COVER SHEET

SEC Registration Number

0	0	0	0	0	0	1	1	1	6	3

COMPANY NAME

PHILCOMSAT HOLDINGS CORPORATION AND SUBSIDIARIES

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

12TH FLOOR, TELECOM PLAZA BUILDING, 316 SEN. GIL PUYAT AVE., MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, if Applicable
AFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
inquiry@phc.com.ph	(632) 8815-2517	-

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
1,196	3rd Monday of November	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Erlinda I. Bildner	-	(632) 8815-8406	-

CONTACT PERSON's ADDRESS

12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Ave., Makati City

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

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

PHC
PHILCOMSAT HOLDINGS CORPORATION

PHILCOMSAT HOLDINGS CORPORATION
12F Telecom Plaza 316 Sen. Gil Puyat Ave. 1200 City of Makati, Philippines
Tel.No.: 8815-8406; Fax No.: 8816-2517 www.phc.com.ph

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

The Management of Philcomsat Holdings Corporation and its Subsidiaries (the Group) is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Isla Lipana & Co., the independent auditor, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

SANTIAGO J. RANADA
Chairman of the Board

VICTORIA DELOS REYES
President

ERLINDA I. BILDNER
Treasurer

Signed this 14th day of April 2025.

14 APR 2025

SUBSCRIBED AND SWORN to before me this ________ day of ________, 2025 in MAKATI CITY, affiants exhibiting to me the following:

Name	Government ID No.	Place / Date of Issue
Santiago J. Ranada	PP No. P0274808B	DFA NCR East / 17 January 2019
Victoria C. Delos Reyes	Senior Citizen ID No. 58406	Makati City / 07 May 2012
Erlinda I. Bildner	Senior Citizen ID No. 49633	Makati City / 20 September 2019

Doc. No. 148
Page No. 31
Book No. 06
Series of 2025

ATTY. HOBERT N. LLUZ
NOTARY PUBLIC
Until December 31, 2025
Appt. No. M-053 Makati City
IBP# 485352 for 2025
SC Roll No. 59597
PTR# 10464981 Jan. 02, 2025-Makati
MCLE Compliance No. VIII-0021149
Issued on 02-06-2025 Valid until 04-14-2028
Unit 301 3rd Flr. Campos Rueda Bldg
101 Urban Ave., Brgy. Pio del Pilar, Makati City

Independent Auditor's Report

To the Board of Directors and Shareholders of
Philcomsat Holdings Corporation
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Ave., Makati City

Our Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Philcomsat Holdings Corporation and its subsidiaries (together, the "Group") as at December 31, 2024 and 2023, and their consolidated financial performance and their 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.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2024;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2024;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2024; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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.

We identified the following key audit matter:

Key Audit Matter	How our audit addressed the Key Audit Matter
Fair valuation of financial assets at fair value through profit or loss and other comprehensive income Refer to Notes 6 and 22.2 to the consolidated financial statement As at December 31, 2024, the Group has financial assets at financial assets at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) amounting to P107.2 million and P803.5 million, respectively. Valuation of financial assets at FVTPL and FVOCI have been identified as a key audit matter primarily due to the significance of its amount, the volume of transactions, as well as the price volatility of the market. Any changes in market prices could expose the Group to significant market risk that may affect other comprehensive income, or profit or loss.	Our audit procedures to address the relevant assertion over valuation of financial assets at FVTPL and FVOCI included the following: • We obtained an understanding of the Group's treasury and investment policies, processes, method, and assumptions used in determining fair value. In accordance with PFRS 13 - Fair Value Measurement, the Group uses the market approach in determining valuation of each equity and debt financial instruments and identified mainly Level 1 inputs (i.e. quoted prices) and Level 2 inputs (i.e. net asset value per unit) as the relevant data input. • In order to test the valuation of financial assets at FVTPL and FVOCI as at December 31, 2024, we tested the inputs used by management in the valuation of the financial assets at FVTPL and FVOCI by agreeing data inputs against an independent source (i.e., Philippine Stock Exchange index and PDS Group).

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), and SEC Form 17-A (Annual Report), but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), and SEC Form 17-A (Annual Report) are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information identified above which have not yet been received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

The engagement partner on the audit resulting in this independent auditor's report is Carlos Federico C. de Guzman.

Isla Lipana & Co.

Carlos Federico C. de Guzman
Partner
CPA Cert. No. 110973
P.T.R. No. 0011285, issued on January 03, 2025, Makati City
TIN 229-481-265
BIR AN: 08-000745-141-2023, issued October 23, 2023; effective until October 22, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2025

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Philcomsat Holdings Corporation
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Ave., Makati City

We have audited the consolidated financial statements of Philcomsat Holdings Corporation (the “Parent Company”) and its subsidiaries (together, the “Group”) as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 14, 2025. The supplementary information shown in the Reconciliation of the Parent Company’s Retained Earnings Available for Dividend Declaration, Map showing the Relationships between and among the Companies in the Group, its Ultimate Parent Company and Co-Subsidiaries, and Schedules A, B, C, D, E, F and G, as additional components required by the Revised Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission, and are not required parts of the basic consolidated financial statements. Such supplementary information is the responsibility of the Group’s management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with Revised Rule 68 of the SRC.

Isla Lipana & Co.

Carlos Federico C. de Guzman
Partner
CPA Cert. No. 110973
P.T.R. No. 0011285, issued on January 03, 2025, Makati City
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Makati City
April 15, 2025

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Philcomsat Holdings Corporation
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Ave., Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Philcomsat Holdings Corporation (the “Parent Company”) and its subsidiaries (together, the “Group”) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, on which we have issued our report thereon dated April 14, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Parent Company’s management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

Isla Lipana & Co.

Carlos Federico C. de Guzman
Partner
CPA Cert. No. 110973
P.T.R. No. 0011285, issued on January 03, 2025, Makati City
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Makati City
April 15, 2025

Philcomsat Holdings Corporation and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents	2	121,712,962	119,750,672
Receivables, net	3	114,872,989	119,371,493
Due from related parties	16	5,000,000	6,938,183
Financial assets at fair value through profit or loss (FVTPL)	6	107,298,599	131,104
Other current assets		387,128	321,018
		349,271,678	246,512,470
Assets held for sale	4	9,106,688	8,999,710
Total current assets		358,378,366	255,512,180
Non-current assets			
Financial assets at fair value through other comprehensive income (FVOCI)	6	803,483,539	912,363,316
Investment properties	7	343,475,799	337,864,550
Right-of-use (ROU) asset, net	10	256,558	2,057,355
Property and equipment, net	8	41,347	52,156
Deferred income tax assets	15	-	132,199
Other non-current assets	5	11,996,470	11,757,366
Total non-current assets		1,159,253,713	1,264,226,942
Total assets		1,517,632,079	1,519,739,122
Liabilities and Equity			
Current liabilities			
Trade and other payables	9	6,880,795	6,729,170
Dividends payable	11,16	5,184,637	5,184,637
Due to a related party	16	219,353	28,344,614
Lease liability	10	265,844	1,865,929
Total current liabilities		12,550,629	42,124,350
Non-current liabilities			
Deposit for future stock subscription	16	18,894,000	18,894,000
Lease liability, net of current portion	10	-	265,843
Deferred income tax liabilities, net	15	280,216	-
Total non-current liabilities		19,174,216	19,159,843
Total liabilities		31,724,845	61,284,193
Equity			
Share capital	11	996,391,254	996,391,254
Retained earnings		517,695,948	498,504,554
Other equity reserves	6	(28,179,968)	(36,440,879)
Total equity		1,485,907,234	1,458,454,929
Total liabilities and equity		1,517,632,079	1,519,739,122

(The notes on pages 1 to 39 are integral part of these financial statements)

Philcomsat Holdings Corporation and Subsidiaries

Consolidated Statements of Total Comprehensive Income
For each of the three years in the period ended December 31, 2024
(All amounts in Philippine Peso, except earnings per share)

	Notes	2024	2023	2022
Income	12	56,474,267	55,948,553	63,536,279
Cost and expenses	13	(37,189,879)	(36,081,584)	(33,345,200)
Other income (expense), net	14	1,312,919	(2,746,989)	6,514,965
Finance cost	10	(77,656)	(130,479)	(22,806)
Profit before income tax		20,519,651	16,989,501	36,683,238
Income tax benefit (expense)	15	(2,713,468)	901,530	(1,543,175)
Profit for the year		17,806,183	17,891,031	35,140,063
Other comprehensive income (loss)				
Item that may subsequently be reclassified to profit or loss				
Fair value gain (loss) on debt instruments at FVOCI	6	1,179,729	7,081,074	(15,272,669)
Item that will not to be subsequently reclassified to profit or loss				
Fair value gain (loss) on equity instruments at FVOCI	6	8,451,801	(16,137,490)	(34,205,118)
		9,631,530	(9,056,416)	(49,477,787)
Total comprehensive income (loss) for the year		27,437,713	8,834,615	(14,337,724)
Earnings per share (basic and diluted)	17	0.0179	0.0180	0.0353

(The notes on pages 1 to 39 are integral part of these financial statements)

Philcomsat Holdings Corporation and Subsidiaries

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2024
(All amounts in Philippine Peso)

	Share capital (Note 11)	Retained earnings	Other equity reserves (Note 6)	Total equity
Balances at January 1, 2022	996,391,254	492,359,406	22,822,029	1,511,572,689
Comprehensive income				
Profit for the year	-	35,140,063	-	35,140,063
Other comprehensive income for the year	-	-	(49,477,787)	(49,477,787)
Total comprehensive income for the year	-	35,140,063	(49,477,787)	(14,337,724)
Transaction with owners				
Dividends declared (Note 11)	-	(49,819,563)	-	(49,819,563)
Transfer of gain on disposal of FVOCI equity instruments	-	4,302,131	(4,302,131)	-
Reclassification of cumulative fair value changes of FVOCI debt instruments sold to profit or loss	-	-	(335,769)	(335,769)
Balances at December 31, 2022	996,391,254	481,982,037	(31,293,658)	1,447,079,633
Comprehensive income				
Profit for the year	-	17,891,031	-	17,891,031
Other comprehensive income for the year	-	-	(9,056,416)	(9,056,416)
Total comprehensive income for the year	-	17,891,031	(9,056,416)	8,834,615
Transaction with owners				
Transfer of loss on disposal of FVOCI equity instruments	-	(1,368,514)	1,368,514	-
Reclassification of cumulative fair value changes of FVOCI debt instruments sold to profit or loss	-	-	2,540,681	2,540,681
Balances at December 31, 2023	996,391,254	498,504,554	(36,440,879)	1,458,454,929
Comprehensive income				
Profit for the year	-	17,806,183	-	17,806,183
Other comprehensive income for the year	-	-	9,631,530	9,631,530
Total comprehensive income for the year	-	17,806,183	9,631,530	27,437,713
Transfer of loss on disposal of FVOCI equity instruments	-	1,385,211	(1,385,211)	-
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss	-	-	14,592	14,592
Balances at December 31, 2024	996,391,254	517,695,948	(28,179,968)	1,485,907,234

(The notes on pages 1 to 39 are integral part of these financial statements)

Philcomsat Holdings Corporation and Subsidiaries

Consolidated Statements of Cash Flows
For each of the three years in the period ended December 31, 2024
(All amounts in Philippine Peso)

