29
		29-Aug-24 – Leachate Treatment Plant	29-Aug-29
Hazardous Waste Generator ID	DENR EMB	02-Aug-23	N/A
Permit to Operate Air Pollution Source & Controlled Installations	DENR-EMB	12-Jul-25	12-Oct-29
Permit to Operate	DOLE	20-Dec-24	19-Dec-25
Transmission Service Agreement	NGCP	26-Jun-25	25-May-35
Metering Service Agreement	NGCP	26-Jun-25	25-May-35
Connection Agreement	NGCP	26-Jul-25	25-May-35
Water Permit	NWRB	24-Aug-15 - River water	N/A
		25-Aug-17 - Sea Water	
DOLE Certificate of Registration (Rule 1020)	DOLE	20-Jul-23	N/A
Provisional Authority to Operate Units 1 & 2	ERC	5-Oct-24	4-Oct-25

V. SUAL POWER INC. (formerly San Miguel Energy Corporation)

Name of Permit / License	Issuing Agency	Issue Date	Expiry Date
Certificate of Incorporation	SEC	30-May-03	N/A
Amended Articles of Incorporation	SEC	05-Jan-15	N/A
Amended Articles of Incorporation	SEC	26-Jul-19	N/A
Amended Articles of Incorporation	SEC	01-Apr-22	N/A
Amended Articles of Incorporation	SEC	09-Mar-23	N/A
Amended By-Laws	SEC	09-Mar23	N/a
Certificate of Registration	BIR	14-Jun-23	N/A
Certificate of Registration	BOC	30-Jan-25	30-Jan-26
Certificate of Registration	DOLE	19-Nov-24	N/A
Certificate of Registration	Philhealth	7-Sept-23	N/A
Certificate of Registration	PAG-IBIG	28-06-24	N/A
Business Permit (Pasig)	LGU	31-Jan-25	31-Dec-25
Business Permit (Sual)	LGU	7-Aug-25	31-Dec-25
Permit to Operate-Air Pollution Source and Control Installations	DENR-EMB	23-July-25	23-July-30
Wastewater Discharge Permit-Attenuation Pond 2	DENR-EMB	05-Aug-25	5-June-29
Wastewater Discharge Permit-Sanitary Landfill to Leachate Pond	DENR-EMB	01-Aug-25	01-Nov-29
Wastewater Discharge Permit- Reverse Osmosis Plant-Brine Reject	DENR-EMB	10-Jul-25	10-Apr-2030
Wastewater Discharge Permit- Condenser Cooling Waste Disposal Facility	DENR-EMB	14-Jul-25	14-Oct-29
Wastewater Discharge Permit-Attenuation Pond 1	DENR-EMB	08-Jan-25	08-Nov-29
Environmental Compliance Certificate – 2 nd Amendment	DENR-EMB	31-Oct-24	31-Dec-36
Certificate of Non-Overlap	NCIP	23-June-25	N/A
Metering Service Agreement with NGCP	NGCP	26-Dec-24	25-Oct-2034
Fire Safety Inspection Certificate	BFP	16-Dec-24	16-Dec-25

VI. SAN ROQUE HYRDOPOWER INC. (formerly Strategic Power Devt. Corp.)

Name of Permit / License	Issuing Agency	Issue Date	Expiry Date
Certificate of Incorporation (Big Bucks Realty Corp.)	SEC	30-Oct-03	N/A
Amended Articles of Incorporation and Amended By-Laws	SEC	31-Mar-23	N/A
Business Permit (Pasig)	LGU	11-Feb-25	31-Dec-25
Certificate of Registration	BIR	14-Jun-23	N/A

BEER BUSINESS

SAN MIGUEL BREWERY INC.

LIST OF LICENSES TO OPERATE AND CERTIFICATES OF PRODUCT REGISTRATION

LICENSE TO OPERATE				
Name of Permit/License	Issuing Agency	Issue Date	Validity Period	Expiry Date
San Miguel Brewery Inc.- Mandaue Brewery (as Food Manufacturer)	FDA	N/A	---	January 4, 2027
San Miguel Brewery Inc. (as Food Distributor - Importer/ Exporter)	FDA	N/A	---	April 28, 2027
San Miguel Brewery Inc.- Bacolod Brewery (as Food Manufacturer/ Exporter)	FDA	N/A	---	March 29, 2030
San Miguel Brewery Inc.- Sta. Rosa Brewery (as Food Manufacturer/ Exporter)	FDA	N/A	---	July 20, 2026
San Miguel Brewery Inc. (as Food Trader)	FDA	January 23, 2023	5 years	February 4, 2028
San Miguel Brewery Inc.- Davao Brewery (as Food Manufacturer)	FDA	N/A	---	March 7, 2026
San Miguel Brewery Inc.- Polo Brewery (as Food Manufacturer)	FDA	N/A	---	March 7, 2027
San Miguel Brewery Inc.- San Fernando Brewery (as Food Manufacturer)	FDA	N/A	---	May 11, 2037
San Miguel Brewery Inc.- Tagoloan Brewery (as Food Manufacturer)	FDA	N/A	---	January 30, 2027

CERTIFICATE OF PRODUCT REGISTRATION				
Name of Permit/License	Issuing Agency	Issue Date	Validity Period	Expiry Date
RED HORSE BEER 6.9% ALC./VOL.	FDA	June 2, 2025	3 years, 10 months	April 16, 2029
Red Horse Beer Extra Strong	FDA	June 2, 2025	3 years, 10 months	April 16, 2029
Red Horse Beer Extra Strong	FDA	May 27, 2025	6 years	May 27, 2031
Red Horse Beer Extra Strong	FDA	April 29, 2025	6 years	April 29, 2031
Red Horse Beer Extra Strong	FDA	May 22, 2025	6 years	May 22, 2031
Red Horse Beer Extra Strong	FDA	May 14, 2025	5 years, 10 months	March 26, 2031
Red Horse Beer Extra Strong	FDA	May 20, 2025	5 years, 11 months	April 10, 2031
Red Horse Beer Extra Strong	FDA	April 29, 2025	5 years, 10 months	Feb 6, 2031
RED HORSE SUPER EXTRA STRONG BEER	FDA	July 18, 2025	6 years	July 18, 2031
RED HORSE BEER – DRAFT BEER	FDA	May 24, 2025	6 years	May 24, 2031
RED HORSE BEER – DRAFT BEER	FDA	April 23, 2025	6 years	April 23, 2031
Red Horse Super Extra Strong Beer	FDA	Aug 12, 2025	6 years	Aug 12, 2030
Red Horse Super Extra Strong Beer	FDA	June 7, 2025	6 years	June 7, 2031
Red Horse Super Extra Strong Beer	FDA	June 7, 2025	6 years	June 7, 2031

Red Horse Super Extra Strong Beer	FDA	Aug 11, 2025	6 years	Aug 11,2031
Red Horse Super Extra Strong Beer	FDA	April 10, 2025	6 months	October 13, 2025
Red Horse Super Extra Strong Beer	FDA	June 7, 2025	6 years	June 7, 2031

San Miguel Pale Pilsen	FDA	June 6, 2024	4 years, 4 months	October 27, 2028
San Miguel Pale Pilsen	FDA	October 18, 2023	5 years	October 18, 2028
San Miguel Pale Pilsen	FDA	November 7, 2023	5 years	November 7, 2028
San Miguel Pale Pilsen	FDA	October 20, 2023	5 years	October 20, 2028
San Miguel Pale Pilsen	FDA	October 17, 2023	5 years	October 17, 2028
San Miguel Pale Pilsen	FDA	October 24, 2023	5 years	October 24, 2028
San Miguel Pale Pilsen	FDA	November 6, 2023	5 years	November 6, 2028

San Miguel Pale Pilsen (Limited Edition Designs)	FDA	April 19, 2023	4 years, 1 month	May 11, 2027
San Miguel Pale Pilsen Draft Beer	FDA	November 15, 2023	5 years	November 15, 2028
San Miguel Pale Pilsen Draft Beer	FDA	November 8, 2023	5 years	November 8, 2028
San Mig Light Pale Pilsen (low-risk food product)	FDA	March 18, 2024	4 years, 8 months	November 30, 2028
San Mig Light Pale Pilsen (low-risk food product)	FDA	December 5, 2023	5 years	December 5, 2028
San Mig Light Pale Pilsen (low-risk food product)	FDA	December 14, 2023	5 years	December 14, 2028
San Mig Light Pale Pilsen (low-risk food product)	FDA	December 5, 2023	5 years	December 5, 2028
San Mig Light Pale Pilsen (low-risk food product)	FDA	December 13, 2023	5 years	December 13, 2028
San Mig Light Pale Pilsen (low-risk food product)	FDA	December 13, 2023	5 years	December 13, 2028
San Mig Light Pale Pilsen (low-risk food product)	FDA	December 5, 2023	5 years	December 5, 2028
San Mig Light Draft Beer (low-risk food product)	FDA	November 6, 2023	5 years	November 6, 2028
San Mig Light Draft Beer (low-risk food product)	FDA	October 31, 2023	5 years	October 31, 2028
Gold Eagle Beer	FDA	October 10, 2023	4 years, 8 months	July 24, 2028

Gold Eagle Beer	FDA	October 27, 2023	4 years, 8 months	July 5, 2028
Gold Eagle Beer	FDA	August 22, 2022	5 years	August 22, 2027

Gold Eagle Beer	FDA	September 5, 2022	5 years	September 5, 2027
Gold Eagle Beer	FDA	November 10, 2023	5 years	June 8, 2028
Gold Eagle Beer	FDA	November 6, 2023	5 years	June 17, 2028
San Miguel Flavored Beer- Apple (low-risk food product)	FDA	July 18, 2025	6 years	July 18, 2031
San Miguel Flavored Beer- Apple (low-risk food product)	FDA	October 23,2023	5 years	October 23, 2028
San Miguel Flavored Beer- Apple (low-risk food product)	FDA	October 27,2023	5 years	October 27, 2028
San Miguel Flavored Beer- Apple (low-risk food product)	FDA	October 25,2023	5 years	October 25, 2028
San Miguel Flavored Beer- Apple (low-risk food product)	FDA	October 17,2023	5 years	October 17, 2028
San Miguel Flavored Beer- Apple (low-risk food product)	FDA	May 3, 2024	5 years	May 3, 2029
San Miguel Flavored Beer- Apple (low-risk food product)	FDA	May 6, 2024	5 years	May 6, 2029
San Miguel Flavored Beer- Lemon (low-risk food product)	FDA	November 13, 2023	5 years	November 13, 2028
San Miguel Flavored Beer- Lemon (low-risk food product)	FDA	November 15, 2023	5 years	November 15, 2028
San Miguel Flavored Beer- Lemon (low-risk food product)	FDA	November 8, 2023	5 years	November 8, 2028
San Miguel Flavored Beer- Lemon (low-risk food product)	FDA	November 20, 2023	5 years	November 20, 2028
San Miguel Flavored Beer- Lemon (low-risk food product)	FDA	October 24, 2023	5 years	October 24, 2028
San Miguel Flavored Beer- Lemon (low-risk food product)	FDA	April 23, 2024	5 years	April 23, 2029
San Miguel Flavored Beer- Lemon (low-risk food product)	FDA	April 23, 2024	5 years	April 23, 2029

San Miguel Flavored Beer - Lychee	FDA	May 29, 2024	4 years, 6 months	November 7, 2028
San Miguel Flavored Beer - Lychee	FDA	November 8, 2023	5 years	November 8, 2028

San Miguel Flavored Beer - Lychee	FDA	November 7, 2023	5 years	November 7, 2028
San Miguel Flavored Beer - Lychee	FDA	October 23, 2023	5 years	October 23, 2028
San Miguel Flavored Beer - Lychee	FDA	October 10, 2023	5 years	October 10, 2028
San Miguel Flavored Beer - Lychee	FDA	April 23, 2024	5 years	April 23, 2029
San Miguel Flavored Beer - Lychee	FDA	May 13, 2024	5 years	May 13, 2029
San Mig Hard Seltzer - Citrus Mix	FDA	May 19, 2022	4 years, 7 months	December 27, 2026
San Miguel Super Dry Premium Lager	FDA	April 19, 2024	1 year, 8 months	January 14, 2026
San Miguel Super Dry Pale Pilsen	FDA	May 13, 2024	5 years	May 13, 2029
San Miguel Premium All Malt Beer (low-risk food product)	FDA	July 1, 2025	5 years, 9 months	April 16, 2031
San Miguel Cerveza Negra Dark Lager (low-risk food product)	FDA	May 13, 2024	1 year, 7 months	January 5, 2026
San Mig Free 0.0 Zero Alcohol Beer	FDA	April 3, 2025	6 years	April 3, 2031
San Mig Zero Beer	FDA	May 28, 2024	5 years	May 28, 2029
Kirin Ichiban Beer	FDA	January 25, 2023	4 years, 7 months	August 6, 2027
San Miguel Cerveza Blanca	FDA	April 12, 2024	2 years, 11 months	March 17, 2027
Magnolia Cali Sparkling Apple Soft Drink	FDA	April 11, 2024	1 year, 11 months	March 15, 2026
Magnolia Cali Sparkling Apple Soft Drink	FDA	February 8, 2024	2 years, 1 month	March 8, 2026
Magnolia Cali Sparkling Pineapple Soft Drink	FDA	April 30, 2024	1 year, 10 months	March 8, 2026

Magnolia Cali Sparkling Pineapple Soft Drink	FDA	January 31, 2024	2 years, 1 month	March 5, 2026
Magnolia Cali Light Sparkling Pineapple Soft Drink	FDA	March 27, 2024	1 year, 11 months	March 15, 2026

San Mig Carbonated Cola Flavored Soft Drink	FDA	January 31, 2023	5 years, 3 months	April 19, 2028
San Mig Carbonated Cola Flavored Soft Drink	FDA	February 15, 2023	5 years, 2 months	April 16, 2028
San Mig Carbonated Cola Flavored Soft Drink	FDA	June 8, 2023	5 years, 1 month	July 13, 2028
Magnolia fruit drink- Grape (medium risk food product)	FDA	December 29, 2022	5 years, 1 month	February 1, 2028
Magnolia fruit drink- Grape	FDA	July 3, 2020	5 years, 6 months	January 8, 2026
Magnolia fruit drink- Grape	FDA	June 20, 2023	5 years, 3 months	September 26, 2028
Magnolia Fruit Drink – Mango	FDA	February 26, 2024	5 years	February 26, 2029
Magnolia Fruit Drink – Mango	FDA	February 20, 2024	5 years	February 20, 2029
Magnolia Fruit Drink – Orange	FDA	July 2, 2020	5 years, 6 months	January 8, 2026
Magnolia Healthtea flavored tea drink- Apple (medium risk food product)	FDA	January 31, 2023	4 years, 11 months	January 9, 2028
Magnolia Healthtea Apple flavored tea drink	FDA	May 27, 2021	5 years, 3 months	September 26, 2026
Magnolia Healthtea Apple flavored tea drink	FDA	February 11, 2021	4 years, 9 months	December 10, 2025
Magnolia Healthtea flavored tea drink- Lemon (medium risk food product)	FDA	May 2, 2025	6 years	May 2, 2031
Magnolia Healthtea Lemon flavored tea drink	FDA	May 10, 2025	6 years	May 10, 2031
Magnolia Healthtea Lemon flavored tea drink	FDA	July 14, 2025	6 years	July 14, 2031
Magnolia Healthtea flavored tea drink- Strawberry (medium risk food product)	FDA	May 5, 2025	6 years	May 5, 2031
Magnolia Healthtea Strawberry flavored tea drink	FDA	May 13, 2025	6 years	May 13, 2031

Magnolia Healthtea Strawberry flavored tea drink	FDA	May 21, 2025	6 years	May 21, 2031
Magnolia Healthtea Mango flavored tea drink	FDA	Feb 19, 2025	5 years	Feb 19, 2030
Magnolia Healthtea Mango flavored tea drink	FDA	August 6, 2025	5 years	Feb 21, 2030
Magnolia Healthtea Mango flavored tea drink	FDA	April 25, 2025	6 years	April 25, 2031
Magnolia Healthtea Grape flavored tea drink	FDA	May 8, 2025	6 years	May 8, 2031
Magnolia Healthtea Grape flavored tea drink	FDA	July 25, 2025	6 years	July 25, 2031
Magnolia Healthtea Grape flavored tea drink	FDA	Apr 29, 2025	6 years	Apr 29, 2031
Magnolia Flavored Water - Apple	FDA	September 27, 2023	2 years, 7 months	May 21, 2026

Carbon Dioxide Liquefied Gas	FDA	May 3, 2025	5 years	May 3, 2031
Carbon Dioxide Liquefied Gas	FDA	July 2, 2025	5 years	July 2, 2031
Carbon Dioxide Liquefied Gas	FDA	July 8, 2021	5 years	July 8, 2026
Carbon Dioxide Liquefied Gas	FDA	May 9, 2024	5 years	May 9, 2029
Carbon Dioxide Liquefied Gas	FDA	October 14, 2020	5 years	October 14, 2025
Carbon Dioxide Liquefied Gas	FDA	September 16, 2021	5 years	September 16, 2026

CERTIFICATE OF PRODUCT REGISTRATION (FOR EXPORT USE)				
Name of Permit/License	Issuing Agency	Issue Date	Validity Period	Expiry Date
San Miguel Cerveza Negra Dark Lager	FDA	June 26, 2020	5 years, 6 months	January 15, 2026
San Miguel Cerveza Negra Draught Dark Lager	FDA	June 26, 2020	5 years, 6 months	January 15, 2026
San Miguel Flavored Beer- Apple	FDA	May 29, 2024	5 months	November 6, 2029
San Miguel Flavored Beer- Apple	FDA	Aug 9, 2025		Sept 16, 2025
San Miguel Flavored Beer- Lemon	FDA	June 20, 2024	5 months	June 20, 2029
San Miguel Flavored Beer- Lychee	FDA	May 29, 2021	5 years	May 24, 2026
San Miguel Flavored Beer- Lychee	FDA	April 7, 2025		September 3, 2029
Red Horse Beer (low risk food product)	FDA	May 24, 2025	5 years, 2 months	May 24, 2031
Red Horse Beer (For export market only)	FDA	May 6, 2025	5 years	October 24, 2028
San Miguel Pale Pilsen Beer	FDA	August 14, 2025	5 years	March 19, 2029
San Mig Light Pale Pilsen Beer	FDA	July 10, 2025	5 years, 6 months	July 10, 2031
San Mig Pale Pilsen Beer	FDA	June 22, 2025	5 years, 4 months	June 22, 2031
San Miguel Imported NAB	FDA	June 18, 2024	4 years, 10 months	June 18, 2029
San Miguel Non-Alcoholic Malt Beverage - Apple	FDA	May 3, 2021	5 years	May 3, 2026

LIST OF BUSINESS PERMITS

BUSINESS PERMITS					
Name of Permit/License	Issuing Agency	Issue Date	Validity Period	Expiry Date	Remarks
Butuan Sales Office/Region Office	City of Butuan Office of the City Mayor	January 24, 2025	Year of issuance	December 31, 2025	
Davao Brewery-Brewery	Municipality of Sta. Cruz, Davao del Sur Office of the Mayor	February 18, 2025	Year of issuance	December 31, 2025	
Davao Brewery-Sales Office	Municipality of Sta. Cruz, Davao del Sur Office of the Mayor	February 18, 2025	Year of issuance	December 31, 2025	
Metro Davao Sales Office	City of Davao Permits & Licensing Office	January 23, 2025	Year of issuance	December 31, 2025	
General Santos Sales Office	General Santos City Office of the City Mayor	January 17, 2025	Year of issuance	December 31, 2025	
Opol Sales Office	Municipality of Opol, Office of the Municipal Mayor	January 17, 2025	Year of issuance	December 31, 2025	
Opol Sales Office (Private Wharf)	Municipality of Opol, Office of the Municipal Mayor	January 17, 2025	Year of issuance	December 31, 2025	
Zamboanga Sales Office	City of Zamboanga Permits & Licenses Division	January 16, 2025	Year of issuance	December 31, 2025	
Liloy Sales Office	Municipality of Liloy, Office of the Municipal Mayor	January 16, 2025	Year of issuance	December 31, 2025	
Dipolog Sales Office	City of Dipolog, Office of the City Mayor	January 24, 2025	Year of issuance	December 31, 2025	
Ozamiz Sales/Area Offices	City Government of Ozamiz	January 28, 2025	Year of issuance	December 31, 2025	
Digos Sales Office	Office of the City Mayor Business Permits & Licensing Division	February 03, 2025	Year of issuance	December 31, 2025	
Tagum Sales Office	City of Tagum Office of the City Mayor	January 16, 2025	Year of issuance	December 31, 2025	
Tagoloan Brewery	Municipality of Tagoloan, Office of the Municipal Mayor	January 24, 2025	Year of issuance	December 31, 2025	
Numancia Sales Office	Office of the Municipal Mayor - Numancia	March 13, 2025	Year of issuance	December 31, 2025	
Roxas Sales Office	Office of the City Mayor - Roxas	January 20, 2025	Year of issuance	December 31, 2025	
Bacolod Brewery	Office of the City Mayor - Bacolod	January 20, 2025	Year of issuance	December 31, 2025	
Dumaguete Region Office	Office of the City Mayor - Dumaguete	February 03, 2025	Year of issuance	December 31, 2025	

Mandaue Brewery	Office of the City Mayor - Mandaue	March 04, 2025	Year of issuance	December 31, 2025	
Himamaylan Sales Office	Office of the City Mayor - Himamaylan	January 20, 2025	Year of issuance	December 31, 2025	
Iloilo Sales Office	Office of the City Mayor - Iloilo	January 17, 2025	Year of issuance	December 31, 2025	
Dumangas Sales Office	Office of the Municipal Mayor - Dumangas	February 06, 2025	Year of issuance	December 31, 2025	
Iloilo Region Office	Office of the City Mayor - Iloilo	January 17, 2025	Year of issuance	December 31, 2025	
Catbalogan Sales Office	Office of the City Mayor - Catbalogan	January 17, 2025	Year of issuance	December 31, 2025	
Tacloban Sales Office	Office of the City Mayor - Tacloban	January 24, 2025	Year of issuance	December 31, 2025	
Tagbilaran Sales Office	Office of the City Mayor - Tagbilaran	January 17, 2025	Year of issuance	December 31, 2025	
Parañaque Sales Office	City of Parañaque	July 16, 2025	Year of issuance	December 31, 2025	
Sucat Sales Office	City of Parañaque	July 16, 2025	Year of issuance	December 31, 2025	
Pasig Sales Office	City Government of Pasig	January 18, 2025	Year of issuance	December 31, 2025	
Pureza Sales Office	City Government of Manila	January 21, 2025	Year of issuance	December 31, 2025	
Sta. Ana Sales Office	City Government of Manila	January 21, 2025	Year of issuance	December 31, 2025	
Taytay Sales Office	Municipal Government of Taytay	July 15, 2025	Year of issuance	December 31, 2025	
Polo Brewery	City Government of Malabon	January 17, 2025	Year of issuance	December 31, 2025	
Cubao Sales Office	Quezon City Office of the Mayor	May 20, 2025	Year of issuance	May 20, 2026	
Novaliches Sales Office	City Government of Quezon	January 31, 2025	Year of issuance	January 31, 2026	
Balintawak Sales Office	Business Permit and Licensing Office-QC	May 21, 2025	Year of issuance	May 21, 2026	

Caloocan Sales Office	City Government of Caloocan	January 18, 2025	Year of issuance	December 31, 2025	
Polo Brewery (Malabon)	City Government of Malabon	January 17, 2025	Year of issuance	December 31, 2025	
Polo Brewery (Valenzuela)	City Government of Valenzuela	January 01, 2025	Year of issuance	December 31, 2025	
Tondo Sales Office	City Government of Manila	January 20, 2025	Year of issuance	December 31, 2025	
San Nicolas Sales Office	Office of the Municipal Mayor	January 30, 2025	Year of issuance	December 31, 2025	
Lal-lo Sales Office	Office of the Municipal Mayor	January 13, 2025	Year of issuance	December 31, 2025	
Baguio Sales Office	City Government of Baguio	March 21, 2025	Year of issuance	December 31, 2025	
San Isidro Sales Office	Municipality of San Isidro, Nueva Ecija	January 17, 2025	Year of issuance	December 31, 2025	
Cabanatuan Sales Office	Cabanatuan City Licensing Office	January 17, 2025	Year of issuance	December 31, 2025	
Bataan Malt Terminal	Municipal Mayor's Office	January 28, 2025	Year of issuance	December 31, 2025	
Cauayan Region Office	BPLO - Cauayan City	February 10, 2025	Year of issuance	December 31, 2025	
Santiago Sales Office	BPLO - Santiago City	January 20, 2025	Year of issuance	December 31, 2025	
Angeles Region Office	Office of the City Mayor	January 18, 2025	Year of issuance	December 31, 2025	
Carlatan Sales Office	Office of the City Mayor	February 19, 2025	Year of issuance	December 31, 2025	
Dagupan Region Office	BPLO - Dagupan City	January 24, 2025	Year of issuance	December 31, 2025	
Guiguinto Sales Office	Municipality of Guiguinto	January 15, 2025	Year of issuance	December 31, 2025	
San Fernando Brewery	Business License & Permit Division	January 14, 2025	Year of issuance	December 31, 2025	
Carmen Sales Office	BPLO - Rosales, Pangasinan	January 22, 2025	Year of issuance	December 31, 2025	
San Fernando Sales Office	Office of the City Mayor	January 14, 2025		December 31, 2025	

Bulan Sales Office	Municipality of Bulan - Office of the Municipal Mayor	January 20, 2025	Year of issuance	December 31, 2025	
Masbate Sales Office	Municipality of Mobo - Office of the Municipal Mayor	January 21, 2025	Year of issuance	December 31, 2025	
Daraga Sales Office	Municipality of Daraga - Office of the Municipal	May 02, 2025	Year of issuance	December 31, 2025	
Gumaca Sales Office	Municipality of Gumaca - Office of the Municipal Mayor	January 14, 2025	Year of issuance	December 31, 2025	
San Jose Sales Office	Municipality of San Jose - Office of the Municipal Mayor	January 20, 2025	Year of issuance	December 31, 2025	
Canlubang Sales Office	City of Calamba - Office of the City Mayor	January 17, 2025	Year of issuance	December 31, 2025	
Lucena Sales Office	City of Lucena - Office of the City Mayor		Year of issuance		Ongoing processing
Imus Sales Office	City of Imus - Office of the City Mayor	January 16, 2025	Year of issuance	December 31, 2025	
Puerto Princesa Sales Office	City of Puerto Princesa - Office of the City Mayor	January 14, 2025	Year of issuance	December 31, 2025	
Sta Rosa Plant	BPLO - Sta. Rosa City	January 16, 2025	Year of issuance	December 31, 2025	
Pila Sales Office	Municipality of Pila - Office of the Municipal Mayor	January 17, 2025	Year of issuance	December 31, 2025	
Dasmariñas Sales Office	City Of Dasmariñas - Office of the City Mayor	January 14, 2025	Year of issuance	December 31, 2025	
Naga Sales Office	City of Naga - Office of the City Mayor	January 23, 2025	Year of issuance	December 31, 2025	
Lipa Sales Office	City of Lipa - Office of the City Mayor	January 17, 2025	Year of issuance	December 31, 2025	
Batangas Sales Office	City of Batangas - Office of the City Mayor	January 27, 2025	Year of issuance	December 31, 2025	
SMB - Head Office	City of Mandaluyong Office of the City Mayor	January 17, 2025	Year of issuance	December 31, 2025	

Name of Permit/ License	Issuing Agency	Issue Date	Validity Period	Expiry Date	Remarks
Environmental Compliance Certificate: Bacolod Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	October 18, 2022 (Amended)	Until amended (as necessary)	N/A	
Environmental Compliance Certificate: Davao Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	January 20, 2020	Until amended (as necessary)	N/A	
Environmental Compliance Certificate: Mandaue Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	December 22, 2017	Until amended (as necessary)	N/A	Ongoing amendment to include new projects.
Environmental Compliance Certificate: Polo Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	February 28, 2025	Until amended (as necessary)	N/A	
Environmental Compliance Certificate: San Fernando Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	July 10, 2018	Until amended (as necessary)	N/A	
Environmental Compliance Certificate: Sta. Rosa Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	July, 2025 (Amended)	Until amended (as necessary)	N/A	
Environmental Compliance Certificate: Tagoloan Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	September 9, 2024 (Amended)	Until amended (as necessary)	N/A	
Permit to Operate (Air Pollution Source and Control Installations): Bacolod Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	May 15, 2025	Up to expiry date	January 15, 2028	
Permit to Operate (Air Pollution Source and Control Installations): Davao Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	November 1, 2021 (Fuel Storage Tanks)	5 years from application date	November 1, 2026	

Permit to Operate (Air Pollution Source and Control Installations): Mandaue Brewery	Department of Environment and Natural Resources-Environmental Management Bureau	April 6, 2022	5 years from application date	April 6, 2027	
Permit to Operate (Air Pollution Source and Control Installations): Polo Brewery	Department of Environment and Natural Resources-Environmental Management Bureau	February 8, 2025	Up to expiry date	May 8, 2027	
Permit to Operate (Air Pollution Source and Control Installations): San Fernando Brewery	Department of Environment and Natural Resources-Environmental Management Bureau	October 1, 2020	Up to expiry date	June 1, 2025	Ongoing processing
Permit to Operate (Air Pollution Source and Control Installations): Sta. Rosa Brewery	Department of Environment and Natural Resources-Environmental Management Bureau	February 8, 2022	Up to expiry date	November 7, 2026	
Permit to Operate (Air Pollution Source and Control Installations): Sta. Rosa Brewery	Department of Environment and Natural Resources-Environmental Management Bureau	October 24, 2024	Up to expiry date unless revoked	October 29, 2029	
Permit to Operate (Air Pollution Source and Control Installations): Sta. Rosa Brewery	Department of Environment and Natural Resources-Environmental Management Bureau	April 8, 2025	5 years from application date	April 8, 2030	
Permit to Operate (Air Pollution Source and Control Installations): Sta. Rosa Brewery	Department of Environment and Natural Resources-Environmental Management Bureau	August 17, 2022	5 years from application date	August 17, 2027	
Permit to Operate (Air Pollution Source and Control Installations): Tagoloan Brewery	Department of Environment and Natural Resources-Environmental Management Bureau	May 19, 2022 November 4, 2021 March 01, 2022 August 30, 2024 May 7, 2025	Up to expiry date unless revoked	November 19, 2026 August 4, 2026 March 01, 2027 October 30, 2026 October 7, 2029	
Wastewater Discharge Permit: Bacolod Brewery	Department of Environment and Natural Resources-Environmental Management Bureau	February 26, 2025	Up to expiry unless revoked	January 26, 2026	
Wastewater Discharge Permit: Davao Brewery	Department of Environment and Natural Resources-Environmental Management Bureau	August 15, 2024	Up to expiry unless revoked	August 15, 2029	
Wastewater Discharge Permit: Mandaue Brewery	Department of Environment and Natural Resources-Environmental Management Bureau	February 27, 2025	Up to expiry date unless revoked	February 27, 2026	

Wastewater Discharge Permit: Polo Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	September 14, 2024	1 year from certificate date	September 14, 2025	
Wastewater Discharge Permit: San Fernando Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	June 21, 2025	1 year from certificate date	June 21, 2026	
Wastewater Discharge Permit: Sta. Rosa Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	March 6, 2025	Up to expiry date	March 17, 2027	
Wastewater Discharge Permit: Tagoloan Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	May 9, 2024 July 1, 2022	Up to expiry date unless revoked	June 9, 2027 July 1, 2027	
Wastewater Discharge Permit: Tagoloan Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	June 11, 2025	Up to expiry date unless revoked	June 11, 2026	
Certification for Management Head for Plant Manager of Bacolod Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	June 14, 2024	One-time issuance	N/A	
Certification for Management Head for Plant Manager of Tagoloan Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	June 17, 2024	One-time issuance	N/A	
Certification for Management Head for Plant Manager of Sta. Rosa Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	November 14, 2014	One-time issuance	N/A	
Certification for Management Head for Plant Manager of Polo Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	October 8, 2020	One-time issuance	N/A	
Certification for Management Head for Plant Manager of Mandaue Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	August 13, 2024	One-time issuance	N/A	
Certification for Management Head for Plant Manager of San Fernando Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	December 10, 2019	One-time issuance	N/A	
Certification for Management Head for Plant Manager of Davao Brewery	Department of Environment and Natural Resources- Environmental Management Bureau	November 25, 2019	One-time issuance	N/A	