	Notes	2024	2023	2022
Cash flows from operating activities				
Profit before income tax		20,519,651	16,989,501	36,683,238
Adjustments for:				
Realized loss (gain) on sale of debt instruments	6,14	14,592	2,540,681	(335,769)
Depreciation and amortization	8,10	1,825,445	1,828,553	1,744,116
Interest expense	10	77,656	130,479	22,806
Provision for impairment of receivables	3,13	341,205	2,028,920	13,333
Impairment of assets held for sale	4,13	1,125,882	1,150,790	-
Gain on extinguishment of debt	14,16		(36,971)	-
Unrealized foreign exchange loss (gain)	14	(1,327,511)	272,199	(6,183,896)
Unrealized (gain) loss on financial assets at fair value through profit or loss (FVTPL)	14	-	(28,920)	4,700
Operating cash flows before changes in assets and liabilities		22,576,920	24,875,232	31,948,528
Decrease (Increase) in:				
Receivables		4,157,298	11,501,419	16,380,347
Due from related parties		1,938,183	(13,567,479)	(75,340,336)
Other current assets		(66,110)	70,901	(271,404)
Assets held for sale		(1,232,860)	-	-
Other non-current assets		1,843,680	(5,436,689)	(411,933)
(Decrease) Increase in:				
Trade and other payables		151,624	1,707,058	(12,610)
Due to related party		(28,125,261)	-	-
Cash generated from (used in) operations		1,243,474	19,150,442	(27,707,408)
Acquisitions of:				
Financial assets at FVOCI	6	(235,150,268)	(280,073,815)	(260,333,214)
Proceeds from redemption and maturity of:				
Financial assets at FVOCI	6	246,494,080	309,267,371	286,840,495
Income taxes paid		(4,383,835)	-	(714,257)
Net cash from (used in) operating activities		8,203,451	48,343,998	(1,914,384)
Cash flows used in investing activities				
Additions to property and equipment	8	(13,839)	(21,864)	(26,518)
Additions to investment properties		(5,611,249)	-	-
Net cash used in investing activities		(5,625,088)	(21,864)	(26,518)
Cash flows from financing activities				
Payments of:				
Dividends	11	-	(3,787,870)	(40,847,056)
Lease liabilities	10	(1,865,928)	(1,727,031)	(1,758,591)
Interest expense on lease liabilities	10	(77,656)	(130,479)	(22,806)
Net cash used in financing activities		(1,943,584)	(5,645,380)	(42,628,453)
Net increase (decrease) in cash		634,779	42,676,754	(44,569,355)
Cash and cash equivalents at beginning of year		119,750,672	77,346,117	115,731,576
Effect of foreign exchange rates changes		1,327,511	(272,199)	6,183,896
Cash and cash equivalents as at end of year	2	121,712,962	119,750,672	77,346,117

(The notes on pages 1 to 39 are integral part of these financial statements)

(All amounts are shown in Philippine Peso, unless otherwise stated)

1 General Information

1.1 Corporate information

Philcomsat Holdings Corporation (formerly Liberty Mines, Inc.) [the Parent Company] was incorporated and registered with the Securities and Exchange Commission (SEC) on May 10, 1956 with the primary purpose of embarking in the discovery, exploration, development and exploitation of mineral oils, petroleum in its natural state, rock or carbon oils and other volatile mineral substance and with the secondary purpose of engaging in the business of mining in general. The Parent Company ceased oil and mining operations in 1992.

On July 23, 1997, the SEC approved the amended Articles of Incorporation of the Parent Company consisting of: a) change in its primary purpose from an exploration and mining company to a holding company and revision of its secondary purpose clauses; and b) change of the corporate name from Liberty Mines, Inc. to Philcomsat Holdings Corporation.

The Parent Company started operations as a holding company on January 1, 2000. The Parent Company derives income from money market placements, bank deposits, financial assets at FVOCI and other investments.

On May 9, 2006, the SEC approved the extension of the Parent Company's corporate life for another fifty (50) years.

On May 23, 2016, the Parent Company's Board of Directors (BOD) confirmed and ratified its previous resolution increasing the authorized capital stock of the Parent Company from P1.0 billion, divided into 1,000,000,000 shares with par value of P1 per share, to P3.0 billion, divided into 3,000,000,000 shares with par value of P1 per share. As at report date, the resolution is awaiting ratification by the stockholders and pending application with SEC.

The Parent Company is 79.94% owned by Philippine Communications Satellite Corporation (Philcomsat), a company incorporated in the Philippines. The ultimate parent company is Philippine Overseas Telecommunications Corporation (POTC), a company also incorporated in the Philippines. Philcomsat and POTC are both engaged in the telecommunications business.

The Parent Company and all of its subsidiaries (collectively referred to as "the Group") were incorporated in the Philippines. The following are the Parent Company’s subsidiaries and the respective percentages of ownership as at December 31:

		Percentage of ownership					
	Principal business	2024		2023		2022	
Subsidiary	activity	Direct	Indirect	Direct	Indirect	Direct	Indirect
Philcomsat Management Enterprises Inc. (PMEI)	Management Services	100	-	100	-	100	-
Professional Stock Transfer Inc. (PSTI)	Stock Transfer Agency	-	100	-	100	-	100

**Parent Company’s ownership in PSTI is indirect through PMEI.*

The registered office address and principal place of business of the subsidiaries are as follows:

Philcomsat Management Enterprises Inc. (PMEI)	12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City
Professional Stock Transfer Inc. (PSTI)	12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City

The registered address, and principal place of business, of the Parent Company is at 12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City.

1.2 Listing of shares in Philippine Stock Exchange (PSE)

The Parent Company's original 60 million shares are listed and used to be traded in the PSE.

On May 3, 2007, the PSE suspended the trading of the Parent Company's shares due to pending compliance with certain structured reportorial requirements. On December 3, 2008, the SEC ordered the suspension of the Parent Company's registration of securities from the date of the receipt of the Order until the Parent Company is able to submit the reportorial requirements and fully pay the corresponding penalties.

On April 1, 2014, the Parent Company, through its legal counsel, submitted to the SEC three (3) letter request for the lifting of the order of suspension and for a compromise payment of the penalties. The SEC, on December 29, 2015, lifted the order of suspension and directed the Parent Company to file an updated Registration Statement.

As at the date of report, the Parent Company is still in the process of updating its Registration Statement.

1.3 Approval of the consolidated financial statements

The consolidated financial statements of the Group were approved and authorized for issue by the Parent Company's BOD April 14, 2025.

2 Cash and cash equivalents

Cash and cash equivalents as at December 31 consist of:

	2024	2023
Cash on hand	6,243	11,100
Cash in banks	40,475,748	43,659,101
Short-term placements	81,230,971	76,080,471
	121,712,962	119,750,672

Cash in banks earn interest at prevailing bank deposit rates.

Cash equivalents pertain to special savings and time deposits, with terms of varying periods up to three (3) months and earn interest at prevailing special savings and time deposits rates.

Interest income earned from cash in banks and cash equivalents for the year ended December 31, 2024 amounted to P3,182,857 (2023 - P2,633,656; 2022 - P958,973) (Note 12).

3 Receivables, net

Receivables as at December 31 consist of:

	Note	2024	2023
Notes and loans receivable			
Corporate notes	16	69,154,553	77,124,767
Promissory notes issued by various financial institutions		39,944,922	34,000,000
Interest receivables		4,483,216	8,502,898
		113,582,691	119,627,665
Retainer fee receivable		2,757,500	1,767,813
Less: Allowance for ECL		(1,564,965)	(2,057,317)
		114,775,226	119,338,161
Dividend receivables		97,763	33,332
		114,872,989	119,371,493

As at each reporting period, all outstanding amount of receivables are collectible in cash, interest bearing, unsecured and unguaranteed.

Movements in the allowance for ECL are summarized below:

	Note	2024	2023	2022
Balance at beginning of year		2,057,317	28,397	15,064
Provision for impairment of receivables	13	341,205	2,028,920	13,333
Write-off		(833,558)	-	-
Balance at end of year		1,564,965	2,057,317	28,397

Corporate notes

Unsecured corporate notes outstanding as at December 31, 2024 and 2023 pertain to short-term corporate promissory notes issued by various entities, with terms of thirty-five days up to one year and earn interest ranging from 5.5% to 11.0% per annum.

Promissory notes issued by financial institutions

Unsecured promissory notes are issued by various financial institutions with original terms ranging from two to ten years and earn interest ranging from 4% to 7% per annum.

In 2024, interest income earned from corporate notes and promissory notes issued by various financial institutions amounted to P5.07 million (2023 - P8.16 million; 2022 - P17.60 million) (Note 12).

Critical accounting estimate: Provision for impairment of receivables

Provision for impairment of receivables is maintained at a level considered adequate to provide for uncollectible receivables. Expected credit losses (ECL) on receivables are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group has used relevant historical information and loss experience to determine the probability of default of the receivables and incorporated forward-looking information, including significant changes in external market indicators which involved significant estimates and judgements.

Management believes, based on its assessment that the carrying amount of receivables as at each reporting period is recoverable.

4 Assets held for sale

In 2024, the Group obtained equipment and furniture valued at P4,207,629 (2023 - P10,150,450) as a form of repayment of its notes receivable from one of its debtors. These assets were obtained with the intention to sell to its affiliate companies and is expected to be completed within the next 12 months. As such, these were then classified as non-current assets held for sale in the statement of financial position. The assets were measured at the lower of carrying amount and fair value less cost to sell at the time of recognition and as a result, an impairment loss of P1,125,882 was recognized (2023 - P1,150,790) (Note 13).

In 2024, for purposes of statements of cash flows reporting, the exchange of equipment and furniture, and notes receivable amounting to P4,207,629 (2023 - P10,150,450) is considered a non-cash operating and investing activity.

As at December 31, 2024, the carrying amount of the assets held for sale is P9,106,688 (2003 - P8,999,710).

5 Other non-current assets

Other non-current assets as at December 31 consist of:

	2024	2023
Creditable withholding tax (CWT)	7,746,285	5,663,501
Input value-added tax (VAT)	2,930,756	4,774,436
Goodwill	1,319,429	1,319,429
	11,996,470	11,757,366

Critical accounting judgement: Impairment of Goodwill

Goodwill pertains to the acquisition of PSTI by PMEI amounting to P1.3 million. The Group reviews at least annually whether there is any objective evidence that the Group's goodwill is impaired.

Management assessed that the recoverable amount of PSTI, the CGU to which the goodwill is allocated, exceeds its carrying amount. In estimating the related value in use, Management used a cash flow projection based on past performance of the acquiree covering a five-year period at a discount rate of 4.44%. Cash flows beyond that five-year period have been extrapolated using the PSTI's average historical growth rate.

No impairment on goodwill was recognized as at each reporting period.

Critical accounting judgement: Recoverability of CWT and input VAT

The Group reviews at each reporting date whether there is any objective evidence that the Group's CWT and input VAT is impaired. In making this judgment, the Group evaluates its revenues and taxable income forecasts against which the CWT and input VAT can be applied. Management believes that the carrying amount of input VAT as at each reporting period will be utilized and can be applied against output VAT payable arising from other income.

CWT is recognized to the extent that it is probable that future tax liabilities will be available against which tax credits can be utilized. Determining the realizability of creditable withholding taxes requires the assessment of the availability of taxable profit expected to be generated from the operations which effectively drives the tax liabilities against which such creditable taxes can be applied.

Management believes that the carrying amount of CWT as at each reporting period is recoverable.