Fire Safety Inspection Certificate: San Fernando Brewery	Department of Interior and Local Government- Bureau of Fire Protection	January 13, 2025	Up to expiry date	September 17, 2025	
Fire Safety Inspection Certificate: Polo Brewery	Department of Interior and Local Government- Bureau of Fire Protection	July 1, 2025	Up to expiry date	March 31, 2026	
Fire Safety Inspection Certificate: Sta. Rosa Brewery	Department of Interior and Local Government- Bureau of Fire Protection	December 14, 2024	1 year from certificate date	December 13, 2025	
Fire Safety Inspection Certificate: Mandaue Brewery	Department of Interior and Local Government- Bureau of Fire Protection	January 25, 2025	1 year from certificate date	January 13, 2026	
Fire Safety Inspection Certificate: Davao Brewery	Department of Interior and Local Government- Bureau of Fire Protection	Feb. 14, 2025	1 year from certificate date	Feb. 14, 2026	
Fire Safety Inspection Certificate: Bacolod Brewery	Department of Interior and Local Government- Bureau of Fire Protection	May 23, 2025	1 year from certificate date	May 23, 2026	
Fire Safety Inspection Certificate: Tagoloan Brewery	Department of Interior and Local Government- Bureau of Fire Protection	March 11, 2025	1 year from certificate date	March 10, 2026	
Electrical Inspection Certificate: San Fernando Brewery	Department of Labor and Employment	April 10, 2025	Up to expiry date	March 18, 2026	
Electrical Inspection Certificate: Polo Brewery	Department of Labor and Employment	September 8, 2024	1 year from certificate date	September 19, 2025	
Electrical Inspection Certificate: Sta. Rosa Brewery	Department of Labor and Employment	April 27, 2022	1 year from certificate date	April 27, 2023	Ongoing processing
Electrical Inspection Certificate: Mandaue Brewery	Department of Labor and Employment / City of Mandaue: Office of the Building Official	October 4. 2024	Up to expiry date	October 4, 2025	
Electrical Inspection Certificate: Davao	Department of Labor and Employment	March 14, 2025	1 year from certificate date	March 14, 2026	

Electrical Inspection Certificate: Bacolod Brewery	Department of Labor and Employment/City of Bacolod: Office of the Building Official	November 7, 2024	1 year from inspection date	July 31, 2025	Ongoing processing
Electrical Inspection Certificate: Tagoloan	Department of Labor and Employment	February 28, 2025	Up to expiry date	February 28, 2026	
Permit to Operate Pressure Vessel: San Fernando Brewery	Department of Labor and Employment	March 19, 2025	Up to expiry date	March 18, 2026	
Permit to Operate Pressure Vessel: Polo Brewery	Department of Labor and Employment	September 18, 2024	1 year from certificate date	September 19, 2025	
Permit to Operate Pressure Vessel: Sta. Rosa Brewery	Department of Labor and Employment	February 28, 2024	1 year from inspection date	February 28, 2025	Ongoing processing
Permit to Operate Pressure Vessel: Mandaue Brewery	Department of Labor and Employment/City of Mandaue: Office of the Building Official	January 7, 2025	1 year from inspection date	October 3, 2025	
Permit to Operate Pressure Vessel: Davao Brewery	Department of Labor and Employment	March 14, 2025	1 year from inspection date	March 14, 2026	
Permit to Operate Pressure Vessel: Bacolod Brewery	City of Bacolod: Office of the Building Official	November 2024	1 year from certificate date	July 31, 2025	Ongoing processing
Permit to Operate Pressure Vessel: Tagoloan Brewery	Department of Labor and Employment	March 18, 2025	Up to expiry date	March 18, 2026	

MATERIAL PERMITS AND LICENSES

PETRON CORPORATION

	Name of Permit / License	Particulars	Issuing Agency	Issue Date	Validity Period	Expiry Date
1	Certificate of Incorporation, Amended Articles of Incorporation dated December 23, 2022	Registration No. 31131	Securities and Exchange Commission	December 22, 1966	Perpetual	N/A
2	Business permits of Petron					
2.a	Petron Mayor's Permit	Mayor's Permit No. 25-00705	City of Mandaluyong	January 7, 2025	1 year	December 31, 2025
2.b	Petron Certificate of Registration	TIN 000168801000	Bureau of Internal Revenue	January 1, 1996	Perpetual	N/A
3	Import and Export Certificate of Registration					
3.a	Petron HOC Certificate of Registration	CCN:IM0003112039	Bureau of Customs	March 10, 2025	1 year	March 10, 2026
3.b	Petron AFAB Export Certificate of Registration	EX0001062913	Bureau of Customs	February 11, 2025	1 year	February 11, 2026
3.c	Petron AFAB Import Certificate of Registration	IM0009074716	Bureau of Customs	February 11, 2025	1 year	February 11, 2026
4	Permit to discharge and shipside permits*					
4.a	Discharge Permit*	N/A	Bureau of Customs	March 13, 2025	N/A	N/A
4.b	Shipside Permit*	020-25	Bureau of Customs	January 23, 2025	N/A	N/A
5	Certificate of Accreditation as Importer	CCN:IM0009074716	Bureau of Customs	February 11, 2025	1 year	February 11, 2026
6	Permit to Produce Biofuel-Blended Gasoline (E-10 / E-Gasoline)*	ELTRD(P)-028-11-23-50849	Bureau of Internal Revenue	November 8, 2024	1 year	December 31, 2025
7	Authority to Release Imported Goods (Jet A-1)*	Control No. IRBIR0123256568239	Bureau of Internal Revenue	January 28, 2025	N/A	N/A
8	Permit to Export*	ELTFOD-P-014-03-25-00053	Bureau of Internal Revenue	March 5, 2025	N/A	N/A

9	BOC Authority to Load and Export Declaration*					
9.a	BOC Authority to Load*	P16-25-00712I	Bureau of Customs	March 10, 2025	Shipment dates	Shipment dates
9.b	BOC Export Declaration*	2025 / 120AX250307002	Bureau of Customs	March 7, 2025	Shipment dates	Shipment dates
10	Import Notice *	PPI (DSL) 2025-02-0086	Department of Energy	February 13, 2025	20 days from unloading	20 days from unloading
11	BIR and DOE denaturing request for bioethanol *					
11.a	BIR denaturing order for bioethanol / permit to transport bioethanol *	ELTFOD-D-(IA)-0159-2025	Bureau of Internal Revenue	February 11, 2025	N/A	N/A
11.b	DOE denaturing request for bioethanol*	D-EAMS0427373-PETRON-0026	Department of Energy	January 26, 2025	N/A	N/A
12	BIR permit to buy local ethanol *	ELTRD-(P)-002-02-25-00028	Bureau of Internal Revenue	February 5, 2025	Shipment dates	Shipment dates
13	Environmental Compliance Certificates					
13.a	Amlan Depot	CNC-OL-R07-2015-03-00069	Department of Environment and Natural Resources – Energy Management Bureau (DENR-EMB)	March 9, 2015	N/A	N/A
13.b	Bacolod Terminal ECC	ECC-0607-0516-135-120	DENR-EMB	May 16, 2007	N/A	N/A
13.c	Bacong Terminal ECC	ECC-R07-2105-0008	DENR-EMB	July 5, 2021	N/A	N/A
13.d	Batangas Terminal ECC	ECC-R4A-1402-0115	DENR-EMB	August 13, 2018	N/A	N/A
13.e	Bawing Terminal ECC	OL-R12-2019- 0267	DENR-EMB	May 6, 2022	N/A	N/A
13.f	Caticlan Aviation ECC Facility	OL-R06-2020- 0118	DENR-EMB	April 15, 2020	N/A	N/A
13.g	Davao Terminal ECC	OL-R11-2019- 039	DENR-EMB	September 3, 2019	N/A	N/A
13.h	Gasul Legazpi ECC	ECC-R05-2104-0005	DENR-EMB	April 28, 2021	N/A	N/A
13.i	Gasul Pasig	ECC-NCR 2005-01-11-002-120	DENR-EMB	January 11, 2005	N/A	N/A
13.j	Gasul San Fernando ECC	R03-1105-0249	DENR-EMB	September 5, 2017	N/A	N/A

13.k	Gasul San Pablo	ECC-R4A-1810-0284	DENR-EMB	October 29, 2018	N/A	N/A
13.l	Iligan Terminal ECC	ECC-R10-1006-0133	DENR-EMB	December 3, 2012	N/A	N/A
13.m	Iloilo ITP Facility ECC	ECC-OL-R06-2020-0132	DENR-EMB	May 7, 2020	N/A	N/A
13.n	Iloilo Terminal ECC	ECC-0607-0516-136-120A	DENR-EMB	November 19, 2012	N/A	N/A
13.o	Jimenez Terminal ECC	96ECC-LPG/FP1042-	DENR-EMB	June 21, 2016	N/A	N/A
13.p	JOCASP Terminal ECC	ECC-NCR-1101-0008	DENR-EMB	August 7, 2017	N/A	N/A
13.q	Laoag ITP Facility ECC	ECC-OL-R01-2020-0057	DENR-EMB	March 16, 2020	N/A	N/A
13.r	Limay Terminal ECC	R03-1111-0550	DENR-EMB	August 3, 2018	N/A	N/A
13.s	Mactan Aviation Terminal ECC	ECC-R07-0807-0257-104	DENR-EMB	March 22, 2018	N/A	N/A
13.t	Mandaue Terminal ECC	ECC-R07 0902 0063 104	DENR-EMB	December 18, 2018	N/A	N/A
13.u	Nasipit Terminal ECC	ECC-OL-R13-2020-0113	DENR-EMB	May 21, 2020	N/A	N/A
13.v	Navotas Terminal ECC	ECC-NCR-1206-0224	DENR-EMB	December 19, 2014	N/A	N/A
13.w	NLOBP Terminal ECC	ECC-NCR-1609-0061	DENR-EMB	October 3, 2016	N/A	N/A
13.x	Odiongan Terminal	ECC-R4B-1810-0008	DENR-EMB	October 25, 2018	N/A	N/A
13.y	Ormoc Terminal ECC	ECC-R8-0803-029-6280	DENR-EMB	May 7, 2008	N/A	N/A
13.z	Palawan Terminal ECC	ECC-R4B-1804-0005	DENR-EMB	February 11, 2019	N/A	N/A
13.aa	Pandacan Manufacturing ECC (Grease Plant)	ECC-LLDA-2005-209-3540	Laguna Lake Development Authority (LLDA)	October 18, 2005	N/A	N/A
13.ab	Pandacan Manufacturing ECC (Lube Oil Blending Plant)	NCR2004-09-30-545-219-LOBP	DENR-EMB	September 30, 2004	N/A	N/A
13.ac	Panglao ITP Facility ECC	CNC-OL-R07-2020-03-00277	DENR-EMB	March 3, 2020	N/A	N/A
13.ad	Pasacao Terminal ECC	ECC-OL-R05-2022-0102	DENR-EMB	April 8, 2022	N/A	N/A
13.ae	Petron Bataan Refinery ECC	ECC-CO-2202-0007	DENR-EMB	June 9, 2022	N/A	N/A
13.af	Petron Bataan Refinery Coco Methyl Ester (CME) Plant	ECC No. AFAB-2022-07	AFAB	October 6, 2022		
13.ag	Poros Terminal ECC	ECC-R01-0807-0257-0104 (5 th Amendment)	DENR-EMB	January 9, 2019	N/A	N/A
13.ah	Propylene Transfer Line Project	ECC-OL-R03-2022-0389	DENR-EMB	July 28, 2022	N/A	N/A

13.ai	Rosario Terminal ECC	ECC-R4A-1301-0028	DENR-EMB	June 26, 2013	N/A	N/A
13.aj	Roxas Terminal ECC	ECC-OL-R06-2025-0028 (Amending ECC No. ECC-0604-1117- 777-120A	DENR-EMB	February 3, 2025	N/A	N/A
13.ak	SL Pan Asia ECC	ECC-OL-R03-2019-0311	DENR-EMB	July 5, 2019	N/A	N/A
13.al	Subic PFC – Fuel Additives Blending Plant ECC	ECC-OL-R03-2022-0061	DENR-EMB	January 26, 2022	N/A	N/A
13.am	Tacloban Terminal ECC	ECC-OL-R08-2019-0137	DENR-EMB	August 1, 2019	N/A	N/A
13.an	Tagoloan Terminal ECC	95-ECC-STF/ODE-1043-852	DENR-EMB	December 22, 2020	N/A	N/A
13.ao	Zamboanga Terminal ECC	A-2017-017-ZC	DENR-EMB	August 1, 2017	N/A	N/A
14	Foreshore lease agreements (FLA) or proof of payment of occupational fees for pending applications for foreshore lease agreements) of Petron					
14.a	Petron Lease in Brgy. Buntis, Bacong Negros Oriental	N/A	DENR	January 6, 2025	25 years	January 6, 2050
14.b	Petron Lease in Brgy. Wawa, Rosario, Cavite	Official Receipt No. 6819169	DENR	December 3, 2024	1 year	December 2, 2025 (as stated in Provisional Permit Application No. MLA-042117-02)
14.c	Petron Lease in Brgy. Culasi, Roxas City	Official Receipt No. 8080677	DENR	January 1, 2025	1 year	December 31, 2025
15	Authority to Operate for the Refinery Solid Fuel- Fired Boiler Power Plant	Provisional Authority to Operate (Reference No. 25-01-31-M-PAO-N-0399L)	Energy Regulatory Commission	January 31, 2025	1 year	January 30, 2026

16	Authority of the Freeport Area of Bataan (AFAB) Certificate of Registration issued in favor of Petron	No. 2022-060	AFAB	December 31, 2024	1 year	December 31, 2025
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*Note: *Obtained on per shipment / transaction basis.*

**INFRASTRUCTURE
BUSINESS**

Name of Company	Name of Permit/ License	Issuing Agency	Issue Date	Validity Period	Expiry Date
San Miguel Holdings Corp.	Certificate of Incorporation (“COI”)	Securities and Exchange Commission (“SEC”)	18 December 2000	n/a	n/a
	Latest Certificate of Filing of Amended Articles of Incorporation (“AOI”)	SEC	26 April 2022	n/a	n/a
	Mayor’s Permit	Office of the Mayor, Mandaluyong City	09 January 2025 (for SMPC) 26 March 2025 (for 4F and 16F) 19 May 2025 (JMT) 17 June 2025 (808)	Year 2025	31 December 2025
	Certificate of Registration	Bureau of Internal Revenue (“BIR”)	04 January 2001	n/a	n/a
	Certificate of Registration	Social Security System (“SSS”)	01 January 2005	n/a	n/a
SMC SLEX Inc. (formerly: South Luzon Tollway Corporation)	COI	SEC	26 July 2000	n/a	n/a
	Latest Certificate of Filing of Amended AOI	SEC	22 February 2021	n/a	n/a
	Business Permit - Alabang North Exit	City of Muntinlupa	20 January 2025	Year 2025	31 December 2025
	Business Permit - Susana Heights North/South Exit	City of Muntinlupa	20 January 2025	Year 2025	31 December 2025
	Business Permit - Filinvest North/South Exit	City of Muntinlupa	20 January 2025	Year 2025	31 December 2025
	Business Permit - Sta Rosa North/South Exit and ABI-Greenfield North/South Exit	City of Santa Rosa, Laguna	20 January 2025	Year 2025	31 December 2025
	Business Permit - Cabuyao North/South Exit	City of Cabuyao, Laguna	23 January 2025	Year 2025	31 December 2025
	Business Permit - Mamplasan North/South Exit	City of Binan, Laguna	24 January 2025	Year 2025	31 December 2025
	Business Permit - Southwoods North/South Exit	City of Binan, Laguna	24 January 2025	Year 2025	31 December 2025

	Business Permit - Carmona North/South Exit	Municipality of Carmona	16 January 2025	4 Months	16 April 2025
	Business Permit - San Pedro South Exit	City of San Pedro, Laguna	21 January 2025	Year 2025	31 December 2025
	Business Permit - Calamba	City of Calamba, Laguna	21 February 2025	Year 2025	31 December 2025

SMC Infrastructure Group
List of Material Permits and Licenses

	Business Permit - Mandaluyong	City of Mandaluy	31 January 2025	Year 2025	31 December 2025
	Business Permit – Sto. Tomas	City of Sto.	20 January 2025	Year 2025	31 December 2025
	Environmental Compliance Certificate (“ECC”) – TR1, TR2 & TR3 ECC-CO-9703-004-120K	Department of Environment and Natural Resources (“DENR”) - Environmental	January 29, 1999	n/a	n/a
	ECC – Phase II TR4	DENR	September 3, 2010	n/a	n/a
	Toll Operations Permit (“TOP”) for Toll Roads 1 and 2	Toll Regulatory Board (“TRB”)	April 8, 2010	until end of concession period	
	Permit to Operate PTO-OL-R4A-2023-04652-R San Pedro SB	Department of Environment & Natural Resources	15 MAY 2023	5 YEARS	15 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-04664-R Halang Southwoods SB	Department of Environment & Natural Resources	15 MAY 2023	5 YEARS	15 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-04944-R Halang Southwoods NB	Department of Environment & Natural Resources – Region 4A	22 MAY 2023	5 YEARS	22 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-05437-R Carmona Exit	Department of Environment & Natural Resources	05 JUNE 2023	5 YEARS	05 JUNE 2028
	Permit to Operate PTO-OL-R4A-2023-01491-R Carmona Entry SB	Department of Environment & Natural Resources	15 FEBRUARY 2023	5 YEARS	15 FEBRUARY 2028
	Permit to Operate PTO-OL-R4A-2023-01771-R Carmona Entry NB	Department of Environment & Natural Resources	21 FEBRUARY 2023	5 YEARS	21 FEBRUARY 2028
	Permit to Operate PTO-OL-R4A-2023-04653-R Mamplasan NB	Department of Environment & Natural Resources	15 MAY 2023	5 YEARS	15 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-04964-R Mamplasan SB	Department of Environment & Natural Resources	22 MAY 2023	5 YEARS	22 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-04667-R Sta. Rosa NB	Department of Environment & Natural Resources	15 MAY 2023	5 YEARS	15 MAY 2028

	Permit to Operate PTO-OL-R4A-2023-05049-R Sta. Rosa SB	Department of Environment & Natural Resources	24 MAY 2023	5 YEARS	24 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-04943-R Asia Brewery SB	Department of Environment & Natural Resources	22 MAY 2023	5 YEARS	22 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-04962-R Asia Brewery NB	Department of Environment & Natural Resources	22 MAY 2023	5 YEARS	22 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-04655-R Cabuyao SB	Department of Environment & Natural Resources	15 MAY 2023	5 YEARS	15 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-05052-R Cabuyao NB	Department of Environment & Natural Resources	24 MAY 2023	5 YEARS	24 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-04666-R Silangan SB	Department of Environment & Natural Resources	15 MAY 2023	5 YEARS	15 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-04945-R Silangan NB	Department of Environment & Natural Resources	22 MAY 2023	5 YEARS	22 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-04963-R Calamba Mainline Alpha & Bravo (Building demolished 11/11/2024)	Department of Environment & Natural Resources – Region 4A	22 MAY 2023	5 YEARS	22 MAY 2028
	Permit to Operate PTO-OL-R4A-2023-01242 Turbina Exit SB	Department of Environment & Natural Resources	08 FEBRUARY 2023	5 YEARS	08 FEBRUARY 2028
	Permit to Operate PTO-OL-R4A-2023-01650 Turbina Entry NB	Department of Environment & Natural Resources	17 FEBRUARY 2023	5 YEARS	17 FEBRUARY 2028
	Permit to Operate PTO-OL-R4A-2023-01507 Real Exit NB	Department of Environment & Natural Resources	15 FEBRUARY 2023	5 YEARS	15 FEBRUARY 2028
	Permit to Operate PTO-OL-R4A-2023-01675 Turbina Entry SB	Department of Environment & Natural Resources	17 FEBRUARY 2023	5 YEARS	17 FEBRUARY 2028
	Permit to Operate PTO-OL-R4A-2023-01245 Real Entry NB	Department of Environment & Natural Resources	08 FEBRUARY 2023	5 YEARS	08 FEBRUARY 2028

	Permit to Operate PTO-OL-R4A-2023-01515 Real Exit SB	Department of Environment & Natural Resources	15 FEBRUARY 2023	5 YEARS	15 FEBRUARY 2028
	Permit to Operate PTO-OL-R4A-2023-01489 Batino Entry SB	Department of Environment & Natural Resources	15 FEBRUARY 2023	5 YEARS	15 FEBRUARY 2028
	Permit to Operate PTO-OL-R4A-2023-01511 Mayapa Exit SB	Department of Environment & Natural Resources	15 FEBRUARY 2023	5 YEARS	15 FEBRUARY 2028
	Permit to Operate PTO-OL-R4A-2023-01674 Mayapa Entry/Exit NB	Department of Environment & Natural Resources	17 FEBRUARY 2023	5 YEARS	17 FEBRUARY 2028
	Permit to Operate PTO-OL-R4A-2023- 04654-R Ayala Greenfields (Building demolished last August 10, 2024)	Department of Environment & Natural Resources – Region 4A	15 MAY 2023	5 YEARS	15 MAY 2028
	Permit to Operate PTO-OL-R4A-2022-07976 Operation Control Center	Department of Environment & Natural Resources	29 SEPTEMBER 2022	5 YEARS	29 SEPTEMBER 2027
	Permit to Operate PTO-OL-R4A-2020- 02542-R Operation Control Center	Department of Environment & Natural Resources – Region 4A	25 NOVEMB ER 2020	5 YEARS	25 NOVEMBER 2025
	Permit to Operate PTO-OL-R4A-2025- 04649-R Operation Control Center	Department of Environment & Natural Resources – Region 4A	26 JUNE 2025	5 YEARS	26 JUNE 2030
	Permit to Operate PTO-OL-R4A-2023- 07486 SMC SLEX INC (for 6 mobile genset units)	Department of Environment & Natural Resources – Region 4A	09 AUGUST 2023	5 YEARS	09 AUGUST 2028
	Permit to Operate PTO-OL-NCR-2023- 02528-R Alabang Filinvest SB	Department of Environment & Natural Resources - NCR	15 MARCH 2023	5 YEARS	15 MARCH 2028
	Permit to Operate PTO-OL-NCR-2023- 02615-R) Alabang Filinvest NB	Department of Environment & Natural Resources - NCR	17 MARCH 2023	5 YEARS	17 MARCH 2028
	Permit to Operate PTO-OL-NCR-2023- 07584 Filinvest Exit Alabang	Department of Environment & Natural Resources - NCR	11 AUGUST 2023	5 YEARS	11 AUGUST 2028

	Permit to Operate PTO-OL-NCR-2023-03404-R Susana Heights	Department of Environment & Natural Resources - NCR	06 APRIL 2023	5 YEARS	06 April 2028
	Permit to Operate PTO-OL-NCR-2022-07523-R Alabang SB	Department of Environment & Natural Resources - NCR	16 SEPTEMBER 2022	5 YEARS	16 SEPTEMBER 2027
	Permit to Operate PTO-OL-NCR-2022-07906-R Alabang NB	Department of Environment & Natural Resources - NCR	27 SEPTEMBER 2022	5 YEARS	27 SEPTEMBER 2027
	Water Permit No. 24139 Eton SB	National Water Resources	25 APRIL 2017	N/A	N/A
	Water Permit No. 24140 Eton NB	National Water Resources	25 APRIL 2017	N/A	N/A
	Water Permit No. 24141 Cabuyao SB	National Water Resources	25 APRIL 2017	N/A	N/A
	Water Permit No. 24142 Cabuyao NB	National Water Resources	25 APRIL 2017	N/A	N/A
	Water Permit No. 24135 Silangan SB	National Water Resources	25 APRIL 2017	N/A	N/A
	Water Permit No. 24138 Silangan NB	National Water Resources	25 APRIL 2017	N/A	N/A
	Water Permit No. 24136 Calamba (Deep well decommissioned last 12-2021)	National Water Resources Board (NWRB)	25 APRIL 2017	N/A	N/A
	Water Permit No. 24133 Ayala Greenfield (Deep well decommissioned last 12-2021)	National Water Resources Board (NWRB)	25 APRIL 2017	N/A	N/A
	Water Permit No. 24137 Operation Control Center	National Water Resources Board	25 APRIL 2017	N/A	N/A
	Water Permit No. 24134 Carmona (Deep well decommissioned last 12-2021)	National Water Resources Board (NWRB)	25 APRIL 2017	N/A	N/A
	LLDA Clearance PC-19a-017-00084	Laguna Lake Developm	JUNE 19, 2017	N/A	N/A
	DP(R)-23a-2025-03797 – Alabang Filinvest SB Entry TP	Laguna Lake Developm	JUNE 19, 2025	2 YEARS	JUNE 2, 2027

	DP(R)-23a-2025-03795 – Alabang NB TP	Laguna Lake Developm	JUNE 19, 2025	2 YEARS	JUNE 2, 2027
	DP(R)-23a-2025-03801 – Alabang SB TP	Laguna Lake Developm	JUNE 19, 2025	2 YEARS	JUNE 2, 2027
	DP(R)-23a-2025-03796 – Filinvest Entry/Exit TP	Laguna Lake Developm	JUNE 19, 2025	2 YEARS	JUNE 2, 2027
	DP(R)-23a-2025-03800 – Susana Heights TP	Laguna Lake Developm	JUNE 19, 2025	2 YEARS	JUNE 2, 2027
	DP(R)-19a-2025-03397 – Turbina SB Exit TP	Laguna Lake Developm	JUNE 16, 2025	2 YEARS	MAY 19, 2027
	DP(R)-19a-2025-03394 –Real SB Exit TP	Laguna Lake Developm	JUNE 16, 2025	2 YEARS	MAY 19, 2027
	DP(R)-19a-2025-03400 – Turbina SB Entry TP	Laguna Lake Developm ent	JUNE 16, 2025	2 YEARS	MAY 19, 2027
	DP(R)-19a-2025-04002 – Turbina NB Entry TP	Laguna Lake Developm ent	JULY 2, 2025	1 YEAR	MAY 20, 2026
	DP(R)-20b-2024-01583 – Sta. Rosa SB TP	Laguna Lake Developm	MARCH 07, 2024	2 YEARS	MARCH 18, 2026
	DP(R)-20b-2024-01582 – Sta. Rosa NB TP	Laguna Lake Developm	MARCH 04, 2024	2 YEARS	MARCH 18, 2026
	DP(R)-21a-2023-07296 – Southwoods SB TP	Laguna Lake Developm	JANUARY 11, 2024	2 YEARS	JANUARY 21, 2026
	DP(R)-21a-2023-07299 – Southwoods NB TP	Laguna Lake Developm	JANUARY 11, 2024	2 YEARS	JANUARY 21, 2026
	DP(R)-19a-2024-02922 – SLEX Greenfield TP (Building Demolished)	Laguna Lake Developm ent	MAY 15, 2024	2 YEARS	MAY 20, 2026
	DP(R)-19a-2024-02921 – Silangan SB TP	Laguna Lake Developm	MAY 15, 2024	2 YEARS	MAY 20, 2026
	DP(R)-19a-2024-02914 – Silangan NB TP	Laguna Lake Developm	MAY 15, 2024	2 YEARS	MAY 20, 2026
	DP(R)-22a-2023-07298 – San Pedro TP	Laguna Lake Developm	JANUARY 11, 2024	2 YEARS	JANUARY 21, 2026
	DP(R)-19a-2025-03399 – Real NB Exit TP	Laguna Lake Developm	JUNE 16, 2025	2 YEARS	MAY 19, 2027
	DP(R)-19a-2025-03396 – Real NB Entry TP	Laguna Lake Developm	JUNE 16, 2025	2 YEARS	MAY 19, 2027

	DP(R)-19a-2025-03395 – South Luzon Tollway Extension	Laguna Lake Development	JUNE 16, 2025	2 YEARS	MAY 19, 2027
	DP(R)-19a-2024-02924 – Mayapa SB Entry TP	Laguna Lake Development	MAY 20, 2024	2 YEARS	MAY 20, 2026
	DP(R)-19a-2025-03401 – Mayapa SB Exit TP	Laguna Lake Development	JUNE 16, 2025	2 YEARS	MAY 19, 2027
	DP(R)-19a-2025-03398 – Mayapa NB Entry & Exit TP	Laguna Lake Development	JUNE 16, 2025	2 YEARS	MAY 19, 2027
	DP(R)-21a-2023-07297 – Mamplasan SB TP	Laguna Lake Development	JANUARY 11, 2024	2 YEARS	JANUARY 21, 2026
	DP(R)-21a-2023-07300 – Mamplasan NB TP	Laguna Lake Development	JANUARY 11, 2024	2 YEARS	JANUARY 21, 2026
	DP(R)-20b-2024-01584 – Eton SB TP	Laguna Lake Development	MARCH 07, 2024	2 YEARS	MARCH 18, 2026
	DP(R)-20b-2024-01573 – Eton NB TP	Laguna Lake Development	MARCH 06, 2024	2 YEARS	MARCH 18, 2026
	DP(R)-21b-2024-00683 – Carmona SB Entry TP	Laguna Lake Development	FEBRUARY 20, 2024	2 YEARS	FEBRUARY 25, 2026
	DP(R)-21b-2024-00680 – Carmona NB Entry TP	Laguna Lake Development	FEBRUARY 19, 2024	2 YEARS	FEBRUARY 25, 2026
	DP(R)-21b-2024-00681 – Carmona Exit TP	Laguna Lake Development	FEBRUARY 19, 2024	2 YEARS	FEBRUARY 25, 2026
	DP(R)-19a-2024-02920 – Calamba TP (Building Demolished)	Laguna Lake Development	MAY 15, 2024	2 YEARS	MAY 20, 2026
	DP(R)-20a-2024-02204 – Cabuyao SB TP	Laguna Lake Development	APRIL 08, 2024	2 YEARS	APRIL 15, 2026
	DP(R)-20a-2024-02232 – Cabuyao NB TP	Laguna Lake Development	APRIL 08, 2024	2 YEARS	APRIL 15, 2026
	DP(R)-19a-2025-04006 – Batino SB Entry & Exit TP	Laguna Lake Development	JULY 2, 2025		MAY 20, 2026
Manila Toll Expressways Systems Inc.	Certificate of Incorporation	SEC	13 January 2006	N/A	N/A
	Latest Certificate of Filing of Amended AOI	SEC	25 August 2011	N/A	N/A
	Toll Operations Certificate (“TOC”)	TRB	27 November 2009	until end of concession period	

	Business Permit	City Treasury – Calamba	22 JANUARY 2025	1 YEAR	31 DECEMBER 2025
	DPO Registration NPC Registration No. PIC-004-222-2025	National Privacy Commission	14 May 2025	1 YEAR	14 May 2026
	License to Own and Possess Firearms	PNP-CSG-FEO	27 July 2022	10 YEARS	27 July 2032
	Firearms License	PNP-CSG-FEO	September 25, 2024	5 years	October 07, 2029
	Firearms Long Regular Registration	PNP-CSG-FEO			Safekeeping was transferred to PNP-CSG-FEO
	Company Security Force License to Operate	PNP-Supervisory Office for	17 May 2023	2 YEARS	31 MARCH 2025 *Renewal Ongoing
	Calibration Certificate (Speed Gun)	Department of Science and Technology	06 February 2025	1 YEAR	06 February 2026
	Chainsaw Certificate of Registration 11072018-28-LB-RENEWAL	Department of Environment & Natural Resources	09 December 2020	5 YEARS	09 December 2025
	Chainsaw Certificate of Registration 11072018-29-LB-RENEWAL (Serial No. 181335766)	Department of Environment & Natural Resources – PENRO Laguna	09 December 2020	5 YEARS	09 December 2025
	Chainsaw Certificate of Registration 11132023-64-LB-RENEWAL	Department of Environment & Natural Resources	13 November 2023	2 YEARS	13 November 2025
	Chainsaw Certificate of Registration 02062024-19-LB-RENEWAL	Department of Environment & Natural Resources	06 February 2024	2 YEARS	06 February 2026
	Chainsaw Certificate of Registration 11132023-61-LB-RENEWAL	Department of Environment & Natural Resources	03 November 2023	2 YEARS	03 November 2025
	Chainsaw Certificate of Registration 05282024-30-LB-RENEWAL (Serial No.	Department of Environment & Natural Resources –	28 MAY 2024	2 Years	28 MAY 2026
	Chainsaw Certificate of Registration 12042020-24-LB-NEW	Department of Environment & Natural Resources	09 December 2020	5 YEARS	09 December 2025

	Chainsaw Certificate of Registration 12042020-25-LB-NEW (Serial No. 369253507)	Department of Environment & Natural Resources – PENRO Laguna	09 December 2020	5 YEARS	09 December 2025
	Chainsaw Certificate of Registration 11132023-67-LB-RENEWAL	Department of Environment & Natural Resources	13 November 2023	2 YEARS	13 November 2025
	Chainsaw Certificate of Registration 11132023-66-LB-RENEWAL	Department of Environment & Natural Resources	13 November 2023	2 YEARS	13 November 2025
	Chainsaw Certificate of Registration 11172023-68-LB-RENEWAL	Department of Environment & Natural Resources	17 November 2023	2 YEARS	17 November 2025
	Chainsaw Certificate of Registration 11172023-69-LB-RENEWAL	Department of Environment & Natural Resources	17 November 2023	2 YEARS	17 November 2025
	Chainsaw Certificate of Registration 11132023-65-LB-RENEWAL	Department of Environment & Natural Resources –	13 November 2023	2 YEARS	13 November 2025
	Chainsaw Certificate of Registration 11132023-63-LB-RENEWAL	Department of Environment & Natural Resources	13 November 2023	2 YEARS	13 November 2025
	Chainsaw Certificate of Registration 11132023-62-LB-RENEWAL	Department of Environment & Natural Resources	13 November 2023	2 YEARS	13 November 2025
	Chainsaw Certificate of Registration 11132023-60-LB-RENEWAL	Department of Environment & Natural Resources –	03 November 2023	2 YEARS	03 November 2025
	Chainsaw Certificate of Registration 06022023-11-LB-RENEWAL (Serial No. 369146348)	Department of Environment & Natural Resources – PENRO Laguna	16 JUNE 2025	2 Years	16 June 2027
	Chainsaw Certificate of Registration 06022023-12-LB-RENEWAL (Serial No. 369146356)	Department of Environment & Natural Resources – PENRO Laguna	02 June 2023	2 Years	02 June 2025
	Chainsaw Certificate of Registration 07312023-23-LB-RENEWAL (Serial No. 813259685)	Department of Environment & Natural Resources – PENRO Laguna	31 July 2023	2 Years	31 July 2025 *Renewal Ongoing submitted on 29 July 2025

	Chainsaw Certificate of Registration 07312023-24-LB-RENEWAL (Serial No. 813259797)	Department of Environment & Natural Resources – PENRO Laguna	31 July 2023	2 Years	31 July 2025 *Renewal Ongoing submitted on 29 July 2025
	Chainsaw Certificate of Registration 09132023-28-LB-RENEWAL (Serial No. 813259819)	Department of Environment & Natural Resources – PENRO Laguna	13 September 2023	2 Years	13 September 2025
	Hazardous Waste Generators ID OL-GR-R4A-34-000965	Department of Environment & Natural Resources	23 December 2022	N/A	N/A
	Registration of Establishment	Department of Labor and Employment	12 February 2015	N/A	N/A
	Pollution Control Officer Accreditation No. 2020-9816	Department of Environment & Natural Resources	17 February 2024	3 YEARS	17 February 2027
	Pollution Control Officer Accreditation No. 2020-NCR-7850-PCOA-OPS	Department of Environment & Natural Resources	March 16, 2025	1 YEAR	March 16, 2026
	Pollution Control Officer Accreditation No. 2017-00822	Laguna Lake Developm	09 October 2017	N/A	N/A
SMC Skyway Corporation (formerly: Citra Metro Manila Tollways Corporation)	COI	SEC	27 November 1995	N/A	N/A
	Latest Certificate of Filing of Amended AOI	SEC	22 February 2021	N/A	N/A
	Final Operation Certificate covering the Integrated Stages 1 and 2 of the South Metro Manila Skyway	TRB	25 April 2011	until end of concession period	
	Business Permit	City of Mandaluy	20 January 2025	1 Year	31 December 2025
	Business Permit	City Government of	20 January 2025	1 Year	31 December 2025
	Business Permit	City Government of	20 January 2025		31 December 2025
	Business Permit	City of Pasay	13 May	1 Year	31 December 2025
	Business Permit	City of Taguig	21 January	1 Year	31 December 2025
	Permit to Possess Radio Transmitter(s)/Transceiver(s) POSS-CV-NC-11148-23 Storage License – 2 units + COMMO Office 2/F	National Telecommunication Commission	08 November 2023	N/A	N/A
Skyway O	ECC	DENR	not		N/A
	COI	SEC	13 December	N/A	N/A

& M Corporation	DPO Registration	National Privacy	14 May 2025	1 YEAR	14 May 2025
	Business Permit - TOLL OPERATIONS COMPLEX	Parañaque City	15 FEBRUARY 2025	Year 2025	31 DECEMBER 2025
	Business Permit - DR. A. SANTOS	Parañaque City	12 FEBRUARY	Year 2025	31 DECEMBER 2025
	Business Permit - SUCAT SOUTHBOUND EXIT	Parañaque City	15 FEBRUARY 2025	Year 2025	31 DECEMBER 2025
	Business Permit - DOÑA SOLEDAD	Parañaque City	12 FEBRUARY	Year 2025	31 DECEMBER 2025
	Business Permit - BICUTAN NORTH BOUND EXIT	Parañaque City	15 FEBRUARY 2025	Year 2025	31 DECEMBER 2025
	Business Permit - BUNYE SOUTH EXIT	Muntinlupa City	20 JANUARY 2025	Year 2025	31 DECEMBER 2025
	Business Permit - SKYWAY MAIN TOLL PLAZA A& B	Muntinlupa City	20 JANUARY 2025	Year 2025	31 DECEMBER 2025
	Business Permit - ALABANG SOUTH EXIT	Muntinlupa City	20 JANUARY 2025	Year 2025	31 DECEMBER 2025
	Business Permit - FILINVEST EXIT	Muntinlupa City	20 JANUARY 2025	Year 2025	31 DECEMBER 2025
	Business Permit - SUCAT NORTHBOUND EXIT	Muntinlupa City	20 JANUARY 2025	Year 2025	31 DECEMBER 2025
	Business Permit - C-5	Taguig City	20 JANUARY 2025	Year 2025	31 DECEMBER 2025
	Business Permit - NICHOLS A & B	Pasay City	01 JULY 2025	Year 2025	31 DECEMBER 2025
	Business Permit - NAIA SALES	Pasay City	01 JULY 2025	Year 2025	31 DECEMBER 2025
	Business Permit - MERVILLE SOUTH	Pasay City	01 JULY 2025	Year 2025	31 DECEMBER 2025
	License to Own and Possess Firearms	PNP-CSG-FEO	22 July 2022	10 YEARS	26 JULY 2032
	Firearms Long Regular Registration – Pistol	PNP-CSG-FEO	26 JULY 2022	5 YEARS	6 JULY 2028
	Firearms Long Regular Registration - Shotgun	PNP-CSG-FEO	26 JULY 2022		6 JULY 2028
	Company Security Force License to Operate	PNP-CSG	18 JULY 2024	5 YEARS	15 JULY 2029
	Calibration Certificate (Speed Gun)	DOST	06 FEBRUARY 2025	1 YEAR	06 FEBRUARY 2026

	GENSET PTO-OL-NCR-2023-02403-R Alabang SBX Toll Plaza	DENR EMB-NCR	13 MARCH 2023	5 YEARS	13 March 2028
	GENSET PTO-OL-NCR-2023-04747 Alabang NBE Toll Plaza	DENR EMB-NCR	16 May 2023	5 YEARS	16 May 2028
	GENSET PTO-OL-NCR-2024-01604 Alabang Zapote Toll	DENR EMB-NCR	24 Feb 2024	5 YEARS	24 Feb 2029
	GENSET PTO-OL-NCR-2021-10254-R Bunye Toll Plaza	DENR EMB-NCR	7 DECEMBER 2021	5 YEARS	17 DECEMBER 2026
	GENSET PTO-OL-NCR-2021-05803 Bicutan NBE Toll Plaza	DENR EMB-NCR	29 JULY 2021	5 YEARS	29 JULY 2026
	GENSET PTO-OL-NCR-2021-05858 Bicutan NBX Toll Plaza	DENR EMB-NCR	31 JULY 2021	5 YEARS	31 JULY 2026
	GENSET PTO-OL-NCR-2023-01793-R Bicutan SBE Toll Plaza	DENR EMB-NCR	22 February 2023	5 YEARS	22 FEBRUARY 2028
	GENSET PTO-OL-NCR-2023-01450-R Bicutan SBX Toll Plaza	DENR EMB-NCR	14 FEBRUARY 2023	5 YEARS	14 FEBRUARY 2028
	GENSET PTO-OL-NCR-2022-03044-R C5 Entry Toll Plaza	DENR EMB-NCR	17 MAY 2022	5 YEARS	16 MAY 2027
	GENSET PTO-OL-NCR-2023-07850-R C-5 Exit Toll Plaza	DENR EMB-NCR	18 AUGUST 2023	5 YEARS	18 AUGUST 2028
	GENSET PTO-OL-NCR-2021-10254-R D. Soledad Toll Plaza	DENR EMB-NCR	7 DEC 2021	5 YEARS	7 DECEMBER 2026
	GENSET PTO-OL-NCR-2021-10254-R Dr. A. Santos Toll plaza	DENR EMB-NCR	7 DEC 2021	5 YEARS	7 DECEMBER 2026
	GENSET PTO-OL-NCR-2023-01331-R Merville Toll Plaza	DENR EMB-NCR	09 FEBRUARY 2023	5 YEARS	09 FEBRUARY 2028
	GENSET PTO-OL-NCR-2022-03049-R Nichols Charlie Toll plaza	DENR EMB-NCR	17 MAY 2022	5 YEARS	16 MAY 2027
	GENSET PTO-OL-NCR-2022-03079-R Nichols Delta Toll plaza	DENR EMB-NCR	17 MAY 2022	5 YEARS	17 MAY 2027
	GENSET 18-POA-B-137605-018 Nichols A Toll Plaza	DENR EMB-NCR	20 Feb 2024	5 YEARS	20 Feb 2029
	GENSET PTO-OL-NCR-2023-01162-R Nichols B Toll Plaza	DENR EMB-NCR	06 FEBRUARY 2023	5 YEARS	06 FEBRUARY 2028
	GENSET PTO-OL-NCR-2021-05852 Sky A Toll Plaza	DENR EMB-NCR	31 JULY 2021	5 YEARS	31 JULY 2026

	GENSET PTO-OL-NCR-2021-09120 Sky B Toll Plaza	DENR EMB-NCR	01 NOVEMBER 2021	5 YEARS	01 NOVEMBER 2026
	GENSET PTO-OL-NCR-2023-03792-R Sucat NBE Toll Plaza	DENR EMB-NCR	20 APRIL 2023	3 YEARS	20 APRIL 2028
	GENSET PTO-OL-NCR-2021-05659 Sucat NBX Toll Plaza	DENR EMB-NCR	26 JULY 2021	5 YEARS	26 JULY 2026
	GENSET PTO-OL-NCR-2021-10254-R Sucat SBE Toll Plaza	DENR EMB-NCR	7 DECEMBER 2021	5 YEARS	6 DECEMBER 2026
	GENSET PTO-OL-NCR-2023-09507-R Sucat SBX Toll Plaza	DENR EMB-NCR	05 OCTOBER 2023	5 YEARS	05 OCTOBER 2028
	GENSET PTO-OL-NCR-2024-08122-R	DENR EMB-NCR	04 SEPT 2024	5 YEARS	04 SEPT. 2029
	GENSET 19-POA-D-137607-422 Runway	DENR	09 JUNE 2020	5 YEARS	21 SEPT. 2024
	GENSET 19-POA-H-137504-066(Am) TOB	DENR	21 OCTOBER 2019	5 YEARS	13 AUG. 2024
	GENSET PTO-OL-NCR-2022-05854-R TOC MESD	DENR	03 AUGUST 2022	4 YEARS	03 AUGUST 2026
	GENSET PTO-OL-NCR-2022-01316-R NAIAX Phase II	DENR	18 FEBRUARY 2022	5 YEARS	18 FEBRUARY 2027
	GENSET PTO-OL-NCR-2022-08234 TSMDS-HPG	DENR	05 OCT 2022	5 YEARS	05 OCT 2027
	GENSET PTO-OL-NCR-2023-00725 SLEX EXTENSION	DENR	26 JANUARY 2023	5 YEARS	26 JANUARY 2028
	GENSET PTO-OL-NCR-2023-11975 NAIAX Ramp 5	DENR EMB-NCR	29 DECEMBER 2023	5 YEARS	29 DECEMBER 2028
	GENSET PTO-OL-NCR-2024-00415 NAIAX Ramp 6	DENR EMB-NCR	18 JANUARY 2024	5 YEARS	18 JANUARY 2029
	GENSET PTO-OL-NCR-2024-00397 NAIAX Ramp 12	DENR EMB-NCR	18 JANUARY 2024	5 YEARS	18 JANUARY 2029
	GENSET PTO-OL-NCR-2023-11974 NAIAX Ramp 13	DENR EMB-NCR	29 DECEMBER 2023	5 YEARS	29 DECEMBER 2028
	GENSET PTO-OL-NCR-2023-11978 NAIAX Ramp 16	DENR EMB-NCR	29 DECEMBER 2023	5 YEARS	29 DECEMBER 2028
	GENSET PTO-OL-NCR-2024-07040 NAIAX TRAMO	DENR EMB-NCR	02 August 2024	5 YEARS	02 August 2029
	GENSET PTO-OL-NCR-2024-07040 NAIAX Terminal 1	DENR EMB-NCR	28 FEBRUARY 2025	5 YEARS	28 FEBRUARY 2028

	GENSET PTO-OL-NCR-2022-07341 Auto Sweep Buenida	DENR EMB-NCR	13 SEPTEMBER 2022	5 YEARS	13 SEPTEMBER 2027
	GENSET PTO-OL-NCR-2022-05206 Buendia NBE TOLL	DENR EMB-NCR	15 JULY 2022	5 YEARS	15 JULY 2027
	GENSET PTO-OL-NCR-2022-04330 Buendia SBX TOLL	DENR EMB-NCR	22 JUNE 2022	5 YEARS	22 JUNE 2027
	GENSET PTO-OL-NCR-2022-04080 Del Monte NB - A	DENR EMB-NCR	15 JUNE 2022	5 YEARS	15 JUNE 2027
	GENSET PTO-OL-NCR-2022-03536 Del Monte NB - B	DENR EMB-NCR	31 MAY 2022	5 YEARS	31 MAY 2027
	GENSET PTO-OL-NCR-2022-05203 Del Monte SB - A	DENR EMB-NCR	15 JULY 2022	5 YEARS	15 JULY 2027
	GENSET PTO-OL-NCR-2022-03952 Del Monte SB - B	DENR EMB-NCR	13 JUNE 2022	5 YEARS	13 JUNE 2027
	GENSET PTO-OL-NCR-2022-05173 G Araneta North Bound	DENR EMB-NCR	15 JULY 2022	5 YEARS	15 JULY 2027
	GENSET PTO-OL-NCR-2022-03559 Nagtahan NBE	DENR EMB-NCR	01 JUNE 2022	5 YEARS	01 JUNE 2027
	GENSET PTO-OL-NCR-2022-03561 Nagtahan NB SB Exit	DENR EMB-NCR	01 JUNE 2022	5 YEARS	01 JUNE 2027
	GENSET PTO-OL-NCR-2022-03735 Plaza Dilao SBE	DENR EMB-NCR	07 JUNE 2022	5 YEARS	07 JUNE 2027
	GENSET PTO-OL-NCR-2022-04060 Quezon Ave NBE	DENR EMB-NCR	15 JUNE 2022	5 YEARS	15 JUNE 2027
	GENSET PTO-OL-NCR-2022-04081 Quezon Ave NBX	DENR EMB-NCR	15 JUNE 2022	5 YEARS	15 JUNE 2027
	GENSET PTO-OL-NCR-2022-04082 Quezon Ave SBE	DENR EMB-NCR	15 JUNE 2022	5 YEARS	15 JUNE 2027
	GENSET PTO-OL-NCR-2022-03736 Quirino NBX	DENR EMB-NCR	07 JUNE 2022	5 YEARS	06 JUNE 2027
	GENSET PTO-OL-NCR-2022-03739 Quirino SBX	DENR EMB-NCR	07 JUNE 2022	5 YEARS	06 JUNE 2027
	DENR EMB-NCR	28 FEBRUARY 2024	5 YEARS	28 FEBRUARY 2029	GENSET PTO-OL-NCR-2024-01748 QUIRINO WB
	GENSET PTO-OL-NCR-2022-09842 SGT RIVERA SBX	DENR EMB-NCR	20 OCTOBER 2022	5 YEARS	20 OCTOBER 2027
	DP-NCR-24-06801 BICUTAN SBX TOLL PLAZA	DENR EMB-NCR	17 JUNE 2024	1 YEAR	17 JUNE 2025 *Renewal Ongoing

	DP-NCR-23-04900 BICUTAN SBE TOLL PLAZA	DENR EMB-NCR	18 JUNE 2024	1 YEAR	18JUNE 2025 *Renewal Ongoing
	DP-NCR-24-12894 BICUTAN NBE TOLL PLAZA	DENR EMB-NCR	23 DEC 2024	1 YEAR	23 DEC 2025
	DP-NCR-24-12102 BICUTAN NBX TOLL PLAZA	DENR EMB-NCR	02 DEC 2024	1 YEAR	02 DEC 2025
	DP-NCR-25-00144 SUCAT SBE TOLL PLAZA	DENR EMB-NCR	05 JAN 2025	1 YEAR	05 JAN 2026
	DP-NCR-25-06900 DOÑA SOLEDAD TOLL PLAZA	DENR EMB-NCR	26 JUNE 2025	1 YEAR	26 JUNE 2026
	DP-NCR-24-12893 DR. A SANTOS TOLL PLAZA	DENR EMB-NCR	22 DEC 2024	1 YEAR	22 DEC 2025
	DP-NCR-25-00578 TMSMD-HPG	DENR EMB-NCR	19 JANUARY 2025	1 YEAR	19 JANUARY 2026
	DP-NCR-24-10174 HELDEN BLDG	DENR EMB-NCR	11 OCTOBER 2024	1 YEAR	11 OCTOBER 2025
	DP-NCR-24-10174 NAIAX RAMP 10 TOLL PLAZA	DENR EMB-NCR	23 AUGUST 2024	1 YEAR	23 AUGUST 2025 *Renewal Application
	DP-NCR-24-09048 NAIAX RAMP 12	DENR EMB-NCR	14 SEPTEMBER 2024	1 YEAR	14 SEPTEMBER 2025 RENEWAL
	DP-NCR-25-00579 NAIAX RAMP 13	DENR EMB-NCR	19 JANUARY 2025	1 YEAR	19 JANUARY 2026
	DP-NCR-24-08281 NAIAX RAMP 16	DENR EMB-NCR	23 AUGUST 2024	1 YEAR	23 AUGUST 2024 RENEWAL APPLICATION #
	DP-NCR-25-07926 NAIAX TERMINAL 1	DENR EMB-NCR	22 JULY 2025	1 YEAR	22 JULY 2026
	PC-25C-2023-00988 LLDA CLEARANCE SMC NAIAX CORP NAIAX	LLDA	10 OCTOBER 2023	N/A	N/A
	LLDA DP(N)- 2024-07824 NAIAX MAIN A TOLL PLAZA	LLDA	15 January 2025	1 YEAR	07 JANUARY 2026
	LLDA DP(N)- 2024-07843 NAIAX MAIN B TOLL PLAZA	LLDA	15 January 2025	1 YEAR	07 JANUARY 2026
	LLDA DP(N)-23C-2024- 07842 NAIAX RAMP 1 TOLL	LLDA	15 January 2025	1 YEAR	07 JANUARY 2026
	LLDA DP(N)-23C-2024- 07843 NAIAX RAMP 4 TOLL	LLDA	15 January 2025	1 YEAR	07 JANUARY 2026
	LLDA DP(N)-23C-2024- 07841 NAIAX RAMP 9 TOLL	LLDA	15 January 2025	1 YEAR	07 JANUARY 2026

	LLDA DP(N)-23C-2024-07825 NAIAX RAMP 17 TOLL	LLDA	15 January 2025	1 YEAR	07 JANUARY 2026
	DP-NCR-24-09308 AUTO-SWEEP RFID	DENR EMB-NCR	23 SEPTEMBER 2024	1 YEAR	23 SEPTEMBER 2025
	DP-NCR-24-10909 BUENDIA NBE	DENR EMB-NCR	02 NOVEMBER 2024	1 YEAR	02 NOVEMBER 2025
	DP-NCR-24-08282 BUENDIA SBX	DENR EMB-NCR	23 AUGUST 2024	1 YEAR	23 AUGUST 2025 RENEWAL APPLICATION #
	CERTIFICATE OF CONFORMITY (COC) No. OL-25-6133	DENR NCR	25 MARCH 2025	N/A	N/A
	CERTIFICATE OF REGISTRATION CHAINSAW 03192030	DENR NCR	19 MARCH 2025	5 YEARS	19 MARCH 2030
	CERTIFICATE OF REGISTRATION CHAINSAW 03192030	DENR NCR	19 MARCH 2025	5 YEARS	19 MARCH 2030
	CERTIFICATE OF REGISTRATION CHAINSAW 03192030	DENR NCR	19 MARCH 2025	5 YEARS	19 MARCH 2030
	Wastewater 18-DP-J-137604-109 TOB Discharge Permit	DENR	02 AUGUST 2018		13 OCTOBER 2019 (RENEWAL SUBMITTED OPMS #348933)
	OL-GR-NCR-76-007137 Hazwaste ID	DENR	31 MAY 2021	N/A	N/A
SMC NAIAX Corporation (formerly: Vertex Tollways Devt. Inc.)	COI	SEC	31 May	n/a	n/a
	Latest Certificate of Filing of Amended AOI	SEC	2 March 2021	n/a	n/a
	Business Permit	Mandaluyong City	23 January 2025	Year 2025	31 December 2025
	Business Permit Ramp 10 Toll Plaza	Paranaque City	02 February 2025	Year 2025	31 December 2025
	Business Permit	Pasig City	23 January 2025	Year 2025	31 December 2025
	Business Permit - Charlie Ramp Toll Plaza	Pasay City	03 June 2025	Year 2025	31 December 2025
	Business Permit - Delta Ramp 1 Toll Plaza	Pasay City	03 June 2025	Year 2025	31 December 2025
	Business Permit - Echo Ramp Toll Plaza	Pasay City	03 June 2025	Year 2025	31 December 2025
	Business Permit - Main Alpha Toll Plaza	Pasay City	03 June 2025	Year 2025	31 December 2025
	Business Permit - Main Bravo Toll Plaza	Pasay City	Pasay City	03 June 2025	Year 2025

	Business Permit - Ramp 9 Toll Plaza	Pasay City	04 June 2025	Year 2025	31 December 2025
	Business Permit - Ramp 5 Toll Plaza, Brgy. 198	Pasay City	22 May 2025	Year 2025	31 December 2025
	Business Permit - Ramp 6 Toll Plaza, Brgy. 194	Pasay City	03 June 2025	Year 2025	31 December
	Building Permit – Ramp 12 Coastal Toll Plaza, Brgy. Tambo	Parañaque City	31 March 2025	n/a	n/a
	Building Permit – Ramp 13 Entertainment City Toll Plaza, Brgy. Tambo	Parañaque City	31 March 2025	n/a	n/a
	Building Permit – Ramp 16 Macapagal Toll Plaza, Brgy. Tambo	Parañaque City	31 March 2025	n/a	n/a
	Business Permit – Ramp 1 Ramp Toll Plaza	LLDA	15 January 2025	2025	07 January 2026
	Business Permit – Ramp 17 Toll Plaza	LLDA	15 January 2025	2025	07 January 2026
	Business Permit – Ramp 4 Toll Plaza	LLDA	15 January 2025	2025	07 January 2026
	Business Permit - Main Alpha Toll Plaza	LLDA	15 January 2025	2025	07 January 2026
	Business Permit - Main Bravo Toll Plaza	LLDA	15 January 2025	2025	07 January 2026
	Business Permit - Ramp 9 Toll Plaza	LLDA	15 January 2025	2025	07 January 2026
	ECC for Entertainment City	DENR	15 September 1999	n/a	n/a
	ECC for Manila International Airport Access Improvement Project	DENR	26 June 2002	n/a	n/a
	Amended ECC for NAIAX Phase II	DENR	8 May 2014; amended on 27 May	n/a	n/a
	Notice to Proceed with construction of Tramo Ramp	DPWH	16 May 2022	n/a	n/a
	TOP for Phase 2A	TRB	9 September 2016	until end of concession period	
	TOP for Phase 2B	TRB	19 December 2016	until end of concession period	

SMC Skyway Stage 3 Corporation (formerly: Citra Central Expressway Corp.)	COI	SEC	16 November 2012	n/a	n/a
	Latest Certificate of Filing of Amended AOI	SEC	02 March 2021	n/a	n/a
	Certificate of Registration	Bureau of Internal Revenue "BIR"	05 February 2024	N/A	N/A
	Business Permit	Office of the Mayor, Mandaluyong	23 January 2025	Year 2025	31 December 2025
	Business Permit	Office of the Mayor, City of Pasig	22 January 2025	Year 2025	31 December 2025
	Business Permit – Toll Plaza Northbound Makati	Business Permits & Licensing Office – Makati	03 February 2025	Year 2025	31 December 2025
	Business Permit – Toll Plaza Southbound Makati	Business Permits & Licensing Office – Makati	03 February 2025	Year 2025	31 December 2025
	Business Permit – Toll Plaza Nagtahan North Bound Manila	Office of the Mayor, Manila	21 January 2025	Year 2025	31 December 2025
	Business Permit – Toll Gate Nagtahan South Bound Manila	Office of the Mayor, Manila	21 January 2025	Year 2025	31 December 2025
	Business Permit – Toll Plaza -Plaza Azul Manila	Office of the Mayor, Manila	21 January 2025	Year 2025	31 December 2025
	Business Permit – Toll Plaza -Plaza Dilao Manila	Office of the Mayor, Manila	21 January 2025	Year 2025	31 December 2025
	Business Permit – Toll Plaza Quirino North Bound Manila	Office of the Mayor, Manila	21 January 2025	Year 2025	31 December 2025
	Business Permit – Toll Plaza Quirino West Bound Manila	Office of the Mayor, Manila	21 January 2025	Year 2025	31 December 2025
	Business Permit – Toll Plaza Del Monte	Business Permits & Licensing Office – Quezon City	31 March 2025	1 YEAR	31 March 2026
	Business Permit – Toll Plaza Dona Imelda	Business Permits & Licensing Office – Quezon City	15 April 2025	1 YEAR	15 April 2026
	Business Permit – Toll Plaza Pag-ibig Sa Nayon	Business Permits & Licensing Office – Quezon City	31 March 2025	1 YEAR	31 March 2026
	Business Permit – Toll Plaza Tatalon	Business Permits & Licensing Office – Quezon City	31 March 2025	1 YEAR	31 March 2026
	ECC	DENR	23 July 2012 (with amendments on 21 March 2018 and 22 June 2021)	n/a	n/a

	TOP	TRB	1 July 2021	until end of concession period	
SMC Skyway 3 O& M Corp. (formerly: Central Metro Manila Skyway Corporation)	COI	SEC	16 November 2012	n/a	n/a
	Latest Certificate of Filing of Amended	SEC	02 October 2023	n/a	n/a
	Business Permit	Mandaluyong City	15 January 2025	Year 2025	31 December 2025
	Certificate of Registration	BIR	13 November 2013	n/a	n/a
	TOP	TRB	1 July 2021	until end of concession period	
SMC TPLEX Corporation (formerly: Private Infra Dev Corp.)	COI	SEC	03 October 2007	n/a	n/a
	Latest Certificate of Filing of Amended AOI	SEC	16 May 2022	n/a	n/a
	TOP for Segments 1 & 2 of Section 1	TRB	30 October 2013	until end of concession period	
	TOP for Segment 3 of Section 1	TRB	20 December 2013	until end of concession period	
	TOP for Segments 4 & 5 of Section 1	TRB	15 April 2015	until end of concession period	
	TOP for Section 2	TRB	16 February 2015	until end of concession period	
	TOP for Segment 7, Section 3A-1	TRB	27 June 2016	until end of concession period	
	TOP for Binalonan to Pozorrubio Section 3	TRB	29 November 2017	until end of concession period	
	TOP for Segment 8, Section 3B from Pozorrubio, Pangasinan to Rosario, La Union	TRB	06 August 2020	until end of concession period	
	Permit to Operate Genset (Binalonan & Pozorrubio)	DENR	24 Apr 2024	5 years	24 Apr 2029

	Permit to Operate Genset (Sison)	DENR	14 October 2020	5 years	14 October 2025
	Permit to Operate Genset (Rosario)	DENR	09 Sep 2024	1 year and 2 months	09 Nov 2025
	Permit to Operate Genset (Toll Operation Center)	DENR	18 Jul 2024	5 years	18 Jul 2029
	Permit to Operate Genset (Victoria and Ramos)	DENR	26 Apr 2024	5 years	26 Apr 2029
	Permit to Operate Genset (Pura-Gerona)	DENR	18 Jul 2024	5 years	18 Jul 2029
	Permit to Operate Genset (Anao)	DENR	21 Jul 2024	5 years	21 Apr 2029
	Permit to Operate Genset (Carmen and Urdaneta)	DENR	20 Oct 2020	5 years	20 Oct 2025
	Wastewater Discharge Permit (Rosales)	DENR	18 October 2022	5 years	18 October 2027
	Wastewater Discharge Permit (Urdaneta, Binalonan, Pozorrubio, Sison, Rosario)	DENR	13 October 2022	5 years	13 October 2027
	Wastewater Discharge Permit (TOC, Victoria, Ramos)	DENR	2 November 2022	1 year	2 November 2023
	Wastewater Discharge Permit (Pura, Anao)	DENR	26 October 2022	1 year	26 October 2023

	Water Permit (Palakipak, Rosales)	NWRB	25 July 2024	N/A	N/A
	Mayor's Permit & Business License (Anao Toll Plaza)	Anao, Tarlac LGU	16 January 2025	1 year	31 December 2025
	Mayor's Permit & Business License (Rosales Toll Plaza)	Rosales, Pangasinan LGU	20 January 2025	1 year	31 December 2025
	Mayor's Permit & Business License (Binalonan Toll Plaza)	Binalonan, Pangasinan LGU	17 January 2025	1 year	31 December 2025
	Mayor's Permit & Business License (Pozorrubio Toll Plaza)	Pozorrubio, Pangasinan LGU	17 January 2025	1 year	31 December 2025
	Mayor's Permit & Business License (PuraToll Plaza)	Pura, Tarlac LGU	17 January 2025	1 year	31 December 2025
	Mayor's Permit & Business License (Ramos Toll Plaza)	Ramos, Tarlac LGU	16 January 2025	1 year	31 December 2025
	Mayor's Permit & Business License (Sison Toll Plaza)	Sison, Pangasinan LGU	17 January 2025	1 year	31 December 2025
	Mayor's Permit & Business License (Victoria Toll Plaza)	Victoria, Tarlac LGU	January 2025	1 year	31 December 2025
	Mayor's Permit & Business License (Rosario Toll Plaza)	Rosario, La Union LGU	17 January 2025	1 year	31 December 2025
	Mayor's Permit & Business License (Tarlac Toll Plaza)	Tarlac, Tarlac LGU	27 February 2025	1 year	31 December 2025

	Mayor's Permit & Business License (Urdaneta Toll Plaza)	Urdaneta, Pangasinan LGU	20 January 2025	1 year	31 December 2025
	Mayor's Permit (Pasig)	Office of the Mayor of the	17 January 2025	1 year	31 December 2025
	Mayor's Permit (Mandaluyong)	Office of the Mayor of the City of	13 January 2025	1 year	31 December 2025
	Certificate of Registration - NPC Registration No. PIC-COI	National Privacy Commission			30 September 2025
Star Infrastructure Development Corp.	COI	SEC	14 November 1997	n/a	n/a
	Latest Certificate of Filing of Amended AOI	SEC	23 April 2008	n/a	n/a
	TOC covering the entire STAR (i.e., Stage 1 and Stage 2, Phase 1)	TRB	11 May 2010 13 December 2016	until end of concession period	31 December 2035
	Import License	Bureau of Customs	15 November 2024	1 year	15 November 2025
	Mayor's Permit and Business License	Office of the Municipal Mayor of Ibaan	20 January 2025	1 year	31 December 2025
	Mayor's Permit and Business License	Office of the City Mayor of Lipa (Bulacnin)	27 February 2025	1 year	31 December 2025
	Mayor's Permit and Business License	Office of the Municipal Mayor of Malvar	04 February 2025	1 year	31 December 2025
	Mayor's Permit and Business License	Office of the City Mayor of Lipa (Tambo)	27 February 2025	1 year	31 December 2025
	Mayor's Permit and Business License	Office of the City Mayor of Tanauan	20 January 2025	1 year	31 December 2025
	Mayor's Permit and Business License	Office of the City Mayor of Batangas City	23 January 2025	1 year	31 December 2025
	Mayor's Permit and Business License	Office of the City Mayor of Sto. Tomas City	20 January 2025	1 year	30 September 2025