6 Financial assets at FVTPL; Financial assets at FVOCI

Financial assets at FVOCI as at December 31 consist of:

	2024	2023
FVTPL		
Investment in:		
Unit investment trust funds (UITF)	107,167,495	-
Quoted shares	131,104	131,104
	107,298,599	131,104
FVOCI		
Investments in:		
Quoted bonds	515,425,939	580,377,590
Quoted shares of stocks	248,757,600	181,171,339
UITF	-	111,514,387
Club memberships	9,300,000	9,300,000
Unquoted shares of stocks	30,000,000	30,000,000
	803,483,539	912,363,316
	910,782,138	912,494,420

Movements of financial assets at FVTPL and FVOCI for the years ended December 31 are as follows:

	Cost	Fair value reserve	Carrying value
At January 1, 2023	982,038,050	(31,293,658)	950,744,392
Acquisitions of FVOCI	280,073,815	-	280,073,815
Disposals of FVOCI	(313,176,566)	3,909,195	(309,267,371)
Unrealized loss credited to OCI	-	(9,056,416)	(9,056,416)
At December 31, 2023	948,935,299	(36,440,879)	912,494,420
Acquisitions of FVOCI	235,150,268	-	235,150,268
Disposals of FVOCI	(245,123,461)	(1,370,619)	(246,494,080)
Unrealized loss credited to OCI	-	9,631,530	9,631,530
At December 31, 2024	938,962,106	(28,179,968)	910,782,138

The movements in fair value reserve on FVOCI for the years ended December 31 are as follows:

	2024	2023	2022
Beginning balance	(36,440,879)	(31,293,658)	22,822,029
Fair value changes recorded in OCI	9,631,530	(9,056,416)	(49,477,787)
Reclassification of cumulative fair value changes from OCI to profit or loss on disposal of debt instruments at FVOCI	14,592	2,540,681	(335,769)
Transfer from other reserves directly to retained earnings on disposal of equity instruments at FVOCI	(1,385,211)	1,368,514	(4,302,131)
Ending balance	(28,179,968)	(36,440,879)	(31,293,658)

Interest income earned from financial assets at FVOCI in 2024 amounted to P27.6 million (2023 - P25.3 million; 2022 - P22.9 million) (Note 12).

Dividend income earned from financial assets at FVOCI in 2024 amounted to P9.3 million (2023 - P10.0 million; 2022 - P12.6 million) (Note 12).

For the year ended December 31, 2024, realized loss on sale of debt instruments at FVOCI recognized directly to profit or loss amounted to P14,592 (2023 - P2,540,681 loss; 2022 - P335,769 gain).

For the year ended December 31, 2024, realized gain on sale of equity instruments at FVOCI recognized directly to retained earnings amounted to P1,385,211_(2023 - P1,368,514 loss; 2022 - P4,302,131 gain).

The fair values of these financial assets. are determined based on quoted market bid prices at the close of business as at reporting date since most of these are actively traded in an organized financial market. The fair value measurement of the financial assets at FVOCI is classified as Level 1 (Quoted bonds, shares of stock and club memberships) and level 2 (UITF) and Level 3 (unquoted shares of stock).

Critical accounting estimate: Fair value of financial instruments

Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models that primarily uses as inputs market based or independently sourced market parameters. The Group's financial assets at FVOCI as at each reporting period comprise primarily of equity and debt securities traded in the Philippine Stock Exchange (PSE) which has an active market, wherein securities are traded, or can be bought and sold. Financial assets at FVOCI measured using Level 2 and Level 3 inputs are not material.

The sensitivity analysis on the reasonable possible changes in market prices of the Group's securities is disclosed in Note 21.

7 Investment properties

As at December 31, 2024 and 2023, the Group's investment properties consist of the following:

- On December 29, 2023, the Group obtained nine parcels of land through dacion en pago with a related party amounting to P335,615,126 and covering three hundred eighty-three thousand nine hundred ninety-nine (383,999) square meters located at Ibis, Bagac, Bataan (Note 16). As at December 31, 2023, the land's title is currently being processed for transfer to the name of PHC. In 2024, the Group capitalized transaction costs necessary to transfer the title of the Land to PHC amounting to P5,611,249. As at December 31, 2024, the total cost of the aforementioned land amounted to P341,226,375.

- The Group has certain parcels of land amounting to P2,249,424 and covering one thousand two hundred (1,200) square meters located at Pasinay Bagac, Bataan. On January 16, 2019, the land's title was transferred to the name of PMEI.

As at each reporting period, Level 2 fair values of investment properties have been derived using the market approach. In using the market approach, the value of the investment property is based on recorded sales and listings (or asking prices) of comparable property registered within the vicinity amounted to P383,999,000. Management developed these estimates on the basis of recorded sales and listing (or asking prices) of comparable properties registered within the vicinity of the respective land properties. The most significant input into this valuation approach is the zonal value price per square foot.

The investment properties are not pledged as security for liabilities as at each reporting period.

Critical accounting judgement: Recoverability of investment properties, and property and equipment

The Group's investment properties and property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. On a regular basis, management determines if there are triggering events or impairment indicators based on current circumstances. An impairment loss is recognized whenever evidence exists that the carrying value is not recoverable.

As at each reporting period, Management believes, based on its assessment and judgment, that there are no indications of impairment or changes in circumstances indicating that the carrying amount of its non-financial assets may be impaired.

8 Property and equipment, net

Property and equipment, net as at December 31 consist of:

	Transportation equipment	Furniture and fixtures	Office equipment	Office improvement	Total
At January 1, 2022					
Cost	5,011,638	3,528,775	1,251,292	39,325	9,831,030
Accumulated depreciation	(5,009,608)	(3,528,775)	(1,192,620)	(39,325)	(9,770,328)
Net carrying value	2,030	-	58,672	-	60,702
For the year ended December 31, 2022					
Opening carrying value	2,030	-	58,672	-	60,702
Addition	-	-	26,518	-	26,518
Depreciation expense (Note 13)	(2,030)	-	(24,870)	-	(26,900)
Closing net carrying value	-	-	60,320	-	60,320
At January 1, 2023					
Cost	5,011,638	3,528,775	1,277,810	39,325	9,857,548
Accumulated depreciation	(5,011,638)	(3,528,775)	(1,217,490)	(39,325)	(9,797,228)
Net carrying value	-	-	60,320	-	60,320
For the year ended December 31, 2023					
Opening carrying value	-	-	60,320	-	60,320
Addition	-	-	21,864	-	21,864
Depreciation expense (Note 13)	-	-	(30,028)	-	(30,028)
Closing net carrying value	-	-	52,156	-	52,156
At January 1, 2024					
Cost	5,011,638	3,528,775	1,299,674	39,325	9,879,412
Accumulated depreciation	(5,011,638)	(3,528,775)	(1,247,518)	(39,325)	(9,827,256)
Net carrying value	-	-	52,156	-	52,156
For the year ended December 31, 2024					
Opening carrying value	-	-	52,156	-	52,156
Addition	-	-	13,839	-	13,839
Depreciation expense (Note 13)	-	-	(24,648)	-	(24,648)
Closing net carrying value	-	-	41,347	-	41,347
At December 31, 2024					
Cost	5,011,638	3,528,775	1,305,714	39,325	1,305,714
Accumulated depreciation	(5,011,638)	(3,528,775)	(1,264,367)	(39,325)	(1,264,367)
Net carrying value	-	-	41,347	-	41,347

9 Trade and other payables

Trade and other payables as at December 31 consist of:

	2024	2023
Trade payables	5,926,993	3,624,129
Statutory payable	953,802	3,105,041
	6,880,795	6,729,170

Trade payables are non-interest bearing and are normally settled on a 30-day credit term.

Statutory payables pertain to expanded withholding taxes.

10 Lease commitments

The Group as a lessee

The Group has a lease agreement with Philcomsat for its office space for a term of two years subject to renewal under mutual agreement of both parties from January 1, 2019 to December 31, 2020.
On January 1, 2021, the lease contract was renewed for another 2 years until December 31, 2022. The annual rent is subject to escalation fee of 5%.

In 2023, the Group entered a new contract of lease with Philcomsat for its office space for a term of two years from January 1, 2023 to December 31, 2024 which is renewable for such period as both parties may agree after expiration of the contract. Based on the lease contract, the leased premises shall be used solely for commercial or business purposes only. The Group subsequently renewed its lease contract for another term in 2025

Movements in the ROU asset as at December 31 are presented below:

	Note	2024	2023	2022
Net carrying amount, beginning		2,057,355	254,286	1,971,502
Additions		-	3,601,594	-
Depreciation	13	(1,800,797)	(1,798,525)	(1,717,216)
Net carrying amount, ending		256,558	2,057,355	254,286

Details of ROU asset as at December 31 are as follows:

	2024	2023
Cost	3,601,594	3,601,594
Accumulated depreciation	(3,345,036)	(1,544,239)
	256,558	2,057,355

Movements in the lease liability as at December 31 are presented below:

	2024	2023	2022
Beginning balance	2,131,772	257,209	2,015,800
Additions	-	3,601,594	-
Interest expense	77,656	130,479	22,806
Payments	(1,943,584)	(1,857,510)	(1,781,397)
Ending balance	265,844	2,131,772	257,209

Future minimum lease payments under lease liability and the net present value of the minimum lease payments as at December 31 follows:

	2024	2023
Not later than one year	272,070	1,943,584
More than one year but not later than five years	-	272,070
Total minimum lease obligation	272,070	2,215,654
Less: future finance charges on lease liability	(6,226)	(83,882)
	265,844	2,131,772

The following are the amounts recognized in the consolidated statements of total comprehensive income:

	2024	2023	2022
Depreciation on ROU asset	1,800,797	1,798,525	1,717,216
Interest on lease liability	77,656	130,479	22,806
	1,878,453	1,929,004	1,740,022

Depreciation expense from the ROU assets is allocated as follows:

	Note	2024	2023	2022
Cost of services	13	269,386	282,629	267,000
General and administrative expenses	13	1,531,411	1,515,896	1,450,216
		1,800,797	1,798,525	1,717,216

Total cash outflows for the payment of lease liabilities for the year ended December 31, 2024 amounted to P1,943,584 (2023 - P1,857,510; 2022 - P1,781,397).

Critical accounting estimate: Determining the incremental borrowing rate

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Where third party financing cannot be obtained, the Group uses the government bond yield, adjusted for the (1) credit spread specific to each entity under the Group and (2) security using the right-of-use asset.

Critical accounting judgment: Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

11 Equity

Share capital

Details of share capital as at December 31, 2024 and 2023 are as follows:

	Number of shares	Amount
Common shares at P1 par value per share		
Authorized shares	1,000,000,000	1,000,000,000
Subscribed, issued and outstanding shares	996,391,254	996,391,254

Of the total authorized capital stock, sixty million (60,000,000) shares are listed at the Philippine Stock Exchange (PSE).

Each common share confers upon a common shareholder: a) the right to vote at any shareholders' meeting or on any resolution of the shareholders; and b) the right to distribution of income under such terms and conditions as the BOD may approve. All holders of common shares shall have pre-emptive rights to acquire new shares to be issued by the Parent Company.

Dividends declaration

During the meeting of the Parent Company's BOD held on November 21, 2022, the Parent Company's BOD approved the declaration and distribution of a special cash dividend of P0.05 per share to all stockholders of record as of December 7, 2022 (or a total of P49,819,563), paid on January 5, 2023. As at each reporting period, the dividends payable outstanding amounted to P5,184,637.

12 Income

Income for the years ended December 31 are as follows:

	Notes	2024	2023	2022
Interest income	2,3,6	35,823,292	36,068,922	41,520,582
Dividend income	6	9,279,396	10,001,334	12,582,725
Retainer fee		9,478,143	7,932,803	8,703,143
Stock transfer fee		264,570	219,762	185,805
Other service fee		502,796	620,488	544,024
Miscellaneous income		1,126,070	1,105,244	-
		56,474,267	55,948,553	63,536,279

Interest income included in revenue is earned from the following:

	Notes	2024	2023	2022
Cash and cash equivalents	2	3,182,857	2,633,656	958,973
Receivables	3	5,071,445	8,157,033	17,603,608
Financial assets at FVOCI	6	27,568,990	25,278,233	22,958,001
		35,823,292	36,068,922	41,520,582

Retainer fee pertains to monthly retainer fees earned by PSTI being a stock transfer agent.