	Conditional Water Permit CWP No. 10-24-23-083	NWRB	24 October 2023	1 year	24 October 2024 *For Renewal and Change of Name (from SIDC to STC) *STC is completing the requirements ie as-
Star Tollway Corp.	COI	SEC	27 February 2001	n/a	n/a
	Amended Articles of Incorporation	SEC	October 14, 2011	n/a	n/a
	Business License and Mayor's Permit	Office of the Mayor of the City of Lipa	17 February 2025	1 Year	31 December 2025
	Company Security Force License to Operate	PNP-CSG	16 March 2022	2 Years	31 May 2023 Renewal in process
	Firearm Registration Firearms ID No. T0620-22DC04443 to 64	PNP-CSG-FEO	October 27, 2022	5 years	October 27, 2027
	Calibration Certificate (Speed Gun)	DOST	06 FEBRUARY 2025	1 YEAR	06 FEBRUARY 2026
	Permit to Operate (Air Pollution Source and Control Installations	DENR - EMB	14 Sept 2024	5 years	14 Sept 2029
	ECC	DENR	8 February 1994	n/a	n/a
	Waste Water Discharge Permit	DENR, LLDA			For Application (awaiting for asbuilt as a requirement)

	Certificate of Registration	Bureau of Customs	18 June 2025	1 year	18 June 2026
	Permit to Operate-Air Pollution Source and Control Installation	DENR	September 14, 2024	5 years	September 14, 2029
Manila North Harbour Port Inc.	Certificate of Incorporation	SEC	05 November 2009	n/a	n/a
	Certificate of Filing of Amended Articles of Incorporation	SEC	17 June 2013	n/a	n/a
	Certificate of Filing of Amended by Laws	SEC	17 June 2013	n/a	n/a
	Certificate of Filing of Amended Articles of Incorporation	SEC	29 January 2015	n/a	n/a
	Certificate of Approval of Increase of Capital Stock	SEC	18 January 2015	n/a	n/a
	Certificate of Registration	BIR	24 November 2009	n/a	n/a
	Business Permit	City of Manila	21 January 2025	1 year	On or before 20 th of January
	Environmental Compliance Certificate	DENR-EMB	17 May 2012	Phase 1 of the port development program	Phase 1 of the port development program
	Environmental Compliance Certificate	DENR-EMB	12 May 2025	Phase 2 and 3 of the port development	Phase 2 and 3 of the port development
	Hazardous Waste Generator Registration Certificate	DENR-EMB	14 February 2021	n/a	n/a
	Permit to Operate (Air Pollution Source Installations	DENR-EMB	4 August 2023	Validity, May 21, 2022 - May 21, 2027 (Generators)	Validity, May 21, 2022 - May 21, 2027 (Generators)
	Discharge Permit	LLDA	11 July 2024	2 years	01 July 2026
	Statement of Compliance of a Port Facility	DOTr-OTS	26 April 2024	5 years	25 April 2029
	Certificate of Accreditation No. 00757	Philippine Ports Authority	June 20, 2023	3 years	June 20, 2026
	Certificate of Registration and Seal of	National Privacy Commission (NPC)	11 August 2025	1 year	11 August 2026

	Certificate of Registration	Bureau of Internal Revenue	24 November	n/a	n/a
	Certificate of Registration	Bureau of Internal Revenue	15 September 2022	n/a	n/a
	Registry of Establishment	Department of Labor and Employment	28 October 2016	n/a	n/a
	Certificate of Registration	Social Security System	1 December 2009	n/a	n/a
	Certificate of Employer's	Home	19 January	n/a	n/a
	Certificate of Registration	Philippine Health Insurance Corporation	28 February 2013	n/a	n/a
SMC Mass Rail Transit 7 Inc.	COI	SEC	18 March 2016	n/a	n/a
	Certificate of Approval of Increase of Capital Stock	SEC	10 January 2023	n/a	n/a
	Certificate of Registration	BIR	12 April 2016	n/a	n/a
	Business Permit	City of Mandaluy	9 January 2025	Year 2025	31 December 2025
	Business Permit	Quezon City	17 March 2025	1 Year	17 March 2025
	Business Permit	Pasig City	21 January 2025	Year 2025	31 December 2025
	Hazardous Waste Generator Registration	DENR EMB	16 January 2023	N/A	N/A
	Hazardous Waste Manifest	DENR EMB	5 April 2025	One-time use during transport of hazardous waste	N/A
	TSD Registration Certificate	DENR EMB	5 November 2024	1 Year	4 November 2025
Trans Aire Development Holdings Corp.	COI	SEC	9 February 2005	n/a	n/a
	Latest Certificate of Filing of Amended AOI	SEC	01 February 2017	n/a	n/a
	Mayor's Permit	LGU Mandaluyong	25 February 2025	Year 2025	31 December 2025
	Mayor's Permit (as Operator)	LGU Malay, Aklan	15 January 2025	Year 2025	31 December 2025
	Business Permit	LGU Nabas, Aklan	19 February 2025	Year 2025	31 December 2025

	Mayor's Permit (as Lessor)	LGU Malay, Aklan	15 January 2025	Year 2025	31 December 2025
	Environmental Compliance Certificate	DENR	21 July 2006	n/a	n/a
	Water Discharge Permit	DENR		2025	8 October 2025
	Permit to Operate Air Pollution Source & Control Installation	DENR	02 October 2023	5 years	02 October 2028
	Temporary Aerodrome Certificate	CAAP	30 May 2025	Six (6) Months	November 30, 2025
San Miguel Aerocity Inc.	COI	SEC	23 July 2018		
	Latest Certificate of Filing of Amended AOI	SEC	07 September 2023		
	Business Permit	City of Mandaluy	30 January 2025	Year 2025	31 December 2025
	Business Permit (C5	City of Pasig	28 January 2025	Year 2025	31 December 2025
	Business Permit (808 Bldg.)	City of Pasig	28 January 2025	Year 2025	31 December 2025
	ECC	DENR	01 June 2021	n/a	n/a
	ECC - San Nicolas Shoal Seabed Quarry Project	DENR	24 March 2023	n/a	n/a
	Certificate of Non-Coverage – Biodiversity Offset Programme Pamarawan	DENR	17 July 2023	n/a	n/a
	Access Channel Permit	LGU	25 May 2021	n/a	n/a
	Clearance to Develop Private Port	PPA	11 February 2022	n/a	n/a
	Approval for (temporary) river closure and river dredging permit	NWRB/DPWH	29 March 2022	n/a	n/a
	Ground Preparation Permit	LGU	29 December 2021	n/a	n/a
	Demolition Permit	LGU	27 December	n/a	n/a
	Notice to Commence	DOTr	18 September 2019	n/a	n/a
Luzon Clean Water Development Corporation	COI	SEC	17 December	n/a	n/a
	AOI	SEC	13 August 2018	n/a	n/a
	Certificate of Registration	BIR	17 and 22 December 2015	N/A	N/A

	Certificate of Occupancy	DPWH - Office of the Building Official	20 November 2018	N/A	N/A
	Mayor's Permit and Business License	City of San Jose del Monte, Bulacan	05 February 2025	Year 2025	31 December 2025
	Sanitary Permit to Operate	City Health Office, City of San Jose del	05 February 2025	Year 2025	31 December 2025
	Environmental Inspection Clearance Certificate with Control No.	City Environment and Natural	05 February 2025	N/A	N/A
	Barangay Business Clearance	Brgy. San Manuel, City of San Jose del	05 February 2025	Year 2025	31 December 2025
	Fire Safety Inspection Certificate	DILG - Bureau of Fire Protection	19 February 2025	One (1) year	08 February 2026
	Fire Safety Clearance (Storage of Flammable and	DILG - Bureau of Fire Protection	05 February 2025	One (1) year	05 February 2026
	Notice to Commence Construction (Stage 3A-1)	MWSS Corporate Office	21 May 2025	N/A	N/A
	ECC - Water Treatment Plant in Pleasant Hills Subdivision, Brgy.	DENR-EMB	31 May 2016	N/A	N/A
	ECC - Pipeline Conveyance Facility traversing to the municipalities of	DENR-EMB	15 July 2016	N/A	N/A
	ECC - Water Supply System (Stage 3A-1) in Brgy.	DENR-EMB	21 February 2022	N/A	N/A
	ECC - Pipeline Conveyance Extension - Hagonoy and Pandi Alignment	DENR-EMB	21 February 2022	N/A	N/A
	ECC - Stage 3A-3: Angat-Bustos Water System	DENR-EMB	16 February 2023	N/A	N/A
	Water Permit No. 026824 (Angat River)	DENR-NWRB	28 November 2023	Annual renewal - every 31 July	31 July 2026
	Wastewater Discharge Permit No. DP-R03-25-02543	DENR-EMB	28 February 2025	Annual renewal - every 28 February	28 February 2026
	Wastewater Discharge Permit No. DP-R03-25-05807	DENR-EMB	30 May 2025	Annual renewal - every 30 May	30 May 2026

	Permit to Operate Air Pollution Source and Control Installations Permit No. PTO-OL-R03-2025-02925-R	DENR-EMB	11 April 2025	Five (5) years	11 April 2030
	Hazardous Waste Generator Registration Certificate	DENR-EMB	17 April 2021	N/A	N/A
	Chemical Control Order Registration Certificate for	DENR-EMB	17 April 2024	N/A	N/A
	Chemical Control Order Registration Certificate	DENR-EMB	17 April 2024	N/A	N/A
	Chemical Control Order Registration Certificate for Lead and Lead Compounds	DENR-EMB	22 April 2024	N/A	N/A
	Operational Permit (Water Supply)	DOH	31 January 2019	N/A	N/A
	Certificate of Electrical Inspection	DOLE	10 December 2024	One (1) year	20 November 2025
	Permits to Operate Internal Combustion Engine for Diesel	DOLE	15 April 2025	One (1) year	14 April 2026
	Permits to Operate Pressure Vessel (covers 3 vertical pressure vessels)	DOLE	15 April 2025	One (1) year	14 April 2026
	Certificate of Contestability No. 2018-	ERC	3 September 2018	N/A	N/A
	Certificate of Compliance No. 23-12-S-03676L (for 6MW Diesel Generation Facility)	ERC	20 December 2023	Five (5) years	19 December 2028
	Controlled Chemicals Purchaser's License	PNP - Civil Security Group	11 March 2025	One (1) year	20 November 2025

LIQUOR BUSINESS

GINEBRA SAN MIGUEL INC.
AND SUBSIDIARIES

COMPANY NAME	AREA/OFFICE/PLANT	NAME OF PERMIT/LICENSE	ISSUING AGENCY	ISSUE DATE	VALIDITY PERIOD	EXPIRY DATE	REMARKS
MANUFACTURING							
Distileria Bago Inc.	DBI	Environmental Compliance Certificate	Department of Environment and Natural Resources	15-Jun-12	Lifetime	NA	
Distileria Bago Inc.	DBI	PCL Certificate for Potassium Dichromate	Department of Environment and Natural Resources	29-Nov-19	Lifetime	NA	
Distileria Bago Inc.	DBI	PCL Certificate for Potassium Chromate	Department of Environment and Natural Resources	29-Nov-19	Lifetime	NA	
Distileria Bago Inc.	DBI	PCL Certificate for Chloroform	Department of Environment and Natural Resources	29-Nov-19	Lifetime	NA	
Distileria Bago Inc.	DBI	CCO Certificate for Lead Acetate	Department of Environment and Natural Resources	16-Dec-19	Lifetime	NA	
Distileria Bago Inc.	DBI	CCO Certificate for Mercury Sulfate	Department of Environment and Natural Resources	1-Dec-19	Lifetime	NA	
Distileria Bago Inc.	DBI	CCO Certificate for Cadmium	Department of Environment and Natural Resources	6-May-22	Lifetime	NA	
Distileria Bago Inc.	DBI	CCO Certificate for Chromium Standard for AAS	Department of Environment and Natural Resources	14-Nov-22	Lifetime	NA	
Distileria Bago Inc.	DBI	CCO Certificate for Sodium Nitroprusside	Department of Environment and Natural Resources	5-Jul-22	Lifetime	NA	
Distileria Bago Inc.	DBI	Wastewater Discharge Permit	Department of Environment and Natural Resources	26-Oct-23	Expires	26-Oct-24	On-going discussion
Distileria Bago Inc.	DBI	Certificate of Compliance (COC) for Deepwell No.1 Genset	Energy Regulatory Commission	24-Nov-22	Expires	23-Nov-27	
Distileria Bago Inc.	DBI	Certificate of Compliance (COC) for Deepwell No. 3 Genset	Energy Regulatory Commission	24-Nov-22	Expires	23-Nov-27	
Distileria Bago Inc.	DBI	Certificate of Compliance (COC) of Deepwell No.4 Genset	Energy Regulatory Commission	24-Nov-22	Expires	23-Nov-27	
Distileria Bago Inc.	DBI	Certificate of Compliance (COC) of Deepwell No.5	Energy Regulatory Commission	24-Nov-22	Expires	23-Nov-27	
Distileria Bago Inc.	DBI	Certificate of Compliance (COC) of Deepwell No.6	Energy Regulatory Commission	24-Nov-22	Expires	23-Nov-27	
Distileria Bago Inc.	DBI	Certificate of Compliance (COC) of Spare Genset of DBI Deepwells	Energy Regulatory Commission	24-Nov-22	Expires	23-Nov-27	
Distileria Bago Inc.	DBI	Water Permit for Shallow Well no.1	National Water Resources Board	10-Jun-94	Lifetime	NA	
Distileria Bago Inc.	DBI	Permit to Operate Air Pollution Source and Control Installation	Department of Environment and Natural Resources	23-Dec-22	Expires	23-Dec-27	
Distileria Bago Inc.	DBI	NWRB Water Permit for Shallow Well No.2	National Water Resources Board	10-Jun-94	Lifetime	NA	
Distileria Bago Inc.	DBI	NWRB Shallow Well Permit No.3	National Water Resources Board	10-Jun-94	Lifetime	NA	
Distileria Bago Inc.	DBI	NWRB Water Permit of Deepwell No.1	National Water Resources Board	12-Nov-93	Lifetime	NA	
Distileria Bago Inc.	DBI	NWRB Water Permit of Deepwell No.2	National Water Resources Board	12-Nov-96	Lifetime	NA	
Distileria Bago Inc.	DBI	NWRB Water Permit of Deepwell No.4	National Water Resources Board	24-Aug-98	Lifetime	NA	
Distileria Bago Inc.	DBI	NWRB Water Permit of Deepwell No.5	National Water Resources Board	24-Aug-98	Lifetime	NA	
Distileria Bago Inc.	DBI	NWRB Water Permit of Deepwell No.6	National Water Resources Board	20-May-02	Lifetime	NA	
Distileria Bago Inc.	DBI	PDEA License (License to Handle Controlled Precursors and Essential Chemicals)	Philippine Drug Enforcement Agency	12-Jul-25	Expires	31-Mar-26	
Distileria Bago Inc.	DBI	Permit to Purchase and Move Controlled Chemicals	Philippine National Police	3-Jun-25	Expires	3-Aug-25	Will apply again for permit once needed
Distileria Bago Inc.	DBI	PNP Purchaser's License	Philippine National Police	4-Aug-24	Expires	4-Aug-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Statement of Compliance of a Port Facility	Office for Transportation	18-Sep-24	Expires	17-Sep-29	
Distileria Bago Inc.	DBI	Foreshore Lease Agreement	Department of Environment and Natural Resources	12-Jul-24	Expires	12-Jul-24	Waiting for the release of FLA; payment already made
Distileria Bago Inc.	DBI	License to Operate as Food Manufacturer	Food and Drug Administration	18-Jan-09	Expires	24-Jan-27	
Distileria Bago Inc.	DBI	Certificate of Registration of Port Facility	Philippine Port Authority	30-Jul-09	Expires	12-Jul-24	For releasing of Certificate; payment already made
Distileria Bago Inc.	DBI	Mayor's Permit	LGU-Bago City	22-Jan-25	Expires	31-Dec-25	
Distileria Bago Inc.	DBI	Sanitary Permit to Operate	LGU-Bago City	14-Jan-25	Expires	31-Dec-25	
Distileria Bago Inc.	DBI	Fire Safety Inspection Certificate	Bureau of Fire Protection-Bago City	22-Jan-25	Expires	22-Mar-26	
Distileria Bago Inc.	DBI	Safe Re-use of Wastewater as Fertilizer Certificate	Fertilizer and Pesticide Authority	23-Dec-24	Expires	23-Dec-25	
Distileria Bago Inc.	DBI	Hazardous Waste Generator Registration Certificate	Department of Environment and Natural Resources	13-May-21	Lifetime	NA	
Distileria Bago Inc.	DBI	Pollution Control Officer Accreditation	Department of Environment and Natural Resources	18-Sep-24	Expires	17-Sep-27	
Distileria Bago Inc.	DBI	Certificate of Registration (RULE 1020)	Department of Labor and Employment-R6	8-Mar-19	Lifetime	NA	
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Cooling Coils Evaporative Condenser	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process; waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Cooling Coil Evaporative Condenser	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Horizontal CO2 Condenser	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Horizontal CO2	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-HP-CO2 Precooler	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit

Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Vertical -HP Deodorizer	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Vertical -HP Deodorizer	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Vertical -HP Deodorizer	Department of Labor and Employment- R6	02 -Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Vertical -LP Deodorizer	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Vertical -LP Deodorizer	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Vertical -LP Deodorizer	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Horizontal-CO2 Condenser	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Vertical Dryer	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Horizontal CO2 Pre-Cooler	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-HP CO2 Pre-Cooler	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Horizontal-NH3 Receiver	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Horizontal-NH3 Receiver	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Horizontal-NH3 Receiver	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Vertical-Cooling Coil Evaporative Condenser	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Vertical-CO2 Dryer	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Horizontal Cylindrical Tank	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Horizontal Cylindrical Tank	Department of Labor and Employment-R6	02-Aug-24	Expires	12-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Horizontal Cylindrical Tank	Department of Labor and Employment-R6	02-Aug-24	Expires	16-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Horizontal Cylindrical Tank	Department of Labor and Employment-R6	02-Aug-24	Expires	16-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Pressure Vessel-Horizontal Cylindrical Tank	Department of Labor and Employment-R6	02-Aug-24	Expires	16-Jul-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Steam Boiler-HRT-Fire Tube (CB 4)	Department of Labor and Employment-R6	25-Jan-25	Expires	11-Dec-24	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Permit to Operate Steam Boiler-Water Tube (JTA 2)	Department of Labor and Employment-R6	25-Jan-25	Expires	11-Dec-24	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Certificate of Electrical Inspection	Department of Labor and Employment-R6	18-Sep-24	Expires	07-Aug-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Certificate of Electrical Inspection	Department of Labor and Employment-R6	18-Sep-24	Expires	07-Aug-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Certificate of Electrical Inspection	Department of Labor and Employment-R6	18-Sep-24	Expires	07-Aug-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Certificate of Electrical Inspection	Department of Labor and Employment-R6	18-Sep-24	Expires	07-Aug-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Certificate of Electrical Inspection	Department of Labor and Employment-R6	18-Sep-24	Expires	07-Aug-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Certificate of Electrical Inspection	Department of Labor and Employment-R6	18-Sep-24	Expires	07-Aug-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Certificate of Electrical Inspection	Department of Labor and Employment-R6	18-Sep-24	Expires	07-Aug-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Certificate of Electrical Inspection	Department of Labor and Employment-R6	18-Sep-24	Expires	07-Aug-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Certificate of Electrical Inspection	Department of Labor and Employment-R6	18-Sep-24	Expires	07-Aug-25	In-Process, waiting release of permit
Distileria Bago Inc.	DBI	Fire Safety Clearance Storage for Flammable and Combustible Liquids	Department of Labor and Employment-R6	22-Jan-25	Expires	22-Jan-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Fire Safety Inspection Certificate (for Business Permit)	Bureau of Fire Protection	13-Jun-25	Expires	13-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Environmental Compliance Certificate	Department of Environment and Natural Resources	19-Mar-09	Lifetime		
East Pacific Star Bottlers Phils Inc.	Cauayan	Environmental Compliance Certificate (1st Amendment)	Department of Environment and Natural Resources	10-Jun-15	Lifetime		
East Pacific Star Bottlers Phils Inc.	Cauayan	Environmental Compliance Certificate (2nd Amendment)	Department of Environment and Natural Resources	25-Oct-18	Lifetime		
East Pacific Star Bottlers Phils Inc.	Cauayan	Wastewater Discharge Permit	Department of Environment and Natural Resources	15-Apr-25	Expires	15-Apr-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Air Pollution Source and Control Installations (Non fuel burning)	Department of Environment and Natural Resources	15-Apr-25	Expires	26-Feb-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Certificate of PCO Accreditation - Keith Abinal	Department of Environment and Natural Resources	9-Jan-23	Expires	9-Jan-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Hazardous Waste Generator Registration Certificate (Amendment)	Department of Environment and Natural Resources	14-Jul-22	Lifetime		
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Air Pollution Source and Control Installations	Department of Environment and Natural Resources	15-Apr-25	Expires	26-Feb-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Certificate of Registration	Department of Labor and Employment	10-Aug-21	Lifetime		
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Pressure Vessel - Activated Carbon Filter - 4.82 cu. m.	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Pressure Vessel - Cation Exchanger - 2.149 cu. m.	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Pressure Vessel - Multi Media Filter - 4.25 cu. m.	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Pressure Vessel - Water Softener - 1.57 cu. m.	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Pressure Vessel - Anion Exchanger - 1.335 cu. m.	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Pressure Vessel - Filler Air Receiver - 780L	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Pressure Vessel - Washer Air Receiver - 650 L	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Pressure Vessel - Utility Air Receiver - 2800 L	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Steam Boiler - Cimech - 150 BHP - Boiler 1	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Steam Boiler - Cimech - 150 BHP - Boiler 2	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	

East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Internal Combustion Engine - Mitsubishi Diesel Engine Generator - 84HP	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Certificate of Electrical Inspection	Department of Labor and Employment	18-Sept-24	Expires	18-Sept-25	
East Pacific Star Bottlers Phils Inc.	Cauayan	Permit to Operate Internal Combustion Engine - CAT Diesel Engine Generator - 80 KW	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Power Piping Line Operation Permit - Demineralized Water	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Power Piping Line Operation Permit - Alcohol	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Power Piping Line Operation Permit - Water	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Power Piping Line Operation Permit - Air	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Power Piping Line Operation Permit - Condensate	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Power Piping Line Operation Permit - Steam	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Power Piping Line Operation Permit - Fuel/Diesel	Department of Labor and Employment	04-Jun-25	Expires	04-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	License to Operate as Food Manufacturer	Food and Drug Administration	7-Mar-22	Expires	2-Jun-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Mayor's Permit and Business License	LGU (City Hall, Brgy Hall)	01-Jan-25	Expires	31-Dec-25	
East Pacific Star Bottlers Phils Inc.	Cauayan	Barangay Business Clearance	LGU (City Hall, Brgy Hall)	01-Jan-25	Expires	31-Dec-25	
East Pacific Star Bottlers Phils Inc.	Cauayan	Business Zoning Certification	LGU (City Hall, Brgy Hall)	10-Jan-25	Expires	10-Jan-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Sanitary Permit to Operate	LGU (City Hall, Brgy Hall)	10-Jan-25	Expires	10-Jan-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Certificate of Compliance (CENRO)	LGU (City Hall, Brgy Hall)	10-Jan-25	Expires	10-Jan-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Water Permit No. 022664, 022665	National Water Resources Board	24-Jul-12	Lifetime		
East Pacific Star Bottlers Phils Inc.	Cauayan	License to Handle Controlled Precursors and Essential Chemicals (CPECS)	Philippine Drug Enforcement Agency	04-Jul-25	Expires	7-Jul-26	
East Pacific Star Bottlers Phils Inc.	Cauayan	Certificate of Authority to Operate	PRC Board of Chemistry	-23-Oct-24	Expires	23-Oct-27	
East Pacific Star Bottlers Phils Inc.	Ligao	Fire Safety Clearance - Storage for Flammable and Combustible Liquids	Bureau of Fire Protection	31-Jan-25	Expires	31-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Fire Safety Inspection Certificate (for Business Permit)	Bureau of Fire Protection	170-Jan-25	Expires	17-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Air Pollution Source and Control Installations - 630 KW Mitsubishi Generator Set	Department of Environment and Natural Resources	2-May-22	Expires	2-May-27	
East Pacific Star Bottlers Phils Inc.	Ligao	Wastewater Discharge Permit	Department of Environment and Natural Resources	07-Jan-25	Expires	07-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Environmental Compliance Certificate	Department of Environment and Natural Resources	23-Dec-08	Lifetime		
East Pacific Star Bottlers Phils Inc.	Ligao	Hazardous Waste Generator Registration Certificate	Department of Environment and Natural Resources	28-Oct-22	Lifetime	28-Oct-99	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Air Pollution Source and Installations - Cimech Boiler 150 HP and Storage Tanks	Department of Environment and Natural Resources	7-Oct-22	Expires	7-Oct-27	
East Pacific Star Bottlers Phils Inc.	Ligao	CCO Registration Certificate for Chromium (VI) Compounds	Department of Environment and Natural Resources	10-Nov-22	Lifetime		
East Pacific Star Bottlers Phils Inc.	Ligao	Environmental Compliance Certificate (1st Amendment)	Department of Environment and Natural Resources	7-Sep-17	Lifetime		
East Pacific Star Bottlers Phils Inc.	Ligao	Certificate of PCO Accreditation - Allan S. Quinto Jr.	Department of Environment and Natural Resources	8-Sep-22	Expires	8-Sep-25	
East Pacific Star Bottlers Phils Inc.	Ligao	CCO Cyanide	Department of Environment and Natural Resources	6-Jun-23	Lifetime		
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Steam Boiler - Cimech 150 BHP	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Certificate of Electrical Inspection	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Certificate of Electrical Inspection - 2000kVA total connected load	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Internal Combustion Engine - Mitsubishi Generator Set - 844 HP	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Internal Combustion Engine - Monark Caterpillar 80 kW	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Power Piping Line Operation Permit - Compressed Air	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Power Piping Line Operation Permit - Industrial Steam	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Pressure Vessel - Ammonia Receiver	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Pressure Vessel - Air Receiver Tank No. 1 - 1.72 cu. m.	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Pressure Vessel - Air Receiver Tank No. 3 1.25 cu. m.	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Pressure Vessel - Air Receiver Tank No. 2 2.2 cu. m.	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Pressure Vessel - Cation Exchanger 1 - 1.2 cu. m.	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Pressure Vessel - Cation Exchanger 2 - 1.33 cu. m.	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Pressure Vessel - Water Softener 1 - 1.6 cu. m.	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Pressure Vessel - Activated Carbon Filter	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Pressure Vessel - Anion Exchanger No. 1 and 2 - 2.1 cu. m.	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Pressure Vessel - Multi-Media Filter	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Pressure Vessel - Mixed Bed Regenerative Water Tank - 3.39 cu. m.	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate Pressure Vessel - Water Softener 2 - 1.6 cu. m.	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	Permit to Operate (Pressure Vessel) - Air Dryer Tank	Department of Labor and Employment	20-Jan-25	Expires	20-Jan-26	
East Pacific Star Bottlers Phils Inc.	Ligao	License to Operate as Food Manufacturer	Food and Drug Administration	3-Aug-20	Expires	3-Aug-25	Expired – on going FDA Evaluation

East Pacific Star Bottlers Phils Inc.	Ligao	Mayor's Permit and Business License	LGU (City Hall, Brgy Hall)	20-Jan-25	Expires	31-Dec-25	
East Pacific Star Bottlers Phils Inc.	Ligao	Certification (CENRO)	LGU (City Hall, Brgy Hall)	20-Jan-25	Expires	31-Dec-25	
East Pacific Star Bottlers Phils Inc.	Ligao	City Planning and Development Office Zoning Division Certification	LGU (City Hall, Brgy Hall)	20-Jan-25	Expires	31-Dec-25	
East Pacific Star Bottlers Phils Inc.	Ligao	Barangay Business Clearance	LGU (City Hall, Brgy Hall)	20-Jan-25	Expires	31-Dec-25	
East Pacific Star Bottlers Phils Inc.	Ligao	NWRB Permit No. 022666 and No. 022667	National Water Resources Board	24-Jul-12	Lifetime		
East Pacific Star Bottlers Phils Inc.	Ligao	Certificate of Business Annual Inspection	Office of the Building Official	20-Jan-25	Expires	31-Dec-25	
East Pacific Star Bottlers Phils Inc.	Ligao	License to Handle Controlled Precursors and Essential Chemicals (CPECS)	Philippine Drug Enforcement Agency	31-Mar-25	Expires	8-Mar-26	
Ginebra San Miguel Inc.	Cabuyao	Fire Safety Clearance - Storage for Flammable and Combustible Liquids	Bureau of Fire Protection	14-Mar-25	Expires	14-Mar-25	
Ginebra San Miguel Inc.	Cabuyao	Fire Safety Clearance - Welding, Cutting, and other Hot Work Operations	Bureau of Fire Protection	24-Jun-25	Expires	24-Jun-26	
Ginebra San Miguel Inc.	Cabuyao	Fire Safety Inspection Certificate (for Business Permit)	Bureau of Fire Protection	11-Nov-24	Expires	12-Nov-25	
Ginebra San Miguel Inc.	Cabuyao	Fire Safety Inspection Certificate (For Business Permit) - Tabangao Alcohol Depot	Bureau of Fire Protection	27-Jun-25	Expires	27-Jun-26	
Ginebra San Miguel Inc.	Cabuyao	Fire Safety Clearance - Storage for Flammable and Combustible Liquids (Tabangao Alcohol Depot)	Bureau of Fire Protection	20-Jan-25	Expires	20-Jan-26	
Ginebra San Miguel Inc.	Cabuyao	Hazardous Waste Generator Registration Certificate - Tabangao Alcohol Depot	Department of Environment and Natural Resources	30-Aug-19	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Permit to Operate Air Pollution Source and Control Installations	Department of Environment and Natural Resources	23-Dec-21	Expires	23-Dec-26	
Ginebra San Miguel Inc.	Cabuyao	Wastewater Discharge Permit - Tabangao Alcohol Depot	Department of Environment and Natural Resources	19-Nov-23	Expires	19-Nov-25	
Ginebra San Miguel Inc.	Cabuyao	Environmental Compliance Certificate - Tabangao Alcohol Depot	Department of Environment and Natural Resources	1-Dec-03	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	CCO Registration Certificate - Cyanide and Cyanide Compounds	Department of Environment and Natural Resources	3-Mar-22	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	CCO Registration Certificate - Cadmium and Cadmium Compounds	Department of Environment and Natural Resources	21-Feb-22	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	CCO Registration Certificate - Lead and Lead Compounds	Department of Environment and Natural Resources	24-Feb-22	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	CCO Registration Certificate - Mercury and Mercury Compounds	Department of Environment and Natural Resources	29-Mar-22	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Certificate of PCO Accreditation - Sandy A. Arcebuhe	Department of Environment and Natural Resources	08-Jul-25	Expires	08-Jul-25	
Ginebra San Miguel Inc.	Cabuyao	Environmental Compliance Certificate Amendment	Department of Environment and Natural Resources	28-Jul-22	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Permit to Operate Air Pollution Source and Control Installations - Fuel Storage Tanks	Department of Environment and Natural Resources	27-Oct-22	Expires	27-Oct-27	
Ginebra San Miguel Inc.	Cabuyao	CCO Registration Certificate - Chromium (VI) Compounds	Department of Environment and Natural Resources	21-Mar-23	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Hazardous Waste Generator Registration Certificate (Amendment)	Department of Environment and Natural Resources	24-Mar-23	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	CCO Registration Certificate - Arsenic	Department of Environment and Natural Resources	8-Jun-23	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Establishment Registration	Department of Labor and Employment	28-Aug-14	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Permit to Operate Steam Boiler - 300 BHP Cleaver Brooks	Department of Labor and Employment	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	Permit to Operate Steam Boiler - 150 BHP Enertech	Department of Labor and Employment	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	Power Piping Line Operation Permit - LPG	Department of Labor and Employment	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	Permit to Operate Internal Combustion Engine - 1750 kW Caterpillar	Department of Labor and Employment	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	Permit to Operate Pressure Vessel - 1.5 cu. m. Spraymaster Deaerator	Department of Labor and Employment	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	Permit to Operate Pressure Vessel - 1.5 cu. m. Air Receiver - 207-15	Department of Labor and Employment	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	Permit to Operate Pressure Vessel - 1.5 cu. m. Air Receiver - 206-15	Department of Labor and Employment	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	Permit to Operate Pressure Vessel - 0.39 cu. m. Air Receiver	Department of Labor and Employment	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	Permit to Operate Pressure Vessel - 6.35 cu. m. Air Receiver	Department of Labor and Employment	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	Power Piping Line Operation Permit - Steam	Department of Labor and Employment	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	Power Piping Line Operation Permit - Compressed Air	Department of Labor and Employment	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	Establishment Registration - Tabangao Alcohol Depot	Department of Labor and Employment	27-Jun-19	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Permit to Operate Pressure Vessel - 1.5 cu. m. Air Receiver - 209-15	Department of Labor and Employment	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	Certificate of Compliance	Energy Regulatory Commission	08-Aug-25	Expires	27-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	License to Operate as Food Manufacturer	Food and Drug Administration	3-Feb-21	Expires	28-Feb-26	
Ginebra San Miguel Inc.	Cabuyao	License to Operate as Drug Manufacturer	Food and Drug Administration	31-Aug-24	Expires	3-Aug-27	
Ginebra San Miguel Inc.	Cabuyao	Certificate of Product Registration - San Miguel Ethyl Alcohol 70% (v/v) Solution with Moisturizer	Food and Drug Administration	28-Dec-22	Expires	28-Dec-27	
Ginebra San Miguel Inc.	Cabuyao	Certificate of Product Registration (SMEA 20 Liters)	Food and Drug Administration	18-Oct-23	Expires	18-Oct-28	
Ginebra San Miguel Inc.	Cabuyao	Certificate of Product Registration (SMEA 1 Gallon)	Food and Drug Administration	20-Oct-23	Expires	20-Oct-28	
Ginebra San Miguel Inc.	Cabuyao	Certificate of Current Good Manufacturing Practice	Food and Drug Administration	29-Oct-25	Expires	3-Aug-27	
Ginebra San Miguel Inc.	Cabuyao	Halal Certificate - SMEA	Halal Devt. Institute of the Phils. (HDIP)	24-Aug-24	Expires	24-Aug-25	On-going Application
Ginebra San Miguel Inc.	Cabuyao	Barangay Clearance	LGU (City Hall, Brgy Hall)	13-Jan-25	Expires	31-Dec-25	
Ginebra San Miguel Inc.	Cabuyao	City Environmental Clearance	LGU (City Hall, Brgy Hall)	15-Jan-25	Expires	31-Dec-25	
Ginebra San Miguel Inc.	Cabuyao	Sanitary Permit	LGU (City Hall, Brgy Hall)	15-Jan-25	Expires	31-Dec-25	