13 Costs and expenses

Costs and expenses for the years ended December 31 are as follows:

	Notes	2024	2023	2022
Cost of services:				
Salaries and other benefits		1,556,697	1,471,720	1,431,966
Professional fees		883,567	1,213,459	1,900,375
Depreciation	10	280,794	282,629	267,000
Communication, light and water		118,036	226,874	122,669
Dues and subscription		56,692	56,692	56,692
Transportation and travel		15,596	49,191	215,004
Medical		-	19,846	1,768
		2,911,382	3,320,411	3,995,474
General and administrative expenses				
Professional fees		13,064,710	11,661,811	13,333,873
Representation and entertainment		4,082,685	3,009,953	2,958,904
Outside services		3,538,788	3,137,717	-
Directors’ fees	16	3,000,000	3,425,000	3,600,000
Transportation and travel		2,201,341	2,439,129	3,136,130
Bank charges		1,980,566	1,711,073	1,522,609
Depreciation	8,10	1,544,651	1,545,924	1,477,116
Impairment of assets held for sale	4	1,125,882	1,150,790	-
Taxes and licenses		633,227	479,176	419,313
Provision for impairment of receivables	3	341,205	2,028,920	13,333
Office supplies		286,499	384,392	358,258
Dues and subscription		247,950	-	-
Communication, light and water		228,379	-	-
Legal fees		150,898	814,196	799,032
Advertising		126,968	296,339	594,164
Others		1,724,748	676,753	1,136,994
		34,278,497	32,761,173	29,349,726
Total costs and expenses		37,189,879	36,081,584	33,345,200

14 Other (expense) income, net

Other (expense) income, net for the years ended December 31 are as follows:

	Notes	2024	2023	2022
Realized (loss) gain on sale of FVOCI debt instruments	6	(14,592)	(2,540,681)	335,769
Unrealized foreign exchange (loss) gain		1,327,511	(272,199)	6,183,896
Unrealized gain (loss) on financial assets at FVTPL		-	28,920	(4,700)
Gain from extinguishment of debt	16	-	36,971	-
		1,312,919	(2,746,989)	6,514,965

As discussed in Note 16, the extinguishment of debt in 2023 resulted from the assignment of certain parcels of land by the Parent Company in exchange for the settlement of the Notes receivable and Advances amounting to P35,356,250 and P272,046,695, respectively. The fair value of the parcels of land received by PHC amounted to P335,615,126 (Level 2). The extinguishment is considered a non-cash operating and investing activity for purposes of statements of cash flows reporting.

15 Income tax

Income tax expense

The components of income tax benefit as shown in profit or loss for the years ended December 31 are as follows:

	2024	2023	2022
Current tax expense - current year	925,945	770,379	798,912
Current tax expense - prior periods	1,375,108	-	-
Deferred	412,415	(1,671,909)	744,263
	2,713,468	(901,530)	1,543,175

The reconciliation of the income tax benefit computed at statutory tax rate to provision for income tax expense for the years ended December 31 are as follows:

	2024	2023	2022
Income tax at applicable statutory tax rate	7,688,149	4,120,637	9,186,392
Add (deduct) tax effects of:			
Interest income already subjected to final tax	(7,968,332)	(7,330,981)	(6,384,729)
Derecognition of NOLCO for the year		2,558,206	1,230,955
Dividend income subject to final tax	(5,419,479)	(2,500,334)	(3,145,563)
Change in unrecognized deferred income tax assets	5,273,092	671,839	-
Income tax payment from prior periods	1,375,108	-	-
Nondeductible expenses	1,761,282	733,693	712,872
Tax expense from MCIT	-	210,240	184,157
Realized loss (gain) on sale of FVOCI debt instruments	3,648	635,170	(83,942)
Others	-	-	(156,967)
	2,713,468	(901,530)	1,543,175

Deferred income tax

The components of the Group's deferred income tax (DIT) assets (liabilities), net as at December 31 are as follows:

	2024	2023
Lease liabilities, net	1,857	640
Allowance for doubtful accounts	5,679	488,290
Provision for impairment of asset held for sale	-	287,697
Unrealized foreign exchange gain	(331,878)	-
NOLCO	18,343,652	13,076,344
MCIT	495,998	509,113
	18,515,308	14,362,084
Recognized DIT assets (liabilities), net	(280,216)	132,199
Unrecognized DIT asset	18,515,308	14,229,885

Net operating loss carryover (NOLCO)

The Republic Act No. 9337 (the "Act") provided the NOLCO privilege which can be carried over as a deduction for the three succeeding taxable years immediately following the year such loss was incurred.

In 2020, pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five consecutive taxable years following the year of such loss.

Details of NOLCO at December 31 are as follows:

Parent Company

Year incurred	Year of expiration	2024	2023
2020	2025	16,289,059	16,289,059
2021	2026	20,758,171	20,758,171
2022	2025	4,918,973	4,918,973
2023	2026	10,232,824	10,232,824
2024	2027	20,963,200	-
Subtotal		73,162,227	52,199,027
Tax rate		25%	25%
		18,290,557	13,049,757

PMEI

Year incurred	Year of expiration	2024	2023
2023	2026	216,835	132,934
Tax rate		20%	20%
		43,367	26,587

Minimum corporate income tax (MCIT)

As provided under the Act, the Group shall pay the minimum corporate income tax (MCIT) or regular corporate income tax (RCIT), whichever is higher. Any excess of MCIT over the RCIT shall be carried forward on an annual basis and credited against RCIT for the next three succeeding taxable years. MCIT shall be imposed beginning on the fourth taxable year immediately following the taxable year in which such corporation started its business operations.

On March 26, 2021, Republic Act No. 11534, was signed into law. Under this law, effective July 1, 2020, the MCIT rate was reduced from 2% to one percent (1%) until June 30, 2023.

Effective July 1, 2023, the MCIT rate reverted to its original 2% based on the taxpayers gross income. For taxable year 2023, a two-tiered MCIT rate applies: 1% for the period January 1 to June 30, 2023 and 2% for the period July 1 to December 31, 2023.

In March 2024, Revenue Memorandum Circular No. 36-2024 issued by the Bureau of Internal Revenue (BIR) provided a clarification in manner of computing the MCIT for taxable year 2023. For taxpayers with calendar year ends, the MCIT rate to be used is 1.50% in 2023.

Details of MCIT as at December 31 are as follows:

Year incurred	Year of expiration	2024	2023
2020	2023	-	139,386
2021	2024	d	113,892
2022	2025	184,157	184,157
2023	2026	211,064	211,064
2024	2027	100,777	-
Subtotal		609,890	648,499
Expired during the year		(113,892)	(139,386)
		495,998	509113

Critical accounting judgment: Recoverability of DIT assets

Realization of future tax benefit related to DIT assets is dependent on the Group’s ability to generate future taxable income during the periods in which these are expected to be recovered. The Group has considered these factors in reaching a conclusion as to the amount of DIT assets recognized as at each reporting period and regularly reviews the recoverability of the DIT assets to be recognized.

16 Related party transactions

The table below summarizes the Group's transactions and balances with its related parties.

	Terms and conditions	Transactions 2024	Transactions 2023	Transactions 2022	Balances Receivable (Payable) 2024	Balances Receivable (Payable) 2023
Notes receivable	Unsecured note, due on demand and bears interest of 5% to 7% per annum. Amounts are payable in cash on a gross basis. Interest bearing, unsecured, with no guarantee.					
Parent Company						
Principal		-	-	-	-	-
Interest		-	-	1,630,000	-	941,644
Entities under common control						
Principal		-	8,000,000	-	54,305,002	56,805,002
Interest		3,287,114	3,021,025	148,210	1,346,188	4,021,415
		-	11,021,025		55,651,190	61,768,061
Advances	These are advances made by the related party for various project related expenses.					
Parent Company						
Principal		-	-	74,477,190	-	211,867
Interest	Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, interest bearing and due on demand.	-	-	9,570,207	-	-
Entities under common control						
Principal		-	-	3,085,478	5,000,000	6,726,316
Interest		302,653	347,085	19,819	-	-
					5,000,000	6,938,183
Due to related parties	These are advances made by the related party for various project related expenses.					
Ultimate Parent Company	Amounts are payable in cash on a gross basis. These are unsecured, non-interest bearing and due on demand.	-	28,344,614	-	(78,106)	(28,344,614)

	Terms and conditions	Transactions 2024	Transactions 2023	Transactions 2022	Balances Receivable (Payable) 2024	Balances Receivable (Payable) 2023
Extinguishment of debt	On December 29, 2023, the Group and its Parent Company executed a deed of assignment of land by way of dacion en pago.					
Notes receivable from Parent Company		-	36,000,000	-	-	-
Advances from Parent Company	In the agreement, the Parent Company assigned nine parcels of land to the Group in satisfaction of P335,578,155 debt. The land is located in Bagac, Bataan with a total area of 383,999 sqm valued at P335,615,126. The agreement resulted in P36,971 gain (Note 14).	-	271,402,945	-	-	-
Future stock subscription						
Parent Company	As discussed in Note 1.1, the Parent Company's Board of Directors (BOD) confirmed and ratified its previous resolution increasing the authorized capital stock of the Parent Company. Consequently, the Parent Company received P18,894,000 as deposit for future stock subscription. As discussed in Note 1.1, as at each report date, the resolution to increase the Parent Company’s authorized capital stock is awaiting ratification by the stockholders and pending application with SEC, hence recorded as non-current liabilities.	-	-	-	(18,894,000)	(18,894,000)
Leases						
Parent Company	The Parent Company has a lease agreement with the Parent Company for the rent of its office space located at the 12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City. The lease term is for two years and is renewable under mutual agreement of both parties. Transactions during the year pertains to the actual lease payments made during the year. Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, non-interest bearing and due on demand.	1,535,480	1,462,361	1,392,725	-	-

	Terms and conditions	Transactions 2024	2023	2022	Balances Receivable (Payable) 2024	2023
Dividends						
Shareholders	Refer to Note 11.	-	-	-	(5,184,637)	(5,184,637)
Expense recharges						
Entities under common control	These are recharges made by a related party for association dues and utilities taxes paid by the related party on behalf of the Group. These are billed at cost. Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, non-interest bearing and due on demand.	312,190	358,442	251,781	-	-
Key management compensation						
Director’s fees	Key management compensation of the Group consists of directors' fees. The Group does not have amounts receivables from/payables to key management personnel arising from the above agreement as at each reporting period. The Group does not have any regular employees. The accounting and management services are under the management of Philcomsat, its ultimate parent company.	3,000,000	3,425,000	3,600,000	-	-

The following related party transactions and balances were eliminated for the purpose of preparing the consolidated financial statements:

	2024	2023	2022
As at December 31			
Investment in subsidiaries	29,305,002	29,305,002	29,305,002
Due to related parties	-	(18,550,738)	-
For the years ended December 31			
Dividend income	13,000,000	-	1,800,000
Retainer fees	195,000	215,340	180,000

17 Earnings per share

Basic/diluted earnings per share for the years ended December 31 as follows:

	2024	2023	2022
Profit for the year	17,806,183	17,891,031	35,140,063
Weighted average number of shares outstanding	996,391,254	996,391,254	996,391,254
	0.0179	0.0180	0.0353

18 Civil cases

An action was filed in the Sandiganbayan by a group claiming to be directors and officers of POTC and Philcomsat seeking to enjoin the present directors and officers of POTC and Philcomsat from representing themselves as directors and officers and representatives of the Parent Company. The Parent Company sought the dismissal of the complaint against it on the ground that it is not a real party-in-interest since the injunction being sought is not directed against it. The Sandiganbayan issued a decision dismissing the case. The group alleging that they are the POTC and Philcomsat board of directors, however, appealed the case with the Supreme Court (SC) on November 10, 2008. The SC consolidated this case with three other cases.

On July 3, 2013, the SC in GR Nos. 184622, 184712-14, 186066 and 186590 ruled in favor of the Bildner Group and declared the Bildner Group as the legitimate board of directors of the Parent Company. The July 3, 2013 Decision attained finality on October 23, 2013 when the SC issued a Resolution denying the Motions for Reconsideration filed by the opposing parties. On March 27, 2014, the July 23, 2013 Decision has become final and executory.

The Parent Company also filed cases for the recovery of advances made by former directors and officers of the Parent Company. These cases are now pending resolution with the Department of Justice (DOJ).

19 Litigation

The following cases were filed by the Parent Company to recover assets allegedly withdrawn or misappropriated by the former officers:

- Philippine Communications Satellite Corporation against Philcomsat Holdings Corp. (PHC and former directors), Luis Lokin Jr., Enrique Locsin and Philip Brodett (Locsin Group)

  PHC, through the valid and incumbent directors (Bildner Group) filed a Motion for Issuance of Writ of Execution with the Regional Trial Court (RTC) of Makati Branch 138 as court of origin, following the final resolution of SC declaring the election of Locsin Group as PHC's officers and directors. Accordingly, the SC ordered the Locsin Group to render an accounting and return of funds allegedly received from the Parent Company. An Order granting the Motion was issued on February 20, 2017, resulting to the issuance of the Writ of Execution on February 28, 2017. On January 9, 2018, PHC filed a manifestation for the implementation of the Writ of Execution.

On February 9, 2018, an Order was issued directing PHC, within thirty (30) days from receipt, to submit its preferred accounting firm who will conduct the accounting of all funds and other assets received from POTC, PHC and Philcomsat since September 2004. On February 22, 2018, PHC filed its Ex-Parte Manifestation and Motion, in compliance with the said Order.

On July 11, 2018, the Sheriff of the Office of the Clerk of Court of Makati served the Writ of Execution to Manuel Andal, Benito Araneta, Philip Brodett, Enrique Locsin, Concepcion Poblador and Johnny Tan. On June 6, 2019, PHC filed an Ex-Parte Motion to Resolve the pending motion to appoint Virgilio R. Santos as the auditing accounting firm for the execution of the SC Decision dated July 3, 2013 issued in GR Nos. 184622, 184712-14, 186066 and 186590. There was a status conference held in this case on December 13, 2019 where the Court required the defendants to provide a name of their selected accountant to move forward with the audit. The defendants failed or refused again to comply, so the Court is likely to appoint Philcomsat's proposed accountant, Virgilio R. Santos, to do the audit. On May 18, 2022, Philcomsat filed an Ex-Parte Motion to Resolve praying that an Order be issued allowing VRS to commence the accounting of corporate funds received, utilized and disbursed by all the defendants and their assigns, which the Court granted in its Order of June 3, 2022. However, VRS has already retired. The issue of who would render the audit remains unsolved.

On May 2, 2017, the Presidential Commission on Good Government (PCGG) and Locsin filed with the Court of Appeals (CA) a Petition for Certiorari and Prohibition with Very Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction assailing the Order dated February 20, 2017 issued by the RTC. On January 30, 2018, the CA issued a Decision dismissing the Petition. On February 22, 2018, PCGG and Locsin filed their Motion for Reconsideration with Motion to Exclude the PCGG from the instant Petition, which are both denied in a Resolution dated June 27, 2018.

On August 8, 2018, PCGG filed its Motion for Reconsideration on the denial of its Motion for Exclusion. On October 29, 2018, Philcomsat filed its Opposition thereto.

Meanwhile, PCGG and Locsin filed a Petition for Review with the Supreme Court (SC) questioning the Decision issued by the CA dated January 30, 2018, which dismissed their Appeal. Philcomsat filed its comment thereto on November 6, 2018. PCGG filed its Reply on February 17, 2020.

Separately, Brodett filed his Petition for Certiorari under Rule 65 with the CA assailing the Order issued by the RTC, which denied his Motion for Clarification on the issue of rendering an accounting of the funds. The CA denied his Petition on the ground that clarification may only be allowed if the order involves a clerical error but not when it is an alleged erroneous judgment or dispositive portion of the decision. Since Brodett's Motion for Clarification was raised questioning the grant of a writ of execution, the CA held that it cannot be subject of a motion for clarification.

On December 15, 2017, the CA's dismissal was issued and the case was considered terminated. Brodett still filed his Motion for Reconsideration, which was denied on May 10, 2018. Brodett elevated the matter to the SC via Petition for Review but the SC denied the same in a Resolution dated August 29, 2018.

On December 7, 2022, the Court issued a Resolution requiring the parties to file their respective memoranda. Philcomsat filed its Memorandum on March 10, 2023.

- Complaint for collection against Araneta and Lokin

  On May 26, 2010, a complaint for collection of sum of money and damages, with an application for a Writ of Preliminary Attachment dated May 24, 2010 was filed by the Parent Company against Benito Araneta and Luis Lokin Jr., former directors of the Parent Company for an alleged personal back to back loans with Bankwise procured by Araneta using the Parent Company's funds as collateral, with the help of Lokin, in the amount of P35.3 million.

  On February 2, 2017, a Decision was issued finding Araneta and Lokin liable to pay PHC: a) actual damages in the sum of P31.5 million plus legal interest of 6% computed from May 26, 2010, the time of judicial demand until fully paid; b) P200,000 as and by way of exemplary damages; and c) P200,000 as and by way of attorney's fees, plus costs of suit.

Araneta and Lokin filed their Notices of Appeal on September 6 and September 8, 2017, respectively. On January 16, 2018, the Court of Appeals (CA) required defendants to file Appellant's Brief within 45 days from receipt thereof. On April 20, 2018 and May 7, 2018, PHC received Lokin and Araneta's Appellant's Briefs, respectively. On June 5, 2018, PHC filed its Appellee's Brief.

On September 18, 2018, PHC filed a Compliance submitting proof of service of its Appellee's Brief to defendants in accordance with the CA's Resolution dated July 2, 2018. On April 25, 2019, the CA issued a Decision granting Araneta's appeal.

On May 30, 2019, PHC filed its Motion for Reconsideration of the said Decision. On July 11, 2019, Araneta filed his Comment thereto, in accordance with the Resolution dated June 6, 2019 issued by the CA to file the same.

On October 24, 2019, the Court of Appeal issued a Resolution denying PHC's Motion for Reconsideration. On November 26, 2019, PHC elevated the case to the Supreme Court via Petition for Review on Certiorari under Rule 45. On March 9, 2020, Araneta filed his Comment. On July 21, 2023, Araneta filed a Motion for Early Resolution.

- Criminal complaint against Brodett and Bankwise Officers using spurious bank accounts for company's deposits

  On May 8, 2008, the Parent Company filed a criminal complaint for estafa for misappropriation of corporate funds against Brodett, a former director of the Parent Company, and certain officers of Bankwise. The complaint alleged that the unauthorized deposits, withdrawals and transfers of the Parent Company's funds in the amount of P66.8 million was processed through spurious bank accounts and involved the comingling and transfer of funds between the Parent Company's accounts and certain personal accounts.

  On June 14, 2016, an Order was issued allowing Brodett to present his defense only with respect to the P27.0 million and P9.3 million which allegedly came from PHC funds and not in the whole amount of P66.8 million. On July 1, 2016, a Motion for Reconsideration of the said Order was filed by the Private Prosecutor (Parent Company).

  On August 30, 2016, the Private Prosecutor (Parent Company) filed a Reply to Brodett's Comment/Opposition dated August 25, 2016. After the presentation of defense evidence has already been concluded on June 5, 2018, the accused filed their Formal Offer of Evidence, which was partially admitted by the Court on August 28, 2018.

  On February 21, 2020, the Court promulgated its judgment finding accused Brodett guilty for the crime of theft, sentencing him to the penalty of imprisonment for a minimum period of four (4) years, two (2) months, one (1) day, to a maximum period of sixteen (16) years and 4 months. He was also found civilly liable to pay PHC the amount of P14,235,700, with legal interest of 12% per annum from April 11, 2008 until June 30, 2013 and the total obligation plus 6% legal interest from July 1, 2013 until fully paid.

  On March 3, 2020, Brodett filed his Motion for Partial Reconsideration of the Decision. On July 1, 2020, PHC filed its Consolidated Comment/Opposition thereto. In ruling Brodett's Motion for Reconsideration, the Court again promulgated the case on December 2, 2020 and affirmed Brodett's conviction. He then filed an appeal on December 3, 2020.

- Criminal complaint against Araneta for non-return of PHC deposits

  A criminal complaint for estafa was filed against Araneta for money market placements amounting to P65.0 million which allegedly were not returned to the Parent Company. The case was dismissed on February 9, 2009 for lack of probable cause. The appeal filed on March 4, 2009 is still pending decision with the DOJ as at report date.

- Criminal complaint against Concepcion A. Poblador

  A criminal complaint for estafa was filed against Ms. Poblador for allegedly receiving cash advances amounting to P14.5 million, which she failed to account for and return to the Parent Company after formal demands. On February 9,2009, the DOJ issued a Resolution directing the filing of an information against Ms. Poblador only for P0.2 million.

  On January 7, 2014, the Parent Company filed a Petition for Certiorari praying that the DOJ file new information against Ms. Poblador for estafa for the total amount of P16.7 million.

  On January 10, 2014, the Parent Company received a Petition for Certiorari filed by Ms. Poblador seeking the reversal of the Resolution directing the filing of an Information for estafa against her for P0.2 million. On August 29, 2014, the two petitions were consolidated.

  On April 26, 2017, subsequent to the filing of the parties' respective Memoranda, the CA issued a Resolution requiring Ms. Poblador to file a Rejoinder to the Parent Company's Reply (to the Memorandum of Poblador). In the meantime, the case was returned to "Completion State" pending the filing of the Rejoinder. Poblador filed her Rejoinder on June 1, 2017 under a Motion to Admit Attached Rejoinder.

  On November 29, 2017, Poblador filed a Manifestation adopting her previous Memorandum dated December 22, 2014 as her compliance with the Resolution dated October 11, 2017. The Office of the Solicitor General filed a Manifestation and Motion on November 24, 2017 asking that the DOJ Secretary be excused from filing a Memorandum. Based on the Resolution of the Court requiring the parties anew to file their respective Memorandum, PHC's (2nd) Memorandum was filed on December 13, 2017, within the extended period prayed for.

  On June 14, 2019, the CA issued a Decision denying both PHC's and Ms. Poblador's Petitions for Certiorari. On July 5 and 11, 2019, both parties filed their respective Motions for Reconsideration. On July 24, 2019, PHC filed its Comment to Ms. Poblador's Motion for Reconsideration. On August 10, 2020, the CA issued a Resolution denying PHC and Ms. Poblador's Motions for Reconsideration. PHC decided not to pursue the case with the Supreme Court considering that the amount involved is already covered by the advances to affiliates case.

  On November 3, 2020, Poblador filed her Petition for Review with the Supreme Court.

The Group is also involved in other litigations, claims and disputes which are normal to its business. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the financial position and financial performance of the Group.

20 Critical accounting estimates, assumptions, and judgments

Estimates, assumptions and judgments 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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Critical accounting estimates and assumptions

- Provision of impairment of receivables and due from related parties (Notes 3 and 16)
- Fair value of financial instruments (Note 6)
- Determining the incremental borrowing rate for leases (Note 10)

(b) *Critical accounting judgments in applying the Group's accounting policies*
- Recoverability of due from related parties (Note 16)
- Recoverability of input VAT and tax credits (Notes 5)
- Recoverability of investment properties, and property and equipment (Note 7)
- Determining the lease term (Note 10)

21 Financial risk management and capital management

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Financial risk management is carried out by management under the direction of the Parent Company's BOD. Management identifies and evaluates financial risks in close cooperation with the Group's department heads. The Parent Company's BOD reviews and approves policies and procedures covering specific financial risk areas. These policies and procedures enable the Group's management to make strategic and informed decisions with regard to the operations of the Group.

The most important types of risk the Group manages are credit risk, market risk and liquidity risk. Market risk includes foreign exchange, interest and price risks. The Group has no significant financial assets and liabilities that are exposed to foreign exchange and interest risk.

Components of financial assets and liabilities

Details of the Group's financial assets as at December 31 are as follows:

	Notes	2024	2023
Financial assets measured at amortized cost			
Cash and cash equivalents	2	121,712,962	119,750,672
Receivables	3	114,872,989	119,371,493
Due from related parties	16	5,000,000	6,938,183
Financial assets at FVTPL		107,298,599	131,104
Financial assets at FVOCI	6	803,483,539	912,363,316
		1,152,368,089	1,158,554,768

Other current assets consist of advances subject for liquidation, hence not considered as financial assets.