Ginebra San Miguel Inc.	Cabuyao	Mayor's Permit and Business License	LGU (City Hall, Brgy Hall)	30-Jan-25	Expires	31-Dec-25	
Ginebra San Miguel Inc.	Cabuyao	Barangay Clearance - Tabangao Alcohol Depot	LGU (City Hall, Brgy Hall)	20-Jan-25	Expires	31-Dec-25	
Ginebra San Miguel Inc.	Cabuyao	City Environmental Permit to Operate - Tabangao Alcohol Depot	LGU (City Hall, Brgy Hall)	20-Jan-25	Expires	31-Dec-25	
Ginebra San Miguel Inc.	Cabuyao	Mayor's Permit and Business License - Tabangao Alcohol Depot	LGU (City Hall, Brgy Hall)	20-Jan-25	Expires	31-Dec-25	
Ginebra San Miguel Inc.	Cabuyao	Sanitary Permit to Operate - Tabangao Alcohol Depot	LGU (City Hall, Brgy Hall)	19-Jan-25	Expires	31-Dec-25	
Ginebra San Miguel Inc.	Cabuyao	Discharge Permit	Laguna Lake Development Authority	29-Apr-24	Expires	21-Apr-27	
Ginebra San Miguel Inc.	Cabuyao	Certificate of PCO Accreditation - Sandy A. Arcebuhe	Laguna Lake Development Authority	22-Jun-22	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	LLDA Clearance	Laguna Lake Development Authority	3-Jan-18	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	LLDA Clearance Amendment	Laguna Lake Development Authority	11-Sep-23	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Water Permit Deepwell 1	National Water Resources Board	15-Oct-96	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Water Permit Deepwell 2	National Water Resources Board	29-Apr-97	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Certificate of Occupancy 02-01-0576	Office of the Building Official	8-Jan-02	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Certificate of Occupancy 97-01-0118	Office of the Building Official	15-Jan-97	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Certificate of Occupancy 03-96-027	Office of the Building Official	26-Mar-96	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Certificate of Occupancy 03-96-032	Office of the Building Official	22-Apr-96	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Certificate of Occupancy 96-09-080	Office of the Building Official	19-Sep-96	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Certificate of Occupancy 96-11-095	Office of the Building Official	12-Nov-96	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Certificate of Occupancy 96-11-096	Office of the Building Official	12-Nov-96	Lifetime		
Ginebra San Miguel Inc.	Cabuyao	Certificate of Annual Inspection	Office of the Building Official	3-Aug-23	Expires	3-Aug-24	Inspected Awaiting Release Certificate
Ginebra San Miguel Inc.	Cabuyao	License to Handle Controlled Precursors and Essential Chemicals (CPECS)	Philippine Drug Enforcement Agency	5-Jun-25	Expires	05-May-26	
Ginebra San Miguel Inc.	Cabuyao	Controlled Chemicals Purchaser's License	Philippine National Police	28-Nov-25	Expires	9-Nov-26	
Ginebra San Miguel Inc.	Mandaue	Fire Safety Inspection Certificate (for Business Permit)	Bureau of Fire Protection	14-May-25	Expires	14-May-26	
Ginebra San Miguel Inc.	Mandaue	Fire Safety Clearance - Storage for Flammable and Combustible Liquids	Bureau of Fire Protection	14-May-25	Expires	14-May-26	
Ginebra San Miguel Inc.	Mandaue	Fire Safety Clearance - Storage for Flammable and Combustible Liquids - Ouano Alcohol Depot	Bureau of Fire Protection	14-May-25	Expires	14-May-26	
Ginebra San Miguel Inc.	Mandaue	Permit to Operate Air Pollution Source and Control Installations	Department of Environment and Natural Resources	30-Nov-22	Expires	30-Nov-27	
Ginebra San Miguel Inc.	Mandaue	Environmental Compliance Certificate	Department of Environment and Natural Resources	10-Oct-14	Lifetime		
Ginebra San Miguel Inc.	Mandaue	Certificate of PCO Accreditation - Jose Cordova	Department of Environment and Natural Resources	28-Dec-22	Expires	28-Dec-25	
Ginebra San Miguel Inc.	Mandaue	Wastewater Discharge Permit	Department of Environment and Natural Resources	04-Sep-24	Expires	04-Sep-25	
Ginebra San Miguel Inc.	Mandaue	Certificate of Managing Head Accreditation	Department of Environment and Natural Resources	1-Dec-20	Lifetime		
Ginebra San Miguel Inc.	Mandaue	Environmental Compliance Certificate (1st Amendment)	Department of Environment and Natural Resources	21-Apr-21	Lifetime		
Ginebra San Miguel Inc.	Mandaue	CCO Registration Certificate - Chromium (VI) Compounds	Department of Environment and Natural Resources	23-Dec-21	Lifetime		
Ginebra San Miguel Inc.	Mandaue	Hazardous Waste Generator Registration Certificate (Amendment)	Department of Environment and Natural Resources	12-Jul-22	Lifetime		
Ginebra San Miguel Inc.	Mandaue	CCO Registration Certificate - Cyanide and Cyanide Compounds	Department of Environment and Natural Resources	29-Jul-22	Lifetime		
Ginebra San Miguel Inc.	Mandaue	Certificate of Exemption - Ouano Alcohol Depot	Department of Environment and Natural Resources	18-Mar-93	Lifetime		
Ginebra San Miguel Inc.	Mandaue	CCO Registration Certificate Mercury Sulfate	Department of Environment and Natural Resources	12-Apr-22	Lifetime		
Ginebra San Miguel Inc.	Mandaue	Certificate of Registration	Department of Labor and Employment	24-Aug-19	Lifetime		
Ginebra San Miguel Inc.	Mandaue	Certificate of Compliance	Energy Regulatory Commission	14-Jun-21	Expires	13-Jun-26	
Ginebra San Miguel Inc.	Mandaue	License to Operate as Food Manufacturer	Food and Drug Administration	26-Jan-21	Expires	23-Jan-26	
Ginebra San Miguel Inc.	Mandaue	Environmental Clearance	LGU (City Hall, Brgy Hall)	14-Feb-25	Expires	16-Feb-26	
Ginebra San Miguel Inc.	Mandaue	Mayor's Permit and Business License	LGU (City Hall, Brgy Hall)	16-Feb-25	Expires	31-Dec-25	
Ginebra San Miguel Inc.	Mandaue	Sanitary Permit to Operate	LGU (City Hall, Brgy Hall)	17-Mar-25	Expires	17-Mar-26	
Ginebra San Miguel Inc.	Mandaue	Certificate of Annual Inspection	Office of the Building Official	14-Oct-24	Expires	16-Oct-25	
Ginebra San Miguel Inc.	Mandaue	Certificate of Operation - Steam Boiler - 150 BHP Boiler 1	Office of the Building Official	14-Nov-24	Expires	12-Sep-25	
Ginebra San Miguel Inc.	Mandaue	Certificate of Operation - Steam Boiler - 150 BHP Boiler 2	Office of the Building Official	14-Nov-24	Expires	12-Sep-25	
Ginebra San Miguel Inc.	Mandaue	Certificate of Operation - Unfired Pressure Vessel - 2 Units Distilling unit Pressure Vessel	Office of the Building Official	14-Nov-24	Expires	12-Sep-25	
Ginebra San Miguel Inc.	Mandaue	Certificate of Operation - Internal Combustion Engine - Detroit Diesel Genset	Office of the Building Official	14-Nov-24	Expires	12-Sep-25	
Ginebra San Miguel Inc.	Mandaue	Certificate of Operation - Unfired Pressure Vessel - 2 units air receiver tanks - 0.25 cu. m.	Office of the Building Official	14-Nov-24	Expires	12-Sep-25	
Ginebra San Miguel Inc.	Mandaue	Certificate of Operation - Unfired Pressure Vessel - 1 unit air receiver tank - 1.4 cu. m.	Office of the Building Official	14-Nov-24	Expires	12-Sep-25	
Ginebra San Miguel Inc.	Mandaue	License to Handle Controlled Precursors and Essential Chemicals (CPECS)	Philippine Drug Enforcement Agency	30-May-25	Expires	26-May-26	
Ginebra San Miguel Inc.	Mandaue	Controlled Chemicals Purchaser's License	Philippine National Police	4-Nov-24	Expires	8-Nov-25	
Ginebra San Miguel Inc.	SBP	Fire Safety Inspection Certificate (for Business Permit)	Bureau of Fire Protection	05-Aug-25	Expires	05-Aug-25	

Ginebra San Miguel Inc.	SBP	Wastewater Discharge Permit	Department of Environment and Natural Resources	14-Mar-21	Expires	14-Mar-26	
Ginebra San Miguel Inc.	SBP	CCO Registration Certificate - Polychlorinated Biphenyls	Department of Environment and Natural Resources	8-Jun-16	Lifetime		
Ginebra San Miguel Inc.	SBP	Permit to Operate Air Pollution Source and Control Installations	Department of Environment and Natural Resources	19-Feb-25	Expires	19-Feb-30	
Ginebra San Miguel Inc.	SBP	Hazardous Waste Generator Registration Certificate	Department of Environment and Natural Resources	3-Aug-20	Lifetime		
Ginebra San Miguel Inc.	SBP	CCO Registration Certificate - Mercury and Mercury Compounds	Department of Environment and Natural Resources	8-Jun-20	Lifetime		
Ginebra San Miguel Inc.	SBP	CCO Registration Certificate - Chromium (VI) Compounds	Department of Environment and Natural Resources	9-Dec-21	Lifetime		
Ginebra San Miguel Inc.	SBP	CCO Registration Certificate - Cyanide and Cyanide Compounds	Department of Environment and Natural Resources	31-Dec-21	Lifetime		
Ginebra San Miguel Inc.	SBP	Certificate of PCO Accreditation - Gemma May L. Moises	Department of Environment and Natural Resources	07-Oct-24	Expires	07-Oct-27	
Ginebra San Miguel Inc.	SBP	Environmental Compliance Certificate	Department of Environment and Natural Resources	13-Nov-23	Lifetime		
Ginebra San Miguel Inc.	SBP	Certificate of Electrical inspection	Department of Labor and Employment	19-Nov-24	Expires	19-Nov-25	
Ginebra San Miguel Inc.	SBP	Permit to Operate Internal Combustion Engine - 205 HP Detroit	Department of Labor and Employment	22-Nov-24	Expires	22-Nov-25	
Ginebra San Miguel Inc.	SBP	Permit to Operate Internal Combustion Engine - 1220 HP Caterpillar	Department of Labor and Employment	22-Nov-24	Expires	22-Nov-25	
Ginebra San Miguel Inc.	SBP	Permit to Operate Pressure Vessel - 2.1 cu. m. - 15-97	Department of Labor and Employment	22-Nov-24	Expires	22-Nov-25	
Ginebra San Miguel Inc.	SBP	Permit to Operate Pressure Vessel - 2.088 cu. m. Broomwide - 03-06	Department of Labor and Employment	22-Nov-24	Expires	22-Nov-25	
Ginebra San Miguel Inc.	SBP	Permit to Operate Pressure Vessel - 0.34 cu. m. Broomwide - 02-06	Department of Labor and Employment	22-Nov-24	Expires	22-Nov-25	
Ginebra San Miguel Inc.	SBP	Permit to Operate Pressure Vessel - 0.283 cu. m. Broomwide - 01-06	Department of Labor and Employment	22-Nov-24	Expires	22-Nov-25	
Ginebra San Miguel Inc.	SBP	Permit to Operate Pressure Vessel - 2.0 cu. m. Follosco - 01-2011	Department of Labor and Employment	22-Nov-24	Expires	22-Nov-25	
Ginebra San Miguel Inc.	SBP	Permit to Operate Steam Boiler - 300 BHP - Enertech	Department of Labor and Employment	22-Nov-24	Expires	22-Nov-25	
Ginebra San Miguel Inc.	SBP	Permit to Operate Steam Boiler - 300 BHP - Cleaver Brooks	Department of Labor and Employment	22-Nov-24	Expires	22-Nov-25	
Ginebra San Miguel Inc.	SBP	Certificate of Compliance	Energy Regulatory Commission	16-Apr-21	Expires	15-Apr-26	
Ginebra San Miguel Inc.	SBP	License to Operate as Food Manufacturer	Food and Drug Administration	7-Feb-22	Expires	3-Mar-27	
Ginebra San Miguel Inc.	SBP	License to Operate as Food Trader	Food and Drug Administration	24-Aug-22	Expires	24-Aug-27	
Ginebra San Miguel Inc.	SBP	FDA License to Operate as Drug Manufacturer	Food and Drug Administration	15-Feb-23	Expires	15-Feb-25	NA no more SMEA production
Ginebra San Miguel Inc.	SBP	Mayor's Permit and Business License	LGU (City Hall, Brgy Hall)	7-Jan-25	Expires	31-Dec-25	
Ginebra San Miguel Inc.	SBP	Sanitary Permit to Operate	LGU (City Hall, Brgy Hall)	26-Mar-25	Expires	31-Dec-25	
Ginebra San Miguel Inc.	SBP	Water Permit No. 13698, 13699, 13700	National Water Resources Board	12-Mar-93	Lifetime		
Ginebra San Miguel Inc.	SBP	Certificate of Occupancy	Office of the Building Official	15-Aug-91	Lifetime		
Ginebra San Miguel Inc.	SBP	License to Handle Controlled Precursors and Essential Chemicals (CPECS)	Philippine Drug Enforcement Agency	29-Apr-25	Expires	20-Apr-26	
Ginebra San Miguel Inc.	SBP	Controlled Chemicals Purchaser's License	Philippine National Police	26-Jul-24	Expires	9-Sep-25	On-going Local application
FINANCE							
Ginebra San Miguel Inc.		Certificate of Registration	Bureau of Internal Revenue	May 19, 1997	N/A	N/A	
Distileria Bago Inc.		Certificate of Registration	Bureau of Internal Revenue	June 21, 1994	N/A	N/A	
Agricrops Industries Inc.		Certificate of Registration	Bureau of Internal Revenue	April 4, 2002	N/A	N/A	
East Pacific Star Bottlers Phils Inc.		Certificate of Registration	Bureau of Internal Revenue	November 11, 2008	N/A	N/A	
Crown Royal Distillers Inc.		Certificate of Registration	Bureau of Internal Revenue	April 4, 2002	N/A	N/A	
Healthy Condiments Inc.		Certificate of Registration	Bureau of Internal Revenue	January 30, 2008	N/A	N/A	
Ginebra San Miguel Inc.		Mayor's Permit	Local Government Unit of Mandaluyong	N/A	12 months	December 31, 2025	
Distileria Bago Inc.		Mayor's Permit	Local Government Unit of Bago	January 22, 2025	12 months	December 31, 2025	
East Pacific Star Bottlers Phils Inc.		Mayor's Permit	Local Government Unit of Mandaluyong	N/A	12 months	December 31, 2025	
Healthy Condiments Inc.		Mayor's Permit	Local Government Unit of Mandaluyong	N/A	12 months	December 31, 2025	
Ginebra San Miguel Inc.		Permit to Operate and Buyer/User of Denatured Alcohol	Bureau of Internal Revenue	January 30, 2025	12 months	December 31, 2025	
East Pacific Star Bottlers Phils Inc.		Permit to Toll Manufacture	Bureau of Internal Revenue	January 30, 2025	12 months	December 31, 2025	
Distileria Bago Inc.		Permit to Operate as Rectifier of Alcohol	Bureau of Internal Revenue	May 12, 2022	N/A	N/A	
Ginebra San Miguel Inc.		Permit to Operate Alcohol Depot at Bauan, Batangas	Bureau of Internal Revenue	January 10, 2025	12 months	December 31, 2025	
Distileria Bago Inc.		Permit to Toll Manufacture	Bureau of Internal Revenue	March 19, 2025	N/A	December 31, 2025	
Ginebra San Miguel Inc		Permit to Store (SMCSL Storage Tanks) at Damortis, La Union	Bureau of Internal Revenue	October 31, 2024	N/A	December 31, 2025	
Ginebra San Miguel Inc		Permit to Operate as Compounder - Cabuyao	Bureau of Internal Revenue	October 14, 1996	N/A	N/A	
Ginebra San Miguel Inc		Permit to Operate as Compounder - SBP	Bureau of Internal Revenue	March 24, 1992	N/A	N/A	
Ginebra San Miguel Inc		Permit to Operate as Compounder - MDE	Bureau of Internal Revenue	N/A	N/A	N/A	
Ginebra San Miguel Inc		Permit to Toll Manufacture - CNCI	Bureau of Internal Revenue	May 31, 2012	N/A	December 31, 2025	

Distileria Bago Inc.		Ageing Permit - GSMI	Bureau of Internal Revenue	January 20, 2025	N/A	December 31, 2025	
BPG & EXPORT							
Ginebra San Miguel Inc		Certificate of Registration (Import)	Bureau of Customs	15 Nov 2024	1 Year	15 Nov 2025	
Ginebra San Miguel Inc		Renewal of License to Operate	Bureau of Plant and Industry	25-Mar-24	3 years	25-Mar-27	
Distileria Bago Inc		Certificate of Registration	Bureau of Customs	15 Nov 2024	1 Year	15 Nov 2025	
East Pacific Star Bottlers, Inc.		Certificate of Registration	Bureau of Customs	10 Oct 2024	1 Year	10 Oct 2025	
Ginebra San Miguel Inc		Authority to Release Imported Goods	Bureau of Internal Revenue		Every shipment		
Ginebra San Miguel Inc		Clearance for Release of Imported Molasses	Sugar Regulatory Administration		Every shipment		
Ginebra San Miguel Inc		License to Operate as International Molasses Trader (importer)	Sugar Regulatory Administration	01-Sep-24	1 Year	31-Aug-25	SRA issued a Memorandum that license will be extended until September 30, 2025.
Ginebra San Miguel Inc		License to Operate as Domestic Molasses Trader	Sugar Regulatory Administration	01-Sep-24	1 Year	31-Aug-25	SRA issued a Memorandum that license will be extended until September 30, 2025.
Distileria Bago Inc		License to Operate as International Molasses Trader (importer)	Sugar Regulatory Administration	01-Sep-24	1 Year	31-Aug-25	SRA issued a Memorandum that license will be extended until September 30, 2025.
Distileria Bago Inc		License to Operate as Domestic Molasses Trader	Sugar Regulatory Administration	01-Sep-24	1 Year	31-Aug-25	SRA issued a Memorandum that license will be extended until September 30, 2025.
Ginebra San Miguel Inc,		Certificate of Registration (Export)	Bureau of Customs	10-Jul-25	1 Year	10-Jul-26	
TSG							
Ginebra San Miguel Inc.	TSG	Certificate Authority to Operate of Technical Services - Analytical Services Laboratory	Philippine Regulation Commission	20-Nov-18	3 years	20-Nov-21	Pending issuance of certificate. Audit by PRC was conducted last July 2024.
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Ginebra San Miguel Premium Gin 40% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	23-Jun-20	5 years	02-Sep-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Don Enrique Tequila Distilled Spirit, 40% alc./vol. (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	19-Jun-20	5 years	29-Sep-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Don Enrique Mixkila Distilled Spirit, 40% alc/vol for GSMI Cabuyao Plant	Food and Drug Administration	19-Jun-20	5 years	06-Oct-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Vino Kulafu Chinese Wine, 25% abvfor GSMI Cabuyao Plant	Food and Drug Administration	21-Jul-20	5 years	21-Jul-25	On-going renewal. Target release of CPR is on August 27, 2025.
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Ginebra San Miguel Premium Gin 35 % abv for GSMI Sta. Barbara Plant	Food and Drug Administration	30-Jul-20	5 years	30-Jul-25	On-going renewal. Target release of CPR is on August 27, 2025.
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Antonov Vodka 80 Proof for GSMI Mandaue Plant	Food and Drug Administration	31-Jul-20	5 years	31-Jul-25	On-going renewal. Target release of CPR is on August 27, 2025.
Ginebra San Miguel Inc.	TSG	LTO as Food Manufacturer for EPSBPI Ligao Plant	Food and Drug Administration	03-Aug-20	5 years	03-Aug-25	On-going renewal. Target release of LTO is on August 29, 2025.
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Vino Kulafu 25% abv for EPSBPI Ligao Plant	Food and Drug Administration	03-Aug-20	5 years	03-Aug-25	On-going renewal. Target release of CPR is on August 27, 2025.
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Mix Rum 40% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	29-Sep-20	5 years	29-Sep-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Mix Vodka 40% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	01-Oct-20	5 years	24-Nov-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Ginebra San Miguel Premium Gin 35 % abv for GSMI Mandaue Plant	Food and Drug Administration	02-Oct-20	5 years	02-Oct-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Ginebra S. Miguel 80°P - SMYPC	Food and Drug Administration	08-Oct-20	5 years	08-Oct-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - G.S.M. Blue 32.5% alc/vol for GSMI Cabuyao Plant	Food and Drug Administration	04-Nov-20	5 years	22-Dec-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Gran Matador Solera Gran Reserva Brandy 36% alc./vol. for GSMI Cabuyao Plant	Food and Drug Administration	04-Nov-20	5 years	22-Dec-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Gran Matador Rich &Smooth Solera Brandy 32.5% alc./vol. for GSMI Cabuyao Plant	Food and Drug Administration	04-Nov-20	5 years	29-Dec-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -TMR Gold, 40% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	24-Nov-20	5 years	24-Nov-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -TMR Dark 40% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	24-Nov-20	5 years	24-Nov-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -GSM Blue Flavors Brown Coffee Flavored Spirit, 17.5% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	24-Nov-20	5 years	24-Nov-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -TMR Gold, 39% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	04-Dec-20	5 years	04-Dec-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -TMR Dark, 39% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	14-Dec-20	5 years	14-Dec-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Ginebra S. Miguel 80 Proof for GSMI Cabuyao Plant	Food and Drug Administration	15-Dec-20	5 years	14-Jan-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Ginebra S. Miguel Gin 80°P (Export Market)	Food and Drug Administration	15-Dec-20	5 years	08-Mar-26	

Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Ginebra S. Miguel 80 Proof EPSBPI Cauayan Plant	Food and Drug Administration	29-Dec-20	5 years	04-Jan-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Antonov Vodka 80 Proof for GSMI Cabuyao Plant	Food and Drug Administration	29-Dec-20	5 years	08-Mar-26	
Ginebra San Miguel Inc.	TSG	Certificate of Accreditation- ISO/IEC 17925:2017 of Technical Services - Analytical Services Laboratory	DTI- Philippine Accreditation Bureau	08-Jan-21	5 years	17-Jul-25	On-going renewal. Audit schedule will be on Sept. 9-11.
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Ginebra S. Miguel 80 Proof for EPSBPI Ligao Plant	Food and Drug Administration	13-Jan-21	5 years	03-Feb-26	
Ginebra San Miguel Inc.	TSG	License to Operate as Food Manufacturer for GSMI Mandaue Plant	Food and Drug Administration	23-Jan-21	5 years	23-Jan-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Mix Gin 40% abv (Export Market)	Food and Drug Administration	02-Feb-21	5 years	02-Feb-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Primera Light Premium Brandy Liqueur 55 proof (Export Market)	Food and Drug Administration	03-Feb-21	5 years	03-Feb-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Ginebra S. Miguel Gin 37% abv (Export Market)	Food and Drug Administration	10-Feb-21	5 years	10-Feb-26	
Ginebra San Miguel Inc.	TSG	Añejo Dark Rum 5 Years, 40% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	22-Feb-21	5 years	16-May-26	
Ginebra San Miguel Inc.	TSG	License to Operate as Food Manufacturer of GSMI Cabuyao Plant	Food and Drug Administration	28-Feb-21	5 years	28-Feb-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Tondena Gold Rum 40%alc./vol. (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	21-Apr-21	5 years	21-Apr-26	
Ginebra San Miguel Inc.	TSG	License to Operate as Food Manufacturer EPSBPI Cauayan Plant	Food and Drug Administration	03-May-21	5 years	02-Jun-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Añejo Dark Rum 5 years 40% abv for GSMI Cabuyao Plant	Food and Drug Administration	16-May-21	5 years	16-May-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -TMR Silver, 39% alc/vol for GSMI Cabuyao Plant	Food and Drug Administration	28-Sep-21	5 years	09-Feb-27	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -TMR Silver 40% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	21-Oct-21	5 years	21-Oct-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -GSM Blue Flavors Cosmopolitan Flavored Spirit, 17.5% abv for GSMI Cabuyao Plant	Food and Drug Administration	29-Oct-21	5 years	29-Oct-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Ginebra S. Miguel Gin Light Distilled Spirit, 60°P Cabuyao Plant	Food and Drug Administration	23-Nov-21	5 years	23-Nov-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -G&T Apple Black Tea Ultralight Spirit Drink, 18°P for GSMI Cabuyao Plant	Food and Drug Administration	24-Nov-21	5 years	24-Nov-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -G&T Lemon Ginger Spirit Drink 15% abv for GSMI Cabuyao Plant	Food and Drug Administration	07-Dec-21	5 years	09-Nov-26	
Ginebra San Miguel Inc.	TSG	License to Operate as Food Manufacturer for GSMI Sta. Barbara Plant	Food and Drug Administration	03-Mar-22	5 years	03-Mar-27	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Ginebra S. Miguel Gin Light Distilled Spirit, 60°P Sta. Barbara Plant	Food and Drug Administration	26-Apr-22	5 years	26-Apr-27	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Ginebra San Miguel Premium Gin Black, 40% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	02-Jun-22	5 years	09-Oct-27	
Ginebra San Miguel Inc.	TSG	License to Operate as Food Trader GSMI Sta. Barbara Plant	Food and Drug Administration	24-Aug-22	5 years	24-Aug-27	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -G&T Lemon Ginger Ultralight Spirit Drink, 18°P - SMYPC	Food and Drug Administration	15-Nov-22	5 years	15-Nov-27	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -G&T Apple Black Tea Ultralight Spirit Drink, 18°P - SMYPC	Food and Drug Administration	27-Dec-22	5 years	27-Dec-27	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Primera Light Premium Brandy Liqueur, 55 °P for GSMI Mandaue Plant	Food and Drug Administration	25-Jan-23	5 years	25-Jan-28	
Ginebra San Miguel Inc.	TSG	License to Operate as Food Distributor- Importer/ Exporter/Wholesaler -SMPC	Food and Drug Administration	10-Mar-23	5 years	22-Apr-27	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Primera Light Premium Brandy Liqueur, 55 Proof for GSMI Sta. Barbara Plant	Food and Drug Administration	23-Mar-23	5 years	13-Apr-27	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Gin Pom Flavored Spirit, 17.5% abv for GSMI Cabuyao Plant	Food and Drug Administration	02-May-23	5 years	02-May-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Flavors Mojito Flavored Spirit, 17.5% abv for GSMI Mandaue Plant	Food and Drug Administration	17-May-23	5 years	17-May-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - G.S.M. Blue Light Gin 27.5% alc/vol (Distilled Spirit), 700 mL for GSMI Cabuyao Plant	Food and Drug Administration	04-Jun-23	5 years	08-Jun-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Flavors Mojito Flavored Spirit, 17.5% abv for GSMI Sta. Barbara Plant	Food and Drug Administration	06-Jun-23	5 years	06-Jun-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Ginebra S. Miguel 80 Proof GSMI Mandaue Plant	Food and Drug Administration	23-Jun-23	5 years	23-Jun-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Antonov Vodka 80 Proof (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	27-Jun-23	5 years	27-Jun-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -G.S.M. Blue Flavors Margarita Flavored Spirit, 17.5% alc./vol. (Export Market) for GSMI Cabuyao	Food and Drug Administration	05-Jul-23	5 years	05-Jul-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -GSM Blue Gin Pom Flavored Spirit, 17.5% alc./vol. (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	12-Jul-23	5 years	12-Jul-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -G.S.M. Blue Light Gin Distilled Spirit 27.5% alc/vol. (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	07-Aug-23	5 years	07-Aug-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Flavors Mojito 17.5%abv for EPSBPI Ligao Plant	Food and Drug Administration	09-Aug-23	5 years	09-Aug-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -GSM Blue Flavors Mojito Flavored Spirit, 17.5% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	15-Aug-23	5 years	15-Aug-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Antonov Vodka 80 Proof for GSMI Sta. Barbara Plant	Food and Drug Administration	01-Sep-23	5 years	01-Sep-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - G.S.M. Blue Light Gin 27.5% alc/vol (Distilled Spirit), for GSMI Sta. Barbara Plant	Food and Drug Administration	02-Oct-23	2 years	02-Oct-25	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Flavors Margarita Flavored Spirit, 17.5% abv for GSMI Sta. Barbara Plant	Food and Drug Administration	04-Oct-23	5 years	04-Oct-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM BF Gin Pomelo Flavored Spirit, 17.5% abv for GSMI Mandaue Plant	Food and Drug Administration	04-Oct-23	5 years	04-Oct-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM BF Gin Pomelo Flavored Spirit, 17.5% abv for GSMI Sta. Barbara Plant	Food and Drug Administration	10-Oct-23	5 years	10-Oct-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Flavors Margarita Flavored Spirit, 17.5% abv for GSMI Mandaue Plant	Food and Drug Administration	12-Oct-23	5 years	12-Oct-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -1834 Premium Distilled Gin 80 Proof, 750 mL (Export Sale Only) for GSMI Cabuyao Plant	Food and Drug Administration	18-Oct-23	5 years	18-Oct-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Gin Pom Flavored Spirit, 17.5% abv for EPSBPI Ligao Plant	Food and Drug Administration	27-Oct-23	5 years	27-Oct-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - G.S.M. Blue Light Gin 27.5% alc/vol (Distilled Spirit), 700 mL for EPSBPI Ligao Plant	Food and Drug Administration	27-Oct-23	5 years	27-Oct-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Flavors Margarita 17.5%abv for EPSBPI Ligao Plant	Food and Drug Administration	08-Nov-23	5 years	08-Nov-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Ginebra San Miguel Premium Gin 35% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	15-Nov-23	5 years	15-Nov-28	

Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - G.S.M. Blue Light Gin 27.5% alc/vol (Distilled Spirit) for GSMI Mandaue Plant	Food and Drug Administration	18-Dec-23	5 years	18-Dec-28	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Ginebra San Miguel Premium Gin 35 % abv for GSMI Cabuyao Plant	Food and Drug Administration	04-Jan-24	5 years	04-Jan-29	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Vino Kulafu Chinese Wine, 25% abv for GSMI Mandaue Plant	Food and Drug Administration	17-Jan-24	5 years	17-Jan-29	
Ginebra San Miguel Inc.	TSG	License to Operate as Food Distributor- Food Trader -SMPC	Food and Drug Administration	18-Jan-24	2 years	18-Jan-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Lychee Martini 17.5%abv for GSMI Cabuyao Plant	Food and Drug Administration	11-Mar-24	5 years	11-Mar-29	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Lychee Martini 17.5%abv for GSMI Mandaue Plant	Food and Drug Administration	21-Mar-24	5 years	21-Mar-29	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Lychee Martini 17.5%abv for GSMI Sta. Barbara Plant	Food and Drug Administration	21-Mar-24	5 years	21-Mar-29	
Ginebra San Miguel Inc.	TSG	Continuing Professional Development (CPD) Provider of Technical Services - Technical Manpower Development	Professional Regulatory Commission	07-Jun-24	3 years	07-Jun-27	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Ginebra San Miguel Archangel Reserve Premium Dry Gin 90 Proof for GSMI Cabuyao Plant	Food and Drug Administration	10-Jun-24	5 years	10-Jun-29	
Ginebra San Miguel Inc.	TSG	CPR - Añejo Gold Rum 65 Proof, Mandaue Plant	Food and Drug Administration	25-Jul-24	5 years	25-Jul-29	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Vino Kulafu Chinese Wine 25% abv (Export Market)	Food and Drug Administration	13-Sep-24	5 years	13-Sep-29	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Ginebra S. Miguel 80 Proof for GSMI Sta. Barbara Plant	Food and Drug Administration	15-Jan-25	1 year	07-Jan-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - Primera Light Premium Brandy Liqueur, 55 Proof for GSMI Cabuyao Plant	Food and Drug Administration	11-Feb-25	5 years	11-Feb-30	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Flavors Mojito Flavored Spirit, 17.5% abv for GSMI Cabuyao Plant	Food and Drug Administration	11-Feb-25	5 years	21-Feb-30	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Lychee Martini 17.5%abv (For Export Market Only) for GSMI Cabuyao Plant	Food and Drug Administration	26-Feb-25	5 years	26-Feb-30	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Ginebra S. Miguel Gin 40% abv (Export Market) for GSMI Cabuyao Plant	Food and Drug Administration	22-Apr-25	5 years	20-Aug-29	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -1834 Premium Distilled Gin 80 Proof, 750 mL for GSMI Cabuyao Plant	Food and Drug Administration	28-Apr-25	5 years	28-Apr-31	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration - GSM Blue Flavors Margarita Flavored Spirit, 17.5% abv for GSMI Cabuyao Plant	Food and Drug Administration	11-Jul-25	5 years	11-Jul-30	
Ginebra San Miguel Inc.	TSG	Halal Certificate - CBF	Halal Development Institute of the Philippines	31-Jul-25	1 year	31-Jul-26	
Ginebra San Miguel Inc.	TSG	Certificate of Product Registration -Freedom Island Light Rum Distilled Spirit 55 Proof, 750 mL for GSMI Mandaue Plant	Food and Drug Administration	13-Aug-25	5 years	12-Aug-29	
HR							
Ginebra San Miguel Inc.	Head Office	Employer Registration	Social Security System (SSS)	August 1987	n/a	n/a	
Ginebra San Miguel Inc.	Head Office	Employer Registration	Home Development Mutual Fund (Pag-IBIG Fund)	09-Jul-87	n/a	n/a	
Ginebra San Miguel Inc.	Head Office	Employer Registration	Philippine Health Insurance Corporation (Philhealth)	19-Apr-01	n/a	n/a	
Ginebra San Miguel Inc.	North Luzon	Employer Registration	Social Security System (SSS)	April 1995	n/a	n/a	
Ginebra San Miguel Inc.	North Luzon	Employer Registration	Home Development Mutual Fund (Pag-IBIG Fund)	10-Feb-2009	n/a	n/a	
Ginebra San Miguel Inc.	North Luzon	Employer Registration	Philippine Health Insurance Corporation (Philhealth)	21-Oct-2000	n/a	n/a	
Ginebra San Miguel Inc.	South Luzon	Employer Registration	Social Security System (SSS)	April 1998	n/a	n/a	
Ginebra San Miguel Inc.	South Luzon	Employer Registration	Home Development Mutual Fund (Pag-IBIG Fund)	10-Aug-11	n/a	n/a	
Ginebra San Miguel Inc.	South Luzon	Employer Registration	Philippine Health Insurance Corporation (Philhealth)	03-Mar-09	n/a	n/a	
Ginebra San Miguel Inc.	VisMin	Employer Registration	Social Security System (SSS)	April 1993	n/a	n/a	
Ginebra San Miguel Inc.	VisMin	Employer Registration	Home Development Mutual Fund (Pag-IBIG Fund)	14-Sep-11	n/a	n/a	
Ginebra San Miguel Inc.	VisMin	Employer Registration	Philippine Health Insurance Corporation (Philhealth)	16-May-03	n/a	n/a	
Distileria Bago, Inc.	Distileria Bago, Inc.	Employer Registration	Social Security System (SSS)	October 1993	n/a	n/a	
Distileria Bago, Inc.	Distileria Bago, Inc.	Employer Registration	Home Development Mutual Fund (Pag-IBIG Fund)	01-Jan-95	n/a	n/a	
Distileria Bago, Inc.	Distileria Bago, Inc.	Employer Registration	Philippine Health Insurance Corporation (Philhealth)	October 1993	n/a	n/a	
East Pacific Star Bottlers Phils Inc.	Cauayan	Employer Registration	Social Security System (SSS)	October 2008	n/a	n/a	
East Pacific Star Bottlers Phils Inc.	Cauayan	Employer Registration	Home Development Mutual Fund (Pag-IBIG Fund)	13-Aug-08	n/a	n/a	
East Pacific Star Bottlers Phils Inc.	Cauayan	Employer Registration	Philippine Health Insurance Corporation (PhilHealth)	13-Aug-08	n/a	n/a	
East Pacific Star Bottlers Phils Inc.	Ligao	Employer Registration	Social Security System (SSS)	October 2008	n/a	n/a	
East Pacific Star Bottlers Phils Inc.	Ligao	Employer Registration	Home Development Mutual Fund (Pag-IBIG Fund)	March 2010	n/a	n/a	
East Pacific Star Bottlers Phils Inc.	Ligao	Employer Registration	Philippine Health Insurance Corporation (PhilHealth)	08-Sept-2010	n/a	n/a	

OGC							
Ginebra San Miguel Inc.		Certificate of Filing of Amended Articles of Incorporation	Securities and Exchange Commission	25-Jul-22	Lifetime	N/A	Latest Amended AOI issued on July 25, 2022
Distileria Bago, Inc.		Certificate of Filing of Amended Articles of Incorporation	Securities and Exchange Commission	22-Nov-19	Lifetime	N/A	
East Pacific Star Bottlers Phils Inc.		Certificate of Filing of Amended Articles of Incorporation	Securities and Exchange Commission	31-Oct-12	Lifetime	N/A	
Agricrops Industries Inc.		Certificate of Filing of Amended Articles of Incorporation	Securities and Exchange Commission	07-Jul-25	Lifetime	N/A	Latest Amended AOI issued on July 7, 2025
Crown Royal Enterprises, Inc.		Certificate of Filing of Amended Articles of Incorporation	Securities and Exchange Commission	31-Jul-25	Lifetime	N/A	Latest Amended AOI issued on July 31, 2025
Healthy Condiments, Inc.		Certificate of Filing of Amended Articles of Incorporation	Securities and Exchange Commission	09-Jan-15	Lifetime	N/A	
Ginebra San Miguel Inc.		Certificate of Permit to Offer Securities for Sale	Securities and Exchange Commission	September 2, 1998 July 29, 1998	One time application	N/A	
Ginebra San Miguel Inc.	GSMI	Certificate of Registration	National Privacy Commission	20-Jun-25	Expires	10-Jun-26	
Distileria Bago, Inc.	DBI	Certificate of Registration	National Privacy Commission	20-Jun-25	Expires	10-Jun-26	
East Pacific Star Bottlers Phils Inc.	EPSBPI	Certificate of Registration	National Privacy Commission	20-Jun-25	Expires	10-Jun-26	
Ginebra San Miguel Inc.	Albania	Trademark - AÑEJO RUM	Albania	9/30/1999	10 years	2/9/2028	
Ginebra San Miguel Inc.	Albania	Trademark - ORO PREMIUM & DESIGN	Albania	9/30/1999	10 years	2/9/2028	
Ginebra San Miguel Inc.	Albania	Trademark - TONDEÑA MANILA RUM LABEL	Albania	9/30/1999	10 years	2/9/2028	
Ginebra San Miguel Inc.	Albania	Trademark - TONDEÑA MANILA RUM (WORDMARK)	Albania	9/30/1999	10 years	2/9/2028	
La Tondena Distillers, Inc.	Andorra	Trademark - TONDEÑA MANILA RUM DEVICE	Andorra	9/29/1997	10 years	9/29/2027	
Ginebra San Miguel Inc.	Bulgaria	Trademark - AÑEJO RUM (LABEL DESIGN)	Bulgaria	6/10/1999	10 years	2/11/2028	
Ginebra San Miguel Inc.	Bulgaria	Trademark - ORO PREMIUM & DESIGN	Bulgaria	6/10/1999	10 years	2/11/2028	
Ginebra San Miguel Inc.	Bulgaria	Trademark - TONDEÑA MANILA RUM LABEL	Bulgaria	6/10/1999	10 years	2/11/2028	
Ginebra San Miguel Inc.	Bulgaria	Trademark - TONDEÑA MANILA RUM (WORDMARK)	Bulgaria	3/9/1999	10 years	2/11/2028	
Ginebra San Miguel Inc.	Canada	Trademark - GINEBRA SAN MIGUEL (WORDMARK)	Canada	9/22/2011	10 years	9/22/2026	
Ginebra San Miguel Inc.	Canada	Trademark - GINEBRA S. MIGUEL & DESIGN (LABEL)	Canada	11/6/2000	10 years	11/6/2030	
Ginebra San Miguel Inc.	Canada	Trademark - TONDEÑA MANILA RUM & DESIGN	Canada	11/6/2000	10 years	11/6/2030	
Ginebra San Miguel Inc.	Canada	Trademark - TONDEÑA MANILA RUM	Canada	1/30/2003	10 years	1/30/2033	
Ginebra San Miguel Inc.	European Union	Trademark - TONDEÑA MANILA RUM	European Union	8/18/1998	10 years	12/12/2026	
Ginebra San Miguel Inc.	Hong Kong	Trademark - GINEBRA SAN MIGUEL (WORDMARK)	Hong Kong	7/31/1996	10 years	7/31/2033	
Ginebra San Miguel Inc.	Hong Kong	Trademark - TONDEÑA MANILA RHUM (WORDMARK)	Hong Kong	7/31/1996	10 years	7/31/2033	
Ginebra San Miguel Inc.	Hong Kong	Trademark - GINEBRA SAN MIGUEL & DEVICE (LABEL) IN COLOUR	Hong Kong	10/4/2001	10 years	10/4/2028	
Ginebra San Miguel Inc.	Hungary	Trademark - AÑEJO RUM	Hungary	2/12/1998	10 years	2/12/2028	
Ginebra San Miguel Inc.	Hungary	Trademark - ORO PREMIUM & DESIGN	Hungary	12/22/1998	10 years	2/12/2028	
Ginebra San Miguel Inc.	Hungary	Trademark - TONDEÑA MANILA RUM & DEVICE	Hungary	4/8/1998	10 years	4/8/2028	
Ginebra San Miguel Inc.	Hungary	Trademark - TONDEÑA MANILA RUM (WORDMARK)	Hungary	1/21/1998	10 years	1/21/2028	
Ginebra San Miguel Inc.	India	Trademark - GINEBRA SAN MIGUEL PREMIUM GIN (WORDMARK)	India	10/13/2016	10 years	10/13/2026	
Ginebra San Miguel Inc.	India	Trademark - G.S.M. BLUE DISTILLED SPIRIT (WORDMARK)	India	10/13/2016	10 years	10/13/2026	
Ginebra San Miguel Inc.	India	Trademark - AÑEJO RUM & DEVICE	India	1/20/1998	10 years	1/20/2028	
Ginebra San Miguel Inc.	India	Trademark - GINEBRA SAN MIGUEL (LABEL)	India	1/20/1998	10 years	1/20/2028	
Ginebra San Miguel Inc.	India	Trademark - GINEBRA SAN MIGUEL (WORDMARK)	India	1/20/1998	10 years	1/20/2028	
Ginebra San Miguel Inc.	India	Trademark - ORO PREMIUM LABEL	India	1/20/1998	10 years	1/20/2028	
Ginebra San Miguel Inc.	India	Trademark - TONDEÑA MANILA RUM (LABEL)	India	1/20/1998	10 years	1/20/2028	
Ginebra San Miguel Inc.	India	Trademark - TONDEÑA MANILA RUM (WORDMARK)	India	1/20/1998	10 years	1/20/2028	
Ginebra San Miguel Inc.	India	Trademark - ANTONOV VODKA (WORDMARK)	India	10/10/2024	10 years	2/8/2034	
Ginebra San Miguel Inc.	Italy	Trademark - AÑEJO RUM & DEVICE	Italy	1/10/2001	10 years	3/17/2028	
Ginebra San Miguel Inc.	Italy	Trademark - ORO PREMIUM DEVICE	Italy	1/10/2001	10 years	3/17/2028	
Ginebra San Miguel Inc.	Korea (South)	Trademark - TONDEÑA MANILA RUM (WORDMARK)	Korea (South)	4/12/1999	10 years	4/12/2029	
Ginebra San Miguel Inc.	Lithuania	Trademark - AÑEJO RUM & DEVICE	Lithuania	2/10/2000	10 years	2/11/2028	
Ginebra San Miguel Inc.	Lithuania	Trademark - GINEBRA SAN MIGUEL (WORDMARK)	Lithuania	2/10/2000	10 years	2/11/2028	
Ginebra San Miguel Inc.	Lithuania	Trademark - GINEBRA SAN MIGUEL (LABEL)	Lithuania	2/10/2000	10 years	2/11/2028	
Ginebra San Miguel Inc.	Lithuania	Trademark - ORO PREMIUM LABEL	Lithuania	2/10/2000	10 years	2/11/2028	
Ginebra San Miguel Inc.	Lithuania	Trademark - TONDEÑA MANILA RUM (WORDMARK)	Lithuania	2/10/2000	10 years	2/10/2028	
Ginebra San Miguel Inc.	Lithuania	Trademark - TONDEÑA MANILA RUM (LABEL)	Lithuania	2/10/2000	10 years	2/11/2028	

Ginebra San Miguel Inc.	Malaysia	Trademark - GINEBRA SAN MIGUEL PREMIUM GIN (WORDMARK)	Malaysia	1/17/2017	10 years	1/17/2027	
Ginebra San Miguel Inc.	Malaysia	Trademark - G.S.M. BLUE DISTILLED SPIRIT (WORDMARK)	Malaysia	1/17/2017	10 years	1/17/2027	
Ginebra San Miguel Inc.	Monaco	Trademark - AÑEJO RUM & DEVICE	Monaco	2/13/1998	10 years	2/13/2028	
Ginebra San Miguel Inc.	Monaco	Trademark - ORO PREMIUM LABEL	Monaco	2/13/1998	10 years	2/13/2028	
Ginebra San Miguel Inc.	Myanmar (Burma)	Trademark - GINEBRA SAN MIGUEL LABEL	Myanmar (Burma)	5/15/1996	3 years to 5 years	5/15/2012	
Ginebra San Miguel Inc.	Myanmar (Burma)	Trademark - TONDEÑA MANILA RUM LABEL	Myanmar (Burma)	5/15/1996	3 years to 5 years	5/15/2012	
Ginebra San Miguel Inc.	New Zealand	Trademark - GINEBRA S. MIGUEL (LABEL)	New Zealand	9/8/2003	10 years	12/2/2023	
Ginebra San Miguel Inc.	New Zealand	Trademark - GINEBRA S. MIGUEL (WORDMARK)	New Zealand	1/21/2003	10 years	12/2/2023	
Ginebra San Miguel Inc.	New Zealand	Trademark - TONDEÑA MANILA RUM LA TONDEÑA (DEVICE)	New Zealand	9/3/2003	10 years	12/2/2023	
Ginebra San Miguel Inc.	New Zealand	Trademark - TONDEÑA MANILA RHUM (WORDMARK)	New Zealand	7/6/2003	10 years	12/2/2023	
Ginebra San Miguel Inc.	Singapore	Trademark - DEVICE (MAN WITH BOW & ARROW) (FOR VINO KULAFU)	Singapore	8/25/2017	10 years	8/25/2027	
Ginebra San Miguel Inc.	Singapore	Trademark - ORO PREMIUM LABEL	Singapore	3/27/1998	10 years	3/27/2028	
Ginebra San Miguel Inc.	Singapore	Trademark - TONDEÑA MANILA RUM (WORDMARK)	Singapore	3/27/1998	10 years	3/27/2028	
Ginebra San Miguel Inc.	Spain	Trademark - TONDEÑA MANILA RUM (LABEL)	Spain	3/20/1997	10 years	9/23/2026	
Ginebra San Miguel Inc.	Spain	Trademark - TONDEÑA MANILA RUM (WORDMARK)	Spain	3/20/1997	10 years	9/23/2026	
Ginebra San Miguel Inc.	Sri Lanka	Trademark - GINEBRA SAN MIGUEL & DEVICE	Sri Lanka	3/18/1998	10 years	3/11/2028	
Ginebra San Miguel Inc.	Sri Lanka	Trademark - GINEBRA SAN MIGUEL (WORDMARK)	Sri Lanka	3/11/1998	10 years	3/11/2028	
Ginebra San Miguel Inc.	Sri Lanka	Trademark - TONDEÑA MANILA RUM (LABEL)	Sri Lanka	3/11/1998	10 years	3/11/2028	
Ginebra San Miguel Inc.	Sri Lanka	Trademark - TONDEÑA MANILA RUM (WORDMARK)	Sri Lanka	3/18/1998	10 years	3/11/2028	
Ginebra San Miguel Inc.	Sri Lanka	Trademark - ORO PREMIUM LABEL	Sri Lanka	3/11/1998	10 years	3/11/2028	
Ginebra San Miguel Inc.	Taiwan	Trademark - AÑEJO AGED 5 YEARS RUM IN CHINESE CHARACTERS	Taiwan	4/1/2005	10 years	3/31/2025	
Ginebra San Miguel Inc.	Taiwan	Trademark - TONDEÑA MANILA RHUM DARK IN CHINESE CHARACTERS	Taiwan	4/1/2005	10 years	3/31/2025	
Ginebra San Miguel Inc.	Taiwan	Trademark - TONDEÑA MANILA RHUM SILVER/LIGHT IN CHINESE CHARACTERS	Taiwan	4/1/2005	10 years	3/31/2025	
Ginebra San Miguel Inc.	Taiwan	Trademark - AÑEJO RUM & DEVICE	Taiwan	12/1/1997	10 years	11/30/2027	
Ginebra San Miguel Inc.	Taiwan	Trademark - AÑEJO RUM ORO	Taiwan	12/1/1997	10 years	11/30/2027	
Ginebra San Miguel Inc.	Taiwan	Trademark - GINEBRA SAN MIGUEL & DEVICE	Taiwan	4/1/1998	10 years	1/15/2028	
Ginebra San Miguel Inc.	Taiwan	Trademark - GINEBRA SAN MIGUEL (WORDMARK)	Taiwan	1/16/1998	10 years	1/15/2028	
Ginebra San Miguel Inc.	Taiwan	Trademark - GINEBRA SAN MIGUEL IN CHINESE CHARACTERS	Taiwan	6/16/1999	10 years	6/15/2029	
Ginebra San Miguel Inc.	Taiwan	Trademark - ORO PREMIUM (WORDMARK)	Taiwan	9/16/1997	10 years	9/15/2027	
Ginebra San Miguel Inc.	Taiwan	Trademark - ORO PREMIUM LABEL	Taiwan	3/16/1997	10 years	9/15/2027	
Ginebra San Miguel Inc.	Taiwan	Trademark - TONDEÑA MANILA RHUM (WORDMARK)	Taiwan	12/1/1997	10 years	11/30/2027	
Ginebra San Miguel Inc.	United States of America	Trademark - TONDEÑA MANILA RUM (LABEL)	United States of America	1/27/1998	10 years	1/27/2028	
La Tondena Distillers, Inc.	United States of America	Trademark - GINEBRA SAN MIGUEL (WORDMARK)	United States of America	10/9/2001	10 years	10/9/2031	
Ginebra San Miguel Inc.	Vietnam	Trademark - TONDEÑA MANILA RUM SILVER LIGHT (LABEL)	Vietnam	7/30/2004	10 years	11/5/2024	
Ginebra San Miguel Inc.	Vietnam	Trademark - TONDEÑA MANILA RUM GOLD (LABEL)	Vietnam	7/30/2024	10 years	11/5/2024	
Ginebra San Miguel Inc.	Vietnam	Trademark - TONDEÑA MANILA RUM DARK (LABEL)	Vietnam	7/30/2004	10 years	11/5/2024	
Ginebra San Miguel Inc.	Philippines	Trademark - AGRICROPS INDUSTRIES INC. LOGO	Intellectual Property Office of the Philippines	8/18/2022	10 years	8/18/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - AÑEJO	Intellectual Property Office of the Philippines	4/28/2006	10 years	4/28/2026	
Ginebra San Miguel Inc.	Philippines	Trademark - AÑEJO ORO	Intellectual Property Office of the Philippines	1/8/2007	10 years	1/8/2027	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA S. MIGUEL (LABEL DESIGN) (APPEAL NO. 4-2018-0012 - APPEAL GRANTED)	Intellectual Property Office of the Philippines	5/9/2021	10 years	5/9/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - BARANGAY GINEBRA (APPEAL NO. 4-2018-0011)	Intellectual Property Office of the Philippines	7/9/2021	10 years	7/9/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - FRASCO	Intellectual Property Office of the Philippines	4/8/2010	10 years	4/8/2030	
Ginebra San Miguel Inc.	Philippines	Trademark - BILOG	Intellectual Property Office of the Philippines	8/26/2010	10 years	8/26/2030	
Ginebra San Miguel Inc.	Philippines	Trademark - FRASQUITO	Intellectual Property Office of the Philippines	2/18/2010	10 years	2/18/2030	
Ginebra San Miguel Inc.	Philippines	Trademark - HARI	Intellectual Property Office of the Philippines	7/1/2010	10 years	7/1/2030	
Ginebra San Miguel Inc.	Philippines	Trademark - KWATRO KANTOS	Intellectual Property Office of the Philippines	12/23/2010	10 years	12/23/2030	
Ginebra San Miguel Inc.	Philippines	Trademark - LAHING GINEBRA IKAW NA (WORDMARK)	Intellectual Property Office of the Philippines	1/9/2014	10 years	1/9/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - LAHING GINEBRA IKAW NA! AND DESIGN	Intellectual Property Office of the Philippines	1/9/2014	10 years	1/9/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL LITE (APPEAL NO. 4-2018-0013)	Intellectual Property Office of the Philippines	7/9/2021	10 years	7/9/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL SUPER ANGELS	Intellectual Property Office of the Philippines	2/27/2014	10 years	2/27/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL	Intellectual Property Office of the Philippines	10/13/1953	10 years	10/13/2033	

Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL BOTTLE	Intellectual Property Office of the Philippines	10/13/1973	10 years	10/13/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL (GIN) 250 ML.	Intellectual Property Office of the Philippines	2/23/1996	10 years	2/23/2026	
Ginebra San Miguel Inc.	Philippines	Trademark - VINO KULAFU (DEVICE)	Intellectual Property Office of the Philippines	1/15/2015	10 years	1/15/2035	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL 180 YEARS	Intellectual Property Office of the Philippines	10/15/2015	10 years	10/15/2025	
Ginebra San Miguel Inc.	Philippines	Trademark - BRANDY DE SAN MIGUEL (WORDMARK)	Intellectual Property Office of the Philippines	1/15/2015	10 years	1/15/2035	
Ginebra San Miguel Inc.	Philippines	Trademark - AMBASSADOR (WORDMARK)	Intellectual Property Office of the Philippines	1/15/2015	10 years	1/15/2035	
Ginebra San Miguel Inc.	Philippines	Trademark - PRIMERA BRANDY (WORDMARK)	Intellectual Property Office of the Philippines	8/13/2015	10 years	8/13/2025	
Ginebra San Miguel Inc.	Philippines	Trademark - PRIMERA LIGHT (WORDMARK)	Intellectual Property Office of the Philippines	7/7/2016	10 years	7/7/2026	
Ginebra San Miguel Inc.	Philippines	Trademark - GSM ANGEL AND DEMON (LOGO)	Intellectual Property Office of the Philippines	10/30/2014	10 years	10/30/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GANADO SA BUHAY	Intellectual Property Office of the Philippines	6/4/2015	10 years	6/4/2035	
Ginebra San Miguel Inc.	Philippines	Trademark - DEVICE/LOGO (MAN WITH BOW AND ARROW) [FOR VINO KULAFU]	Intellectual Property Office of the Philippines	11/9/2017	10 years	11/9/2027	
Ginebra San Miguel Inc.	Philippines	Trademark - KAKAMPI MO SA LAKAS (WORDMARK)	Intellectual Property Office of the Philippines	12/17/2017	10 years	12/17/2027	
Ginebra San Miguel Inc.	Philippines	Trademark - DOSENANG LAKAS (WORDMARK)	Intellectual Property Office of the Philippines	12/17/2017	10 years	12/17/2027	
Ginebra San Miguel Inc.	Philippines	Trademark - BLACK WEST MEDIUM	Intellectual Property Office of the Philippines	12/17/2017	10 years	12/17/2027	
Ginebra San Miguel Inc.	Philippines	Trademark - PRIMERA (WORDMARK)	Intellectual Property Office of the Philippines	11/23/2017	10 years	11/23/2027	
Ginebra San Miguel Inc.	Philippines	Trademark - PRIMERA LIGHT SUPER SMOOTH (WORDMARK)	Intellectual Property Office of the Philippines	11/23/2017	10 years	11/23/2027	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL GANADO CLASSICS 3-DECADE JERSEY COLLECTION (DEVICE)	Intellectual Property Office of the Philippines	9/2/2018	10 years	9/2/2028	
Ginebra San Miguel Inc.	Philippines	Trademark - MASARAP MAKIHALO	Intellectual Property Office of the Philippines	2/22/2018	10 years	2/22/2028	
Ginebra San Miguel Inc.	Philippines	Trademark - FLAVORITE NG TROPA	Intellectual Property Office of the Philippines	2/15/2018	10 years	2/15/2028	
Ginebra San Miguel Inc.	Philippines	Trademark - TAMANG SWABE, SWABENG TAMA	Intellectual Property Office of the Philippines	9/2/2018	10 years	9/2/2028	
Ginebra San Miguel Inc.	Philippines	Trademark - 1834 (STYLIZED)	Intellectual Property Office of the Philippines	6/21/2018	10 years	6/21/2028	
Ginebra San Miguel Inc.	Philippines	Trademark - G.S.M. BLUE LIGHT GIN (WORDMARK)	Intellectual Property Office of the Philippines	8/16/2018	10 years	8/16/2028	
Ginebra San Miguel Inc.	Philippines	Trademark - TAKE THE SWABE CHALLENGE PRIMERA LIGHT BRANDY	Intellectual Property Office of the Philippines	12/30/2021	10 years	12/30/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - G.S.M. BLUE FLAVORS GIN POMELO FLAVORED SPIRIT	Intellectual Property Office of the Philippines	11/4/2018	10 years	11/4/2028	
Ginebra San Miguel Inc.	Philippines	Trademark - G.S.M. BLUE FLAVORS MARGARITA FLAVORED SPIRIT	Intellectual Property Office of the Philippines	11/4/2018	10 years	11/4/2028	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA AKO (WORDMARK) [DESIGN OF PBA UNIFORM]	Intellectual Property Office of the Philippines	8/15/2019	10 years	8/15/2029	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA AKO AND DESIGN [DESIGN OF PBA UNIFORM]	Intellectual Property Office of the Philippines	8/15/2019	10 years	8/15/2029	
Ginebra San Miguel Inc.	Philippines	Trademark - FRASQUITO BOTTLE DESIGN	Intellectual Property Office of the Philippines	7/21/2019	10 years	7/21/2029	
Ginebra San Miguel Inc.	Philippines	Trademark - FRASCO BOTTLE DESIGN	Intellectual Property Office of the Philippines	7/21/2019	10 years	7/21/2029	
Ginebra San Miguel Inc.	Philippines	Trademark - SAN MIGUEL ETHYL ALCOHOL (WORDMARK)	Intellectual Property Office of the Philippines	1/1/2021	10 years	1/1/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - 1834 PREMIUM DISTILLED GIN	Intellectual Property Office of the Philippines	6/27/2021	10 years	6/27/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - MAG-LEVEL UP, PINASARAP NG 12 YEARS (WORDMARK)	Intellectual Property Office of the Philippines	6/11/2021	10 years	6/11/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - MAG-LEVEL UP NA TA, GIPALAMI UG 12 YEARS (WORDMARK)	Intellectual Property Office of the Philippines	6/11/2021	10 years	6/11/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - SHOT MO NA! (WORDMARK)	Intellectual Property Office of the Philippines	3/12/2021	10 years	3/12/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - MAY SARAP NG IMPORTED, SA PRESYONG PANG BARKADA	Intellectual Property Office of the Philippines	3/3/2022	10 years	3/3/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - IBA ANG PRIMERA LIGHT BRANDY (WORDMARK)	Intellectual Property Office of the Philippines	2/24/2022	10 years	2/24/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - CELEBRATE WITH A GLASS OF WORLD CLASS (WORDMARK)	Intellectual Property Office of the Philippines	7/9/2021	10 years	7/9/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - HAVE A GLASS OF WORLD CLASS (WORDMARK)	Intellectual Property Office of the Philippines	7/9/2021	10 years	7/9/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - ONE GINEBRA NATION (WORDMARK)	Intellectual Property Office of the Philippines	9/26/2021	10 years	9/26/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - GSM PREMIUM (WORDMARK)	Intellectual Property Office of the Philippines	8/27/2021	10 years	8/27/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - GSM PREMIUM GIN (WORDMARK)	Intellectual Property Office of the Philippines	8/27/2021	10 years	8/27/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - THE PREMIUM MIX	Intellectual Property Office of the Philippines	2/3/2022	10 years	2/3/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL SINCE 1834 G-MIX NATION ANYONE CAN MIX!	Intellectual Property Office of the Philippines	2/3/2022	10 years	2/3/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - BAGONG TAPANG (WORDMARK)	Intellectual Property Office of the Philippines	7/9/2021	10 years	7/9/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - SA BANGO AT LASA, SARAP KASAMA	Intellectual Property Office of the Philippines	8/27/2021	10 years	8/27/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - G&T ULTRALIGHT	Intellectual Property Office of the Philippines	11/14/2021	10 years	11/14/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - LIGHT LANG? DAPAT SWABE RIN	Intellectual Property Office of the Philippines	7/9/2021	10 years	7/9/2031	
Ginebra San Miguel Inc.	Philippines	Trademark - GSM PREMIUM GIN LOGO	Intellectual Property Office of the Philippines	6/20/2022	10 years	6/20/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - DEFINE YOUR PREMIUM (WORDMARK)	Intellectual Property Office of the Philippines	2/5/2022	10 years	2/5/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - NSD (WORDMARK)	Intellectual Property Office of the Philippines	9/15/2022	10 years	9/15/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - NEVER SAY DIE (WORDMARK)	Intellectual Property Office of the Philippines	2/5/2022	10 years	2/5/2032	

Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA LIGHT	Intellectual Property Office of the Philippines	6/19/2023	10 years	6/19/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - GIN IS IN (WORDMARK)	Intellectual Property Office of the Philippines	2/5/2022	10 years	2/5/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - GINUMAN (WORDMARK)	Intellectual Property Office of the Philippines	12/5/2022	10 years	12/5/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - GINUMANFEST (WORDMARK)	Intellectual Property Office of the Philippines	12/5/2022	10 years	12/5/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - CHOOSE WHAT'S TRUE	Intellectual Property Office of the Philippines	7/14/2022	10 years	7/14/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - HULING PATAK (WORDMARK)	Intellectual Property Office of the Philippines	7/7/2022	10 years	7/7/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - HANGGANG HULING PATAK NG BAGONG TAPANG (WORDMARK)	Intellectual Property Office of the Philippines	7/7/2022	10 years	7/7/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - GIN IS IN DEVICE	Intellectual Property Office of the Philippines	11/26/2022	10 years	11/26/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - GINGLE BELLS AND STAR DESIGN	Intellectual Property Office of the Philippines	6/20/2022	10 years	6/20/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - TAGAY KABARANGAY (WORDMARK)	Intellectual Property Office of the Philippines	6/20/2022	10 years	6/20/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - TAGAY NG HARI (WORDMARK)	Intellectual Property Office of the Philippines	6/20/2022	10 years	6/20/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - TAGAY NG TUNAY NA TAPANG (WORDMARK)	Intellectual Property Office of the Philippines	6/20/2022	10 years	6/20/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA S. MIGUEL AND ARCHANGEL DESIGN	Intellectual Property Office of the Philippines	6/19/2023	10 years	6/19/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA NG LIGHT (WORDMARK)	Intellectual Property Office of the Philippines	6/19/2023	10 years	6/19/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA TAYO (WORDMARK)	Intellectual Property Office of the Philippines	6/19/2023	10 years	6/19/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - BANGONG ALAGANG SAN MIGUEL (WORDMARK)	Intellectual Property Office of the Philippines	9/17/2022	10 years	9/17/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - PREMIUM MOMENTS (WORDMARK)	Intellectual Property Office of the Philippines	8/6/2022	10 years	8/6/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - THE PHILIPPINE GIN THE WORLD HAS WAITED FOR (WORDMARK)	Intellectual Property Office of the Philippines	12/5/2022	10 years	12/5/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - DISCOVER EXCELLENCE (STYLIZED)	Intellectual Property Office of the Philippines	9/19/2022	10 years	9/19/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - MIXING SO EASY ANYONE CAN DO IT (WORDMARK)	Intellectual Property Office of the Philippines	6/20/2022	10 years	6/20/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - 1834 GALLEON DEVICE	Intellectual Property Office of the Philippines	6/20/2022	10 years	6/20/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - FACE OF THE SUN DEVICE	Intellectual Property Office of the Philippines	8/18/2022	10 years	8/18/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA S. MIGUEL (WORDMARK)	Intellectual Property Office of the Philippines	9/24/2023	10 years	9/24/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - 2X2 (WORDMARK)	Intellectual Property Office of the Philippines	5/4/2023	10 years	5/4/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - 4X4 (WORDMARK)	Intellectual Property Office of the Philippines	5/4/2023	10 years	5/4/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - G.S.M. BLUE MOJITO (WORDMARK)	Intellectual Property Office of the Philippines	7/10/2023	10 years	7/10/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - G.S.M. BLUE GIN POMELO	Intellectual Property Office of the Philippines	7/10/2023	10 years	7/10/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - G.S.M. BLUE MARGARITA	Intellectual Property Office of the Philippines	7/10/2023	10 years	7/10/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - G.S.M. BLUE COSMOPOLITAN	Intellectual Property Office of the Philippines	5/4/2023	10 years	5/4/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - G.S.M. BLUE VELOCITY MIX	Intellectual Property Office of the Philippines	7/10/2023	10 years	7/10/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - I CHOOSE MOJITO	Intellectual Property Office of the Philippines	7/10/2023	10 years	7/10/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - CHOOSE G.S.M. BLUE	Intellectual Property Office of the Philippines	5/4/2023	10 years	5/4/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - GSM BLUE (WORDMARK)	Intellectual Property Office of the Philippines	3/19/2023	10 years	3/19/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - ANTONOV VODKA AND STAR DESIGN (HORIZONTAL)	Intellectual Property Office of the Philippines	4/13/2023	10 years	4/13/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - ANTONOV VODKA AND STAR DESIGN (VERTICAL)	Intellectual Property Office of the Philippines	4/13/2023	10 years	4/13/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - GSM BLUE	Intellectual Property Office of the Philippines	2/4/2023	10 years	2/4/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - GSM BLUE MOJITO	Intellectual Property Office of the Philippines	5/15/2023	10 years	5/15/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - GIN BILOG (WORDMARK)	Intellectual Property Office of the Philippines	8/10/2023	10 years	8/10/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - NGITING GINEBRA	Intellectual Property Office of the Philippines	5/15/2023	10 years	5/15/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - IBA ANG NGITI NGAYON SA ONE GINEBRA NATION (WORDMARK)	Intellectual Property Office of the Philippines	5/12/2023	10 years	5/12/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - KA-MOMMY-HAN (WORDMARK)	Intellectual Property Office of the Philippines	5/29/2023	10 years	5/29/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - GIN BILOG (WORDMARK)	Intellectual Property Office of the Philippines	8/28/2023	10 years	8/28/2033	
Ginebra San Miguel Inc.	Philippines	Trademark - ANGELITO	Intellectual Property Office of the Philippines	3/10/2006	10 years	3/10/2026	
Ginebra San Miguel Inc.	Philippines	Trademark - BOTTLE DESIGN FOR GINEBRA SAN MIGUEL FRASCO	Intellectual Property Office of the Philippines	2/18/2006	10 years	2/18/2026	
Ginebra San Miguel Inc.	Philippines	Trademark - KULAFU & REPRESENTATION OF A MAN WITH BOW & ARROW	Intellectual Property Office of the Philippines	2/24/2005	10 years	2/24/2025	
Ginebra San Miguel Inc.	Philippines	Trademark - TONDEÑA GOLD RUM	Intellectual Property Office of the Philippines	7/26/2002	10 years	7/26/2032	
Ginebra San Miguel Inc.	Philippines	Trademark - ANG BIDA, NAKA-GINEBRA! (WORDMARK)	Intellectual Property Office of the Philippines	4/11/2024	10 years	4/11/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL LIGHT (WORDMARK)	Intellectual Property Office of the Philippines	4/13/2024	10 years	4/13/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GIN RESPONSIBLY	Intellectual Property Office of the Philippines	5/4/2024	10 years	5/4/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - ANEJO RUM LIGHT (WORDMARK)	Intellectual Property Office of the Philippines	10/10/2024	10 years	10/10/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA (WORDMARK)	Intellectual Property Office of the Philippines	9/30/2024	10 years	9/30/2034	

Ginebra San Miguel Inc.	Philippines	Trademark - LAMANG ANG MAY TAPANG (WORDMARK)	Intellectual Property Office of the Philippines	4/27/2024	10 years	4/27/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - LAMANG ANG MAY TAPANG SA ONE GINEBRA NATION (WORDMARK)	Intellectual Property Office of the Philippines	4/27/2024	10 years	4/27/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - FREEDOM ISLAND RUM LIGHT (WORDMARK)	Intellectual Property Office of the Philippines	9/22/2024	10 years	9/22/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA (WORDMARK)	Intellectual Property Office of the Philippines	5/31/2024	10 years	5/31/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL SINCE 1834	Intellectual Property Office of the Philippines	5/18/2024	10 years	5/18/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL FLAVORED GIN	Intellectual Property Office of the Philippines	5/18/2024	10 years	5/18/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL ARCHANGEL ORIGINS PREMIUM DRY GIN (WORDMARK)	Intellectual Property Office of the Philippines	8/8/2024	10 years	8/8/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL ARCHANGEL RESERVE PREMIUM DRY GIN (WORDMARK)	Intellectual Property Office of the Philippines	8/5/2024	10 years	8/5/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - FREEDOM ISLAND LIGHT RUM	Intellectual Property Office of the Philippines	12/27/2024	10 years	12/27/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA S. MIGUEL CELEBRATING THE FILIPINO SPIRIT 190 YEARS SINCE 1834	Intellectual Property Office of the Philippines	2/3/2025	10 years	2/3/2035	
Ginebra San Miguel Inc.	Philippines	Trademark - LAHING GINEBRA (WORDMARK)	Intellectual Property Office of the Philippines	9/20/2024	10 years	9/20/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - LAHING GINEBRA IKAW NA!	Intellectual Property Office of the Philippines	9/30/2024	10 years	9/30/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - PRIMERA LIGHT PREMIUM BRANDY LIQUEUR	Intellectual Property Office of the Philippines	10/26/2024	10 years	10/26/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - HOLA ADIOS (WORDMARK)	Intellectual Property Office of the Philippines	1/13/2025	10 years	1/13/2035	
Ginebra San Miguel Inc.	Philippines	Trademark - ¡HOLA ADIÓS! (WORDMARK)	Intellectual Property Office of the Philippines	1/11/2025	10 years	1/11/2035	
Ginebra San Miguel Inc.	Philippines	Trademark - FREEDOM ISLAND PREMIUM LIGHT RUM (WORDMARK)	Intellectual Property Office of the Philippines	12/16/2024	10 years	12/16/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - ¡HOLA! ¡ADIÓS! (WORDMARK)	Intellectual Property Office of the Philippines	1/4/2025	10 years	1/4/2035	
Ginebra San Miguel Inc.	Philippines	Trademark - SINGKO (WORDMARK)	Intellectual Property Office of the Philippines	10/26/2024	10 years	10/26/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - ARCHANGEL RESERVE PREMIUM (WORDMARK)	Intellectual Property Office of the Philippines	1/13/2024	10 years	1/13/2034	
Ginebra San Miguel Inc.	Philippines	Trademark - GINEBRA SAN MIGUEL SPIRITS AND DESIGN	Intellectual Property Office of the Philippines	2/8/2025	10 years	2/8/2035	
Ginebra San Miguel Inc.	Philippines	Trademark - FUEGO (WORDMARK)	Intellectual Property Office of the Philippines	6/6/2025	10 years	6/6/2035	
Ginebra San Miguel Inc.	Philippines	Trademark - VAMOS (WORDMARK)	Intellectual Property Office of the Philippines	2/17/2025	10 years	2/17/2035	
Ginebra San Miguel Inc.	Philippines	Trademark - GINSTANALO (WORDMARK)	Intellectual Property Office of the Philippines	4/14/2025	10 years	4/14/2035	
Ginebra San Miguel Inc.	Philippines	Trademark - GSM (WORDMARK)	Intellectual Property Office of the Philippines	6/15/2025	10 years	6/15/2035	
Ginebra San Miguel Inc.	Philippines	Industrial Design - BOTTLE (BILOG)	Intellectual Property Office of the Philippines	1/14/2019	5 years	8/20/2028	
Ginebra San Miguel Inc.	Philippines	Industrial Design - BOTTLE (FRASQUITO)	Intellectual Property Office of the Philippines	1/14/2019	5 years	8/20/2028	
Ginebra San Miguel Inc.	Philippines	Industrial Design - BOTTLE (FRASCO)	Intellectual Property Office of the Philippines	1/14/2019	5 years	8/20/2028	
La Tondena Distillers, Inc.	Philippines	Copyright - BARANGAY GINEBRA	Intellectual Property Office of the Philippines	6/11/1996	50 years		
La Tondena Distillers, Inc.	Philippines	Copyright - GINEBRANG GINEBRA	Intellectual Property Office of the Philippines	6/11/1996	50 years		
La Tondena Distillers, Inc.	Philippines	Copyright - KULAFU: ANG TAGA PAGTANGGOL: COMICS	Intellectual Property Office of the Philippines	5/3/2000	50 years		
La Tondena Distillers, Inc.	Philippines	Copyright - KULAFU: ANG TAGAPAGTANGGOL-RADIO. DRAMA SERIES	Intellectual Property Office of the Philippines	3/24/2000	50 years		
La Tondena Distillers, Inc.	Philippines	Copyright - KULAFU: ANG TAGAPAGTANGGOL : CINEMA ADVERTISING SERIES	Intellectual Property Office of the Philippines	5/3/2000	50 years		

PACKAGING BUSINESS

SAN MIGUEL YAMAMURA PACKAGING CORPORATION

NAME OF PERMIT / LICENSE	ISSUING AGENCY	ISSUE DATE (dd-mm-yyyy)	VALIDITY PERIOD	EXPIRY DATE (dd-mm-yyyy)	PLANT
Sanitary Permit	City Health Mandaue	22-Dec-2024	Annually	22-Dec-2025	212
Permit to Operate APSCI	DENR R4A	22-Nov-2022		25-Nov-2027	313
Permit to Operate APSCI	DENR R4A	01-Sep-2023		01-Sep-2028	313
Permit to Operate APSCI	DENR R4A	23-Sep-2023		23-Sep-2028	313
Permit to Operate APSCI	DENR R4A	14-Mar-2023		14-Dec-2027	313
License to Handle Controlled Precursors and Essential Chemicals -P3, P6	Philippine Drug Enforcement Agency	24-Nov-2023		22-Oct-2025	313
License to Handle Controlled Precursors and Essential Chemicals -P5	Philippine Drug Enforcement Agency	30-May-2025	Annually	14-Jun-2026	371
Cuflex Dangerous Drugs Board (DDB) Certificate of Exemption	Philippine Drug Enforcement Agency	15-Jul-2025	Annually	15-Jul-2026	371
Sanitary Permit	City Health Office	28-Feb-2025	1 year	31-Dec-2025	371
Barangay Clearance	Sangguniang Barangay ng Canlubang	28-Feb-2025	1 year	31-Dec-2025	371
Certificate of Registration (Import)	Bureau of Customs	30-Aug-2024	12 months	30-Aug-2025 on going	360
Certificate of Registration (Export)	Bureau of Customs	30-July-2025	12 months	30-July-2026	360
Pressure Vessel Permits	OBO Mandaue City	11-Oct-2024	Annually	11-Oct-2025	212
Certificate of Public Convenience (Previously Provisional Authority)	Land Transportation of Franchising and regulatory Board	10-Aug-2021	5 Years	09-Aug-2026	150
Certificate of Inspection: Airconditioning and Refrigerating	City of Manila	09-Sep-2024	Annually	08-Sep-2025	211
Certificate of Non-Coverage	DENR	27-May-2010	Non-expiry		211
Certificate of Operation - Unfired Pressure	OBO Mandaue City	29-Aug-2023	Annually	On-going renewal	232
Certificate of Registration Rule 1020	DOLE NCR	05-Oct-2024			211
Internal Combustion Engine	City of Manila	09-Sep-2024	Annually	08-Sep-2025	211
Permit for Unfired Pressure Vessels	City of Manila	09-Sep-2024	Annually	08-Sep-2025	211
Storage Permit for Flammables and Combustibles	BFP Manila	26-May-2025	Annually	26-May-2026	211
Fire Safety Inspection Permit	BARANGAY/	25-Apr-2025	Annually	23-Apr-2026	150
Locational Clearance Amendment, LC 2013-373	BARANGAY/ MUNICIPAL	26-Sep-13	One-Time		150
Sanitary/ Plumbing Permit	BARANGAY/	02/04/2025	Annually	12/31/2025	150
SMYPC BOI Registration as Expanding Producer of Glass Containers	Board of Investment	14-Feb-2018	3 years of ITH entitlement + 5 years holding period	14-Feb-2026	
SMYPC BOI Registration as Expanding Producer of Injection Plastic Caps	Board of Investment	7-Dec-2018	3 years of ITH entitlement + 5 years holding period	7-Dec-2026	
SMYPC BOI Registration as New Producer of Plastics Products such as but not limited to Crates and Poultry Flooring	Board of Investment	19-Jun-2019	4 years of ITH entitlement + 5 years holding period	19-Jun-2028	
Fire Safety Inspection Certificate	Bureau of Fire	21-Jan-2025	12 months	20-Jan-2026	313
BIR Tax-Free Ruling on the Merger between San Miguel Yamamura Packaging Corporation and San Miguel Yamamura Asia Corporation	Bureau of Internal Revenue of BIR Ruling No. S40M-426-2021	15-Nov-2021		N/A	
2022 QMS ISO 2001 2015	Bureau Veritas Certification Holding SAS	17-Nov-2019		Integrated renewal with the FSSC ISO	371
FSSC ISO 22000:2018, ISO TS 22002-4:2013, FSSC 2000 reqts V6	Bureau Veritas Certification Holding SAS	30-Aug-2024	3 years validity	27-May-2027	371
Certification from City Environment and Natural Resources Office (CENRO)	CENRO Mandaue	14-Dec-2024	Annually	13-Dec-2025	212
CCO Registry (ACL Paints)	DENR R4A	03-Feb-2023	One-Time	N/A	313
CCO-Importation (ACL Paints)	DENR R4A	10-Apr-2025	6 months	10-Aug-2025	313
Certificate of Non-Coverage, CNC-R4A-2018-	DENR	12-Sep-2018	One-Time	N/A	150
Discharge Permit	DENR R4A	04-Apr-2025	Annually	04-Apr-2026	313
Environmental Compliance Certificate (ECC) / Certificate of Non-Coverage (CNC)	DENR	12-Nov-2021 (ECC - Caps) 19-Sep-2012 (CNC - Metal) 06-Nov-2020 (Phase 3 & 4)	One-Time	N/A	251
Environmental Compliance CertificateECC-R4A-	DENR	24-Sep-2018	One-Time	N/A	313
Environmental Compliance Certificate, ECC-OL-R4A-2021-0165	DENR	18-Mar-2021 / 19-Jul-2021	One-Time	N/A	150

Hazardous Waste Generator Registration Certificate	DENR	15-Oct-2020	One-Time	N/A	232
Hazardous Waste Generator's ID	DENR	09-Aug-2022 (Metal) 03-Jun-2021 (Caps)	One-Time	N/A	251
Hazardous Waste Generator's Registration	DENR	21-Sep-2020	One-Time		313
Hazardous Waste ID	DENR	07-Sep-2022	One-Time	N/A	150
PCL Clearance (Selenium)	DENR	24-Feb-2025	Annually	24-Feb-2026	313
Permit to Operate	DENR	14-Feb-2025	5yrs	14-Feb-2030	211
Permit to Operate - Air Pollution Source and Control Inst (Amended)	DENR	21-May-2025	Every 5 years	21-Oct-2027	232
Permit to Operate	DENR	03-Mar-2022 (Caps)	5yrs	03-Mar-2027	251
Permit to Transport Hazardous Wastes	DENR	As needed	Every 6 months (depending on the volume of hazardous wastes generated)	06-Feb-2026	232
DENR PTO Renewal for APSI	DENR - EMB	19-Jul-2022	5 years validity	19-Jul-2027	371
PTT of J201 PTT-22-37504	DENR - EMB	04-Aug-2025	6 Months	04-Jan-2026	371
SQI permit of CUFLEX 401 - CM	DENR - EMB	12-Dec-2024	12 Months	27-Dec-2025	371
SQI Permit of Cuflex 402	DENR - EMB	10-Jan-2025	12 Months	10-Jan-2026	371
SQI permit of FUMETROL 21 LF2	DENR - EMB	15-Jan-2025	12 Months	15-Jan-2026	371
SQI permit of HEEF 25 AS - CM	DENR - EMB	15-Jan-2025	12 Months	15-Jan-2026	371
Chemical Control Order (POTASSIUM DICHROMATE)	DENR-EMB	26-May-2022	One-Time		212
Environmental Compliance Certificate	DENR-EMB	13-Oct-2019	One-Time		212
On-Line Registration of Hazardous Waste ID	DENR-EMB	08-Oct-2020	One-Time		212
PCO Accreditation Certificate	DENR-EMB	21-Mar-2023	3 years validity	21-Mar-2026	212
PCO Accreditation Certificate	DENR-R4A	14-Feb-2025	3 years validity	11-Mar-2028	313
Permit to Operate APSE	DENR-EMB	8-Sep-2022	5 years validity	8-Sep-2027	212
COR (Rule 120)	DOLE	07-Feb-2020	One-Time	N/A	
DOLE Electrical Permit	DOLE		Annually	For submission	150
Permit to Operate (Pressure Vessel)	DOLE	11-Aug-2022		10-Aug-2023 For renewal	150
Safety Seal	DOLE	various		For application	251
FDA / LICENSE TO OPERATE Rightshield mask	FDA			23-Jun-2025 For renewal	371
License to Operate	Food and Drug Administration	11-May-2021	5 years validity	11-May-2026	
HALAL CERTIFICATE	Islamic Da'wah Council of the Philippines, Inc.	19-Oct-2024		19-Oct-2025	371
LLDA Discharge Permit	LLDA	06-May-2025		20-May-2026	371
Fire Safety Inspection Certificate	BFP	11-Mar-2024		11-Mar-2025 For renewal	371
CCO Registration Certificate	DENR	24-Jan-2024	One-Time		371
Environmental Clearance	CENRO	16-Dec-2024	Annually	16-Dec-2025	232
Discharge Permit	LLDA		One-Time	For application	150
LLDA Clearance	LLDA	01-Jun-2009 (Caps) 29-Dec-2022 (Metal)	One-Time	N/A	251
LLDA Clearance, PC-19a-2021-0165	LLDA	18-May-2022	One-Time		150
Mayor's Business Permit (External Warehouse Permit)	Mandaue City Treasurers Office - Business Tax Division	01-Jan-2025	Annually	31-Dec-2025	212
Building Permit	MUNICIPAL	29-Dec-2022	One-Time		313
Building Permit, 1222-1273	MUNICIPAL	07-Oct-2013	One-Time		150
Building Permit, 1013-0542	MUNICIPAL	21-Dec-2022	One-Time		150
Certification from City Environment and Natural Resources Office (CENRO) Annual Inspection and Monitoring of Environmental Compliance and Requirements for Industry and Factory/Manufacturing Sector	MUNICIPAL	15-Jan-2025	Yearly, as scheduled by CENRO	15-Jan-2026	313
Electrical Permit, 1013-0542	MUNICIPAL	07-Oct-2013	One-Time		150
Electrical Permit, 1222-1273	MUNICIPAL	27-Dec-2022	One-Time		150
Occupancy Permit	MUNICIPAL		One-Time		313
BIR	MUNICIPAL/ CITY	04-Jan-2006	One-Time	N/A	251
Locational Clearance Amendment	MUNICIPAL/ CITY			N/A	313
Mayor's Business Permit	MUNICIPAL/ CITY	18-Jan-2025	12 months	31-Dec-2025	313
Mayor's Business Permit	BPLO-Mandaue	01-Jan-2025	12 months	31-Dec-2025	232
Mechanical & Electrical Permit	BPLO-Mandaue	16-Sept-2024	Annually	16-Sept-2025	232

Mayor's Permit	Calamba City Hall	30-Jan-2025	2025	31-Dec-2025	251
Sanitary Permit	Calamba City Health	30-Jan-2025	2025	31-Dec-2025	251
Barangay Business Clearance	Sanguniang Brgy.	30-Jan-2025	2025	31-Dec-2025	251
Mechanical Permit	MUNICIPAL/ CITY	09-Sep-2024	Annually	08-Sep-2025	211
Mechanical Permit	MUNICIPAL/ CITY	One-Time		For application	150
Office of the Building Official Certificate of Operation: Machineries & Airconditioning	OBO	11-Aug-2025 Paid (Ongoing release)	2025	11-Aug-2025 Paid (Ongoing release)	251
Real Property Tax	MUNICIPAL/ CITY	01-Jan-2024	12 months	31-Dec-2024	
Water permit (026847)	NWRB	05-Mar-2025	Yearly	05-Mar-2026	313
Water permit # 15129	NWRB	29-Oct-98	One-Time	31-Jan-2024	150
Water permit # 3522	NWRB	14-Feb-78	One-Time	31-Jan-2024	150
Water permit (026848)	NWRB	05-Mar-2025	Yearly	05-Mar-2026	313
Water permit (026849)	NWRB	05-Mar-2025	Yearly	05-Mar-2026	313
Water permit (026032)	NWRB	05-Mar-2025	Yearly	05-Mar-2026	313
Certificate of Annual Inspection/Occupancy Permit	OBO Mandaue City	11-Oct-2024	Annually	11-Oct-2025	212
Certificate of Annual Inspection	Office of the Building Official - Mandaue City	08-Mar-2021	12 MONTHS		
Certificate of Occupancy	Office of the Building Official - Mandaue City	15-Oct-2019			
License to handle controlled Precursors and Essentials Chemicals, i.e. Hydrochloric and Sulfuric Acid	PDEA				
Controlled PDEA Chemical Monitoring Report	PNP-CSG	11-Jan-2021	Annually		
PNRI Radiation Safety Officer (RSO) Accreditation Certificate	DOST	N/A	N/A	N/A	313
PNRI Radioactive Material License	DOST				
BEE Certificate of Compliance	PRC	15-Dec-2022	Annually	31-Dec-25	150
BME Certificate of Compliance	PRC	20-Feb-2024	Annually	31-Dec-24	150
Certificate of Compliance (PME requirement)	PRC				
Certificate of Filing of the Articles of and Plan of Merger between San Miguel Yamamura Packaging Corporation and San Miguel Yamamura Asia Corporation	Securities and Exchange Commission	24-Feb-2020		N/A	
Certificate of Incorporation issued by the SEC, together with the latest Certificate of Filing of Amended Articles of Incorporation of San Miguel Yamamura Packaging Corporation dated February 24, 2020	Securities and Exchange Commission	29-Aug-2002		N/A	
ECC	DENR	18-Oct-2019	One-Time	Until Amended	0252
Hazwaste ID	DENR	14-Jan-2025	One-Time	N/A	0252
Permit to Operate (APSCI)	DENR	08-Jun-2022	5yrs	07-Jun-2027	0252
Discharge Permit	DENR	17-Nov-2024 (c/o CGP)	Annually	17-Nov-2025 (c/o CGP)	0252
Permit to Transport	DENR	28-Apr-2025	Semi-annually	28-Oct-2025	0252
Managing Head and PCO Training/Accreditation	DENR	27-Feb-2025	One-Time/3yrs	27-Feb-2028	0252
Environmental Clearance	MCENRO	16-Dec-2024	Annually	15-Dec-2025	0252
Occupancy Permit	Mandaue City - OBO	12-Dec-2019	One-Time	N/A	0252
Business Permit	Mandaue City - City Treasurer's Office	11-Jul-2025	Quarterly	11-Oct-2025	0252
<ul style="list-style-type: none"> Electrical Permit Mechanical Permit Plumbing Permit Structural Permit Certificate of Annual Inspection Certificate of Operation: Unfired Pressure Vessel 	MANDAUE CITY- OBO	02-Sept-2024	Annually	02-Sept-2025 On-going renewal	0252
Fire Safety Inspection Permit (FSIC)	Mandaue City -BFP	13-Aug-2025	Annually	13-Aug-2026	0252
Barangay Clearance	Brgy. Tipolo, Mandaue City	9-Jan-2025	Annually	9-Jan-2026	0252
Sanitary Permit	Mandaue City - City Health Office	20-Dec-2024	Annually	20-Dec-2025	0252
DOLE Registration	DOLE	02-Jul-2020	One-Time	N/A	0252
Safety Officer (SO2&SO3)	DOLE	02-May-2016	Appointment/3yrs	N/A	0252

Certificate of Registration	Bureau of Internal Revenue	03-Dec-2019	Perpetual	N/A	0252
SMYPC BOI Registration as New Producer of Plastics Products such as but not limited to Crates and Poultry Flooring	Board of Investment	19-Jun-2019	4 years of ITH entitlement + 5 years holding period	19-Jun-2028	0252
Hazardous Waste ID	DENR	23-Aug-2020	One-Time	N/A	0234
Environmental Compliance Certificate	DENR	17-May-2019	One-Time	<i>Until Amended</i>	0234
PCO Accreditation Certificate	DENR	19-Apr-2024	3yrs	19-Apr-2027	0234
Discharge Permit	DENR	12-Mar-2025	Annually	12-Mar-2026	0234
Permit to Operate APSE	DENR	04-Feb-2025	5yrs	04-Feb-2029	0234
Certification from City Environment and Natural Resources Office (CENRO)	CENRO	18-Jan-2025	Annually	31-Dec-2025	0234
Water permit 24754	NWRB	27-Mar-2019	One-Time	N/A	0234
Water permit 25026	NWRB	27-Nov-2019	One-Time	N/A	0234
Business Registration	DOLE	17-Sep-2008		One-Time	0234
Pressure Vessel 1-5	DOLE	24-Feb-2025	Annually	24-Feb-2026	0234
Genset 1 & 2	DOLE	24-Feb-2025	Annually	24-Feb-2026	0234
Certificate of Electrical Inspection	DOLE	24-Feb-2025	Annually	24-Feb-2026	0234
Safety Accreditation Cert.	DOLE	2-May-2022	3yrs	21-May-2025	0234
Barangay Clearance	Barangay	15-Jan-2025	Annually	31-Dec-2025	0234
Mayor's Business Permit	MUNICIPAL	15-Jan-2025	Annually	31-Dec-2025	0234
Sanitary/ Plumbing Permit	MUNICIPAL	15-Jan-2025	Annually	31-Dec-2025	0234
Fire Safety Inspection Permit	MUNICIPAL	06-Feb-2025	Annually	01-Feb-2026	0234
Mechanical Permit	MUNICIPAL	06-Feb-2025	Annually	01-Feb-2026	0234
Electrical Permit	MUNICIPAL	06-Feb-2025	Annually	01-Feb-2026	0234
Certificate of Annual Inspection	MUNICIPAL	06-Feb-2025	Annually	01-Feb-2026	0234
Locational Clearance	MUNICIPAL	18-Jan-2024	One-Time		0234
Building Permit	MUNICIPAL	18-Jan-2024	One-Time		0234
Occupancy Permit	MUNICIPAL	18-Jan-2024	One-Time		0234
SSS Certificate of Compliance	MUNICIPAL	9-Jun-2019	One-Time		0234
Certificate of Compliance (PME requirement)	PRC		One-Time		0234
Mayor's Permit	CSFP	31-Dec-2025		31-Dec-2025	0362
License to Operate as Food Manufacturer - Importer of Raw Materials for own use - Exporter of own product	FDA	11-May-2026		11-May-2026	0362
Bottled Water Manufacturer	FDA	10-Mar-2026		10-Mar-2026	0362
Food Distributor- Exporter	FDA	18-Nov-2027		18-Nov-2027	0362
Certificate of Electrical Inspection (PET)	DOLE	19-Feb-2025		19-Feb-2026	0362
Permit to Operate Pressure Vessel (UF-C, Retort, Demi)	DOLE	17-Aug-2024		17-Aug-2025	0362
PNRI Radioactive Material License	DOST	30-Mar-2023		31-Mar-2028	0362
Permit to Operate Air Pollution Control Source Installation	EMB	11-Mar-2025	5 yrs Validity	11-Mar-2030	0362
License on Controlled Precursors and Essential Chemicals (P3 and P6 License)	PDEA	30-May-2024		30-May-2024	0362
Discharge Permit	EMB	21-Jun-2025		21-Jun-2026	0362
Certificate of Electrical Inspection (CAN)	DOLE	09-Aug-2024		For renewal	0362
Permit to Operate Steam Boilers	DOLE	09-Aug-2024		For renewal	0362

Permit to Operate Genset	DOLE	09-Aug-2024		For renewal	0362
Permit to Operate Overhead Crane	DOLE	09-Aug-2024		For renewal	0362
Fire Safety Clearance (Flammable Storage)	BFP	01-Aug-2024		For renewal	0362
Fire Safety Inspection Certificate (FSIC)	BFP			20-Oct-2025	0362
Certificate of Annual Inspection	OCBO			20-Feb-2026	0362
Hazwaste Generator Cert.	EMB	31-Dec-2020	One-Time	N/A	0362
Mayor's Permit	CSFP LGU	16-Jan-2025		31-Dec-2025	0362
Sanitary Permit	CSFP LGU	23-Jan-2024		23-Jan-24	0362
Barangay Business Clearance	CSFP LGU			31-Dec-2025	0362
GSMI	BIR	08-Jul-2024/20-Jan-2025		31-Dec-2025	0362
PCPPI	BIR	24-Mar-2025/21-Feb-2025		31-Dec-2025	0362
ARC	BIR	23-Dec-2024		31-Dec-2025	0362
TFEI	BIR	27-Feb-2025		31-Dec-2025	0362
UPPC	BIR	26-Dec-2024		31-Dec-2025	0362
NAI	BIR	23-Dec-2024/14-Apr-2025		31-Dec-2025	0362
CCEAPI	BIR	27-Feb-2025		31-Dec-2025	0362
URC	BIR	28-Feb-2025		31-Dec-2025	0362
HDPI	BIR	07-Nov-2024		31-Dec-2025	0362
EEDPI	BIR	26-Dec-2024		31-Dec-2025	0362
CGPI	BIR	18-Dec-2024		31-Dec-2025	0362
DLCI	BIR	25-Jul-2024		31-Dec-2025	0362
Business Registration	DOLE	23-Jul-2021	One-Time		0150
PCO Accreditation Certificate	DENR	16-Nov-2021	3yrs	15-Nov-2024 <i>For submission</i>	0150
Permit to Operate APSE	DENR			<i>For application</i>	0150
PCO Accreditation Certificate	LLDA	10-Nov-2022	One-Time		0150
Fire Safety Clearance - Storage for Flammable and Combustible Liquids	BFP	06-Aug-2024	Annually	06-Aug-2025	0150
Fire safety Evaluation Clearance (RP Compound)	BFP	04-Oct-2013	One-Time		0150
Fire Safety Inspection Certificate - Occupancy (RP Compound)	BFP	20-Nov-2014	One-Time		0150
Application for Installation Clearance (RP Compound)	BFP	10-Feb-2016	One-Time		0150
Fire Safety Clearance - TWO FDAS	BFP	04-Apr-2022	One-Time		0150
Fire Safety Evaluation Clearance- Motorpool	BFP	03-Nov-2022	One-Time		0150
Fire Safety Clearance - Welding, Cutting, and Other Hotwork Operations	BFP	03-Nov-2022	One-Time		0150
Fire Safety Inspection Certificate - Occupancy (Motorpool)	BFP	01-Jun-2023	One-Time	N/A	0150
Barangay Clearance	MUNICIPAL	04-Feb-2025	Annually	31-Dec-2025	0150
Mayor's Business Permit	MUNICIPAL	04-Feb-2025	Annually	31-Dec-2025	0150
Sanitary/ Plumbing Permit, 1222-1273	MUNICIPAL	27-Dec-2022	One-Time		0150
Mechanical Permit	MUNICIPAL		Annually	<i>For application</i>	0150
Certificate of Annual Inspection	MUNICIPAL	-	Annually	<i>For application</i>	0150
Certification from City Environment and Natural Resources Office (CENRO)	MUNICIPAL	16-Aug-2023	Annually	15-Aug-2024 <i>For renewal</i>	0150
Decision on Zoning, LC 2022-555	MUNICIPAL	16-Nov-2022	One-Time	N/A	0150
Unified Application Form for Building Permit	MUNICIPAL	27-Dec-2022	One-Time	N/A	0150
Certificate of Completion	MUNICIPAL	29-May-2023	One-Time	N/A	0150
Occupancy Permit, C0062023-0344	MUNICIPAL	31-May-2023	One-Time	N/A	0150