Other non-current assets consist of CWT and input VAT which not considered as financial assets since they do not arise from contractual arrangements.

Details of the Group's financial liabilities as at December 31 are as follows:

	Notes	2024	2023
Trade payables	9	5,926,993	3,624,129
Lease liability	10	265,844	2,131,772
Dividends payable		5,184,637	5,184,637
Due to a related party	16	219,353	28,344,614
Deposit for future stock subscription	16	18,894,000	18,894,000
		30,490,827	58,179,152

Other payables consisting of customer deposits and statutory payables not arising from contractual arrangements are not considered as financial liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation.

The Group enters into contracts only with recognized, credit-worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group obtains guarantees where appropriate to mitigate credit risk.

Credit risk arises from cash deposits with banks and financial institutions, as well as credit exposure on receivables and amounts due from a related party.

There is no significant concentration of credit risk, whether through exposure to individual counterparties or specific industry sectors.

The maximum exposure to credit risk for the Group’s financial assets are as follows:

	Gross carrying amount	Net carrying amount	Internal credit rating	Basis for recognition of ECL
December 31, 2024				
Cash in banks and short-term placements	121,706,719	121,706,719	Performing	12-month ECL
Receivable				
Group 1	114,872,989	114,872,989	Performing	12-month ECL
Group 2	1,564,965	-	Impaired	Full provision
Due from related parties	5,000,000	5,000,000	Performing	12-month ECL
Financial assets at FVTPL	107,298,599	107,298,599	Performing	Not applicable
Financial assets at FVOCI	803,483,539	803,483,539	Performing	Not applicable
	1,153,926,811	1,152,361,846		
December 31, 2023				
Cash in banks and short-term placements	119,739,572	119,739,572	Performing	12-month ECL
Receivables				
Group 1	119,371,493	119,371,493	Performing	12-month ECL
Group 2	2,057,317	-	Impaired	Full provision
Due from related parties	6,938,183	6,938,183	Performing	12-month ECL
Financial assets at FVTPL	131,104	131,104	Performing	Not applicable
Financial assets at FVOCI	912,363,316	912,363,316	Performing	Not applicable
	1,160,600,985	1,158,543,668		

Generally, receivables are written-off if collection cannot be made despite exhausting all extrajudicial and legal means of collection. The maximum exposure to credit risk at reporting date is the carrying value of the financial assets. The Group does not hold collateral as security.

Cash and cash equivalents

The Group has policies that limit the amount of credit exposure with financial institutions. Management assessed that all of the Group’s cash in bank are deposited with a well-capitalized financial institution and a reputable universal bank with strong financial standing. While cash on hand is also subject to requirements of PFRS 9, the expected credit loss is deemed immaterial.

Receivables

The Group’s outstanding receivables from corporate notes and its related interest. The Group does not expect significant credit exposure on this receivable considering that these are short-term investments in promissory notes of reputable and listed institutions with good credit rating.

Credit quality of customers are classified as follows:
Group 1 - Customer and counterparty balances without history of default and assessed to be fully recoverable.
Group 2 - Individually assessed customer with defaults and which the Group no longer expects to recover the balance despite its collection efforts.

Due from related parties

Due from related parties arising from advances are collectible within 12 months. Expected credit losses are based on the assumption that repayment of balances outstanding will not be compromised considering these are receivables from entities under common control with no history of default.

Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, including but not limited to, availability of accessible highly liquid asset and internal and external funding of a related party, Group has assessed that the outstanding balances are exposed to low credit risk. Expected credit losses on these balances have therefore been assessed to be insignificant.

None of the fully performing financial assets have been renegotiated during each of the reporting periods.

Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash to meet the Group's operational commitment and finance its operation and working capital requirements.

Prudent liquidity risk management implies maintaining sufficient cash, timely collection of receivables and availability of funding through an adequate amount of facilities. The Group aims to maintain flexibility in funding by keeping track of its cash collections from dividends. The Group may also obtain funding from its shareholders, as well from third-party banking institutions, as necessary, to finance its operations and working capital requirements.

The table below summarizes the undiscounted profile of the Group's financial liabilities based on contractual payments:

	Less than 12 months	More than 1 year	Total
At December 31, 2024			
Trade and other payables	5,926,993	-	5,926,993
Lease liability, gross	265,844	-	265,844
Dividends payable	5,184,637	-	5,184,637
Due to a related party	219,353	-	219,353
Deposit for future stock subscription	18,894,000	-	18,894,000
	30,490,827	-	30,490,827
At December 31, 2023			
Trade and other payables	3,624,129	-	3,624,129
Lease liability, gross	1,943,584	272,070	2,215,654
Dividends payable	5,184,637	-	5,184,637
Due to a related party	28,344,614	-	28,344,614
Deposit for future stock subscription	18,894,000	-	18,894,000
	57,990,964	272,070	58,263,034

Market risk

Price risk

Equity price risk is the risk that the fair values of equity instruments recognized under financial assets at FVOCI decrease as the result of changes in the levels of equity indices and the value of individual stocks. The Group is exposed to equity securities price risk because of the Group's investments in financial assets at FVTPL and financial assets at FVOCI which consist primarily of investment in listed and traded securities.

The Group measures the sensitivity of its investment securities by using PSE index (PSEi) fluctuations. The table below sets forth the impact of changes in PSEi in other comprehensive income for each of the periods ended December 31:

	Increase (decrease) in PSEI	Increase (decrease) in other comprehensive income
2024	16%	40,990,505
	(6%)	(14,109,418)
2023	11%	19,313,028
	(7%)	(13,377,391)
2022	15%	33,841,175
	(13%)	(29,765,729)

The sensitivity of the equity is the effect of the assumed changes in the PSEi on the net unrealized gain (loss) for the year, based on the adjusted beta rate of equity securities as at each reporting period. The reasonable possible changes in the market price of investments were determined based on Group's analysis of the movement in share prices for the next 30 days from the close of the financial year.

Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk arising from currency exposures, primarily with respect to the US Dollar. Foreign currency exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Parent Company's functional currency.

The Group's foreign-currency denominated financial instrument as at December 31, 2024 consists of cash in banks and cash equivalents totaling US$25,720 (2023 - US$586,634). The Group's exposure to foreign currency risk is insignificant.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. As at each reporting period, the Group has repriceable financial assets, specifically investments in quoted bonds classified as financial assets at FVOCI. Accordingly, the Group is subject to fair value interest rate risk.

The Group measures the sensitivity of its investment securities by using PHP BVAL reference rate fluctuations. The table below sets forth the impact of changes in PHP BVAL in the Group's other comprehensive income for each of the periods ended December 31:

	Increase (decrease) in PHP BVAL	Increase (decrease) in other comprehensive income
2024	11%	55,644,178
	(10%)	(51,306,812)
2023	14%	81,643,390
	(5%)	(28,957,310)
2022	9%	53,969,615
	(42%)	(239,401,184)

Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders and obtain borrowings from banks or to related party.

The capital that the Group manages is the total equity as shown in the statements of financial position.

The Group is not subject to any externally imposed capital requirements.

Fair value estimation

As at each reporting period, the carrying amounts of the Group's financial assets and liabilities, other than those already disclosed in the preceding paragraphs, reasonably approximate their fair values due to the short-term nature of these financial instruments.

The different levels in the fair value hierarchy have been defined in Note 22.2. There were no transfers between Levels 1, 2 and 3 during each of the reporting periods.

22 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

22.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

These consolidated financial statements have been prepared under the historical cost convention, except for the measurement of financial assets at FVTPL and FVOCI, and assets held for sale.

The preparation of consolidated financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are summarized in Note 20.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for its annual reporting period commencing January 1, 2024:

- Amendments to PAS 1, 'Presentation of Financial Statements'

  Amendments made to PAS 1 in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

  Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. If the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current, even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

  - The carrying amount of the liability
  - Information about the covenants (including the nature of the covenants and when the entity is required to comply with them)
  - Facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments must be applied retrospectively in accordance with PAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

- Amendment to PFRS 16, 'Lease Liability in Sale and Leaseback'

  In September 2022, the IASB finalized narrow-scope amendments for sale and leaseback transactions in IFRS 16 Leases. This specifies how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact transactions where the lease payments include variable payments not dependent on an index or a rate.

- Amendments to PAS 7 and PFRS 7, 'Supplier Finance Arrangement'

  On May 25, 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). These amendments respond to investors' need for more information about SFAs to assess how these arrangements affect an entity's liabilities, cash flows, and liquidity risk.

The new disclosures will provide information about:

(1) The terms and conditions of SFAs.
(2) The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
(3) The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.
(4) The range of payment due dates for both the financial liabilities that are part of SFAs and comparable trade payables that are not part of such arrangements.
(5) Non-cash changes in the carrying amounts of financial liabilities in no. 2.
(6) Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities will be required to aggregate the information they provide about SFAs. However, they should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes needed for comparability between periods.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

The amendments to PAS 1, 7, and 8 and PFRS 7 and 16 did not have a material impact on the financial statements of the Group.

There are no other new standards, interpretations, and amendments to existing standards effective January 1, 2024, that are considered to be relevant or have a material impact on the financial statements.

(b) New standards, amendments and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31 2024 reporting periods and have not been early adopted by the Group. The Group’s assessment of the impact of these new standards and amendments is set out below:

- Amendments to PAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after January 1, 2025)

  In August 2023, the IASB amended PAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Group does not expect these amendments to have a material impact on its operations or financial statements.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to PFRS 9 and PFRS 7 (effective for annual periods beginning on or after January 1, 2026)

  On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group does not expect these amendments to have a material impact on its operations or financial statements.

- PFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after January 1, 2027)

  Issued in May 2024, PFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Group does not expect this standard to have an impact on its operations or financial statements.

- PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)

  PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and o for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying PAS 1.

From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

22.2 Financial assets

Classification

The Group classifies its financial assets in the following categories: (a) financial assets at amortized cost, (b) financial assets at fair value through profit or loss (FVTPL), and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortized cost

The Group classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The Group's financial assets at amortized cost comprise of cash, receivables, and due from a related party.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months at the end of the reporting period.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition as at FVTPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Fair value gains or losses on investments held for trading net of interest income accrued on these assets, are recognized in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as financial assets at FVTPL, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited. Financial assets may be designated by management on initial recognition as at FVTPL, if any of the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains and losses on them on a different basis; or
- The assets are part of group of financial assets, liabilities or both which are managed and their performance evaluated on fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative that would need to be separately recorded.

Financial assets at FVOCI

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity security which is not held for trading, and which the Group has irrevocably elected at initial recognition to recognize in this category. This is a strategic investment and the Group considers this classification to be more relevant. On disposal of this equity investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

As at each reporting period, investments in shares of stocks of various listed corporations, UITFs, traded bonds and club memberships are designated as financial assets at FVOCI.

Recognition and measurement

The Group recognizes a financial asset in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

Derecognition

The basic premise for the derecognition model is to determine whether the asset under consideration for derecognition is:

- an asset in its entirety or
- specifically identified cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of the cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

Once the asset under consideration for derecognition has been determined, an assessment is made as to whether the asset has been transferred, and if so, whether the transfer of that asset is subsequently eligible for derecognition.

An asset is transferred if either the entity has transferred the contractual rights to receive the cash flows, or the entity has retained the contractual rights to receive the cash flows from the asset, but has assumed a contractual obligation to pass those cash flows on under an arrangement that meets the following conditions:

- the Group has no obligation to pay amounts to the eventual recipient unless it collects equivalent amounts on the original asset;
- the Group is prohibited from selling or pledging the original asset (other than as security to the eventual recipient); and
- the Group has an obligation to remit those cash flows without material delay.

Once the Group has determined that the asset has been transferred, it then determines whether or not it has transferred substantially all of the risks and rewards of ownership of the asset. If substantially all the risks and rewards have been transferred, the asset is derecognized. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

If the Group has neither retained nor transferred substantially all of the risks and rewards of the asset, then the Group must assess whether it has relinquished control of the asset or not. If the Group does not control the asset then derecognition is appropriate; however, if the Group has retained control of the asset, then the Group continues to recognize the asset to the extent to which it has a continuing involvement in the asset.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment losses are presented as part of cost and expenses in the statement of comprehensive income.

With the exception of purchased or originated credit impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to:
- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

(i) Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

(ii) General approach

The Group applies the general approach to provide for ECLs on cash in banks, interest receivable, and due from a related party. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

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 includes forward-looking information.

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 360 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e., the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information as described above. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost 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 includes the following observable data:
- significant financial difficulty of the counterparty;
- a breach of contract such as actual default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor 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.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognized directly in profit or loss.

Financial assets at FVOCI

In the case of equity investments classified as financial assets carried at FVOCI, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. When a decline in the fair value of a financial assets carried at FVOCI has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized in other comprehensive income is removed directly from equity with no option to recycle to profit or loss. Impairment losses recognized in profit or loss for an investment on equity instrument classified as financial assets at fair value through other comprehensive income are not reversed through profit or loss.

In the case of debt instruments classified as financial assets carried at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the profit or loss.

22.3 Consolidation

The consolidated financial statements comprise the consolidated financial statements of the Group as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024. For consolidation purposes, the subsidiaries' financial statements are prepared as at the same reporting year as that of the Parent Company. The Group uses uniform accounting policies. Details of principal subsidiaries are shown in Note 1.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Parent Company do not differ from the proportion of ordinary shares held.

(a) Subsidiaries

Subsidiaries are all entities over which the Parent Company has control. The Parent Company 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are deconsolidated from the date that control ceases.

The Parent Company applies the acquisition method to account for business combinations for acquired entities that are not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Parent Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Parent Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Parent Company is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is deemed to be an equity instrument is not re-measured, and its subsequent settlement is not accounted for within equity.

Inter-Group transactions, balances and income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-Group transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Parent Company.

Business combinations under common control are accounted for using the predecessor cost method. Under this method, the Group does not restate the acquired businesses or assets and liabilities to their fair values. The net assets of the combining entities or businesses are combined using the carrying amounts of assets and liabilities of the acquired entity. No amount is recognized in consideration for goodwill or the excess of acquirer's interest in the net fair value of acquired identifiable assets, liabilities, and contingent liabilities over their cost at the time of the common control combination. The financial statements incorporated the net assets and results of operations of the combining entities or businesses as if they had always been combined or from the date when combining entities or business first became under common control, whichever period is shorter.

The difference between the consideration given and the aggregate book value of the assets and liabilities acquired as of the date of the transaction are included in "other equity charges" account within equity.

(b) Disposal of subsidiaries

When the Parent Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Parent Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

The Parent Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Parent Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Parent Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Dilution gains and losses arising in investments in associates are recognized in profit or loss. Unrealized gains on transactions between the Parent Company and its associates are eliminated to the extent of the Parent Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Parent Company.

(c) Deposit for future stock subscription

Deposit for future stock subscription represents fund paid by the Parent Company with the intention to apply the same as payment for additional issuance of common share to increase its interest in the investee company.

22.4 Financial liabilities

Classification and presentation

The Group classifies its financial liabilities in the following categories: (i) financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value) and (ii) financial liabilities at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

The Group did not hold financial liabilities at fair value through profit or loss during and at the end of each reporting period.

The Group's financial liabilities at amortized cost consist mainly of trade payables and other liabilities (excluding customer deposits and statutory payables) and lease liabilities.

Initial recognition and subsequent measurement

The Group's financial liabilities at amortized cost are initially measured at fair value plus transaction costs. Subsequently, these are measured at amortized cost using the effective interest method.

Interest expense on financial liabilities is recognized within finance cost, at gross amount, in the statements of total comprehensive income.

Derecognition

Financial liabilities are derecognized when extinguished, that is, when the obligation specified in a contract is discharged or cancelled or when the obligation expires.

22.5 Determination of fair value

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 Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on Group specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

For assets that are recognized on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

Details of the Group's fair value measurement for the financial assets at FVOCI and investment properties are disclosed in Note 6 and Note 7, respectively.

22.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

22.7 Cash and cash equivalents

Short-term placements are presented as cash equivalents if they have a maturity of three months or less and are carried in the statement of financial position at face amount or at nominal amount, which approximates its amortized cost using the effective interest method.

22.8 Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the noncurrent asset is recognized at the date of derecognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale.

22.9 Investment properties

Investment properties is defined as a property, mainly land, held for the purposes of earning rentals, for capital appreciation or both. This property is not held to be used in production or sale in the ordinary course of business. Investment property is initially measured at acquisition cost. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured, in which case, the investment property acquired is measured at the carrying amount of asset given up. Investment properties are subsequently carried at cost less accumulated depreciation and any accumulated impairment.

Land is not depreciated.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. if owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

22.10 Property and equipment

Property and equipment is subsequently measured at cost. Depreciation is calculated using the straight-line method to allocate the cost of each asset, net of their residual values, over their estimated useful lives as follows:

	Number of Years
Office equipment and office improvement	3
Transportation equipment	3-5
Furniture and fixtures	3

The useful lives of each of the property and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets. The property and equipment's useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

22.11 Impairment of non-financial assets

Non-financial assets, mainly property and equipment and investment in a subsidiary, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset’s fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses, if any, are recognized in profit or loss. Non-financial assets that have been impaired are reviewed for possible reversal of impairment at each reporting period.

22.12 Revenue recognition

Dividend income

Dividend income from a subsidiary is recognized when the right to receive dividend is established usually upon declaration by the BOD.

Interest income

Interest income on bank deposits, which is presented net of final withholding tax, is recognized on a time proportion basis using the effective interest rate method.

Retainer income

Retainer pertains to monthly retainer fees earned by PSTI being a stock transfer agent, and is recognized overtime.

Other income

All other income is recognized when earned or when the right to receive payment is established.

22.13 Leases

The Group assesses whether the contracts are, or contain, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

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

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

The Group as a lessee

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

After the commencement date, the ROU asset is carried at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the lease term.

At the commencement date, the Group measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

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

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

22.14 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among entities which are under control with the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

22.15 Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

22.16 Foreign currency transactions and translation

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). These financial statements are prepared in Philippine Peso, which is the Parent Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

22.17 Subsequent events

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

23 Operating segment information

The Group is organized into operating segments based on the type of product or service. The Group's reportable operating segments relates to investing funds, management services and stock transfer agency.

The disaggregated revenue, as disclosed in Note 12, was assigned to the operating segments as follows:

Revenue as disaggregated	Operating segment
Interest income	Investing funds
Dividend income	Investing funds
Rent income	Investing funds
Service fees	Management services
Retainer fee	Stock transfer agency
Stock transfer fee	Stock transfer agency
Other service fee	Stock transfer agency
Gain on sale of financial assets at FVOCI	Investing funds
Gain on sale of investment property	Investing funds

All of the assets relating to the Group's operating segments are located in the Philippines. Accordingly, reporting operating segments per geographical business operation is not required.

Segment assets, liabilities and revenue and expenses are measured in accordance with PFRS Accounting Standards. The presentation and classification of segment revenue and expenses are consistent with that presented in the consolidated statements of comprehensive income.

Significant information of the Group's reportable segments is as follows:

2024	Segment			
	Investing funds	Management services	Stock transfer agency	Total
Segment revenue	46,228,758	-	10,245,509	56,474,267
Segment profit	59,151,340	-	6,614,369	65,765,709
Depreciation	1,427,106	-	398,339	1,825,445
Provision for income tax	432,220	(16,781)	922,421	1,337,860
Total assets	1,486,952,633	24,334,802	6,387,177	1,517,674,612
Total liabilities	30,773,274	217,282	725,160	31,715,716

2023	Segment			
	Investing funds	Management services	Stock transfer agency	Total
Segment revenue	47,175,500	-	8,773,053	55,948,553
Segment profit	48,537,820	-	5,227,039	53,764,859
Depreciation	1,424,800	-	403,753	1,828,553
Provision for income tax	(1,335,734)	(26,586)	460,790	(901,530)
Total assets	1,481,824,071	31,078,116	6,836,935	1,519,739,122
Total liabilities	60,095,073	78,682	1,110,438	61,284,193

2022	Segment			
	Investing funds	Management services	Stock transfer agency	Total
Segment revenue	54,103,307	-	9,432,972	63,536,279
Segment profit	30,010,571	-	5,129,492	35,140,063
Depreciation	1,341,501	-	402,615	1,744,116
Provision for income tax	869,136	189,753	484,286	1,543,175
Total assets	1,443,732,608	34,118,015	4,083,952	1,481,934,575
Total liabilities	34,289,996	1,620	563,326	34,854,942

Capital expenditures for the year ended December 31, 2024 attributable to the investing funds segment amounted to P13,839 (2023 - P21,863; 2022 - P26,518)

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets
December 31, 2024

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
Notes and loans receivable				
Promissory notes issued by various financial institutions				
Philippine Commercial Capital, Inc.	39,944,922	39,944,922	39,944,922	
Corporate notes				
Montemar Beach Club Inc.	54,305,002	54,305,002	54,305,002	3,585,384
HMR Philippines, Inc.	14,349,551	14,349,551	14,349,551	305,653
Elite Defense Security Services, Inc.	500,000	500,000	500,000	21,732
	107,984,931	107,984,931	107,984,931	3,912,769
Financial assets at FVTPL				
Investments in UITFs				
AB Capital Balanced Funds		9,760,747	9,760,747	
Sun Life Prosperity Balanced Fund	11,771,306	41,136,006	41,136,006	
Sun Life Prosperity GS Fund	6,038,647	10,973,429	10,973,429	
Philam Strategic Growth Fund	66,408	30,705,067	30,705,067	
BDO Private Bank Managed Funds		11,187,621	11,187,621	
BDO - Trust & Investments Group Managed Funds	17,261	2,345,054	2,345,054	
SB Asia Pacific EQ Feeder Fund Class F		1,059,571	1,059,571	
Investment in quoted shares				
Bank of the Philippine Islands	1,205	131,104	131,104	
		107,298,599	107,298,599	

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
Financial assets at FVOCI				
Investments in quoted bonds				
Aboitiz Equity Ventures, Inc.		4,471,770	4,471,770	
Aboitiz Power Corporation		1,093,721	1,093,721	
Ayala Corporation		6,752,468	6,752,468	
Ayala Land, Inc.		42,746,187	42,746,187	
Bank of Commerce		2,000,000	2,000,000	
Bank of the Philippine Islands		11,000,000	11,000,000	
BDO - Trust & Investments Group Managed Bonds		168,887,631	168,887,631	
BDO Private Bank Managed Bonds		104,054,748	104,054,748	
Development Bank of the Philippines		2,000,000	2,000,000	
Doubledragon Properties Corp.		17,894,716	17,894,716	
Energy Development Corporation		3,200,000	3,200,000	
EW Peso Intermediate Term Bond Fund	7,259	16,506,335	16,506,335	
Filinvest Development Corporation		2,000,000	2,000,000	
Fixed Rate Treasury Note		4,158,037	4,158,037	
Megawide Construction Corporation		2,000,000	2,000,000	
Metropolitan Bank & Trust Company		12,543,091	12,543,091	
PBCom Bonds		2,000,000	2,000,000	
Philam Bond Fund	10,238,936	10,238,936	10,238,936	
Retail Dollar Bonds		1,160,280	1,160,280	
Retail Treasury Bonds		35,295,499	35,295,499	
Robinsons Land Corp.		2,000,000	2,000,000	
San Miguel Corporation		12,178,670	12,178,670	
San Miguel Global		100,135	100,135	
Security Bank Corporation		2,500,000	2,500,000	
SM Prime Holdings, Inc.		22,535,587	22,535,587	
Toyota Financial Services Philippines		20,000,000	20,000,000	
UnionBank of the Philippines	500	6,108,128	6,108,128	