Occupancy Permit, C112014-0396	MUNICIPAL	20-Nov-2014	One-Time	N/A	0150
Fire Safety Inspection Certificate	MUNICIPAL/ CITY	20-May-2024	12 months	20-May-2025	0360
Barangay Clearance	MUNICIPAL	23-Jan-2025	Annually	31-Dec-2025	0360
Mayor's Business Permit	MUNICIPAL	23-Jan-2025	Annually	31-Dec-2025	0360
Building Permit	OBO	04-Nov-1994 (Caps) 17-Dec-2012 (Metal) 24-Nov-2023 (Phase 3) 26-Sep-2024 (Phase 4)	One-Time	N/A	0251
Dole Registration	DOLE	30-Apr-2024	One-Time	N/A	0251
Safety Officer (SO2&SO3)	DOLE	30-Jan-2021 (SO2) 22-Jun-2023 (SO3)	One-Time	N/A	0251
Business Registration	DOLE	17-Feb-2009	One-Time		0362
Permit to Operate Elevator & Lifts	DOLE	17-Aug-2024		17-Aug-2025	0362
Safety Practitioner/ Consultant Accreditation	DOLE		3 years Validity		0362
Hazardous Waste ID	DENR	03-Dec-2020	One-Time		0362
Environmental Compliance Certificate	DENR	11-Jun-2019	One-Time		0362
PCO Accreditation Certificate	DENR	07-Sep-2023		07-Sep-2026	0362
Sanitary/ Plumbing Permit	Barangay/Municipal		Annually	20-Feb-2026	0362
Mechanical Permit	Barangay/Municipal		Annually	20-Feb-2026	0362
Electrical Permit	Barangay/Municipal		Annually	20-Feb-2026	0362
Certification from City Environment and Natural Resources Office (CENRO)	Barangay/Municipal		Annually	31-Dec-2025	0362
Building Permit	Barangay/Municipal				0362
Occupancy Permit	Barangay/Municipal				0362
SSS Certificate of Compliance	Barangay/Municipal				0362
Water permit	NWRB	01-Oct-2024		01-Oct-2025	0362
License to handle controlled Precursors and Essentials Chemicals. i.e. Hydrochloric and	PDEA	10-Jun-2025		30-May-2026	0362

WINE BROTHERS PHILIPPINES CORPORATION

Name of Permit / License	Issuing Agency	Issue Date (dd-mm-yyyy)	Validity Period	Expiry Date (dd-mm-yyyy)
Certificate of Registration	Bureau of Internal Revenue	01-Jan-2022		NA
Certificate of Registration (Import)	Bureau of Customs	26-Feb-2025	12 months	26-Feb-2026
Certificate of Incorporation issued by the SEC, together with the latest Certificate of Filing of Amended Articles of Incorporation of Wine Brothers Philippines Corporation	Securities and Exchange Commission	12-Jul-2021		
Certificate of Product Registration WOOMERA PREMIUM CABERNET SAUVIGNON 2018 14.9% ALC./VOL.	Food and Drug Administration	06-Sept-2021	06-Sept-2023	N/A
Certificate of Product Registration WOOMERA PREMIUM CABERNET SAUVIGNON 2021 14.9% ALC./VOL.	Food and Drug Administration			Awaiting certificate
Certificate of Product Registration WOOMERA PINK MOSCATO WINE, 8.0% ALC./VOL.	Food and Drug Administration			Awaiting certificate
Certificate of Product Registration WOOMERA SIGNATURE SAUVIGNON BLANC WINE, 11.5% ALC./VOL.	Food and Drug Administration			Awaiting certificate
Certificate of Product Registration WOOMERA SIGNATURE CABERNET MERLOT WINE, 13.5% ALC./VOL.	Food and Drug Administration			Awaiting certificate
Certificate of Product Registration WOOMERA SWEET RED WINE - 8.3% ALC./VOL.	Food and Drug Administration	27-Aug-2021		20-Sept-2026
Certificate of Product Registration WOOMERA WHITE MOSCATO, 8.1% ALC./VOL.	Food and Drug Administration	21-Sept-2021		03-Dec-2026
Certificate of Product Registration WOOMERA ROSE WINE 12.5% ALC/VOL.	Food and Drug Administration	04-Nov-2020		23-Nov-2025
Certificate of Product Registration WOOMERA SAUVIGNON BLANC WINE, 13.1% ALC./VOL	Food and Drug Administration	04-Nov-2020		23-Nov-2025
Certificate of Product Registration WOOMERA CABERNET MERLOT WINE, 13.5% ALC./VOL	Food and Drug Administration	04-Nov-2020		23-Nov-2025
License to Operate as Food Importer	Food and Drug Administration	24-July-2025		7-Aug-2030
Fire Safety Inspection Certificate	MUNICIPAL/ CITY	11-Apr-2024	12 months	11-Apr-2025
Barangay Clearance	BARANGAY	01-Jan-2025	12 months	31-Dec-2025
Mayor's Business Permit	MUNICIPAL/ CITY	01-Jan-2025	12 months	31-Dec-2025

SMC YAMAMURA FUSO MOLDS CORPORATION

Name of Permit / License	Issuing Agency	Issue Date (dd-mm-yyyy)	Validity Period	Expiry Date (dd-mm-yyyy)
Fire Safety Inspection Certificate	City of General Trias	01-Oct-2024	12 months	01-Oct-2025
Business Permit	City of General Trias	04-Feb-2025	12 months	31-Dec-2025
Certificate of Incorporation issued by the SEC, together with the latest Certificate of Filing of Amended Articles of Incorporation of SMC Yamamura Fuso Molds Corporation dated December 05, 2019	Securities and Exchange Commission	06-Feb-1995	One-Time	
SYFMC BOI Registration as New Producer of Molds for Glass	Board of Investment	03-Dec-2019	6 years of ITH entitlement + 5 years holding period	03-Dec-2030
Certificate of Registration (2303)	BIR	08-Sept-1994		N/A
Water permit	NWRB	26-Jul-1999	One-Time	Until superseded
Hazardous Waste ID	DENR	09-May-2021	One-Time	Until superseded
Certificate of Registration	Bureau of Customs	7-Jul-2025	12 months	11-Jun-2026
Environmental Compliance Certificate (ECC) or Certificate of Non Coverage (CNC)	DENR	23-Mar-1994 28-Aug-2002 8-Jun-2011 17-Oct-2018		Until superseded
PCO Accreditation Certificate	DENR	06-Oct-2023	3 years	06-Oct-2025
Discharge Permit	DENR	24-Oct-2024	Annually	24-Oct-2025
Permit to Operate APSE	DENR	27-Oct-2022	5 years	27-Oct-2027
Business Registration	DOLE	24-Mar-2022	One-Time	
Certificate of Electrical Inspection	DOLE	25-June-2025	12 months	24-June-2026
Barangay Clearance	BARANGAY	04-Feb-2025	12 months	31-Dec-2025
Mayor's Business Permit	MUNICIPAL/ CITY	04-Feb-2025	12 months	31-Dec-2025
Sanitary/ Plumbing Permit	MUNICIPAL/ CITY	04-Feb-2025	12 months	31-Dec-2025
Fire Safety Inspection Permit	MUNICIPAL/ CITY	01-Oct-2024	12 months	01-Oct-2025
Mechanical Permit	MUNICIPAL/ CITY	17-Nov-2023	12 months	17-Nov-2024 For renewal
Electrical Permit	MUNICIPAL/ CITY	17-Nov-2023	12 months	17-Nov-2024 For renewal
Certificate of Annual Inspection	MUNICIPAL/ CITY	17-Nov-2023	12 months	17-Nov-2024 For renewal
Locational Clearance	MUNICIPAL/ CITY	17-Nov-2023	12 months	17-Nov-2024 For renewal
Building Permit	MUNICIPAL/ CITY	17-Nov-2023	12 months	17-Nov-2024 For renewal

Occupancy Permit	MUNICIPAL/ CITY	06-Jul-2023	One-Time	
Certificate of Compliance (PME requirement)	PRC			N/A
Import Accreditation License	Bureau of Customs	11-Jun-2025	12 months	11-Jun-2026
Export Accreditation License	Bureau of Customs	3-Jul-2025	12 months	3-Jul-2026
General Labor Standards	DOLE	19-Jul-2022	Two years	19-Jul-2024 For renewal

MINDANAO CORRUGATED FIBERBOARD, INC.

Name of Permit / License	Issuing Agency	Issue Date (dd-mm-yyyy)	Validity Period	Expiry Date (dd-mm-yyyy)
Certificate of Incorporation issued by the SEC, together with the latest Certificate of Filing of Amended Articles of Incorporation of Mindanao Corrugated Fibreboard, Inc. dated January 13, 2016	Securities and Exchange Commission	07-Oct-2009	-	-
Business Permit	City of Davao	18-Feb-2025	12 months	31-Dec-2025
Certificate of Registration	BIR	16-Sep-2024	-	-
CAS Permit	BIR	22-Oct-2021	Until revoked	Until revoked
Certificate of Registration (Import)	BOC	30-June-2025	12 months	30-June-2026
Certification from CENRO	CENRO	24-Feb-2025	12 months	31-Dec-2025
Water permit	NWRB	03-Dec-1999	One-Time	
Hazardous Waste ID	DENR	19-Jul-2000		Until superseded
Environmental Compliance Certificate (ECC) or Certificate of Non-Coverage (CNC)	DENR	08-Mar-2015		Until superseded
Certificate of Accreditation	DENR	05-May-2023	3 years	05-May-2026
PCO Accreditation Certificate (COA No. 2022-RXI-0819 Renewal)	DENR	15-Mar-2023	3 years	15-Mar-2026
PCO Accreditation Certificate (COA No. 2025-RXI-39818 Renewal)	DENR	08-Aug-2025	3 years	08-Aug-2028
Discharge Permit	DENR	02-Nov-2022	5 years	02-Nov-2027
Permit to Operate APSE	DENR	20-Jan-2020	-	29-Jul-2025
Business Registration	DOLE	17-Feb-2015		N/A
Certificate of Electrical Inspection	DOLE	N/A		N/A
Barangay Clearance	BARANGAY	Not required for Business Permit renewal	-	Not required for Business Permit renewal
Mayor's Business Permit	Tagoloan, Misamis Oriental	Not applicable. Discontinued operation.	-	Not applicable. Discontinued operation.
Sanitary/ Plumbing Permit	City of Davao	25-Mar-2025	12 months	31-Dec-2025
Fire Safety Inspection Permit	City of Davao	10-Feb-2025	12 months	10-Feb-2026
Mechanical Permit	MUNICIPAL/ CITY	20-Jun-2025	-	08-Dec-2025
Electrical Permit	MUNICIPAL/ CITY	18-Dec-2024	12 months	16-Dec-2025
Certificate of Annual Building Inspection	MUNICIPAL/ CITY	08-May-2025	-	17-Jan-2026
Locational Clearance	MUNICIPAL/ CITY	22-Nov-1994	-	Until superseded
Building Permit	MUNICIPAL/ CITY	22-Nov-1994	-	Until superseded
Occupancy Permit	MUNICIPAL/ CITY	11-May-1995	-	Until superseded
Certificate of Compliance (PME requirement)	PRC	-	One-Time	-

CAN ASIA, INC.

Name of Permit / License	Issuing Agency	Issue Date (dd-mm-yyyy)	Validity Period	Expiry Date (dd-mm-yyyy)
Certificate of Incorporation issued by the SEC, together with the latest Certificate of Filing of Amended Articles of Incorporation of Can Asia, Inc. dated April 27, 2015	Securities and Exchange Commission	12-Nov-2012		
Certificate of Registration (Import)	Bureau of Customs	10-Sep-2024	12 months	10-Sep-2025 On going renewal
Certificate of Registration (Export)	Bureau of Customs	25-July-2025	12 months	25-July-2026
CAI BOI Registration as Expanding Export Producer of Aluminum Cans	Board of Investment	03-Feb-2015	3 years of ITH entitlement + 5 years holding period	03-Feb-2023 For cancellation
Integrated LGU Permit (Barangay Business Clearance, Sanitary Permit and Business Permit)	City of General Trias Cavite	17-Jan-2025	12 months	31-Dec-2025
Business Local Clearance	Barangay Wack Wack, City of Mandaluyong	15-Jan-2025	12 months	31-Dec-2025
Mayor's Permit	City of Mandaluyong	15-Jan-2025	12 months	31-Dec-2025
Certificate of Registration-Local Investment Incentives Board	City of General Trias Cavite	15-Jul-2016	None	none
Certificate of Registration - BIR Main Office	Bureau of Internal Revenue RDO No. 121	03-Mar-2017	None	none
Water permit	NWRB	27-Oct-2014 29-Oct-1998		Until amended
License to handle controlled Precursors and Essentials Chemicals. i.e. Hydrochloric and Sulfuric Acid	PDEA	31-Jul-2025		24-Jul-2026
Controlled Chemicals Purchaser's License	PNP	13-Aug-2025		26-Aug-2026
Hazardous Waste ID	DENR	15-Jul-2020		Until superseded
Environmental Compliance Certificate (ECC) or Certificate of Non Coverage (CNC)	DENR	01-Aug-2002		Until superseded
PCO Accreditation Certificate	DENR	06-Jun-2024	3 years	06-Jun-2027
Discharge Permit	DENR	20-Sep-2024		20-Sep-2025
Permit to Operate on AIR	DENR	08-Jul-2021	5 years	08-Jul-2026
Permit to Operate APSE	DENR	08-Jun-2021	5 years	08-Jun-2026
Business Registration	DOLE	29-Jan-2013		Until superseded
Certificate of Electrical Inspection	DOLE	05-Mar-2025		05-Mar-2026
Permit to Operate Pressure Vessel	DOLE	21-May-2025	12 months	21-May-2026
Barangay Clearance	BARANGAY	17-Jan-2025	12 months	31-Dec-2025
Mayor's Business Permit	MUNICIPAL/ CITY	17-Jan-2025	12 months	31-Dec-2025
Sanitary/ Plumbing Permit	MUNICIPAL/ CITY	17-Jan-2025	12 months	31-Dec-2025
Fire Safety Inspection Permit	MUNICIPAL/ CITY	20-Jun-2025		20-Jun-2026
Mechanical Permit	MUNICIPAL/ CITY	30-Jun-2025		31-Dec-2025
Electrical Permit	MUNICIPAL/ CITY	30-Jun-2025		31-Dec-2025
Certificate of Annual Inspection	MUNICIPAL/ CITY	30-Jun-2025		31-Dec-2025
Locational Clearance	MUNICIPAL/ CITY	24-Mar-1995		Until superseded
Building Permit	MUNICIPAL/ CITY	25-Apr-1995		Until superseded

Occupancy Permit	MUNICIPAL/ CITY	14-Jan-1997		Until superseded
Certificate of Compliance (PME requirement)	PRC	N/A		N/A
DOE Notice to Import Petroleum Products	DOE			<i>As needed/per shipment only</i>
PDEA Permit to Import	PDEA			<i>As needed/per shipment only</i>
OACEIS Application for Exemption	DDB			<i>As needed/per shipment only</i>
PNP Permit to Import	PNP			<i>As needed/per shipment only</i>

SAN MIGUEL EQUITY INVESTMENTS INC.

Name of Permit / License		Issuing Agency	Issue Date	Validity Period	Expiry Date
1.	Certificate of Incorporation	SEC	March 23, 2011		
2.	Certificate of Filing Amended Articles of Incorporation with latest Amended Articles of Incorporation	SEC	May 9, 2025		
3.	Certificate of Approval of Increase of Capital Stock	SEC	December 29, 2022		
4	Mayor's Permit with No. 25-11128	LGU – Mandaluyong City	February 7, 2025	One (1) year from January 01, 2025	December 31, 2025

NORTHERN CEMENT CORPORATION

Name of Permit / License		Issuing Agency	Issue Date	Validity Period	Expiry Date
1.	Certificate of Incorporation (Company Registration No. 31563)	Securities and Exchange Commission (SEC)	February 10, 1967	Extended for fifty (50) years from after February 10, 2017	February 10, 2067
2.	Certificate of Filing of the Articles and Plan of Merger with San Miguel Northern Cement, Inc. (SMNCI), together with the Plan of Merger and Articles of Merger	SEC	June 14, 2021		
3.	Certificate of Filing of Amended Articles of Incorporation, together with the latest Amended Articles of Incorporation	SEC	June 14, 2021		
4.	Certificate of Filing of Amended By-laws, together with the latest Amended By-laws	SEC	July 28, 2025		
5.	Certificate of Registration with TIN 000-344-215-000 for NCC head office	Bureau of Internal Revenue (BIR)	June 18, 1987		
6.	Certificate of Registration with TIN 000-344-215-001 for NCC plant site	BIR	December 16, 2019		
7.	Mayor's Permit issued to NCC head office with No. 24-10504 <i>*2025 Mayor's Permit for NCC head office is still pending issuance. Corresponding taxes and fees have been paid on January 20, 2025.</i>	Office of the Mayor of the City of Mandaluyong	March 7, 2024	One (1) year from January 01, 2024	December 31, 2024
8.	Business Permit issued to NCC plant site with No. 2025-0105541000-0757	Office of the Mayor of Sison, Pangasinan	January 20, 2025	One (1) year from January 01, 2025	December 31, 2025
9.	Mineral Production Sharing Agreement (MPSA)	Department of Environment and Natural Resources (DENR)	March 12, 1998,	Extended for another twenty-five (25) years from March 12, 2023	March 11, 2048
10.	Environmental Compliance Certificate with ECC-CO No. 1910-0031 for NCC Cement Plant (Line 1 and Line 2) and Quarry Expansion Project	DENR – Environmental Management Bureau (DENR-EMB)	March 3, 2020		

Name of Permit / License		Issuing Agency	Issue Date	Validity Period	Expiry Date
11.	Environmental Compliance Certificate with ECC-CO No. 1910-0032 for the New Cement Production Project (Line A and Line B) issued to SMNCI and transferred to NCC in view of the merger per DENR-EMB letter dated May 10, 2022	DENR-EMB	March 3, 2020		
12.	Certificate of Registration as New Producer of Cement with No. 2018-011 issued to SMNCI and transferred to NCC in view of the merger, per BOI Management Committee Resolution No. 38-07, Series of 2021	Board of Investments	January 15, 2018		
13.	Certificate of Registration as Importer with CCN: IM0003957411	Bureau of Customs	November 4, 2024	One (1) year	November 5, 2025
14.	Water Permit No. 020536	National Water Resources Board (NWRB)	November 18, 2005		
15.	Water Permit No. 022503	NWRB	December 15, 2011		
16.	Water Permit No. 18918	NWRB	February 19, 2004		
17.	Water Permit No. 023956	NWRB	November 23, 2016		
18.	Water Permit No. 025803	NWRB	December 16, 2021		
19.	Water Permit No. 025804	NWRB	December 16, 2021		
20.	Water Permit No. 026361	NWRB	December 19, 2022		
21.	Water Permit No. 020968	NWRB	September 20, 2006		
22.	Water Permit No. 027087	NWRB	May 24, 2024		
23.	Pollution Control Officer Certificate of Accreditation (COA No. 2023-RI-5926 (Renewal))	DENR-EMB	May 8, 2023	Three years (3)	May 8, 2026
24.	Permit to Operate Air Pollution Source and Control Installations with Permit No. PTO-OL-R01-2022-01839 (Amended)	DENR-EMB	July 3, 2024		March 2, 2028
25.	Hazardous Waste Generator Registration Certificate with Registration No. OL-GR-R1-55-003216	DENR-EMB	March 6, 2022		
26.	Wastewater Discharge Permit with Permit No. DP-R01-23-03715	DENR-EMB	April 30, 2023	Five (5) years	April 29, 2028
27.	Wasterwater Discharge Permit with Permit No. DP-R01-22-01479	DENR-EMB	February 26, 2022		February 26, 2027
28.	Wastewater Discharge Permit with Permit No. DP-R01-23-07975	DENR-EMB	September 4, 2023		September 4, 2028
29.	PS License – Portland Cement Type 1 License No. Q-0093	Department of Trade and Industry (DTI)	March 1, 2024		August 21, 2026
30.	PS License – Blended Hydraulic Cement Types 1P and 1T License No. Q- 0094	DTI	March 1, 2024		August 21, 2026
31.	PS License – Masonry Cement Type N License No. Q-1739	DTI	March 1, 2024		August 21, 2026

Name of Permit / License		Issuing Agency	Issue Date	Validity Period	Expiry Date
32.	License to Handle Controlled Precursors and Essential Chemical (CPECS) as P3 (End-user) / P6 (For Laboratory Analysis) with PDEA Control No. P3033710001PN120825-A, P6A033710001PN120825-A,	PDEA	December 11, 2024		December 8, 2025
33.	License to Handle Controlled Precursors and Essential Chemicals (CPECS) as P5IM (Import for End-user) with PDEA Control No. P5IM033710001PN120826-A	PDEA	June 27, 2025		December 8, 2026
34.	License to Operate an X-Ray Facility CDRRHR-RRD LTO No. I-I-0707218294630	DOH-FDA	May 9, 2025		July 12, 2026

SOUTHERN CONCRETE INDUSTRIES INC. (FORMERLY, ORO CEMENTO INDUSTRIES CORPORATION)

Name of Permit / License		Issuing Agency	Issue Date	Validity Period	Expiry Date
1.	Certificate of Incorporation with Company Registration no. CS201611122, dated June 1, 2016, together with the Articles of Incorporation and By-laws	Securities and Exchange Commission (SEC)	June 1, 2016		
2.	Certificates of Filing of Amended Articles of Incorporation and By-Laws in relation to the change of corporate name to Southern Concrete Industries Inc. (formerly, Oro Cemento Industries Corporation), with the latest amended Articles of Incorporation and By-Laws	SEC	December 10, 2021		
3.	Mayor's Permit (with permit No. 25-07443) issued to Head Office at Mandaluyong City	Office of the Mayor of the City of Mandaluyong	February 7, 2025	One (1) year from January 1, 2025	December 31, 2025
4.	Mayor's Permit (with permit No. 2025-1102412000-0411) issued to Plant Site at Municipality of Sta. Cruz	Office of the Mayor of Sta. Cruz, Davao del Sur	February 14, 2025	One (1) year from January 1, 2025	December 31, 2025
5.	Bureau of Customs Certificate of Registration (with CCN No. IM0007872070)	Bureau of Customs	February 27, 2025	One (1) year	February 27, 2026
6.	Certificate of Registration (TIN 009-307-953-00000) for head office	Bureau of Internal Revenue (BIR)	June 22, 2016		
7.	Certificate of Registration (TIN 009-307-953-001) for branch office	BIR	December 2, 2020		
9.	Environmental Compliance Certificate (ECC-CO-1810-0028) for the proposed Sta. Cruz Cement Grinding with Pier Facility Project	Department of Environment and Natural Resources – Environmental Management Bureau (DENR-EMB)	May 20, 2019		
10.	PS License with PS License No. Q-4382 for the Blended Hydraulic Cement	Department of Trade and Industry (DTI)	January 10, 2025	Three (3) years	October 31, 2027
11.	PS License with PS License No. Q-4475 for the Portland Cement	DTI	January 10, 2025	Three (3) years	October 31, 2027
12.	Pollution Control Officer Certificate of Accreditation (COA No. 2023-RXI-12523 New)	DENR-EMB	November 3, 2023	Three (3) years	November 3, 2026
13.	Hazardous Waste Generator Registration Certificate No. OL-GR-R11-24-032515	DENR-EMB	April 13, 2023		
14.	Wastewater Discharge Permit No.: DP-R11-23-02205	DENR-EMB	March 12, 2023	Five (5) years	March 12, 2028

Name of Permit / License		Issuing Agency	Issue Date	Validity Period	Expiry Date
15.	DENR Letter granting the request to allow SCI to Occupy and Use the areas covered by the provisional permits of SMC in relation to the Foreshore Area and Miscellaneous Area	DENR	August 4, 2021		
16.	Certificate of Registration No. 562 (Private Non-Commercial Port)	Philippine Ports Authority	November 30, 2023	Five (5) years)	November 28, 2028
18.	Controlled Chemical Purchaser's License with License No. PFD16-	PNP-FEO	April 8, 2025	One (1) year	January 9, 2026
19.	License to Operate an X-Ray Facility CDRRHR-RRD LTO No. XI-I-1220218451109	DOH-FDA	November 12, 2024		December 21, 2029

EAGLE CEMENT CORPORATION

Name of Permit / License		Issuing Agency	Issue Date	Validity Period	Expiry Date
1	Certificate of Incorporation (Company Reg. No. AS95005885)	Securities and Exchange Commission	21 June 1995	N/A	N/A
2	Certificate of Filing Amended Articles of Incorporation	Securities and Exchange Commission	31 Mar 2017	N/A	N/A
3	Certificate of Filing Amended By-laws	Securities and Exchange Commission	31 Mar 2017	N/A	N/A
4	Certificate of Registration (TIN 004-731-637-00000)	Bureau of Internal Revenue	22 July 1996	N/A	N/A
5	Certificate of Registration (SSS Employer No. 03-9199079-3)	Social Security System	17 January 2017	N/A	N/A
6	Certificate of Registration (PhilHealth Employer No. 002000012797)	Philippine Health Insurance Corporation	15 June 2016	N/A	N/A
7	Certificate of Employer's Registration (Employer ID No. 201157070006)	Home Development Mutual Fund	31 January 2017	N/A	N/A
8	Certificate of Registration (Rule1020) (Reg. Cert. No. R0301-1406-RE-026) Bulacan Plant	Department of Labor and Employment	13 June 2014	N/A	N/A
9	Certificate of Registration (Rule1020) (EIN-8-157-22) Head Office	Department of Labor and Employment	17 August 2022	N/A	N/A
10	Certificate of Registration (Rule1020)(Reg. Cert. No. MTPLFO-2208-057) Paranaque Warehouse	Department of Labor and Employment	04 August 2022	N/A	N/A
11	Certificate of Registration (Rule1020)(Reg. Cert. No. 1020-BPO-2022-521-3050) Batangas Warehouse	Department of Labor and Employment	19 September 2022	N/A	N/A
12	Mayor's Permit (2025-0986)	Municipality of San Ildefonso, Bulacan	20 January 2025	1 Year	31 December 2025
13	Sanitary Permit to Operate (2025-0986)	Municipality of San Ildefonso, Bulacan	21 January 2025	1 Year	31 December 2025
14	Barangay Business Permit	Brgy. Akle, San Ildefonso, Bulacan	20 January 2025	1 Year	31 December 2025
15	Mayor's Permit (25-10098)	City of Mandaluyong	23 January 2025	1 Year	31 December 2025
16	Sanitary Permit to Operate (WW1693-NF-2024)	City of Mandaluyong		1 Year	<i>*with pending matters being resolved with the LGU</i>
17	Barangay Business Permit (27-2025-2567)	Brgy. Wack-Wack, Mandaluyong	11 February 2025	1 Year	31 December 2025
18	Mayor's Permit (07258)	Municipality of Imus, Cavite	20 January 2025	1 Year	31 December 2025

19	Sanitary Permit to Operate (NF-03360)	Municipality of Imus, Cavite	20 January 2025	1 Year	31 December 2025
20	Barangay Business Permit	Brgy. Buhay na Tubig, Imus Cavite	20 January 2025	1 Year	31 December 2025
21	Mayor's Permit (2025-02-04-012-10857)	City of Paranaque	04 February 2025	1 Year	31 December 2025
22	Sanitary Permit to Operate (BF-04812)	City of Paranaque	03 February 2025	1 Year	31 December 2025
23	Barangay Business Permit (2025-02-04-012-10857)	City of Paranaque	03 February 2025	1 Year	31 December 2025
24	Mayor's Permit (09376)	Municipality of Ibaan, Batangas	17 January 2025	1 Year	31 December 2025
25	Sanitary Permit to Operate (2025-1446)	Municipality of Ibaan, Batangas	17 January 2025	1 Year	31 December 2025
26	Barangay Business Permit (17-000071)	Municipality of Ibaan, Batangas	17 January 2025	1 Year	31 December 2025
27	Mayor's Permit (2025-0300806000-0375)	Municipality of Limay, Bataan	16 January 2025	1 Year	31 December 2025
28	Sanitary Permit to Operate (0347-2025)	Municipality of Limay, Bataan	16 January 2025	1 Year	31 December 2025
29	Barangay Business Permit	Municipality of Limay, Bataan	16 January 2025	1 Year	31 December 2025
30	Product license for type 1 Portland Cement (License No. Q-1310)	Department of Trade and Industry-Bureau of Philippine Standards	27 September 2023	2 Years and 9 Months	21 May 2026
31	Product license for type 1P & 1T blended cement (Q-1311)	Department of Trade and Industry-Bureau of Philippine Standards	15 November 2023	2 Years & 7 Months	21 May 2026
32	Import License (CCN-IM0003116530)	Bureau of Customs	07 February 2025	1 Year	07 February 2026
33	Certificate of Registration as Coal End-User (CE-2022-09-0343R)	Department of Energy	05 September 2022	10 Years	04 September 2032
34	BIR's Manufacturer's Bond Bond no. G(11)0000099	Bureau of Internal Revenue	25 March 2024	1 Year	24 March 2025
35	Certificate of Compliance (21-08-S-01431L)	Energy Regulatory Commission	26 August 2021	3 Years	25 August 2026
36	Mineral Production Sharing Agreement (MPSA) No. 181-2002-III	Department of Environment and Natural Resources (DENR)	9 December 2002	50 Years	8 December 2052
37	Environmental Compliance Certificate for MPSA No. 181-2002-III (ECC-CO-2208-0028)	DENR- Environmental Management Bureau (Central Office)	16 February 2023	Co-terminus with MPSA 181	
38	Five-Year Social Development and Management Program (SDMP) for MPSA No. 181-2002-III	Mines and Geosciences Bureau – R3	07 March 2025	5 Years	07 March 2030
39	Annual Social Development and Management Program (ASDMP) for CY 2024 of MPSA No. 181-2002-III	Mines and Geosciences Bureau – R3	09 December 2024	1 Year	09 December 2025
40	Environment Protection and Enhancement Program (Permit No. 226-2024-03)	Mines and Geosciences Bureau – Central Office	04 January 2024	Co-terminus with MPSA 181	

41	Annual Environmental Protection and Enhancement Program (Permit No. 15-2024-07-III)	Mines and Geosciences Bureau – R3	06 December 2024	1 Year	31 December 2025
42	Final Mine Rehabilitation and/or Decommissioning Plan (Permit No. 226-2024-03)	Mines and Geosciences Bureau – Central Office	04 January 2024	Co-terminus with MPSA 181	
43	Annual Safety and Health Program MPSA No. 181-2002-III (COA No. SHP-2024-III-04)	Mines and Geosciences Bureau – R3	5 December 2024	1 Year	31 December 2025
44	Annual Safety and Health Program MPSA No. 245-2007-III (COA No. SHP-2024-III-26)	Mines and Geosciences Bureau – R3	5 December 2024	1 Year	31 December 2025
45	Permit to Operate Line 1 & 2 (PTO-OL-R03-2021-06239-R)	Environmental Management Bureau- R3	11 August 2021	5 Years	10 August 2026
46	Permit to Operate Line 3 (PTO-OL-R03-2022-03203-R)		20 May 2022	5 Years	19 May 2027
47	Permit to Operate-CM 3&4 (PTO-OL-R03-2022-03200-R)		20 May 2022	5 Years	19 May 2027
48	Permit to Operate CM5 (PTO-OL-R03-2022-03175)		20 May 2022	5 Years	19 May 2027
49	Permit to Operate- Day Tank (PTO-OL-R03-2023-05931)		23 June 2023	4 Years	22 December 2027
50	Discharge Permit-Akle MPSA 181 (DP-R03-25-03826)		1 April 2025	1 Year	1 April 2026
51	Waste Generators Registration Certificate		17 July 2020	N/A	N/A
52	Pollution Control Certificate Accreditation (COA No. 2023-RIII-2385-Renewal)		12 January 2023	3 Years	11 January 2026
53	MEPEO Registration MEPEO-MGB-2023-03		08 May 2023	N/A	N/A
54	Water Permit (Deep Well 1) (022337)	National Water Resources Board	27 May 2011	N/A	N/A
55	Water Permit (Deep Well 2) (023389)		14 September 2014	N/A	N/A
56	Water Permit (Deep Well 3) (025069)		22 January 2020	N/A	N/A
57	Permit to Operate-Limay (PTO-OL-R03-2020-00694-R)	Environmental Management Bureau-R3	04 September 2020	5 Years	03 September 2025