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets (continuation)
December 31, 2024

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
Investments in quoted shares of stock				
A Brown Company	10,000	965,000	965,000	
AB Capital Equity Funds		12,283,576	12,283,576	
AC Energy Corporation	150,000	2,700,000	2,700,000	
Areit, Inc.	185,300	7,032,135	7,032,135	
Arthaland		2,010,000	2,010,000	
Axelum Resources Corp.	200,000	518,000	518,000	
Ayala Corporation		1,530,000	1,530,000	
Ayala Land, Inc.	100,000	2,620,000	2,620,000	
Bank of Commerce		540,000	540,000	
BDO - Trust & Investments Group Managed Bonds		40,486,624	40,486,624	
BDO Private Bank Managed Bonds		28,107,836	28,107,836	
BDO Unibank, Inc.	16,869	2,914,848	2,914,848	
Cebu Landmasters, Inc.	150,000	886,425	886,425	
Chelsea Logistics Holdings Corp.	100,000	131,000	131,000	
Cirtek Holdings Phils. Corp.	150,000	4,873,176	4,873,176	
Citicore Energy REIT Corporation		5,978,000	5,978,000	
Converge ICT Solutions, Inc.	500,000	8,070,000	8,070,000	
D.M. Wenceslao and Associates, Inc.	1,500,000	8,280,000	8,280,000	
DDMP Reit, Inc.	500,000	515,000	515,000	
DMCI Holdings, Inc.	75,000	811,500	811,500	
Doubledragon Properties Corp.	31,000	3,013,200	3,013,200	
EEI Corporation	50,000	4,928,000	4,928,000	
Filinvest REIT Corp.	1,000,000	2,950,000	2,950,000	
Intl. Cont. Terminal Serv. Inc.	4,170	1,609,620	1,609,620	

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets (continuation)
December 31, 2024

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
JG Summit Holdings, Inc.	5,250	107,888	107,888	
Jollibee Foods Corp.	1,000	984,000	984,000	
Megawide Construction Corporation	1,005,000	1,454,500	1,454,500	
MerryMart Consumer Corp.	1,450,000	870,000	870,000	
Monde Nissin Corporation	1,688,000	860,000	860,000	
MREIT, Inc.	186,000	2,481,240	2,481,240	
Petron Corporation	1,000	4,138,000	4,138,000	
Phoenix Petroleum Phils.	2,000	355,800	355,800	
Raslag Corporation		257,500	257,500	
Robinsons Land Corp.	786,3643	4,647,362	4,647,362	
San Miguel Corporation	143,300	10,165,245	10,165,245	
Shell	150,000	1,125,000	1,125,000	
SM Prime Holdings, Inc.	111,500	3,121,625	3,121,625	
Synergy Grid & Dev't Phils., Inc.	1,022,400	784,000	784,000	
Torre Lorenzo Development Corp.		65,000,000	65,000,000	
Wilcon Depot, Inc.	605,000	8,651,500	8,651,500	

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets (continuation)
December 31, 2024

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
Investments in unquoted shares of stock				
Asian Breast Cancer	300,000	30,000,000	30,000,000	
Investments in club memberships				
Montemar Beach Club Inc.	10	8,000,000	8,000,000	
Makati Sports Club, Inc.	1	1,300,000	1,300,000	
		803,483,539	803,483,539	27,568,990

Philcomsat Holdings Corporation and Subsidiaries

Schedule B. Amounts receivable from directors, officers, employees, related parties, and principal stockholders (other than related parties)
December 31, 2024

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of period
Included under receivables							
Montemar Beach Club Inc.	60,826,416	-	(5,175,227)	-	55,651,189	-	55,651,189
Philippine Communications Satellite Corporation	941,644	-	(1,082,890)	-	-	-	(141,246)
Presented under "Due from related parties"							
Montemar Beach Club Inc.	6,526,316	-	(1,526,316)	-	5,000,000	-	5,000,000
Philippine Communications Satellite Corporation	211,867						
Montemar Resort Development Corp.	200,000	-	(200,000)	-	-	-	-
	69,697,524						

"Notes receivables from" and "cash advances to" Montemar beach Club Inc. and Philippine Communications Satellite Corporation bear interest of 4% to 7% with terms of 180 days to one year. Cash advances to Montemar Resort Development Corp. are non-interest bearing.

Philcomsat Holdings Corporation and Subsidiaries

Schedule C. Amounts receivable from related parties which are eliminated during the consolidation of financial statements
December 31, 2024

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of period
Not applicable							

Philcomsat Holdings Corporation and Subsidiaries

Schedule D. Long term debt
December 31, 2024

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “current portion of long-term debt” in related statement of financial position	Amount shown in caption “long-term debt” in statement of financial position
Not applicable	Not applicable	-	-

Philcomsat Holdings Corporation and Subsidiaries

Schedule E. Indebtedness to related parties (long-term loans from related companies)
December 31, 2024

Name of related party	Balance at beginning of period	Balance at end of period
Philippine Communications Satellite Corporation	-	28,344,614

Philcomsat Holdings Corporation and Subsidiaries

Schedule F. Guarantees of securities and other issues
December 31, 2024

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is files	Nature of guarantee
		Not applicable		

Philcomsat Holdings Corporation and Subsidiaries

Schedule G. Capital stock
December 31, 2024

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related statement of financial position	Number of shares reserved for options, warrants, conversions, and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common shares	1,000,000,000	996,391,254	-	796,595,690	100,106,143	99,689,421

Philcomsat Holdings Corporation and Subsidiaries
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2024
(All amounts in Philippine Peso)

Unappropriated Retained Earnings, beginning of the year/period		489,295,084
Add: Category A: Items that are directly credited to Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Less: Category B: Items that are directly debited to Unappropriated retained earnings		
Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)		
Transfer of loss on disposal of FVOCI equity instruments	1,385,211	1,385,211
Unappropriated Retained Earnings, as adjusted		490,680,295
Add/Less: Net Income (loss) for the current year/period		24,752,578
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	14,592	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	14,592

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents		
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	(28,920)	
Reversal of previously recorded fair value gain of investment property		
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)		(28,920)
Adjusted net income/loss		24,738,250
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others (describe nature)	-	-
Total Retained Earnings, end of the year/period available for dividend declaration		**515,418,545**

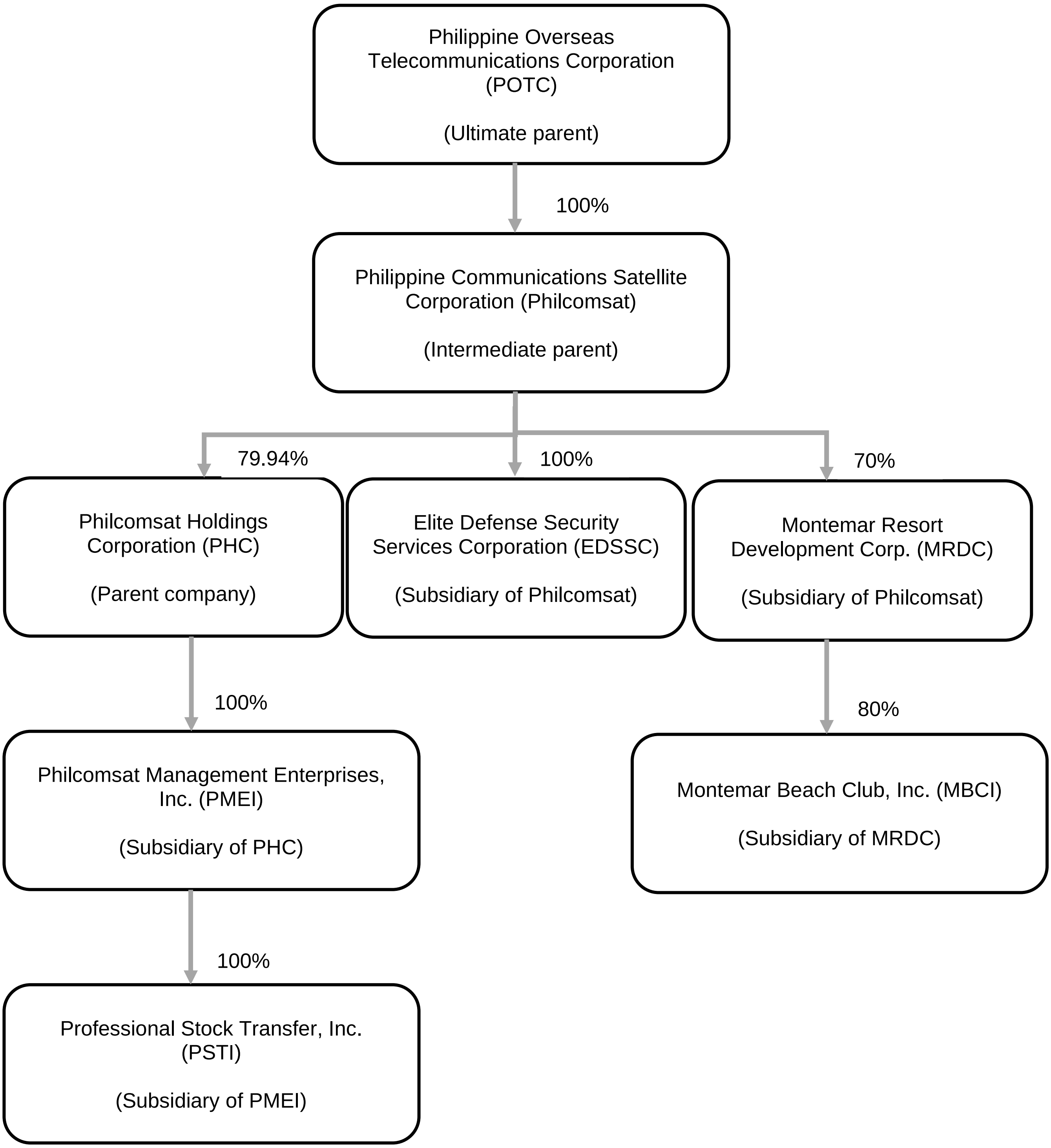
Philcomsat Holdings Corporation and Subsidiaries
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

Schedule of Financial Soundness Indicators
December 31, 2024

Ratio	Formula	2024	2023
Current ratio	Current assets / Current liabilities	28.55:1 P358,378,366 P12,550,629	6.07:1 P255,512,180 P42,124,350
Acid test ratio	Current assets - inventory - prepayments / Current liabilities	27.80:1 P348,884,550 P12,550,629	5.84:1 P246,191,452 P42,124,350
Solvency Ratio	Net income before depreciation and amortization / Total liabilities	0.62:1 P19,631,630 P31,724,845	0.32:1 P19,719,582 P61,284,193
Debt-to-equity ratio	Total liabilities / Total equity	0.02:1 P31,724,845 P1,485,907,234	0.04:1 P61,284,193 P1,458,454,929
Asset to equity ratio	Total assets / Total equity	1.02:1 P1,517,632,079 P1,485,907,234	1.04:1 P1,519,739,122 P1,458,454,929
Interest rate coverage ratio	Operating EBITDA / Net interest	Not Applicable	Not applicable
Return on equity	Net income / Average total equity	1% P17,806,183 P1,472,181,082	1% P17,891,031 P1,452,767,281
Return on asset	Net income / Average total assets	1% P17,806,183 P1,518,685,601	1% P17,891,031 P1,500,836,849
Net profit margin	Net income / Total revenue	32% P17,806,183 P56,474,267	32% P17,891,031 P55,948,553

Philcomsat Holdings Corporation and Subsidiaries

Map showing the relationships between and among the companies in the group,
its ultimate parent company and co-subsidiaries
December 31, 2024



Philcomsat Holdings Corporation and Subsidiaries

Supplementary Schedule of External Auditor Fee-Related Information
December 31, 2024

	2024	2023
Total Audit Fees	**505,000**	**505,000**
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees	**-**	**-**